



Arizona Farmers' Market Nutrition Program

Manual for Growers and Farmers' Market Managers

Arizona Department of Health Services



Revised April 2015

Table of Contents

Introduction.....	3
FMNP Approved Growers	4
Grower Authorization	4
Grower Identification.....	5
FMNP Approved Farmers’ Markets	5
Farmers’ Market Authorization	5
FMNP Payment Instruments	6
Farmers’ Market Checks.....	6
WIC Cash Value Vouchers.....	6
Accepting FMNP Payment Instruments	7
Banking FMNP Payment Instruments	8
FMNP Eligible Foods.....	8
Using the Arizona Grown Message	10
Complaint Process	10
Civil Rights	11
Program Monitoring.....	11
Infractions and Sanctions – Approved Growers.....	12
Corrective Action.....	12
Program Suspension.....	13
Appeals and Fair Hearing Procedures – Approved Growers.....	14
Infractions and Sanctions – Approved Markets	15
Corrective Action.....	15
Program Suspension.....	16
Appeals and Fair Hearing Procedures – Approved Markets	17
<u>Appendices</u>	
Appendix A: Scope of Work Grower Agreement	19
Appendix B: Arizona Farmers’ Market Nutrition Program Crop Plan	21
Appendix C: Grower Banking Information Agreement	23
Appendix D: Scope of Work Market Agreement.....	24
Appendix E: Approved Market Information Form	28

Introduction

The Arizona Farmers' Market Nutrition Program (FMNP) is a program to increase awareness of and sales at Farmers' Markets and increase fruit and vegetable consumption in women, children and seniors with low income. The program provides fruit and vegetable benefits to women and children participating in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and to seniors who participate in the Commodity Supplemental Food Program (CSFP).

Participants in the Program use special checks to purchase fresh produce directly from Approved Growers at Approved Farmers' Markets. These direct purchases of locally grown fruits and vegetables increase the Growers' share of the food dollar, keep more of the consumer dollar in local communities, help to strengthen Farmers' Markets, and increase consumption of locally grown fresh fruits and vegetables among eligible participants.

This manual contains the guidelines for Growers and Farmers' Market Managers who participate in the FMNP. Please review these guidelines carefully. Participating Growers and Market Managers are responsible for ensuring that their employees and agents at Markets know and follow these guidelines. Any penalties for non-compliance by Grower or Market representatives are the responsibility of the person who signs the FMNP Grower or Market Agreement.

The explanations, rules and definitions in this manual pertain only to the Farmers' Market Nutrition Program in Arizona. This manual supersedes any previous Arizona Farmers' Market Nutrition Program Manual for Growers and/or Market Managers. For the purposes of the Manual, the Program will hereafter be referred to as FMNP.

If you have questions or concerns that are not addressed in this manual, contact:

Farmers' Market Nutrition Program Manager
Arizona Department of Health Services
Bureau of Nutrition and Physical Activity
150 North 18th Avenue, Suite 310
Phoenix, Arizona 85007
Telephone (602) 542-1886
Fax (602) 542-1890

FMNP Approved Growers

Any person who grows fruits or vegetables in Arizona and sells, or plans to sell, the locally grown produce directly to consumers at Farmers' Markets may apply to be an FMNP Approved Grower. Growing space may include land under lease or license, provided that the grower who leases the land also carries out the production (cultivation, planting, harvesting, etc.).

For the purposes of this program, locally grown means grown in the state of Arizona. Prior approval must be given to include any area outside of Arizona. Areas outside of the United States are expressly prohibited by the Federal Regulations.

Approved Growers are able to accept FMNP Payment Instruments (described herein) for the fruits and vegetables that they grow and sell directly to customers at Approved Farmers' Markets.

Grower Authorization

To become an FMNP Approved Grower, a person must:

- Attend face-to-face training before initial participation in the Program, and at any time deemed by the Arizona Department of Health Services (ADHS) as necessary for continued participation. Subsequent trainings may be conducted face-to-face or by other methods, such as teleconference, web conference, or written communication. Training updates will occur on an annual basis.
- Complete State of Arizona Department of Health Services Grower Agreement for the Arizona Farmers' Market Nutrition Program (Grower Agreement). Grower Agreement forms are provided at the face-to-face training sessions and can also be obtained by contacting the ADHS Farmers' Market Nutrition Program. Any Grower who enters into a signed Grower Agreement agrees to accept FMNP Payment Instruments for fresh fruits and vegetables that they or another FMNP Grower grew in Arizona, or other area deemed by ADHS to be considered "local."
- Complete a Crop Plan (Appendix B). The Crop Plan lists the quantities and types of crops a Grower plans to produce, as well as the estimated planting and harvest dates. When selling at an Approved Farmers' Market, the Grower must keep a copy of the Crop Plan on-site. Market Managers and/or monitors from ADHS (or a designee) will periodically monitor Crop Plans and the produce for sale to ensure that Authorized Growers are accepting FMNP Payment Instruments only for those crops that are listed on their Crop Plan. This ensures that only locally grown fruits and vegetables are sold in FMNP transactions. If an Approved Grower also sells eligible fruits and vegetables grown by another Approved Grower, that Crop Plan must also be maintained on-site.
- Provide account information for the bank account that the Grower will use to process FMNP Payment Instruments. This includes Bank Name, Account Holder Name, Routing Number and Account Number.
- Follow rules as described in this Manual and in the Grower Agreement Scope of Work (Appendix A).

Grower Identification

Each FMNP Approved Grower will be assigned a unique grower identification number for use in depositing or cashing FMNP Payment Instruments. The Arizona Department of Health Services Farmers' Market Nutrition Program provides a stamp with this unique number to each Approved Grower after training and required paperwork is completed by the Grower and the Agreement is signed by the Arizona Department of Health Services Procurement Officer.

Each FMNP Approved Grower will also receive signage to post at the Approved Farmers' Markets when selling fruits and vegetables. The purpose of the sign(s) is to let participants know that they may spend their FMNP Payment Instrument(s) with the grower. It is a requirement of the Program that Approved Growers post the sign(s) in a conspicuous place every time they sell at a Farmers' Market.

FMNP Approved Farmers' Markets

Approved Growers may only accept FMNP Payment Instruments when selling eligible products at Approved Farmers' Markets during regularly scheduled Market times.

In order to be considered for participation in the FMNP, a Farmers' Market must:

- Be located near where participants live, or near CSFP and/or WIC clinics.
- Be open for a minimum of four hours on at least one day a week.
- Provide an on-site manager during Market hours.
- Have written Market rules in place that:
 - Prohibit resale transactions with FMNP Payment Instruments;
 - Limit resale of fresh produce;
 - Address health/sanitation rules; and
 - Support FMNP rules.
- Provide a list of Approved Growers participating in the Market. A minimum of three (3) Growers is required for participation.
- Maintain an up-to-date Crop Plan for each FMNP Approved Grower who sells at the Market.
- Agree to assist with monitoring of Approved Growers during scheduled Market hours.
- Be familiar with Arizona FMNP rules and procedures to ensure that program guidelines are followed at every Market.
- Comply with Federal law and U.S. Department of Agriculture policy which prohibits discrimination on the basis of race, color, national origin, sex, age or disability.
- Have in place a procedure for handling Civil Rights complaints.
- Maintain liability insurance for the Market.

Farmers' Market Authorization

To become an FMNP Approved Market:

- Market Manager must attend face-to-face training with the Arizona Department of Health Services before initial participation in the Program, and at any time deemed by ADHS as necessary for continued participation. Subsequent trainings may be conducted face-to-face or by other methods, such as teleconference, web conference, or written communication. Training updates will occur on an annual basis.

- Market must complete State of Arizona Department of Health Services Farmers' Market Agreement (Market Agreement). Market Agreement forms are provided at the face-to-face training sessions and can be obtained by contacting the ADHS Farmers' Market Nutrition Program. Any Farmers' Market that enters into a signed Market Agreement agrees to assist in the successful implementation of the FMNP in ensuring that FMNP Approved Growers selling at that Market follow the rules described in this manual and in the FMNP Grower Agreement.
- Provide evidence of sufficient liability coverage (insurance) as described in the Market Agreement. Certificate of insurance must be properly endorsed as described in the Market Agreement.
- Complete and submit a Market Information Form at application and yearly.
- Follow all rules for Markets described in this manual and in the Market Agreement Scope of Work (Appendix C).

FMNP Payment Instruments

FMNP benefits are issued to qualified participants in the form of two distinct payment instruments (Farmers' Market Checks and WIC Cash Value Vouchers) that may be used at Farmers' Markets for the purchase of fresh fruits and vegetables.

These rules pertain to Arizona Department of Health Services programs only. The ADHS FMNP Grower Agreement authorizes the Grower to accept only those FMNP Payment Instruments that were issued through programs of the Arizona Department of Health Services. Growers may not redeem Farmers' Market Checks or WIC Cash Value Vouchers (CVVs) issued by any other State or Tribal Organization through this Agreement.

Farmers' Market Checks

Farmers' Market Checks are printed and backed by funding through the United States Department of Agriculture (USDA), Food and Nutrition Services Division through the WIC Farmers' Market Nutrition Program and the Senior Farmers' Market Nutrition Program. This funding is received by the Arizona Department of Health Services. In addition to printing and providing financial backing for Farmers' Market Checks, ADHS uses the money to train Growers, Farmers' Market Managers and local WIC and CSFP agency staff to implement the Program. Local WIC and CSFP agencies enter into a written agreement with ADHS to issue Farmers' Market Checks and provide nutrition education to eligible persons. Each eligible participant receives Farmers' Market Checks with a total monetary value of \$30.00 each fiscal year, as funding permits. Participants may use Farmers' Market Checks to purchase fresh, locally grown fruits, vegetables and herbs from FMNP Approved Growers at FMNP Approved Farmers' Markets.

WIC Cash Value Vouchers (WIC CVVs)

WIC CVVs are printed and backed by USDA funding through the Arizona WIC Program. Local WIC agencies enter into written agreement with ADHS to provide WIC services for qualified participants. The purpose of WIC is to address the supplemental nutrition needs of at-risk groups through the distribution of supplemental food packages, nutrition education that includes

counseling, health and social services referrals, and provision of breastfeeding promotion and support. WIC supplemental foods are presented to clients in the form of Food Instruments, which may be used at Approved WIC stores to purchase the prescribed foods. The Food Instrument for fresh fruits and vegetables is called a Fruit and Vegetable Cash Value Voucher or CVV. WIC CVVs may be used to purchase fresh fruits and vegetables at both Approved WIC stores and from FMNP Approved Growers at FMNP Approved Farmers' Markets. Women and children who participate in the Arizona WIC Program receive monthly WIC CVVs with a maximum dollar value determined by participant category (child, pregnant woman, breastfeeding woman, etc.). Rules for use of WIC CVVs at WIC Approved Grocery Stores differ from rules for their use at FMNP Approved Farmers' Markets. This manual addresses the use of CVVs at FMNP Approved Farmers' Markets.

Accepting FMNP Payment Instruments

Approved Growers must follow these steps to properly accept FMNP Payment Instruments:

1. Assist the FMNP participant as necessary in making selections from eligible foods.
2. Write the current date in the Date of Use field after ensuring that the Check is valid.
3. Calculate the total actual cost of the eligible foods.
 - a. **Farmers' Market Checks** are always in \$3.00 increments and are pre-printed. Do not write a dollar amount on the Checks. The participant must receive at least \$3.00 worth of eligible food for each Check used and no cash change may be given. If the participant does not initially have \$3.00 worth of food, additional product should be given to make the purchase equal to or greater than \$3.00. If the food totals more than \$3.00, the participant may pay the difference in cash.
 - b. **WIC CVVs** have a maximum dollar value that is printed in the text area of each CVV. Write in the dollar amount to be applied to the WIC CVV. This amount may be less than the maximum dollar value, but may *never* be more. The participant may pay the difference with another method of payment if the cost of the eligible foods exceeds the maximum value of the WIC CVV. *Always encourage participants to select additional food if the cost of the eligible food is less than the maximum value of the WIC CVV.* If you make a mistake when writing the dollar amount, draw a single line through the incorrect amount, write the corrected amount above in the space provided, and initial in the box labeled "Cashier Initial."
4. Have the FMNP participant sign the Check or CVV. The participant must sign each Check (on the line at the bottom right corner) at the time that it is used at the Market.
5. Match the signature to the signature on the Client ID (WIC ID Folder or CSFP ID Card). Note: If the FMNP participant received the Checks through the Senior FMNP and does not have a CSFP Identification Card, another form of identification may be used in its place.
6. Put the Check in a secure place (cash box) for safekeeping.

Note: Participants may use multiple forms of payment for their purchases.

Banking FMNP Payment Instruments

Growers are encouraged to communicate with their bank prior to depositing large numbers of checks. The Program is not responsible for disputes arising between Growers and bankers. Approved Growers must follow these steps to properly redeem FMNP Payment Instruments through their financial institutions.

1. Review each Payment Instrument for the following:
 - a. Date of Use has been entered and is on or between the First Date of Use and Last Date of Use.
 - b. For WIC CVV – valid dollar amount entered that is equal to or less than the maximum.
 - c. Participant has signed in the appointed space.
2. Stamp or clearly write (in black ink) the Approved Grower number in the space provided on each Payment Instrument that meets the criteria above. Payment Instruments will not be honored without this number.
3. Endorse the back of each Payment Instrument by signature or deposit stamp.
4. Deposit Payment Instruments promptly. Each Farmers' Market Check has a "Void After" date printed on the bottom, and each CVV must be deposited within 60 calendar days from the First Date of Use. **The best practice is to deposit all Payment Instruments within one week of their receipt. No payment will be made for Payment Instruments that are deposited after they expire, and Growers may incur bank charges.**
5. Notify ADHS if you experience any difficulties depositing Payment Instruments at your local financial institution. Growers may request a personalized letter from the ADHS FMNP Manager to take to the bank.

Failure to correctly accept and endorse Farmers' Market Checks and CVVs may lead to return/rejection by the bank, which could cause the Grower to incur fees.

If you have questions about banking Farmers' Market Checks or CVVs, the Farmers' Market Manager can provide assistance. If you still need help, contact the ADHS FMNP Manager.

Growers *may not* seek restitution from participants for checks that were not paid by the Arizona Department of Health Services.

FMNP Eligible Foods

FMNP Payment Instruments may be used at Farmers' Markets only for the purchase of fresh, unprocessed fruits and vegetables grown locally by an FMNP Approved Grower. Produce may be cleaned, trimmed and packaged, but not otherwise processed, heated, dried, dehydrated, or cooked. All eligible food items must be purchased directly from the person who grew them (or a person appointed by the Grower to represent his/her farm/garden). *FMNP Payment Instruments may not be used to buy fruits and vegetables purchased by the Grower for resale.*

There are some minor differences in the items that may be purchased with Farmers' Market Checks and WIC CVVs.

- Farmers' Market Checks may be used to purchase any fresh, unprocessed fruits, vegetables and herbs grown locally by an FMNP Approved Grower and sold at FMNP Approved Farmers' Markets.
- WIC CVVs may be used at FMNP Approved Farmers' Markets to purchase any fresh, unprocessed fruit or vegetable grown locally by an FMNP Approved Grower. WIC CVVs may not be used to purchase herbs.

Diagram A: FMNP Eligible Food Criteria

Food	Approved for purchase with Farmers' Market Check?	Approved for purchase with WIC CVVs at Farmers' Markets?
Locally grown, fresh fruits and vegetables grown by an FMNP Approved Grower	Yes	Yes
Fruits and vegetables grown by anyone other than an FMNP Approved Grower	No	No
Fresh herbs	Yes	No

Diagram B: FMNP Ineligible Food Items

These items may not be purchased at a Farmers' Market with FMNP Payment Instruments.

Baked goods	Cider	Canned/jarred items	Cheese
Cooked items	Dried beans	Eggs	Flowers or blossoms
Honey	Jelly/jam	Live plants	Meats
Non-food items	Nuts - any kind	Processed items	
Salsa	Seeds	Syrup	
Any items sold by a person other than an FMNP Approved Grower or his/her designee.			

Using the ‘Arizona Grown’ Message

The ‘Arizona Grown’ program is administered by the Arizona Department of Agriculture. The program provides information about the availability, freshness, quality, and variety of Arizona agricultural products. Farmers’ Markets and Growers in Arizona may contact the Department of Agriculture for an application to use the Arizona Grown logo in promotions, education and marketing efforts. There is a \$10.00 fee for a compact disc containing the artwork to use for reproduction. The Department also is on Facebook and has a website. You can access the Facebook page at <https://www.facebook.com/arizonagrown>. The website address is <http://arizonagrown.org/>.

For more information, contact:
Arizona Department of Agriculture
Gary Christian, Licensing Manager
1688 West Adams
Phoenix, Arizona 85007
Telephone (602) 542-0903



Complaint Process

The following steps must be taken regarding complaints about the Arizona FMNP:

- A. The Arizona FMNP Manager, Market Manager, or other authorized individual will interview the participant or farmer who initiated the complaint to determine the nature of the problem. If the problem occurred with an individual farmer at the Farmers’ Market, the interviewer should ask for the farmer’s name or his/her location within the Market and the date and time that the problem occurred. If the problem occurred with an Arizona FMNP participant at the Farmer’s Market, the Market Manager or interviewer should ask for the participant’s name, his/her WIC/CSFP agency and the date and time that the problem occurred.
- B. Interview other participants or farmers to determine whether the problem is widespread or occurred only once.
- C. Call or email the Complaint Hotline to file a complaint.

Arizona Farmers’ Market Complaint Hotline:
1-866-229-6561
azwiccomplaints@azdhs.gov

Civil Rights

The U.S. Department of Agriculture prohibits discrimination against its customers, employees, and applicants for employment on the bases of race, color, national origin, age, disability, sex, gender identity, religion, reprisal, and where applicable, political beliefs, marital status, familial or parental status, sexual orientation, or all or part of an individual's income is derived from any public assistance program, or protected genetic information in employment or in any program or activity conducted or funded by the Department. (Not all prohibited bases will apply to all programs and/or employment activities.)

If you wish to file a Civil Rights program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866)632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202)690-7442 or email at program.intake@usda.gov

Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339; or (800) 845-6136 (Spanish).

USDA is an equal opportunity provider and employer.

El Departamento de Agricultura de los Estados Unidos (por sus siglas en inglés "USDA") prohíbe la discriminación contra sus clientes, empleados y solicitantes de empleo por raza, color, origen nacional, edad, discapacidad, sexo, identidad de género, religión, represalias y, según corresponda, convicciones políticas, estado civil, estado familiar o paternal, orientación sexual, o si los ingresos de una persona provienen en su totalidad o en parte de un programa de asistencia pública, o información genética protegida de empleo o de cualquier programa o actividad realizada o financiada por el Departamento. (No todos los criterios prohibidos se aplicarán a todos los programas y/o actividades laborales).

Si desea presentar una queja por discriminación del programa de Derechos Civiles, complete el [USDA Program Discrimination Complaint Form](#) (formulario de quejas por discriminación del programa del USDA), que puede encontrar en internet en http://www.ascr.usda.gov/complaint_filing_cust.html, o en cualquier oficina del USDA, o llame al (866)632-9992 para solicitar el formulario. También puede escribir una carta con toda la información solicitada en el formulario. Envíenos su formulario de queja completo o carta por correo postal a U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, por fax al (202)690-7442 o por correo electrónico a program.intake@usda.gov

Las personas sordas, con dificultades auditivas, o con discapacidad del habla pueden contactar al USDA por medio del Federal Relay Service (Servicio federal de transmisión) al (800) 877-8339 o (800) 845-6136 (en español).

El USDA es un proveedor y empleador que ofrece igualdad de oportunidades.

Program Monitoring

The Arizona Department of Health Services or its designees will conduct regular monitoring activities to assess the Program. This will help ensure quality and integrity in FMNP transactions to comply with the USDA monitoring requirements. These monitoring activities may include, but are not limited to, the following:

- Visits to Approved Farmers' Markets to ensure that participating Growers are properly authorized and to answer any questions about the Program or procedures.

- Compliance buys to check for proper redemption procedures.
- A review of the FMNP Approved Grower's Crop Plan to ensure that any fruits and vegetables sold for FMNP Payment Instruments are listed.
- Visits to farms or other growing areas to verify that eligible food items sold at Markets for FMNP Payment Instruments are grown by an FMNP Approved Grower.

ADHS will investigate complaints and alleged violations and assess penalties or sanctions as appropriate. Any FMNP participant may file a complaint with the Arizona Department of Health Services.

Payments may be withheld for all FMNP Payment Instruments transacted in violation of regulations. If FMNP Payment Instruments have already been cashed or deposited in a financial institution, repayment may be sought. Repeated or blatant infractions may result in disqualification from the Program. An Approved Market or Approved Grower who commits fraud or abuse is liable for prosecution under applicable Federal, State, and local laws.

Infractions and Sanctions – Approved Growers

The FMNP Grower Agreement authorizes the Program to perform any and/or all monitoring, as the Arizona Department of Health Services deems appropriate. Items observed to be out of compliance during monitoring and/or routine visits of Farmers' Markets and production areas may require a written corrective action by the Approved Market and the Approved Grower, and/or may result in program suspension.

Corrective Action

Required Corrective Action will be explained in writing by the Arizona FMNP State office and will require a written response by the Market and/or the Grower within a specified time period. Corrective Action will address the observed problem, identify a solution, name the person and/or position responsible for the solution, and set in writing an action plan to ensure the problem does not reoccur. Failure to complete the Corrective Action and required response within the specified time period may lead to suspension from the Program.

Infractions that may require Corrective Action include, but are not limited to:

- A. Failure to post identifying Approved Grower sign while selling at the Market.
- B. Failure to clearly mark or post current prices, including sale prices.
- C. Failure to maintain Crop Plan on-site that reflects all products for which Grower accepts FMNP Payment Instruments.
- D. Issuance of any document, such as a rain check, that purports to give a participant or proxy the right to return for authorized food after the participant or proxy has given the Farmers' Market Check or CVV to the Grower.
- E. Conducting FMNP transactions outside of FMNP Approved Market times, or at a location other than an FMNP Approved Market.

A subsequent incident of any of the above-stated infractions *after* Corrective Action has been implemented will be cause for suspension for a period of up to one (1) calendar year.

Program Suspension

For the following infractions, an Approved Grower may receive a suspension from the Arizona FMNP for a period of up to three (3) calendar years.

- A. Providing false or misleading information on the FMNP Grower Agreement or Crop Plan.
- B. Providing cash change for FMNP Payment Instrument transactions.
- C. Exchanging FMNP Payment Instruments for cash or anything other than FMNP eligible foods.
- D. Accepting FMNP Payment Instruments for products purchased for resale and not grown by an FMNP Approved Grower.
- E. Accepting an FMNP Payment Instrument that has been altered in any way.
- F. Failure to provide FMNP eligible foods to participants or proxies at less than or equal to the same price posted and/or charged to other customers.
- G. Failure to offer FMNP participants the same courtesies extended to other customers. Separate lines and separate food selections for FMNP Participants are expressly forbidden.
- H. Seeking reimbursement from Arizona FMNP for an FMNP Payment Instrument accepted by another business or individual other than an Approved Grower.
- I. Collection of sales tax for eligible foods purchased with FMNP Payment Instruments.

Suspension from the Arizona FMNP is defined as the respective Approved Grower's information being immediately removed from the list of Approved vendors allowed to redeem FMNP Payment Instruments. Growers will be prohibited from accepting or redeeming FMNP Payment Instruments for a pre-determined amount of time.

The first incident of any infraction listed above under "Suspensions" will result in a written warning letter detailing the alleged infraction, the sanction and, if applicable, the procedures for the fair hearing process. An infraction will remain on the Approved Grower's record for sanction purposes for 36 calendar months from the date of that violation. Please note that additional incidences of the infraction may result in administrative fines or permanent disqualification from the Arizona FMNP Program. Arizona FMNP infractions in preceding agreement periods may impact Arizona FMNP qualifications for authorization in subsequent agreement periods.

Fraud or other abuse of Federal regulations is liable to prosecution under applicable Federal, State or local laws. Under Federal law, those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1000 or imprisonment of not more than one (1) year or both.

Appeals and Fair Hearing Procedures – Approved Growers

This process only applies to Approved Growers who wish to appeal a decision made by ADHS concerning participation in the Arizona FMNP. Appeals for decisions concerning benefit (client) eligibility in the Farmers' Market Nutrition Program, WIC or CSFP must be filed following procedures of the appropriate WIC or CSFP agency. Expiration of a contract, certification, or agreement is not subject to appeal.

ADHS will provide the Approved Grower with a written notification of any adverse action. This notification will include the causes for the action as well as the effective date of the action and will be provided to the Approved Grower as quickly as possible. Delivery of the notice will be made by certified mail, return receipt requested, to the last address provided to the Program during the most recent authorization or may be made in person by an authorized representative of ADHS. It is the responsibility of the Approved Grower to notify ADHS of any address changes or corrections during the Agreement period. The notification will outline the Approved Grower's right to appeal the action within 15 days of the date of the notice, right to have a decision concerning the appeal issued within 60 days, and list the address to which a hearing request must be sent or delivered.

Upon receipt of a request for a fair hearing, ADHS will schedule a hearing before an impartial decision maker selected by the Department. This decision maker will in no manner have participated in the decision to take adverse action against the Grower. Notice of the hearing will be sent via certified mail, return receipt requested, to the Approved Grower or his/her representative, as applicable. This notice will include the date, time and location of the hearing and will be mailed no less than 10 days prior to the scheduled date.

The Approved Grower and ADHS shall each have one opportunity to reschedule the hearing date upon the specific request to the impartial decision maker. If the postponement will prevent the decision from being rendered within the 60 day period, the impartial decision maker will deny the postponement unless the Grower waives the right to a decision within that period.

A disqualification from the Arizona FMNP shall take effect on the date specified by ADHS, regardless of the scheduled date of the hearing.

Subpoenas may be issued by ADHS to compel the attendance of witnesses or the production of documents at the hearing. Any such subpoenas shall be served in the manner prescribed by Arizona State law. Subpoenas will be issued upon the request of the Approved Grower or his or her representative if such a request is received by ADHS no fewer than seven (7) days before the date set for the hearing.

At the hearing, the Approved Grower shall have the opportunity to present his/her case orally or in writing and to confront and cross-examine adverse witnesses. The Approved Grower shall have the opportunity to be represented by counsel if desired and will have the opportunity to review the case record before the hearing.

The impartial decision maker shall issue a written decision within 60 days from the date ADHS received the request for the hearing. The decision will be made based solely on the evidence

presented at the hearing and the statutory and regulatory provisions governing the Arizona FMNP. The impartial decision maker shall describe the basis for his/her decision; however, he/she does not need to prepare a full opinion of formal findings of fact and conclusions of law. The decision shall be delivered to the Approved Grower by certified mail, return receipt requested. The decision of the impartial decision maker shall be final and not subject to further administrative proceedings.

Infractions and Sanctions – Approved Markets

The FMNP Market Agreement authorizes the Program to perform any and/or all monitoring as the Arizona Department of Health Services deems appropriate. Items observed to be out of compliance during monitoring visits of the Farmers' Markets and/or routine visits may require a written Corrective Action by the Approved Market and the Approved Grower, and/or may result in Program Suspension.

Corrective Action

Required Corrective Action will be explained in writing by the Arizona FMNP State Office and will require a written response by the Market and/or the Grower within a specified time period. Corrective Action will address the observed problem, identify a solution, name the person and/or position responsible for the solution, and set in writing an action plan to ensure the problem does not reoccur. Failure to complete the Corrective Action and required response within the specified time period may lead to suspension from the Program.

Infractions that may require Corrective Action include, but are not limited to:

- A. Failure of any Grower to post identifying Approved Grower sign while selling at the Market.
- B. Failure of Growers to clearly mark or post current prices, including sale prices.
- C. Failure to maintain Crop Plans on-site reflecting all products for which Growers accepts FMNP Payment Instruments.
- D. Market or Grower's issuance of any document, such as a rain check, that purports to give a participant or proxy the right to return for authorized food after the participant or proxy has given the Farmers' Market Check or CVV to the Grower.
- E. Allowing FMNP transactions outside of FMNP Approved Market times.
- F. Failure to maintain an agreement with a minimum of three (3) FMNP Approved Growers to sell their eligible foods and accept FMNP Payment Instruments at the Market.
- G. Failure to have at least two (2) FMNP Approved Growers present or represented at each Market with eligible foods for sale.
- H. Failure of Market to be open during hours Approved by the Program.

A subsequent incident of any of the above-stated infractions *after* Corrective Action has been implemented will be cause for suspension for a period of up to one (1) calendar year.

Program Suspension

For the following infractions, an Approved Market may receive a suspension from the Arizona FMNP for a period of up to three (3) calendar years.

- A. Providing false or misleading information on the FMNP Market Agreement.
- B. Providing or allowing growers to provide cash change for purchases that are in an amount less than the value of the FMNP Payment Instruments.
- C. Allowing exchange of FMNP Payment Instruments for cash or anything of value other than FMNP eligible foods.
- D. Allowing acceptance of FMNP Payment Instruments for produce purchased for resale and not grown by an FMNP Approved Grower.
- E. Accepting or allowing an Approved Grower to accept an FMNP Payment Instrument that has been altered in any way.
- F. Failure to provide FMNP eligible foods to participants or proxies at the same price or less than that posted and/or charged to other customers.
- G. Failure to offer FMNP participants the same courtesies extended to other customers. Separate lines and separate food selections for FMNP participants are expressly forbidden.
- H. Seeking reimbursement from Arizona FMNP for an FMNP Payment Instrument that was accepted by another business or individual that is not an FMNP Authorized Grower.
- I. Collection of sales tax for eligible foods purchased with FMNP Payment Instruments.
- J. Repeat of an infraction for which Corrective Action has been imposed within the Agreement period.

Suspension from the Arizona FMNP is defined as the respective Approved Market's information being immediately removed from the list of Approved Markets for redemption of FMNP Payment Instruments. Growers will be prohibited from accepting FMNP Payment Instruments for sales at the suspended Market for a pre-determined amount of time.

The first incident of any infraction listed above under "Suspensions" will result in a written warning letter detailing the alleged infraction, the sanction and, if applicable, the procedures for the fair hearing process. An infraction will remain on the Approved Market's record for sanction purposes for 36 calendar months from the date of that violation. Please note that additional incidences of the infraction may result in administrative fines or permanent disqualification from the Arizona FMNP Program. Arizona FMNP infractions in preceding agreement periods may impact Arizona FMNP qualifications for authorization in subsequent agreement periods.

Fraud or other abuse of Federal regulations is liable to prosecution under applicable Federal, State or local laws. Under Federal law, those who have willfully misapplied, stolen or fraudulently obtained program funds will be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both, if the value of the funds is \$100 or more. If the value is less than \$100, the penalties are a fine of not more than \$1000 or imprisonment of not more than one (1) year or both.

Appeals and Fair Hearing Procedures – Approved Markets

This process only applies to Approved Markets who wish to appeal a decision made by ADHS concerning participation in the Arizona FMNP. Appeals for decisions concerning benefit (client) eligibility in the Farmers' Market Nutrition Program, WIC or CSFP must be filed following procedures of the appropriate WIC or CSFP agency. Expiration of a contract, certification, or agreement is not subject to appeal.

ADHS will provide the Approved Market with a written notification of any adverse action. This notification will include the causes for the action as well as the effective date of the action and will be provided to the Approved Market as quickly as possible. Delivery of the notice will be made by certified mail, return receipt requested, to the last address provided to the Program during the most recent authorization or may be made in person by an authorized representative of ADHS. It is the responsibility of the Approved Market to notify ADHS of any address changes or corrections during the Agreement period. The notification will outline the Approved Market's right to appeal the action within 15 days of the date of the notice, right to have a decision concerning the appeal issued within 60 days, and list the address to which a hearing request must be sent or delivered.

Upon receipt of a request for a fair hearing, ADHS will schedule a hearing before an impartial decision maker selected by the Department. This decision maker will in no manner have participated in the decision to take adverse action against the Market. Notice of the hearing will be sent via certified mail, return receipt requested, to the Approved Market representative as listed on the Agreement, as applicable. This notice will include the date, time, and location of the hearing and will be mailed no less than 10 days prior to the scheduled date.

The Approved Market and ADHS shall each have one opportunity to reschedule the hearing date upon the specific request to the impartial decision maker. If the postponement will prevent the decision from being rendered within the 60 day period, the impartial decision maker will deny the postponement unless the Market waives the right to a decision within that period.

A disqualification from the Arizona FMNP shall take effect on the date specified by ADHS, regardless of the scheduled date of the hearing.

Subpoenas may be issued by ADHS to compel the attendance of witnesses or the production of documents at the hearing. Any such subpoenas shall be served in the manner prescribed by Arizona State law. Subpoenas will be issued upon the request of the Approved Market or its representative if such a request is received by ADHS no fewer than seven (7) days before the date set for the hearing.

At the hearing, the Approved Market shall have the opportunity to present its case orally or in writing and to confront and cross-examine adverse witnesses. The Approved Market shall have the opportunity to be represented by counsel if desired and will have the opportunity to review the case record before the hearing.

The impartial decision maker shall issue a written decision within 60 days from the date ADHS received the request for the hearing. The decision will be made based solely on the evidence presented at the hearing and the statutory and regulatory provisions governing the Arizona FMNP. The impartial decision maker shall describe the basis for his/her decision; however, he/she does not need to prepare a full opinion of formal findings of fact and conclusions of law. The decision shall be delivered to the Approved Market by certified mail, return receipt requested. The decision of the impartial decision maker shall be final and not subject to further administrative proceedings.

Appendix A

Scope of Work Grower Agreement

Arizona Department of Health Services and Grower now enter into this agreement for Grower to participate in the Arizona Farmers' Market Nutrition Program (AZ FMNP) to provide locally grown, fresh fruits and vegetables to eligible recipients.

1. Purpose:

It is the purpose of this Agreement to provide locally grown, fresh, unprepared fruits and vegetables for WIC women and children and seniors participating in various AZ FMNP programs. The purpose of these programs is to encourage the consumption of fresh locally grown produce purchased directly from the grower.

2. Grower shall:

- A. Accept training on AZ FMNP, and provide training to any employees with AZ FMNP responsibilities on such procedures, and be accountable for actions of employees in the provision of foods, redemption of Farmers' Market Checks and CVVs and any other related AZ FMNP activities.
- B. Complete a Crop Plan and submit it to the AZ FMNP. Notify AZ FMNP when changes to Crop Plan are made within the Agreement period.
- C. Maintain a copy of the Crop Plan on-site at each Market reflecting all eligible foods for sale, including that of another Approved Grower if acting as that Grower's representative.
- D. Display an Approved Grower sign, indicating authorization to accept FMNP Payment Instruments.
- E. Clearly post prices of eligible foods.
- F. Assure that FMNP Payment Instruments are redeemed only for eligible foods as defined by AZ FMNP.
- G. Offer AZ FMNP participants, parents or caretakers of participants or proxies the same courtesies as other customers.
- H. Provide eligible foods to AZ FMNP participants at a price equal to or less than that charged to other customers.
- I. Accept Farmers' Market Checks only between the printed First Date to Use and Last Date to Use. Submit Farmers' Market Checks for payment no later than the "Void After" date printed on the Check.

- J. Accept CVVs only between the printed First Date to Use and Last Date to Use. Submit CVVs for payment no more than 60 days after the First Date to Use.
- K. Mark each transacted FMNP Payment Instrument with the unique Grower number assigned by the AZ FMNP prior to submitting for reimbursement.
- L. Be subject to both overt and covert monitoring for compliance with AZ FMNP requirements. Monitoring may include Market visits, compliance buys and inspections of food production areas.
- M. Pay the AZ FMNP for any FMNP Payment Instrument transacted in violation of this Agreement.
- N. Accept FMNP Payment Instruments according to the procedures outlined in the most current Arizona Farmers' Market Nutrition Program Manual for Growers and Farmers' Market Managers.
- O. Comply with the nondiscrimination provisions of United States Department of Agriculture (USDA) regulations as provided in 7 C.F.R. § 248.7 and in 7 C.F.R. § 249.7.
- P. Notify AZ FMNP if Grower ceases operation prior to the end of the authorization period.
- Q. Provide such information as AZ FMNP may require for its periodic reports to the United States Department of Agriculture, Food and Nutrition Service.

3. Grower shall not:

- A. Collect sales tax on Farmers' Market Check or CVV purchases.
- B. Seek restitution from an AZ FMNP participant for a Farmers' Market Check or CVV not paid by or partially paid by ADHS.
- C. Issue cash change for purchases that are in an amount less than the value of the Farmers' Market Check or CVV.
- D. Accept FMNP Payment Instruments for produce purchased for the purpose of resale.

Appendix B

Arizona Farmers' Market Nutrition Program Crop Plan

Date _____

Revised _____

Name _____

Farm Name _____

Mailing Address _____

City _____ State _____ Zip _____

Telephone _____ Email _____

Farm Location and Address or Directions (if different from mailing address) _____

Farmers' Markets where you will sell _____

- Yes, please include me in the FMNP database so other growers or Market Managers may contact me for opportunities to sell my fruits and vegetables.

Arizona Farmers' Market Nutrition Program Crop Plan			
Fruit or Vegetable Crop	Plant Date	Harvest Date	Acres/Row Feet

Grower Signature

Appendix C

Arizona Farmers' Market Nutrition Program Grower Bank Information Agreement

As an Approved Grower for the Arizona Farmers' Market Nutrition Program, I am aware that I must complete required information and endorse each payment instrument that I accept for eligible products at an Approved Farmers' Market. Missing or incorrect information may result in non-payment and/or bank fees. I must provide information about the bank that I will be using to process payment instruments that I receive through the Farmers' Market Nutrition Program.

I have read and understand this Agreement.

Grower Name: _____

Grower Signature: _____

Date: _____

Complete the information below or attach a voided check from the bank account that you will use to process Farmers' Market checks and WIC Cash Value Vouchers for eligible foods that you, as an FMNP Approved Grower, sell at an FMNP Approved Farmers' Market.

Name on Bank Account _____

Bank Name _____

Routing Number _____

Account Number _____

If submitting by mail, send to:

Arizona Department of Health Services
150 N 18th Ave. Ste. 310
Phoenix, AZ 85007
Attn: FMNP Manager

Appendix D

Scope of Work Market Agreement

Arizona Department of Health Services (ADHS) and Market now enter into this Agreement for Farmers' Market to participate in the Arizona Farmers' Market Nutrition Program (Arizona FMNP) to provide locally grown, fresh fruits and vegetables to eligible recipients.

1. Purpose:

It is the purpose of the Arizona Farmers' Market Nutrition Program to provide locally grown, fresh, unprepared fruits and vegetables (and other products as defined in the Code of Federal Regulations, 7 C.F.R. § 248 and 7 C.F.R. § 249 and 7 C.F.R. § 246) to women and children who are nutritionally at risk and are participating in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), and to low-income seniors who participate in the Commodity Supplemental Food Program (CSFP) or are on the wait list for the CSFP. It is also the purpose of the Arizona FMNP to expand the awareness, use of and sales at Farmers' Markets.

The purpose of this Agreement is to define the roles of the Arizona FMNP State office and the Farmers' Market in the implementation of the Arizona Farmers' Market Nutrition Program. A Farmers' Market with an executed agreement is a place where Arizona Farmers' Market Checks and WIC Cash Value Vouchers may be redeemed with Authorized Growers for fresh, locally grown, eligible produce. The role of the Arizona FMNP State office is to manage funding, provide training and technical assistance for and monitor Farmers' Markets and Growers. The role of the Market is to assist in promotion of the Arizona FMNP, provide support for Authorized Growers and Participants, and provide on-site quality assurance.

2. Arizona FMNP State office shall:

- A. Monitor Authorized Growers, as approved by Arizona FMNP, within the Approved Farmers' Markets.
- B. Provide training for Growers and Farmers' Market personnel on policies and procedures for the Arizona FMNP according to an established training plan.
- C. Provide Approved Farmers' Markets information about Farmers' Market Check and WIC Cash Value Voucher issuance locations near the Farmers' Market.

3. The Market shall:

- A. Attend training on Arizona FMNP procedures, provide training to any employees with FMNP responsibilities on such procedures, and be accountable for actions of employees in the provision of foods, redemption of checks, and any other related FMNP activities.
- B. Establish written Market policies and procedures that incorporate the rules listed in this Agreement. Policies must prohibit resale transactions with FMNP Payment Instruments, including Arizona Farmers' Market Checks and WIC Cash Value Vouchers.
- C. Establish weekly Farmers' Market hours. Markets do not need to be open year-round, but must define their dates of operation prior to approval. If Farmers' Market is to be open less than 3 hours at a time, prior approval for FMNP participation must be given by the Arizona FMNP Manager.
- D. Provide Arizona FMNP office with exact time, location and dates that Farmers' Market will be open for business. Notify the Arizona FMNP office a minimum of three (3) weeks prior to any changes in dates, times or location of operation.
- E. Appoint an on-site Market Manager who will be available and responsible for decision-making during regularly scheduled Market hours. The Appointed Market Manager must be a person who is not an FMNP Authorized Grower who sells at that Farmers' Market, unless that grower is selected by and participates in a board or committee formed for the purpose of establishing and enforcing Market policies.
- F. Enlist a minimum of three FMNP Approved Growers to participate regularly at the Market, and ensure that a minimum of two (2) are represented and have eligible foods for sale at every Market.
- G. Maintain a list of FMNP Approved Growers at the Market for use in assisting customers and make available to the Arizona FMNP State office as requested.
- H. Inform non-participating growers and non-grower vendors that they may not accept Arizona Farmers' Market Checks or WIC Cash Value Vouchers. Acceptance of these FMNP Payment Instruments by unauthorized vendors may be cause for suspension of the Approved Farmers' Market.
- I. Maintain an up-to-date Crop Plan for each FMNP Approved Grower who sells at the Market.
- J. Ensure that each FMNP Approved Grower displays a sign that indicates the acceptance of Arizona Farmers' Market Checks and WIC Cash Value Vouchers (as applicable).

- K. Ensure that each authorized FMNP Approved Grower has clearly posted prices for FMNP eligible items.
- L. Allow only FMNP Approved Growers selling locally grown products to accept Arizona Farmers' Market Checks and WIC Cash Value Vouchers.
- M. Ensure that FMNP Approved Growers accept Arizona Farmers' Market Checks and WIC Cash Value Vouchers according to the procedures outlined in the most current Arizona Farmers' Market Nutrition Program Manual for Growers and Farmers' Market Managers.
- N. Ensure that Arizona Farmers' Market Checks and WIC Cash Value Vouchers are exchanged only for foods that are grown by an FMNP Authorized Grower and are eligible according to the Arizona Farmers' Market Nutrition Program Manual for Growers and Farmers' Market Managers.
- O. Ensure that "eligible foods" are provided to Arizona FMNP participants at a price that is equal to or less than the price charged to all other customers.
- P. Ensure that FMNP participants receive an amount of eligible product that is equal to or greater than the amount the Grower will receive when cashing the Arizona Farmers' Market Check or WIC Cash Value Voucher.
- Q. Ensure that cash change is never given for FMNP Payment Instrument transactions.
- R. Ensure that Growers accept Arizona Farmers' Market Checks and WIC Cash Value Vouchers only within the valid dates specified on the Checks and submit such Checks for payment prior to the last day of submission (indicated on checks) each year.
- S. Offer Arizona FMNP participants the same courtesies as other customers. At no time may an FMNP participant be asked to stand in a separate line or choose from a different selection of eligible foods than customers who are paying by a different means.
- T. Provide such information as the Arizona FMNP State office may require for its periodic reports to the United States Department of Agriculture, Food and Nutrition Service.
- U. Assist the Arizona FMNP Office in collecting information about the Program and its impact on the Market by distributing surveys.
- V. Be monitored both overtly and covertly for compliance with Arizona FMNP requirements.
- W. Assist the Arizona FMNP State office by monitoring FMNP Approved Growers and their volunteers and employees for program compliance.

- X. Provide participating Growers with FMNP training information and announcements as made available by the Arizona FMNP office.
- Y. Notify Arizona FMNP if any Grower or Farmers' Market ceases operation prior to the end of the authorization period.
- Z. Comply with latest policies and procedures as outlined in the Arizona Farmers' Market Nutrition Program Manual for Growers and Farmers' Market Managers.
- AA. Comply with the nondiscrimination provisions of United States Department of Agriculture (USDA) regulations as provided in 7 C.F.R. § 248.7 and 7 C.F.R. § 249.7 and the State of Arizona Executive Order 99-4.

Appendix E

FMNP Approved Market Information

*Market Name: _____

Market Manager Name: _____

Market Manager phone: _____

Market Manager email: _____

*Market Location: _____

*Market Months: _____

*Market Days _____ *Market Hours: _____

*Contact Information (phone number/website/email for participants): _____

Names of direct sale growers who sell at Market (minimum of three): _____

*Forms of payment accepted: _____

* this information will be printed with the FMNP Approved Market information that is distributed to participants when they receive Farmers' Market Checks and WIC CVVs. Changes may not be made to this information without prior approval of the FMNP Manager. Please plan carefully to avoid time/date changes after this is submitted. Please include full months whenever possible. If your Market is year-round or full months are reflected here, you won't need to update this information from year to year unless you make changes. If your Market change is seasonal and/or times/dates change from year to year, you must submit a new form each year by **February 1st**.