#### Permits, Licenses, & Regulations for Urban Agriculture

Legal Basics of Urban Farming

Sacramento Urban Agriculture Workshop Series

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#### **University** of **California** Agriculture and Natural Resources

#### Overview

- 1. Regulatory agencies
- 2. Zoning
- 3. Common Permits, Licenses & Regulations for:
  - Produce
  - Processing
  - Eggs



Permits, Licenses & Regulations depend on...

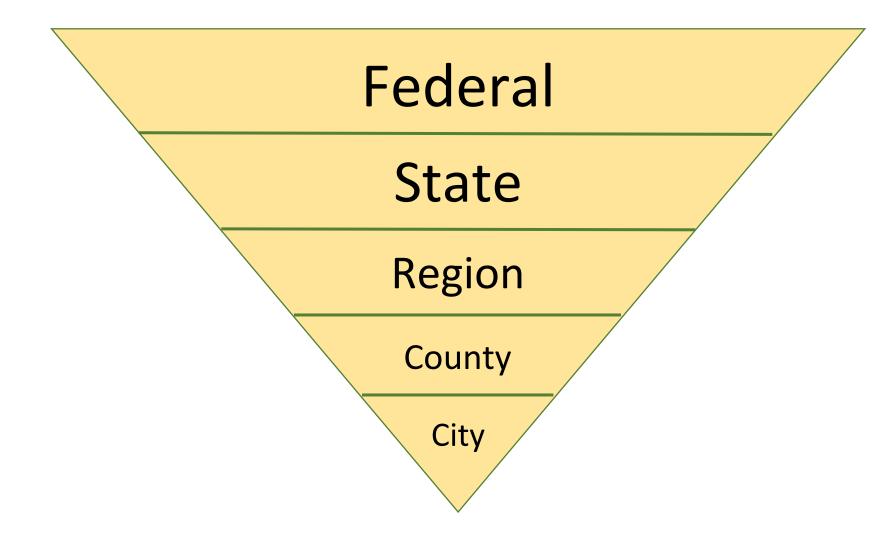
- Where you farm... city, county, state
- Which zone you're in... agricultural vs. residential vs. industrial vs. coastal
- How you want to farm... organic or conventional
- What you produce...

Fresh produce, processed produce, eggs, meat, fluid milk, processed diary products

• Where you want to sell... Direct or indirect



#### Regulators





# **Federal Agencies**





Tax ID Number (TIN) for the business; Employer Identification Number (EIN): required if you have employees and the business doesn't have a TIN.

Animal harvest & meat processing and labeling of meat and poultry products





Companies that manufacture, process, pack, or store food, beverages, or dietary supplements must register with FDA.

Making and selling alcoholic products. (<7%abv regulated by FDA; >0.5%abv requires Government Warning Statement)

#### State Agencies

california department of Food & Agriculture	Milk processing permits; raw shell egg permits and labels; state licensed meat facilities; organic registration; CSA registration
California Department of Public Health	Enforces health and safety code. Permits and inspects wholesale food processing facilities – Processed Food Registration and Cannery operations; public water systems
FTB ST 192	Franchise Tax Board: personal and business income tax.
Board of Equalization	Sellers permits and sales/use tax.

#### **State Agencies**



Employee State-Tax Registration – **r**equired if you have employees



Occupational health and safety – employers must have a health and safety plan.

California Department of Alcoholic Beverage Control



Secretary of State: forming a corporation or

Liquor licenses to make and/or sell alcohol

limited liability company.

# **Regional Agencies**



Burn permits, air quality permits. See website to determine if you're in the <u>Sacramento Metropolitan Air</u> <u>Quality Management District</u>.



Above ground waste management (i.e. pond, irrigation) – approves plans and issues permits (and waivers). See website to determine if you're in the <u>Central Valley</u> <u>Region Water Quality Control Board</u>.

# **County Agencies**

<b>Agriculture</b> (Ag Commissioner/Weights & Measures)	Organic registration; weighing and measuring devises; certified producer certificates; proper labeling.
Environmental Health	Health codes for food safety, public water supply, septic systems, waste disposal; Retail Food Facility and Cottage Food permits.
Recorder	Fictitious Business Name Statement-required if surname or owner name is not part of the business name
Tax Collector	Collects taxes for different taxing agencies within county.
Economic Development Board	Dedicated to helping your business success. They provide a variety of resources for businesses.
Planning & Building	Land use permits, Building, Water Resources. Check with city if operation is within city limits.

# Where to start?



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#### Know Your Zone!

#### Every parcel is assigned a zone

o e.g. agricultural, industrial, residential zone

#### • All zones allow and restrict particular activities

- e.g. you generally cannot raise livestock in a high density residential zone and you cannot build high rise condos in ag zone
- Find your zone at your county or city planning department



# Even if it's an allowable use, there are lots of details about *how*, *when*, and *where*.



13. Backyard beekeeping, as an accessory use, provided that:

(a) The person who is the owner of or in possession of an apiary is registered as a beekeeper with the County of Los Angeles Agricultural Commission.

(b) The number of hives is limited to one for every 2,500 square feet of lot area.

(c) Hives are not located in the required front yard of a lot, including through lots.

(d) Hives are located a minimum of five feet from the front, side, and rear lot lines and a minimum of 20 feet from public rights-of-way or private streets.

(e) Hive entrances face away from, or parallel to, the nearest lot line adjacent to another lot.

# Be a good neighbor!

- Share the bounty!
- Check in.
- Address any concerns about noise, smells, parking, etc.



# **Unprocessed versus Processed Foods**





## **Selling Fresh Fruits & Vegetables**

- To ensure produce sold-or donated- to the public is safe to eat, the <u>California Retail Food Code</u> ("Cal Code") requires retail food facilities to obtain food from "approved sources."
- Food sold or donated to the public should be from an "approved source."
- There are a number of ways to be an approved source.



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#### How to become an Approved Source

- Community Food Producer
- Certified Producer's Certificate (CPC)—required to sell at Certified Farmer's Markets
- Community Supported Agriculture (CSA)



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# As an approved source...

- You can sell
  - Directly to the public
  - To restaurants
  - To markets
- You can donate to
  - Food bank
  - Food kitchens



#### **Key Requirement for Approved Source Growers**

 Follow CA Dept. of Food & Agriculture (CDFA) <u>Small Farm</u> Food Safety Guidelines.



# CA Small Farm Food Safety Guidelines...Best Management Practices

- Record keeping
- Keeping animals out of the field
- Proper use of manure
- Cleaning and sanitizing equipment
- Use disinfectants to wash produce



## Food Safety Modernization Act (FSMA)

- Establishes minimum standards for the safe growing, harvesting, packing, and holding of fruits and vegetables grown for human consumption.
- Major implications for farmers.
- Exemption for farmers who have an average annual value of produce sold **less than \$25,000**.
- Modified requirements for farms with more than **\$25K and less than \$500K**.

## Certified Producer Certificate (CPC)

- Required to sell at Certified Farmers Markets
- Issued by CDFA
- Report all the produce you grow additions are allowed throughout the year
- Annual renewal
- Online application: <u>CDFA Certified Producer Certificate</u>
- Subject to on-farm inspection by County Ag Commissioner office as well as checks at farmers market



**University** of **California** Agriculture and Natural Resources Selling by the Pound

Scales used for commercial use:

- Must be type approved for commercial use.
- Registered with your county Weights and Measures office (Ag Commissioner)
- Tested and certified annually
- Annual renewal





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#### **Operator Identification Number**

- Required for anyone using pesticides on farm crops
- Organic and Conventional operations
- Register with County Agricultural Commissioner's Office
- File pesticide use reports (online or paper)
- Training
- Annual fees



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## **Organic Transition and Record Keeping**

- Transition period: 36 months Must use and document organic practices
- Record keeping required of ALL organic farms Keep a farm diary with all activities done including:
  - Dates of ALL activities planting, weeding, thinning, purchasing, etc
  - Include when, where, why, who, what
  - Invoices and receipts



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Online application at <u>CDFA Organic Program</u>

- *Registered* Organic:
  - Up to \$5000 in annual sales of organic produce
  - Self reporting; subject to annual inspection
  - All organic farms are registered
- *Certified* Organic:
  - Sales over \$5000 annually
  - Third party certified e.g. California Certified Organic Farmers (CCOF)



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### Egg Handler Registration

Allows sales of eggs within the state of California.

- Register with CDFA
- Registration Fee: \$75; annual renewal: \$50
- Grading, labeling and handling requirements





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**Cottage Food Operation** 

Allows certain non-potentially hazards (shelf-stable) food products to be made in home kitchen.

- Review list of approved cottage foods
- Class A (direct) or Class B (direct and indirect)
- Obtain CFO permit from County Environmental Health
- Complete Food Handler training
- Maximum annual gross sales \$50,000



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## California Food Handler Card

Food handers must take and pass a California Food Handler Card class – available online.

- Valid for 3 years from the date of issuance
- Retake the course and test before expired
- American National Standards Institute (<u>ANSI</u>) accredited Google: CA Food Handler Card train and test
- Online fee ~\$15





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## Licensed Commercial Kitchen

Allows the option to make more food products; plus no maximum income limit and no restrictions on where the product can be sold. (No low-acid foods)

- Community centers, churches, granges, restaurant kitchens
- Commissary Agreement
- Food Safety Manager on-site



- Food Handlers Card required for anyone working with food
- Obtain a Processed Food Registration from CDPH



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#### Contact the appropriate agency directly. They are there to help!



UC Cooperative Extension, Capitol corridor (Serving Sacramento, Yolo and Solano) http://cecapitolcorridor.ucanr.edu/About\_Us/Contact\_Us/

Sacramento County Agricultural Commissioner/Weights and Measures <u>AGCOMM@saccounty.net</u>

Sacramento County Planning Department Sacplan@saccounty.net

Sacramento County Urban Agriculture Ordinance www.per.saccounty.net/LandUseRegulationDocuments/Pages/Urban-Agriculture-Ordinance.aspx

Sacramento County Environmental Management Department EMDinfo@Saccounty.net

Yolo County Agricultural Farmbudsman (Stephanie Cormier) (530) 406-4800

Yolo County Planning Division: 530-666-8775 www.yolocounty.org/community-services/planning-public-works/planning-division

Yolo County Environmental Health Division Environmental.health@yolocounty.org

City of Sacramento Urban Agriculture www.cityofsacramento.org/Community-Development/Planning/Long-Range/Urban-Agriculture

# Get on the map!

Q search for	
CROPMOBSTER™ Your Community Exchange for Local Food & Ag	
VIEW ALERTS EVENTS HOW IT WORKS RESOURCES PARTNERS HELP AMEMBER LOGIN SIGN UP SUBMIT AN ALERT	
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Wildlife Area	

# Pop Quiz!



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Marco has an unexpected bumper crop from his large backyard garden. He is wondering what to do with the excess produce and decides he wants to sell it.



Some of Marco's customers asked if he can provide CSA boxes, too.



Now Marco wants to scale up to sell at Certified Farmers Markets.



Marco finds that pests are quite a nuisance! For the first time, he decides he wants to spray pesticides.



Marco finds that his farmers market customers prefer buying Organic strawberries and he decides to transition to Organic.



Marco found all that paperwork to be a breeze, so he decides he would like to get laying hens so he can sell farm fresh eggs along side his produce.

#### Nancy, the Apple Grower



Nancy has an apple orchard and decides to start making and selling dried apples.

#### Nancy, the Apple Grower



Her dried apple business is doing well, but Nancy would really like to make apple sauce. Apple sauce is not an allowable cottage food.

# Feeling overwhelmed? We've got you covered.



- Panel presentation
- Opportunities to ask experts detailed questions.
- Resource packet
- Materials and presentations online.