

Small Business Alert:**Regulation of Community Supported Agriculture Businesses**

Assembly Bill 224 is designed to enable community-supported agriculture businesses, or CSAs, to prepare and ship their own products without having to obtain expensive retail food permits or have commercial facilities. The new law covers safe handling of farm products and includes trace-back requirements, as well as a \$100 annual fee for oversight services through the California Department of Food and Agriculture.

Farmers who grow fruits and vegetables, shell eggs or value-added farm products and sell them directly to consumers through subscription now must register. They're also required to specify whether their farm products come from a single producer or multiple farms.

Until now, CSAs have not been regulated. CSAs are a relatively new phenomenon, with the first ones starting in the early 1990s, as noted by the California Farm Bureau Federation. However, during the past decade, the number of CSAs operating in California has grown dramatically. A 2011 University of California study showed even with the economic recession, the number of consumers participating in CSAs increased and researchers found home delivery to subscribers had become a crucial direct-marketing channel for small- and medium-scale farmers.

AB 224 is intended to build new and strengthened partnerships between CDFA and various community farm groups who can offer assistance for the expansion of direct-marketing efforts by CSA farmers. Without this bill county health departments would have adopted county ordinances which would regulate CSAs differently from county to county.

New regulations are not usually welcomed in the farming community, but there is value in having a streamlined system throughout the state.

Hopefully this bill will bring a level playing field to the small to medium scale farmers allowing them to compete with the large dotcom CSAs while ensuring an efficient marketplace where there is transparency to the consumer regarding the CSA they are purchasing from.

If you have any questions regarding CSA's or any other agriculture issues email [Chad Vierra](#), or call him at Neasham & Kramer LLP (916) 853-8030.