

AMENDED IN ASSEMBLY APRIL 25, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 996

Introduced by Assembly Member Dickinson

February 22, 2013

An act to amend Sections 43100, 47000, 47001, 47002, 47010, 47011, and 47021 of, to add Sections 47000.5, ~~47001.2~~, 47001.5, and 47014; ~~47020.5~~, and ~~47055~~ to, to add Chapter 9 (commencing with Section 890) to Part 1 of Division 1 of, to add and repeal Section 47021.5 of, to repeal ~~Section~~ *Sections* 47004.1 and 47012 of, to repeal Article 2 (commencing with Section 47010) of Chapter 10.5 of Division 17 of, and to repeal and add Sections 47004 and 47020 of, the Food and Agricultural Code, relating to food and agriculture, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 996, as amended, Dickinson. Agricultural products: direct marketing: certified farmers' markets.

(1) Existing law authorizes the use of the term "California grown" and similar terms for marketing, advertising, or promotional purposes only to identify food or agricultural products that have been produced in the state or harvested in its surface or coastal waters, and makes the fraudulent use of the term or a deliberately misleading or unwarranted use of the term a misdemeanor punishable by a fine of not less than \$100 or more than \$3,000, or by imprisonment in the county jail for not more than 6 months, or by both the fine and imprisonment.

This bill would make it unlawful for any person or entity to intentionally make any statement, representation, or assertion relating to the sale or availability of agricultural products that is false, deceptive,

or misleading, as specified, and would make a violation of those provisions a misdemeanor punishable by imprisonment in the county jail not exceeding 6 months, by a fine not exceeding \$2,500, or both the fine and imprisonment. By creating a new crime, the bill would impose a state-mandated local program.

The bill would also authorize the Secretary of Food and Agriculture or a county agricultural commissioner, in lieu of prosecution, to levy a civil penalty, as specified, or take action against a license, permit, registration, or certification issued pursuant to the Food and Agricultural Code. The bill would make those penalties applicable to the fraudulent use of the term “California grown,” as specified above. The bill would require the civil penalties collected by a county agricultural commissioner to be paid to the county treasurer, and would require civil penalties collected by the secretary to be deposited in *the Direct Agricultural Marketing Penalty Account, which would be created in the Department of Food and Agriculture Fund*, as continuously appropriated funds to be used to conduct investigations and enforcement actions relating to false, deceptive, or misleading statements relating to agricultural products, and for other specified purposes. By establishing a continuously appropriated fund, the bill would make an appropriation.

(2) Existing law regulates *the* direct marketing of agricultural products, and provides for various findings and declaration in that regard. Existing law authorizes the ~~Secretary of Food and Agriculture~~ *secretary* to adopt regulations relating to the direct marketing of agricultural products, authorizes a county agricultural commissioner to issue a certified farmers’ market certificate, and requires the county agricultural commissioner to inspect certified farmers’ markets within his or her jurisdiction. Existing law authorizes a county agricultural commissioner to charge certification and inspection fees, and provides for the assessment of penalties and fines relating to the certification, inspection, and regulation of certified farmers’ markets. These fees and penalties are deposited in the Department of Food and Agriculture Fund, and are required to be used, upon appropriation by the Legislature, for related administrative and regulatory purposes.

This bill would define the terms “producer” and “agricultural product” for purposes of the provisions relating to direct marketing. The bill would authorize the secretary to contract with any county agricultural commissioner’s office for purposes relating to *the* direct marketing of agricultural products, and would authorize compensation to be paid under those contracts from funds derived from assessments and fees

collected pursuant to the provisions relating to direct marketing. The bill would authorize a certified farmers' market operator to contract with a county agricultural commissioner's office for verification inspections, as specified.

(3) Existing law provides for the issuance of a certified producer's certificate by a county agricultural commission, and authorizes the county agricultural commission to charge a certificate and inspection fee, ~~to be~~ *which is* deposited into the Food and Agriculture Fund, as specified.

~~This bill would authorize the secretary to establish a domestic direct marketing advisory committee to, among other things, assist the department in reviewing regulations affecting, and advise the secretary in matters relating to, the domestic direct marketing of California-produced agricultural products. The bill would require direct marketing producers to register with the Department of Food and Agriculture and attest compliance with applicable laws and regulations, as specified *specified practices*, and would impose a registration fee of \$25, to be set by regulation, but not to exceed \$50 annually, to be deposited in the Department of Food and Agriculture Fund and used by the department for related administrative purposes.~~

(4) Existing law specifies that certified farmers' markets are locations established in accordance with local ordinances, and requires the governing board of a certified farmers' market with more than one participating certified producer to adopt written rules and procedures pertaining to the operation of the certified farmers' market.

This bill would instead provide that certified farmers' markets are California agricultural product ~~outlets~~ *point of sale locations* that are registered and operated in accordance with specified provisions. The bill would require vendors of agricultural products selling within a certified farmers' market to comply with specified signage and labeling requirements, and would make those representations subject to criminal, civil, and administrative penalties, as specified ~~above~~. By creating a new crime, the bill would impose a state-mandated local program. The bill would repeal provisions authorizing an aggrieved certified producer to submit a request to the department for an advisory opinion, and for the department to issue the advisory opinion, and would repeal provisions requiring the department to provide for an informal hearing process for grievances relating to certified farmers' markets.

(5) Existing law requires the secretary to establish a certified farmers' market advisory committee *the Certified Farmers' Market Advisory Committee*.

This bill would ~~authorize, but not require, the secretary to establish that committee, and would~~ specifically limit the duties of that committee to all matters relating to certified farmers' markets, as specified. *The bill would decrease the number of members on the committee from 17 members to 14 members, as specified.* The bill would repeal the ~~provision provisions~~ relating to the ~~certified farmers' market advisory committee~~ *Certified Farmers' Market Advisory Committee* on January 1, 2015.

(6) Existing law requires a certified farmers' market certificate to be obtained from a county agricultural commissioner, and authorizes the county agricultural commissioner to assess a fee for the certificate and for inspections, as specified.

This bill would repeal those provisions and instead would require an operator of a certified farmers' market to annually register with the department, and would require the county agricultural commissioner to issue a certified farmers' market certificate upon registration. The bill would ~~require registered direct marketing producers a California producer~~ to register with the department and obtain a certified producer's ~~certificates~~ *certificate*. The bill would ~~require certified producers a California producer~~ to submit specified information to the department, including, *among other things*, a list of facilities at which their product was processed, as specified, and would require, *until January 1, 2016*, each operator of a certified farmers' market to remit to the department an investigation and enforcement fee ~~based on the number of individual agricultural product vendors whose products were presented for sale on each market day for the previous quarter~~, as specified. ~~The bill would repeal those provisions relating to remitting an investigation and enforcement fee on January 1, 2016.~~

(7) Existing law requires, until January 1, 2014, that every operator of a certified farmers' market remit to the department a fee equal to the number of certified producer certificates and other agricultural producers participating on each market day for the entire previous quarter, which shall be used by the department upon appropriation by the Legislature, as specified.

This bill would instead require, until January 1, 2016, a program fee equal to the number of ~~agricultural product~~ vendors participating and selling goods under the authority and management of the certified

farmers’ market operator on each market day for the entire previous quarter to be remitted to the department.

~~(8) The bill would provide for the establishment of direct marketing producer associations, and would authorize a direct marketing producer association to sell California agricultural products to members of the public, subject to specified provisions. The bill would require the source of those products to be clearly identified and would make a violation of those provisions a crime, as specified. The bill would require a direct marketing producer association to annually register with the department and pay a registration fee, to be deposited into the Department of Food and Agriculture Fund, and used for the administration and enforcement of those provisions. The bill would regulate certified producer consignment sales agreements, as defined, would require those agreements to be annually registered with the department, and would impose a \$50 registration fee, to be deposited in the Department of Food and Agriculture Fund for administration of the provisions relating to certified producer consignment sales agreements.~~

~~(9)~~

(8) Because the bill would create new crimes, and by imposing new requirements on county agricultural commissioners, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 9 (commencing with Section 890) is
2 added to Part 1 of Division 1 of the Food and Agricultural Code,
3 to read:

CHAPTER 9. INTENTIONALLY FALSE, DECEPTIVE, OR MISLEADING MARKETING

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890. (a) It is unlawful for any person or entity to intentionally make any statement, representation, or assertion orally, by public statement, advertisement, or signage, or by any other means that relates to the sale or availability of agricultural products that is false, deceptive, or misleading regarding any of the following:

- (1) The area of production of the agricultural product.
- (2) The identity of the producer of the agricultural product.
- (3) The manner and method of production of the agricultural product.

(b) A violation of the provisions of this section is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding two thousand five hundred dollars (\$2,500), or by both that imprisonment and fine.

891. In lieu of prosecution, the secretary, or a county agricultural commissioner under the authority of the secretary, may levy a civil penalty against a person or entity that violates this section in an amount not less than five hundred (\$500), nor more than five thousand dollars (\$5,000) for each violation. The amount of the penalty assessed for each violation shall be based upon the scope of the violation, the seriousness of the deception, and the impact of the penalty on the violator, including the deterrent effect on future violations. Subdivision (e) of Section 43003 shall apply to any fine or civil penalty levied pursuant to this section.

892. (a) In addition to, or in lieu of, any action taken against a person by the secretary or a county agricultural commissioner under the provisions of Section 890 or 891, the secretary or a county agricultural commissioner may modify, suspend, revoke, or refuse or condition the issuance of a license, permit, registration, or certification issued under the provisions of this code.

(b) Any action taken pursuant to this section shall be based upon the scope of the violation, the seriousness of the deception, and the corrective or deterrent effect on future violations.

(c) Any action taken pursuant to this section shall be subject to the due process and applicable civil remedy provisions of this code that govern the issuance of the license, permit, registration, or certification.

1 893. (a) All civil penalties collected pursuant to this chapter
2 by the secretary shall be deposited in the *Direct Agricultural*
3 *Marketing Penalty Account, which is hereby created in the*
4 Department of Food and Agriculture Fund, and shall be used to
5 conduct investigations and enforcement actions upon complaints
6 filed or pursuant to information received that results in the
7 investigation of a violation of Section 890. Money deposited
8 pursuant to this chapter may also be used to contract with county
9 agricultural commissioners for services that further the purposes
10 of this chapter, and may be used for expenses incurred by county
11 agricultural commissioners for investigative and enforcement
12 actions conducted pursuant to this chapter. Notwithstanding Section
13 13340 of the Government Code, all money deposited pursuant to
14 this chapter shall be continuously appropriated to the department
15 without regard to fiscal year for purposes of this chapter.

16 (b) All civil penalties collected pursuant to enforcement actions
17 by a county agricultural commissioner under the provisions of this
18 chapter shall be paid to the county treasurer.

19 894. A proceeding brought by the state or a county for an act
20 that violates the provisions of Section 890 shall preclude any
21 concurrent or subsequent proceeding by the state or a county for
22 the same act, or a proceeding brought by a governmental agency
23 under the provisions of Section 17500 of the Business and
24 Professions Code for the same act.

25 SEC. 2. Section 43100 of the Food and Agricultural Code is
26 amended to read:

27 43100. (a) The terms “California grown,” “California-grown,”
28 and similar terms with identical connotations shall be used in the
29 labeling or advertising of agricultural products as follows:

30 (1) The terms “California grown,” “California-grown,” and
31 similar terms with identical connotations may be used for
32 marketing, advertising, or promotional purposes, only to identify
33 food or agricultural products that have been produced in the state
34 or harvested in its surface or coastal waters.

35 (2) The secretary may adopt guidelines, rules, and regulations
36 to further define acceptable uses of the terms “California grown,”
37 “California-grown,” and similar terms with identical connotations,
38 and to prevent any misleading use of the terms.

39 (b) Any intentionally false, deceptive, or misleading use of the
40 terms “California grown,” “California-grown,” and similar terms

1 with identical connotations, or of any seals or other identities
 2 officially adopted by the department in connection with these
 3 terms, or a deliberately unwarranted use of these items or terms
 4 shall be subject to the provisions and penalties set forth in Chapter
 5 9 (commencing with Section 890) of Part 1 of Division 1.

6 SEC. 3. Section 47000 of the Food and Agricultural Code is
 7 amended to read:

8 47000. The Legislature finds and declares all of the following
 9 with regard to the direct marketing of agricultural products:

10 (a) Direct marketing of agricultural products benefits the
 11 agricultural community and the consumer by, among other things,
 12 providing an alternative method for growers to sell their products
 13 while benefiting the consumer by supplying quality produce at
 14 reasonable prices.

15 (b) Direct marketing is a good public relations tool for the
 16 agricultural industry that brings the farmer face-to-face with
 17 consumers and other end users.

18 (c) The direct marketing potential of a wide variety of
 19 California-produced agricultural products should be maximized
 20 and encouraged.

21 (d) Farm stands allow farmers to sell fresh produce and eggs
 22 grown on their farm as well as other food products made with
 23 ingredients produced on or near the farm, thus enhancing their
 24 income and the local economy.

25 *(e) The permitting, regulating, and operating of certified*
 26 *farmers' markets provide the essential core and foundation for*
 27 *the creation and operation of additional nonagricultural vending*
 28 *activities that are ancillary but contiguous to the certified farmers'*
 29 *market, thereby providing a larger community event amenity for*
 30 *business districts and additional revenue for the operators of*
 31 *certified farmers' markets.*

32 ~~(e)~~

33 (f) The department should maintain a direct marketing program
 34 and encourage the sale and purchase of California-grown fresh
 35 produce and other California-produced agricultural products.

36 ~~(f)~~

37 (g) It is the intent of the state to promote the purchase and
 38 consumption of California-grown produce and to promote access
 39 to California-produced agricultural products. Restaurants and

1 nonprofit organizations can provide assistance in bringing
2 California-grown products to all Californians.

3 ~~(g)~~

4 (h) A regulatory scheme should be developed that provides the
5 flexibility that will make direct marketing a viable marketing
6 system.

7 ~~(h)~~

8 (i) The department should assist producers in organizing certified
9 farmers' markets, field retail stands, farm stands, and other forms
10 of direct marketing by providing technical advice on marketing
11 methods and in complying with the regulations that affect direct
12 marketing programs.

13 ~~(i)~~

14 (j) The department is encouraged to establish an ad hoc advisory
15 committee to assist the department in establishing regulations
16 affecting direct marketing of products and to advise the secretary
17 in all matters pertaining to direct marketing.

18 SEC. 4. Section 47000.5 is added to the Food and Agricultural
19 Code, to read:

20 47000.5. The following definitions apply to this chapter, unless
21 otherwise specified:

22 (a) "Agricultural product" means a *fresh or processed* product
23 produced in California, including fruits, nuts, vegetables, herbs,
24 mushrooms, dairy, shell eggs, honey, flowers, grains, nursery
25 stock, livestock meats, poultry meats, rabbit meats, and fish,
26 including shellfish that is produced under controlled conditions in
27 waters located in California. Products that are characterized as
28 arts, crafts, bakery, candies, soaps, balms, perfumes, cosmetics,
29 clothing, fabrics, pastas, compost, fertilizers, and types of wares
30 are not agricultural products for purposes of this chapter.

31 (b) "Practice of the agricultural arts" means the undertaking of
32 being predominantly responsible for the decisions and actions
33 encompassing the various phases of producing an agricultural
34 product. The practice for fruit, floral, nut, vegetable, and other
35 plant products includes directive or actual responsibility for all the
36 actions of planting, growing, fertilizing, irrigating, cultivating,
37 pest control, and harvesting. The practice for agricultural animal
38 products includes directive or actual responsibility for a substantial
39 time of the raising, feeding, veterinary care, and product harvesting.

1 (c) “Producer” means a person, partnership, corporation, or an
2 otherwise legally formed farm or ranch that produces agricultural
3 products by the practice of the agricultural arts upon land that the
4 person or entity owns, rents, leases, sharecrops, or otherwise
5 controls and has the documented legal right to possession. A person
6 or entity that rents, leases, or otherwise acquires the right to
7 possession of property essentially only for or limited to the period
8 of the harvest season of the agricultural products produced on that
9 property shall not be considered a producer under the provisions
10 of this chapter.

11 SEC. 5. Section 47001 of the Food and Agricultural Code is
12 amended to read:

13 47001. (a) The secretary may adopt regulations to encourage
14 the direct sale by farmers to the public of all types of agricultural
15 products. *Those regulations also shall include the authority of the*
16 *secretary to create or recognize any legal mechanism, relationship,*
17 *or entity that would allow direct marketing producers to jointly,*
18 *in a cooperative, labor-sharing, and cost-sharing manner, sell to*
19 *the public the agricultural products produced by them, exempt*
20 *from size, standard pack, container, and labeling requirements,*
21 *and any applicable provision of Chapter 7 (commencing with*
22 *Section 56101) of Division 20.*

23 (b) These regulations may include provisions to ensure and
24 maintain quality and wholesomeness of the products, and to ensure
25 that the selling activities are conducted without fraud, deception,
26 or misrepresentation.

27 (c) The secretary may contract with any county agricultural
28 commissioner to carry out the provisions of this chapter, including
29 contracts for administration, investigations, inspections,
30 registrations, and assistance pertaining to direct marketing
31 producers and outlets. The secretary may enact regulations to
32 categorize the contracts and set compensation, fees, and rates for
33 each contract. Compensation under the contracts shall be paid from
34 assessments and fees collected and deposited under the provisions
35 of this chapter.

36 (d) A certified farmers’ market operator may contract with a
37 county agricultural commissioner for a special onsite field or
38 storage verification inspection of a direct marketing producer
39 selling in a certified farmers’ market operated and controlled by
40 the operator. A contract for a verification inspection shall be

1 authorized only pursuant to a reasonable suspicion of a violation
2 of this chapter. All contracts and contract fees are subject to the
3 discretion of the county agricultural commissioner in the county
4 where the verification inspections are being requested.

5 SEC. 6. Section 47001.2 is added to the Food and Agricultural
6 Code, to read:

7 47001.2. (a) ~~The secretary may establish an advisory~~
8 ~~committee, to be known as the domestic direct marketing advisory~~
9 ~~committee, to assist the department in reviewing regulations~~
10 ~~affecting the domestic direct marketing of agricultural products~~
11 ~~and to advise the secretary in matters pertaining to the domestic~~
12 ~~direct marketing of agricultural products. The committee shall~~
13 ~~develop ideas, innovations, and funding sources for the safe,~~
14 ~~effective, efficient, and honest marketing of agricultural products~~
15 ~~to occur within California, with special attention given to~~
16 ~~California's underserved and low-income communities, and~~
17 ~~determine what actions could be taken to encourage the~~
18 ~~implementation of ideas, innovations, and funding. Members of~~
19 ~~the committee shall serve without compensation or reimbursement~~
20 ~~for expenses from the state.~~

21 (b) ~~The committee may be composed of representatives of~~
22 ~~organizations that have a significant number of members engaged~~
23 ~~in the domestic direct marketing of agricultural products,~~
24 ~~representatives of marketing groups that devote their resources to~~
25 ~~the marketing and encouragement of consumption of agricultural~~
26 ~~products by California consumers, individuals whose livelihood~~
27 ~~is substantially supported by the domestic direct marketing of~~
28 ~~agricultural products, representatives of other branches of~~
29 ~~government whose regulations or programs monitor, control, or~~
30 ~~encourage the consumption of agricultural products, and members~~
31 ~~of the California consumer public who have demonstrated a special~~
32 ~~interest in the availability and marketing of agricultural products.~~
33 ~~The committee shall meet at the discretion or request of the~~
34 ~~secretary.~~

35 (c) ~~The committee may appoint officers, including a chairperson,~~
36 ~~a vice chairperson, a secretary, and any other officers it deems~~
37 ~~necessary. The committee may adopt rules that it deems necessary~~
38 ~~to conduct its meetings and functions, and to carry out the~~
39 ~~objectives of this chapter.~~

1 ~~(d) The committee shall advise the secretary on matters~~
 2 ~~pertaining to the domestic direct marketing of agricultural products~~
 3 ~~and may make recommendations, including, but not limited to, the~~
 4 ~~amendment, repeal, or adoption of legislation and regulations that~~
 5 ~~relate to the administration and enforcement of this chapter, and~~
 6 ~~the setting and disposition of any fees assessed by the department~~
 7 ~~pursuant to this chapter.~~

8 ~~SEC. 7.~~

9 ~~SEC. 6.~~ Section 47001.5 is added to the Food and Agricultural
 10 Code, to read:

11 47001.5. (a) ~~Every California agricultural~~ A producer, *not*
 12 *otherwise registered or certified pursuant to the provisions of this*
 13 *chapter*, intending to sell directly to the California public shall
 14 annually register with the department as a direct marketing
 15 producer. Registration shall include the direct marketing producer's
 16 contact information, a general list of agricultural products the direct
 17 marketing producer intends to direct market, and the categories of
 18 direct marketing methods the direct marketing producer intends
 19 to use. ~~Methods~~ *The registration also shall include the methods*
 20 *and outlets to be used that are recognized and regulated by this*
 21 *chapter shall be listed.*

22 ~~(b) The registration for a direct marketing producer shall include~~
 23 ~~a statement that the person is in compliance with the following:~~

24 ~~(1) Applicable United States Food and Drug Administration~~
 25 ~~Food Safety Modernization Act (FSMA) mandates and state~~
 26 ~~regulations:~~

27 ~~(2) The food is obtained from an approved source, as specified~~
 28 ~~under the Health and Safety Code.~~

29 *(b) Each registration shall include the signed statement that the*
 30 *producer is in compliance with any applicable on-farm, food-safety,*
 31 *good-agricultural practices, as defined by the department, in*
 32 *cooperation with the direct marketing producer industry. A*
 33 *producer registered, certified, and in compliance with this section*
 34 *shall be deemed an approved source, as defined in Section 113735*
 35 *of the Health and Safety Code.*

36 (c) The annual registration fee for a direct marketing producer
 37 shall be ~~twenty-five dollars (\$25)~~ *set by regulation, as enacted by*
 38 *the secretary, that is reflective of the actual cost of the processing*
 39 *of the registration and shall not exceed fifty dollars (\$50) annually.*
 40 Fees collected shall be deposited in the Department of Food and

1 Agriculture Fund and shall be used ~~exclusively~~ by the department
2 for the administration of this section. Administration shall include
3 creating and maintaining an online process and producer data filing
4 system for registration, any reimbursement for expenses incurred
5 by county agricultural commissioners for implementing or aiding
6 in the registration process, or any coordination expenses incurred
7 relative to meetings and actions of any ~~domestic ad hoc~~ direct
8 marketing advisory committee established by the secretary ~~pursuant~~
9 ~~to Section 47001.2.~~

10 (d) The annual fee shall be waived when the direct marketing
11 producer registration is combined with other annual registration
12 or certification processes, *pursuant to this division*, where a fee is
13 exacted from the producer for *registration or processing*. The
14 registration provisions of this section shall be complied with
15 regardless of any waiver of fees granted.

16 ~~(e) Nothing in this section supersedes any applicable provision~~
17 ~~of any federal or state health and safety law, statute, or regulation.~~

18 ~~SEC. 8.~~

19 *SEC. 7.* Section 47002 of the Food and Agricultural Code is
20 amended to read:

21 47002. California farmers registered *or certified pursuant to*
22 *this chapter* as direct marketing producers in accordance with
23 Section 47001.5 may transport for sale and sell California-grown
24 fresh fruits, nuts, and vegetables that they produce, directly to the
25 public, and shall be exempt from size, standard pack, container,
26 and labeling requirements; at an outlet or location operated by an
27 individual, organization, or entity that is regulated under this
28 chapter or is recognized by a regulation adopted pursuant to Section
29 47001 and is otherwise authorized by local laws, subject to the
30 following conditions:

31 (a) All fresh fruits, nuts, and vegetables sold shall comply with
32 the California Code of Regulations governing maturity and quality.

33 (b) No exemption granted by this section supersedes the
34 provisions of federal marketing orders, state marketing orders, or
35 any health and safety laws, regulations, or ordinances.

36 (c) All fresh fruits, nuts, and vegetables sold in closed consumer
37 containers shall be labeled with the name, address, and ZIP Code
38 of the producer, and a declaration of identity and net quantity of
39 the commodity in the package.

1 (d) If a farmer selling produce pursuant to this section
2 implements any exemption to size, standard pack, container, or
3 labeling requirements as provided by this section, those sales may
4 only be conducted as direct sales to *any of* the following:

5 (1) Consumers who are end users.

6 (2) Individuals, organizations, or entities that subsequently sell
7 the produce directly to end users.

8 (3) Individuals, organizations, or entities that distribute the
9 produce directly to end users at no cost to those end users.

10 (e) A farmer selling produce ~~under~~ *pursuant to* paragraph (2)
11 or (3) of subdivision (d) shall provide the individual, organization,
12 or entity a memorandum that lists the identity of the producer, the
13 address of the producer, and the identity and quantity of the
14 produce purchased. A bill of sale or a container label including
15 this information shall meet the requirements of this subdivision.

16 ~~SEC. 9.~~

17 *SEC. 8.* Section 47004 of the Food and Agricultural Code is
18 repealed.

19 ~~SEC. 10.~~

20 *SEC. 9.* Section 47004 is added to the Food and Agricultural
21 Code, to read:

22 47004. (a) Certified farmers' markets are California
23 agricultural product ~~outlets~~ *point of sale locations* that are
24 registered under the provisions of Section 47020 and operated in
25 accordance with this chapter and regulations adopted pursuant to
26 this chapter.

27 (b) The operator of a certified farmers' market shall establish
28 a clearly defined marketing area where only agricultural products
29 may be sold. Only the producer or the lawful authorized
30 representative of the producer may sell agricultural products within
31 the area defined as a certified farmers' market. ~~No sales~~ *Sales* of
32 agricultural products purchased from another individual or entity
33 shall *not* occur within a certified farmers' market, and ~~no an~~
34 agricultural product producer or product dealer ~~may~~ *shall not* sell
35 his or her agricultural products to another individual or entity with
36 the understanding or knowledge that the products are intended to
37 be resold in a certified farmers' market in violation of the
38 provisions of this chapter or the regulations adopted pursuant
39 thereto. Every producer selling within a certified farmers' market
40 shall ~~be registered with the state as a direct marketing producer,~~

1 ~~and shall have submitted to the state all documentation and paid~~
2 ~~all fees required by *comply with* Section 47001.5 47020.~~

3 (c) All vendors of agricultural products selling within a certified
4 farmers' market shall do all of the following:

5 (1) Post conspicuous signs or banners that state the name of the
6 farm or ranch, the city where the farm or ranch is located, *and* the
7 county where the farm or ranch is located, ~~and the direct marketing~~
8 ~~producer's registration number.~~

9 (2) Post conspicuous signs or banners that state, "We Grew
10 What We Are Selling" or "We Raised What We Are Selling" or
11 "We Grow What We Sell" or similar phrases that shall represent
12 that the farm or ranch is only selling ~~California~~ agricultural
13 products that they themselves have grown or raised on California
14 land that they possess or control.

15 (3) Ensure that all processed agricultural products that they offer
16 for sale state in a clear manner by package label or container label
17 or bulk sales signage that they consist only, with the exception of
18 incidental flavorings and necessary preservatives, of ~~California~~
19 agricultural products grown or raised by the farm or ranch selling
20 them, and the farm or ranch name and the city where the farm or
21 ranch is located. In addition, every processed product shall identify
22 ~~on its a~~ package label or container label or on bulk sales signage
23 the registration number *or other identity reference* of the facility
24 where the food was processed, *or any other required labeling*
25 *statements or information*, in accordance with ~~Section~~ *Sections*
26 *110460, 114365, and 114365.2* of the Health and Safety Code or,
27 in the case of meat products, the identity of the facility where the
28 meat products were cut and wrapped in accordance with the United
29 States Department of Agriculture or State of California inspection
30 standards or, in the case of dairy products, the identity of the
31 facility where the dairy products were manufactured or processed.

32 (4) Ensure all products being represented or offered for sale as
33 organic are clearly labeled or have conspicuous and posted
34 point-of-sale signage identifying the products as organic.

35 (d) The representations required ~~in pursuant to~~ subdivision (c)
36 shall be subject to the provisions and penalties specified in Section
37 890.

38 (e) An operator of a certified farmers' market that also operates,
39 manages, or otherwise controls a separate sales activity or vending
40 event or marketing area in close proximity, adjacent, or contiguous

1 to the operator’s certified farmers’ market, shall not allow the sale
 2 or distribution of fresh whole produce by vendors selling within
 3 ~~the those~~ sales activity or vending event or marketing area, with
 4 ~~the areas~~ exception of fresh whole produce considered tropical
 5 and not generally grown in California.

6 (f) The operator of a certified farmers’ market shall keep an
 7 accurate participation record of the individual direct marketing
 8 producers whose agricultural products were presented for sale in
 9 their market each market day. The operators shall submit to the
 10 department a quarterly report of the registration numbers and
 11 participation frequency of the direct marketing producers whose
 12 agricultural products were presented for sale in the operator’s
 13 market during that past quarter. The department shall create and
 14 maintain online capability for reporting.

15 (g) Operators of certified farmers’ markets may establish rules
 16 and procedures that are more restrictive and stringent than state
 17 laws or regulations governing or implementing this chapter, so
 18 long as the rules and procedures are not in conflict with state laws
 19 or regulations.

20 (h) Except for certified farmers’ markets operated by
 21 government agencies, nonprofit entities and other qualified
 22 operators of certified farmers’ markets shall be considered private
 23 entities and may take actions, adopt rules, and impose requirements
 24 they deem necessary for the proper and honest operation of their
 25 market, subject to the application of any state or other laws.
 26 Government agency operators of certified ~~farmers~~ farmers’ markets
 27 are subject to applicable state laws, the laws of ~~their~~ the governing
 28 agency, and any other laws governing the conduct and actions they
 29 may take as ~~an agency of government~~ a governmental entity.

30 ~~SEC. 11.~~

31 *SEC. 10.* Section 47004.1 of the Food and Agricultural Code
 32 is repealed.

33 ~~SEC. 12.~~

34 *SEC. 11.* Section 47010 of the Food and Agricultural Code is
 35 amended to read:

36 47010. (a) The secretary ~~may~~ shall establish a committee that
 37 shall be known as the Certified Farmers’ Market Advisory
 38 Committee. The primary ~~goal~~ goals of the committee shall be to
 39 ~~ensure the integrity of certified farmers’ markets.~~ all of the
 40 following:

1 (1) *Promote the demand and consumption of agricultural*
2 *products purchased directly from California producers at certified*
3 *farmers' markets.*

4 (2) *Ensure that existing and future certified farmers' markets*
5 *are primarily maintained for the benefit of the California producers*
6 *selling their products within those markets.*

7 (3) *Ensure that honest and fair marketing of products occur*
8 *within certified farmers' markets and within any ancillary vending*
9 *activities under the operation and control of a certified farmers'*
10 *market operator.*

11 (b) The committee shall be composed of ~~17~~ 14 members and
12 their alternates. ~~The secretary shall appoint the members of the~~
13 ~~committee from a list of nominees provided by the industry subject~~
14 ~~to this chapter.~~ The secretary shall *endeavor to* appoint ~~eight~~ six
15 members and their alternates who shall be ~~active certified producers~~
16 ~~or representatives of agricultural organizations that represent~~
17 ~~producers,~~ ~~four~~ six members and their alternates who shall be
18 certified farmers' market ~~managers~~ operators or representatives
19 of the operator, ~~two~~ representatives from different major state
20 direct marketing associations; one public member, and ~~two~~
21 ~~members~~ one member and their alternates *his or her alternate* who
22 shall be a county agricultural ~~commissioners~~ commissioner. An
23 alternate member shall serve at a committee meeting only in the
24 absence of, and shall have the same powers and duties as, the
25 member for whom he or she is designated as alternate. *All*
26 *appointees shall serve two-year terms or at the pleasure of the*
27 *secretary. Members appointed to fill vacancies shall serve the*
28 *remainder of the term.*

29 (c) The secretary ~~shall appoint only one certified producer,~~
30 ~~certified farmers' market manager, or representative to represent~~
31 ~~any one farm or certified farmers' market and shall make every~~
32 ~~an effort to ensure that there is~~ *include members who represent a*
33 *diverse representation from major production and market areas*
34 *state geographical and agricultural product.*

35 (d) The committee shall meet at the request of the secretary;
36 *and* the committee chairperson, or upon the request of ~~four~~ *eight*
37 committee members. It shall meet at least once each year.

38 (e) The committee ~~shall~~ *may* appoint its own officers, including
39 a chairperson, a vice chairperson, a secretary, and any other officers
40 it deems necessary. The committee may adopt rules that it deems

1 are necessary for the conduct of its meetings and functions to carry
 2 out the objectives of this chapter.

3 ~~SEC. 13.~~

4 *SEC. 12.* Section 47011 of the Food and Agricultural Code is
 5 amended to read:

6 47011. The ~~committee~~ *Certified Farmers' Market Advisory*
 7 *Committee* shall be advisory to the secretary on ~~all~~ matters
 8 pertaining to direct marketing of agricultural products at certified
 9 farmers' markets and may make recommendations including, but
 10 not limited to, the following:

11 (a) The amendment, repeal, or adoption of legislation and
 12 regulations that relate to the ~~administration and enforcement of~~
 13 ~~the provision of this chapter pertaining to certified farmers' markets~~
 14 *primary goals stated in subdivision (a) of Section 47010.*

15 (b) Administrative policies and procedures that relate to *the*
 16 *primary goals stated in subdivision (a) of Section 47010, including*
 17 the inspection of certified producers and certified farmers' markets.

18 (c) Administrative civil penalties for violations of certified
 19 farmers' market *laws and regulations.*

20 (d) ~~Certification Program and enforcement~~ fees collected
 21 pursuant to ~~Section 47020~~ *Sections 47021 and 47021.5.*

22 (e) Statewide review of certified farmers' market *promotion*
 23 *and enforcement actions.*

24 (f) The annual budget of the ~~department~~ *department's certified*
 25 *farmers' market program to carry out the goals and purposes of*
 26 *this chapter and the assessment of fees to pay for the costs incurred*
 27 *by the department to carry out the provisions of this chapter relating*
 28 *to farmers' markets.*

29 (g) Alternative strategies for certification and investigation
 30 methodology, and methods for industry self-regulation and
 31 ~~commission~~ *committee* formation.

32 *SEC. 13.* Section 47012 of the Food and Agricultural Code is
 33 *repealed.*

34 47012. (a) Except as provided in subdivisions (b) and (c), the
 35 term of any member of the committee shall be two years.

36 (b) ~~With respect to the terms of initial members of the~~
 37 ~~committee, eight members shall serve for one year and nine~~
 38 ~~members shall serve for two years, with the determinations of the~~
 39 ~~term of each member to be made by lot. No member of the~~

1 ~~committee shall serve more than four full consecutive two-year~~
2 ~~terms.~~

3 ~~(e) Any vacancy that occurs during an unexpired term shall be~~
4 ~~filled by appointment for the unexpired term.~~

5 SEC. 14. Section 47014 is added to the Food and Agricultural
6 Code, to read:

7 47014. This article shall remain in effect only until January 1,
8 2015, and as of that date is repealed, unless a later enacted statute,
9 that is enacted before January 1, 2015, deletes or extends that date.

10 SEC. 15. Section 47020 of the Food and Agricultural Code is
11 repealed.

12 SEC. 16. Section 47020 is added to the Food and Agricultural
13 Code, to read:

14 47020. (a) An operator of a certified farmers' market shall
15 annually register with the department the times and location of the
16 market, the name and contact information for the operator of the
17 market, and the agent for service of process for the operator. Upon
18 completion of a proper application, the agricultural commissioner
19 shall issue to the operator a certified farmers' market certificate.

20 (b) A certified farmers' market certificate issued by a county
21 agricultural commissioner shall be valid for 12 months from the
22 date of issue and may be renewed annually thereafter. The county
23 agricultural commissioner shall inspect every certified farmers'
24 market within his or her jurisdiction at least once ~~in~~ *for* every six
25 months of operation. The county agricultural commissioner shall
26 provide an estimate of expenses for inspections at the time of
27 application or renewal and may charge a certification and
28 inspection fee reflecting or equal to the actual expenses incurred.

29 (c) (1) ~~Any registered direct marketing California~~ producer
30 wishing to sell at a certified farmers' market shall apply and
31 register with the department and obtain a certified producer's
32 certificate. *Each registration shall include the signed statement*
33 *that the producer is in compliance with any applicable on-farm,*
34 *food safety, good agricultural practices, as defined by the*
35 *department, in cooperation with the direct marketing producer*
36 *industry.* All certified producer certificates will be assigned one
37 or more permanent registration numbers representing the farm or
38 ranch for each county where the farm or ranch is located. ~~These~~
39 ~~registration numbers shall correspond with or incorporate~~
40 ~~numerically the registered direct market producer numbers. A~~

1 *producer registered, certified, and in compliance with this section*
2 *shall be deemed an approved source, as defined in Section 113735*
3 *of the Health and Safety Code.*

4 (2) In addition to business contact information for the producer,
5 the certificate shall also include the Global Positioning System
6 (GPS) convertible physical addresses and acreage for the locations
7 in each county where they produce or raise the agricultural product
8 they sell or intend to sell directly to the public, and the
9 GPS-convertible physical addresses of any off-farm locations
10 where the products are or will be stored before they are sold
11 directly to the public.

12 (3) Each certified producer farming fruit, vegetables, nuts, herbs,
13 and similar crops shall annually submit to the department pertinent
14 information about the specific crops that they will harvest or intend
15 to harvest for sales directly to the public.

16 (4) Each certified producer that sells or intends to sell any
17 processed agricultural product that they produced directly to the
18 public shall submit to the department a list of each facility where
19 their production was canned, dried, flavored, preserved, fermented,
20 juiced, or otherwise processed into the product that they intend to
21 sell to the public, and the registration number *or other pertinent*
22 *information* of each facility where the food was processed in
23 accordance with ~~Section~~ *Sections* 110460, 114365, and 114365.2
24 of the Health and Safety Code.

25 (5) Each certified producer that raises animals for meat, cheese,
26 eggs, honey, or similar products for sale directly to the public shall
27 annually submit to the department pertinent general information
28 about the products produced for sale directly to the public. In the
29 case of meat products, the producer shall also list the facilities
30 where their products will be slaughtered, cut, and wrapped in
31 accordance with ~~USDA~~ *United States Department of Agriculture*
32 *or State of California* inspection standards in preparation for sale
33 to the public. In the case of any dairy product, the producer shall
34 also list the facilities where their product is manufactured and
35 processed.

36 (6) All certified producers shall keep general records of
37 agricultural product sales directly to the end users and
38 memorandum records of product sales to parties intending to resell
39 or distribute the product to the public or end users under the
40 provisions of Section 47002 ~~of this chapter~~.

1 (7) A certified producer's certificate issued by a county
2 agricultural commissioner shall be valid for up to 12 months from
3 the date of issue and may be renewed annually thereafter. The
4 county agricultural commissioner in each county shall perform at
5 least one onsite inspection for all new certified producer certificate
6 applicants and may perform additional inspections as needed of
7 the property or properties listed on ~~those~~ *the certified producers'*
8 ~~certificates~~ *producer's certificate* issued in ~~their~~ *his or her* county
9 to verify production of the commodities being sold at a certified
10 farmers' market or the existence in storage of the ~~producers'~~
11 *producer's* actual harvested production, or both, of any product
12 being sold at a certified farmers' market. Where practical or
13 purposeful, verification inspections should be made when the actual
14 harvest or sale of the commodity in question is occurring. The
15 county agricultural commissioner shall furnish the producer an
16 estimate of expenses for certification or inspection at the time of
17 application or renewal or before any needed additional verification
18 inspection, and may charge a certification and inspection fee
19 reflecting or equal to the actual expenses incurred.

20 (d) Renewal of a certified farmers' market certificate or certified
21 producer's certificate may be denied by either the department or
22 a county agricultural commissioner if a certified farmers' market
23 or a certified producer is delinquent in the payment of the required
24 state fee or any county certification and inspection fee or
25 administrative civil penalty authorized ~~under~~ *pursuant to* this
26 chapter. The certificate shall be eligible for renewal when all
27 outstanding balances and associated penalties or administrative
28 fines have been paid to the department or the respective county or
29 counties.

30 ~~SEC. 17.~~ Section 47020.5 is added to the Food and Agricultural
31 Code, to read:

32 47020.5. (a) ~~Certified producer consignment sales agreements~~
33 ~~are written contractual agreements whereby two California~~
34 ~~registered direct marketing producers that are certified to sell at a~~
35 ~~certified farmers' market may jointly sell to the public at a certified~~
36 ~~farmers' market the agricultural products produced by both~~
37 ~~producers who are parties to the agreement. The certified producer~~
38 ~~consignment sales agreement shall be embodied in a written~~
39 ~~document that details the terms of the agreement. Certified~~
40 ~~producer consignment sales agreements may be prohibited by and~~

1 are otherwise subject to the rules and conditions of a certified
2 farmers' market operator. Certified producer consignment sales
3 agreements are valid for use only and exclusively within certified
4 farmers' markets operating under and in accordance with provisions
5 of this chapter. The provisions of Chapter 7 (commencing with
6 Section 56101) of Division 20 shall not apply to certified producer
7 consignment sales agreements.

8 (b) For purposes of this chapter, a consignment is an
9 arrangement resulting from a written agreement in which one
10 registered direct marketing producer, the consignor, entrusts his
11 or her agricultural products to another registered direct marketing
12 producer, the consignee, for sale at a certified farmers' market.
13 The consignee acts as an agent on behalf of the consignor, a
14 principal, in selling the products. All laws governing the
15 responsibilities and liabilities for an agent and principal relationship
16 shall apply. The consignor shall not give up ownership of the
17 products until their sale to the consumer or other end user. The
18 terms of the consignment contract shall be that the consignee agrees
19 to deliver to the consignor a balance of the proceeds received for
20 any goods sold that has been reduced by the consignee's fee and
21 expenses, the total of which shall not be more than 25 percent of
22 the sale proceeds returned to the consignor. Any goods that have
23 not been sold shall be returned to the consignor or disposed of in
24 a nonsales transaction manner dictated by the consignor.

25 (c) Agricultural products sold at a certified farmers' market
26 under the terms of a certified producer consignment sales
27 agreement are subject to the condition that the source of all
28 products at the point of sale be clearly identified to the public as
29 to the name, city, and county of the farm or ranch of the party that
30 produced the product. All the above source representations required
31 to be made to the public shall be subject to the provisions and
32 penalties of Section 890.

33 (d) A certified producer consignment sales agreement shall
34 annually or seasonally be registered with the department disclosing
35 the principal address and contact information for each party to the
36 agreement, a general description of the terms of the agreement,
37 and the list of the products to be sold under the terms of the
38 agreement. A registration fee of fifty dollars (\$50) shall be paid
39 at the time of each registration. No party or agent of a party to a
40 certified producer consignment sales agreement may sell at any

1 certified farmers' market without fulfilling this registration process.
2 Funds from fees collected shall be deposited in the Department of
3 Food and Agriculture Fund and shall be used by the department
4 for the administration of this section. Administration may include
5 creating and maintaining an online registration and data filing
6 system, any coordination expenses incurred relative to meetings
7 and actions of any domestic direct marketing advisory committee
8 established by the secretary, and for investigations and prosecution
9 proceedings of violations of this section pursuant to any properly
10 submitted complaint or pursuant to information received or detected
11 creating the necessity for the investigation.

12 ~~SEC. 18.~~

13 *SEC. 17.* Section 47021 of the Food and Agricultural Code is
14 amended to read:

15 47021. (a) Every operator of a certified farmers' market shall
16 remit to the department, within 30 days after the end of each
17 quarter, a program fee equal to the number of ~~agricultural product~~
18 vendors participating and selling goods under the authority and
19 management of the certified farmers' market operator on each
20 market day for the entire previous quarter. The fee shall be fifty
21 cents (\$0.50) for each ~~individual agricultural product~~ vendor whose
22 products were presented for sale on each market day. A certified
23 farmers' market operator may directly recover all or part of the
24 fee from the participating ~~agricultural product~~ vendors.

25 (b) Any operator of a certified farmers' market who fails to pay
26 the required fee within 30 days after the end of the quarter in which
27 it is due, shall pay to the department a monthly interest charge on
28 the unpaid balance and a late penalty charge, to be determined by
29 the department and not to exceed the maximum amount permitted
30 by law.

31 (c) All fees collected pursuant to this section shall be deposited
32 in the Department of Food and Agriculture Fund. The money
33 generated by the imposition of the fees shall be used, upon
34 appropriation by the Legislature, by the department, to cover the
35 reasonable costs to carry out this chapter, including all of the
36 following actions undertaken by the department:

37 (1) The coordination of the ~~certified farmers' market advisory~~
38 ~~committee~~ *Certified Farmers' Market Advisory Committee* or the
39 ~~domestic any ad hoc~~ direct marketing advisory committee.

1 (2) The evaluation of county enforcement actions and assistance
2 with regard to multiple county enforcement problems.

3 (3) The adoption of regulations to carry out the provisions of
4 this chapter pertaining to certified farmers’ markets.

5 (4) Hearings from actions taken to enforce this chapter.

6 (5) The maintenance of a current statewide listing of certified
7 farmers’ markets locations.

8 (6) The maintenance of a current statewide listing of certified
9 producers.

10 (7) The dissemination to all certified farmers’ markets
11 information regarding the suspension or revocation of any
12 producer’s certificate and the imposition of administrative
13 penalties.

14 (8) Other actions, including the maintenance of special fund
15 reserves, that are recommended by the ~~certified farmers’ market~~
16 ~~advisory committee~~ *Certified Farmers’ Market Advisory Committee*
17 ~~or the domestic an ad hoc~~ direct marketing advisory committee
18 and approved by the department for the ~~purpose~~ *purposes* of
19 carrying out the provisions of this chapter pertaining to certified
20 farmers’ markets.

21 (d) This section shall remain in effect only until January 1, 2016,
22 and as of that date is repealed, unless a later enacted statute, that
23 is enacted before January 1, 2016, deletes or extends that date.

24 (e) If this section is no longer in effect, any residual funds
25 collected and deposited pursuant to subdivision (c) shall be
26 transferred within the Department of Food and Agriculture Fund
27 and shall be used in accordance with the provisions of subdivision
28 (c).

29 ~~SEC. 19.~~

30 *SEC. 18.* Section 47021.5 is added to the Food and Agricultural
31 Code, to read:

32 47021.5. (a) Every operator of a certified farmers’ market shall
33 remit to the department, within 30 days after the end of each
34 quarter, an investigation and enforcement fee ~~based on the number~~
35 ~~of individual agricultural product vendors whose products were~~
36 ~~presented for sale~~ *equal to the number of vendors participating*
37 *and selling goods under the authority and management of the*
38 *certified farmers’ market operator* on each market day for the
39 entire previous quarter. ~~The fees shall annually be set on January~~
40 ~~1 and shall be based upon the number of certified farmers’ market~~

1 ~~certificates issued during the previous year in each county~~ *fee shall*
2 *be one dollar (\$1) for each vendor whose products were presented*
3 *for sale on each market day except as provided for in subdivision*
4 *(b).*

5 ~~(b) For certified farmers' markets located in counties that issued~~
6 ~~15 or fewer certified farmers' market certificates, the fee shall be~~
7 ~~fifty cents (\$0.50) for each individual agricultural product vendor~~
8 ~~whose products were presented for sale on each market day.~~

9 ~~(b) For certified farmers' market operators located in counties~~
10 ~~that in the previous year issued less than five certified farmers'~~
11 ~~market certificates, or for operators of a certified farmers' market~~
12 ~~where only the sale of agricultural products that were produced~~
13 ~~within the same county as the location of that certified farmers'~~
14 ~~market occurred during the previous quarter, the fee shall be fifty~~
15 ~~cents (\$0.50) for each vendor whose products were presented for~~
16 ~~sale at that market on each market day.~~

17 ~~(e) For certified farmers' markets located in counties that issued~~
18 ~~more than 15 but fewer than 40 certified farmers' market~~
19 ~~certificates, the fee shall be one dollar (\$1) for each individual~~
20 ~~agricultural product vendor whose products were presented for~~
21 ~~sale on each market day.~~

22 ~~(d) For certified farmers' markets located in counties that issued~~
23 ~~40 or more certified farmers' market certificates, the fee shall be~~
24 ~~one dollar and fifty cents (\$1.50) for each individual agricultural~~
25 ~~product vendor whose products were presented for sale on each~~
26 ~~market day.~~

27 ~~(e) Any operator of a certified farmers' market who fails to pay~~
28 ~~the required fee within 30 days after the end of the quarter in which~~
29 ~~it is due, shall pay to the department a monthly interest charge on~~
30 ~~the unpaid balance and a late penalty charge, to be determined by~~
31 ~~the department and not to exceed the maximum amount permitted~~
32 ~~by law.~~

33 ~~(f)~~

34 ~~(c) All fees collected pursuant to this section shall be deposited~~
35 ~~in the Department of Food and Agriculture Fund. The money~~
36 ~~generated by the imposition of the fees assessed under this section~~
37 ~~shall be used exclusively to pursue and conduct investigations and~~
38 ~~enforcement actions upon properly filed complaints or pursuant~~
39 ~~to information received or detected creating the necessity for the~~
40 ~~investigation of any violation of Section 890 and for any~~

1 *contractual or reimbursement expenses incurred by a county*
2 *agricultural commissioner for investigating the initial or*
3 *subsequent verification inspections required by this chapter and*
4 *not otherwise adequately funded pursuant to Section 47020.*

5 ~~(g)~~

6 (d) (1) This section shall remain in effect only until January 1,
7 2016, and as of that date is repealed, unless a later enacted statute,
8 that is enacted before January 1, 2016, deletes or extends that date.

9 (2) If this section is no longer in effect or is repealed or is not
10 extended by a later enacted statute that is enacted before January
11 1, 2016, pursuant to paragraph (1), any residual funds collected
12 and deposited pursuant to subdivision (d) above shall be transferred
13 within the Department of Food and Agriculture Fund and used in
14 accordance with the provisions of subdivision (c) of Section 47021.

15 ~~SEC. 20. Section 47055 is added to the Food and Agricultural~~
16 ~~Code, to read:~~

17 ~~47055. (a) A direct marketing producer association is a~~
18 ~~membership association in which three or more California~~
19 ~~producers may jointly, in a cooperative, labor-sharing and~~
20 ~~cost-sharing manner, sell to the public the agricultural products~~
21 ~~produced by its members. A direct marketing producer association~~
22 ~~shall be organized and documented as an unincorporated~~
23 ~~association, a limited liability company, or a corporation whose~~
24 ~~owner members are composed of agricultural producer who are~~
25 ~~registered with the state as direct marketing producers, and have~~
26 ~~submitted to the state any documentation and paid all fees required~~
27 ~~by this chapter.~~

28 ~~(b) On behalf of its members, a direct marketing producer~~
29 ~~association may sell the agricultural products produced by the~~
30 ~~members to the public. The source of those products shall be clearly~~
31 ~~identified to the public, customer, or subscriber as to the name,~~
32 ~~city, and county of the farm or ranch of the member that produced~~
33 ~~the product. All of the representations required to be made to the~~
34 ~~public shall be subject to the provisions and penalties specified in~~
35 ~~Section 890.~~

36 ~~(c) Subject to Section 47002, any exemption under any existing~~
37 ~~law that applies to an agricultural product in the possession, or~~
38 ~~under the control, of the individual direct marketing producer~~
39 ~~members shall apply to the product that is delivered by the producer~~
40 ~~members to the direct marketing producer association and~~

1 subsequently distributed, transported, offered for sale, sold, or
2 otherwise possessed on behalf of its producer members. For
3 purposes of this chapter, a direct marketing producer association
4 shall be considered a single marketing entity and its agents shall
5 be treated in the same manner as lawful agents of the membership.

6 ~~(d) A direct marketing producer association shall annually~~
7 ~~register with the department the principal address and contact~~
8 ~~information for the association, and the contact information for its~~
9 ~~agent for service of process. An annual registration fee of one~~
10 ~~hundred dollars (\$100) shall be paid at the time of registration. A~~
11 ~~direct marketing producer association shall not operate under the~~
12 ~~provisions of this chapter without fulfilling the annual registration~~
13 ~~process. Funds from the fees collected shall be deposited in the~~
14 ~~Department of Food and Agriculture Fund and shall be used by~~
15 ~~the department for the administration of this section.~~
16 ~~Administration may include creating and maintaining an online~~
17 ~~registration and data filing system, coordination expenses incurred~~
18 ~~relative to meetings and actions of the domestic direct marketing~~
19 ~~advisory committee, and investigations pursuant to any properly~~
20 ~~submitted complaint or pursuant to information received or detected~~
21 ~~creating the necessity for the investigation.~~

22 ~~(e) A direct marketing producer association, when operating an~~
23 ~~agricultural products outlet on behalf of its members at a location~~
24 ~~permitted by local ordinances and in accordance with this section,~~
25 ~~shall be considered a certified farmers' market for permitting and~~
26 ~~enforcement purposes under the applicable provisions of the Health~~
27 ~~and Safety Code.~~

28 ~~(f) A direct marketing producer association when operating a~~
29 ~~community-supported agriculture (CSA) sales and delivery~~
30 ~~business on behalf of its members in accordance with this chapter,~~
31 ~~shall be considered and defined as a CSA for permitting and~~
32 ~~enforcement purposes under the applicable provisions of this~~
33 ~~chapter and any applicable provisions of the Health and Safety~~
34 ~~Code.~~

35 ~~SEC. 21.~~

36 *SEC. 19.* No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution for certain
38 costs that may be incurred by a local agency or school district
39 because, in that regard, this act creates a new crime or infraction,
40 eliminates a crime or infraction, or changes the penalty for a crime

1 or infraction, within the meaning of Section 17556 of the
2 Government Code, or changes the definition of a crime within the
3 meaning of Section 6 of Article XIII B of the California
4 Constitution.

5 However, if the Commission on State Mandates determines that
6 this act contains other costs mandated by the state, reimbursement
7 to local agencies and school districts for those costs shall be made
8 pursuant to Part 7 (commencing with Section 17500) of Division
9 4 of Title 2 of the Government Code.

O