



# NCAT RMA Non-traditional Risk Management Outreach Project



## Asociacion Mercado Organica (AMO) Participants Workbook English Version



# **NCAT / AMO**

## **COURSE OVERVIEW**

- SESSION 1      PLANNING FOR SUCCESS FOR YOU AND YOUR FAMILY**
  
- SESSION 2      MARKETING: SELL WHAT YOU GROW**
  
- SESSION 3      MANAGING YOUR MONEY**
  
- SESSION 4      PRODUCTION AND PLANNING FOR MULTIPLE MARKETS**
  
- SESSION 5      CONTRACTS AND REGULATIONS: WHAT YOU NEED TO KNOW**
  
- SESSION 6      ACTION PLAN**

# **“NORMAL” SESSION LAYOUT**

**Review of last session**

**Questions**

**Session topics**

**Guest Speaker - if scheduled**

**Lunch**

**Session topics**

**Field Trip - if scheduled**



# Session One — PLANNING FOR SUCCESS FOR YOU AND YOUR FAMILY

## Objectives

Given a self-generated list of common Family Farm Values, you will:

- a. write their own values and have family members do the same.
- b. articulate the important values for their family farm

Given a worksheet for drawing your family farm life, as you would like to see it, and a contrast of the drawing of how it is today, you will:

- a. list the differences as a basis for your strategic goal getting
- b. articulate the importance of having the entire family participate in this exercise

Given a resource inventory worksheet you will:

articulate the categories of resources found on your farm/ranch

Given the definition of sustainability, you will:

- a. articulate the sustainability issues for your farming operation.
- b. use your farm drawing and sustainability issues list to start a Farm Plan to support your Vision.

Given a the definitions of the three types of goals in strategic planning, you will:

- a. articulate the differences between strategies, tactics and operations and give examples of each
- b. list simple operational measurements for a tactical goal
- c. beginning filling out a goal-getting worksheet

## Worksheets

Values Worksheet	pgs	7 - 9
Ideal Life Worksheet	pg	11
What Would They Say	pg	12
Farm Vision Worksheet	pg	13
Resources Inventory	pgs	14 - 16
Goal Sheets	pgs	17-20



## VALUES AND NEEDS WORKSHEET

	On Work	VERY IMPORTANT	IMPORTANT	NOT IMPORTANT
1	Working with animals			
2	Growing crops, working with plants			
3	Working with equipment, driving tractors and trucks			
4	Being my own boss, working for myself			
5	Feeding people through my work			
6	Having food that I grow for my family			
7	Being outdoors			
8	Keeping good records of my finances			
9	Working toward a common goal with other like-minded people			
10	Choosing what I do each day			
11	Being a supervisor, directing others			
12	Seeing wildlife around me			
13	Learning to produce better crops, manage pests, etc.			
14	Marketing my products			
15	Working as a family			
16	Using the knowledge I got from my parents and grandparents			
17	Working with my hands, using my body			
18	Growing trees			
19	Other:			
	<b>On Family</b>			
20	Taking my kids on outings			
21	Having time at home with my family			
22	Going to my kids' sporting and school events			
23	Raising my children in the country			
24	Eating dinner with the whole family			
25	Taking my children to visit family in Mexico			
26	Having time off for vacation			
27	Giving my kids the opportunity to participate in activities like sports, dance, music or swimming lessons			
28	Other:			
	<b>On Community</b>			
29	Knowing the people in my community			
30	Leading activities with my kids			
31	Being able to volunteer my time			
32	Being able to give money to community causes			
33	Helping my neighbors when they need me			
34	Being able to volunteer at church			
35	Being known in my community			
36	Other:			

## VALUES AND NEEDS WORKSHEET

	On the Way We Live	VERY IMPORTANT	IMPORTANT	NOT IMPORTANT
37	Being able to go to soccer games or other sporting events			
38	Having a new truck to drive			
39	Being surrounded by the natural beauty of the land			
40	Being able to go out to eat at a nice restaurant			
41	Preparing a special meal at home			
42	Living life at a relaxed pace, not being in a hurry			
43	Having family and friends over for a meal or party			
44	Being surrounded by the natural beauty of the land			
45	Spending time visiting with my friends			
46	Living in a small town			
47	Other:			
	On Learning			
48	Learning from the experience of others			
49	Going to college or the university			
50	Taking classes at adult school			
51	Attending conferences and seminars			
52	Using computers to gather information			
53	Figuring things out on my own			
54	Other:			
	On Money			
55	Making my whole living from this farm without having to work elsewhere			
56	Making this farm/ranch profitable			
57	Being able to qualify for a loan			
58	Having some reserves in a savings account			
59	Having a steady, reliable source of income			
60	Not being in debt			
61	Not having to worry about whether I can pay my rent			
62	Being able to buy new cloths and shoes			
63	Having a retirement plan			
64	Owning the land on which I work			
65	Sending my kids to college			
66	Being able to buy presents for my family			
67	Being able to buy enough food to feed my family			
68	Other:			



**VALUES AND NEEDS WORKSHEET**

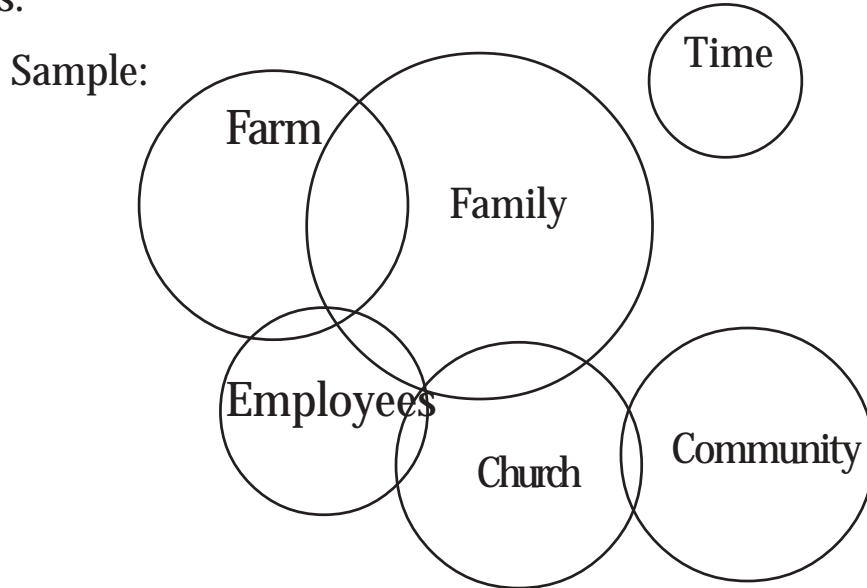
	<b>On Looking Ahead</b>	<b>VERY IMPORTANT</b>	<b>IMPORTANT</b>	<b>NOT IMPORTANT</b>
69	Returning to my country of origin			
70	Being able to establish myself in this country			
71	Working with my kids			
72	Living near my parents			
73	Planning for next year			
74	Continuing to farm, even if it means getting an off-farm job			
75	Having my kids stay connected to our culture and traditions			
76	Teaching youth in the community about agriculture			
77	Other:			
	<b>Me Personally</b>			
78	Spending time with my friends			
79	Going to church			
80	Being a hard worker			
81	Having privacy			
82	Using computers to communicate with family and friends			
83	Being able to prepare dinner/eat with my family			
84	Having time alone			
85	Being connected to the land and seasons			
86	Being trusted in the community			
87	Being looked to for information, advice, and/or wisdom			
88	Being better off than my parents			
89	Being free of traditional expectations			
90	Having what my parents had			
91	Having dignity and self-esteem			
92	Other:			



## Draw Your Ideal Farm/Ranch Life

What is important in your life? How are those things related?

Make a diagram showing each important part and how they relate to each other. Draw so the size of each part shows how important it is relative to the other parts.



### My Ideal Life

### My Life Today

**What**

*In our ideal life,*

I want my family to say this about our business

**Would**

**They**

I want our customers to say this about us

**Say?**

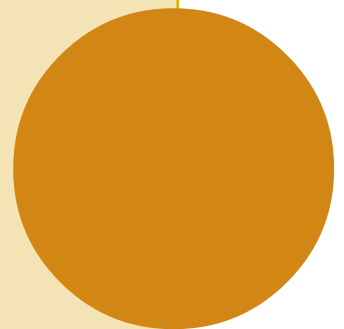
I want our suppliers to say this about us

I want our employees to say this about us

I want our friends to say this about us

I want our community to say this about us

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**The top 5 values in our family are:**

**a.**

**b.**

**c.**

**d.**

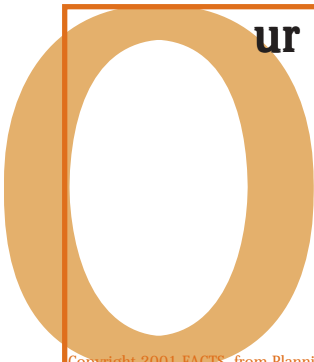
**e.**

**This is how we want our Farm/ Ranch to be**

**Here's what we produce / offer (products and services)**

**This is how we offer it and who we offer it to**

**ur Vision is:**



# RESOURCES ASSESSMENT WORKSHEET

AREA	RESOURCE	CONDITION
Human Resources		
Natural Resources		

# RESOURCES ASSESSMENT WORKSHEET

AREA	RESOURCE	CONDITION
Physical Resources (Buildings, equipment, and infrastructure)		
Wildlife Resources		

# RESOURCES ASSESSMENT WORKSHEET

AREA	RESOURCE	CONDITION
Financial Resources		
Community Resources		



Vision/Mission of your farm, ranch or business

Date\_\_\_\_\_

## Strategic Goal

### Tactic 1

Operational Measurements and tasks

A.

B.

C.

### Tactic 2

Operational Measurements and tasks

A.

B.

C.

### Tactic 3

Operational Measurements and tasks

A.

B.

C.

Re-assessment Date\_\_\_\_\_

Vision/Mission of your farm, ranch or business

Date\_\_\_\_\_

## Strategic Goal

### Tactic 1

Operational Measurements and tasks

A.

B.

C.

### Tactic 2

Operational Measurements and tasks

A.

B.

C.

### Tactic 3

Operational Measurements and tasks

A.

B.

C.

Re-assessment Date\_\_\_\_\_

Vision/Mission of your farm, ranch or business

Date\_\_\_\_\_

## Strategic Goal

### Tactic 1

Operational Measurements and tasks

A.

B.

C.

### Tactic 2

Operational Measurements and tasks

A.

B.

C.

### Tactic 3

Operational Measurements and tasks

A.

B.

C.

Re-assessment Date\_\_\_\_\_

Vision/Mission of your farm, ranch or business

Date\_\_\_\_\_

## Strategic Goal

### Tactic 1

Operational Measurements and tasks

A.

B.

C.

### Tactic 2

Operational Measurements and tasks

A.

B.

C.

### Tactic 3

Operational Measurements and tasks

A.

B.

C.

Re-assessment

Date\_\_\_\_\_

# Session Two — Marketing: Sell What You Grow

## Objectives

Given a field trip to several market outlets, you will be able

- a. to see what product looks like coming into those markets
- b. to compare their current and projected cropping volume and quality with that serving those markets
- c. to use *Market Channel Tip Sheets* and notes taken during the trip to jump start their personal channel strategy

## Information and Tools for you

Guided Markets Field Trip

## Worksheets

Golden Rules of Marketing	pg	22-23
Market Channel Tip Sheets	pg	24-33
Channel Strategy	pg	34

# Golden Rules of Marketing

- Know what you are selling
- Know who you are selling too
- Know your own story
- Don't make assumptions
- Be customer oriented not product oriented
- Sell feature - benefits
- Be a price maker not a price taker  
- don't sell commodities
- Diversify carefully in all directions to manage risk
- Start as small as possible and learn the market

# EXPANDED GOLDEN RULES

## ·KNOW WHAT YOU ARE SELLING

- It is more than just the product, but instead a bundle of valuable things that are appreciated by your target customers.

## ·KNOW WHO YOU ARE SELLING TOO

- Each group of customers has a different set of characteristics and needs that you have to adapt your sales approach to meet.

## ·KNOW YOUR OWN STORY

- Your story is unique to your business, it adds value to your product
- Your story must show in everything your customers sees and you do
- You need to be able to tell it in the time it takes to ride an elevator to the top of a building with a potential investor in your business
- Your story is your position

## ·DON'T MAKE ASSUMPTIONS

- Don't guess about the viability of your business idea or the behavior of your customers. Find some way to prove that what you think is true really is.

## ·BE CUSTOMER ORIENTED NOT PRODUCT ORIENTED

- Think "My customer wants lettuce – how can I get it to her the way she likes it? NOT "I grow lettuce – how can I find someone to buy it?"

## ·SELL FEATURE AND BENEFITS

- Say, " this red lettuce is contains more vitamins to keep you healthy" not just "I have red lettuce to sell"
- Each feature has a benefit that your customer values. Connect each thing to make a sale

## ·BE A PRICE MAKER NOT A PRICE TAKER , DON'T SELL COMMODITIES

- If you're selling something that can't be distinguished from another farmer's product, you can't control the price at all. If the other farmer is big, you will loose.

## ·DIVERSIFY CAREFULLY IN ALL DIRECTIONS TO MANAGE RISK

- Growing many crops, for many kinds of customers will reduce your risk of loss. But your management job can become overwhelming and your quality, reliability, and service will slip.
- You must strike a balance between diversity to manage risk and management time to maintain quality.

## ·START AS SMALL AS POSSIBLE AND LEARN THE MARKET

- Find out the smallest way you can enter the market in order to minimize your risk. Then once you learn how it works you can grow.

# Market Channel Tip Sheet

## Restaurants

<i>Pro</i>	<i>Con</i>
Easy first sale	Small order size / frequent delivery
High margin	Picky – requires top quality
Buys by the carton	Slow pay
Can buy a little or a lot	Requires personal attention
Good market intelligence	High turnover of buyers
Local	Must have a harvest schedule way ahead
Someone probably speaks Spanish	Requires specific time window for deliveries. (9:00 – 11:00)
Reliable customer	
Does not require a standard pack	

### *Tips*

- Sell with samples to the Executive Chef, but build a relationship with the Souse Chef for when the Executive moves on.
- Make sales calls between 9:00 AM and 11:00 AM, and 2:00 and 5:00
- Give the chef a schedule of what you will harvest and when, then keep them informed of variations and upcoming new products.
- Ask constantly about their needs including pack, size, variety, post harvest and new items.
- Take orders by FAX, but also use the phone.
- NEVER miss a delivery.
- Don't change your price often
- Try to always have something to sell them so that you never break the pattern of delivery. Always bring in something new for the chef to taste.
- Figure out what your minimum average order size is and decide how long you will give the customer to reach it.
- Use the Chef as your best source of market information. They will know what the next big thing is before you do.
- Know how the Chef is using your product, and be prepared to talk about other ways to use it especially if it is an ethnic crop.
- Make sure that your delivery person, you, your label, your prices, your pack, and your attitude are all telling the same story.



# NOTES

## Market Channel Tip Sheet

### Independent and Small Grocery Stores

<b>Pro</b>	<b>Con</b>
Large order size / frequent delivery Fair margin Buys by the box, pallet, or bin Sometimes local Potential for co-marketing Will buy a range of products one you have introduced the first	Hard first sale Slow pay Few customers There can be bureaucratic barriers Insists on standard pack Must have good and standard post harvest practices; clean and cold Price sensitive

### Tips

- Be professional, reliable, and on time. Find the decision maker – but build relationships with everyone who handles your product.
- Take advantage of what makes you unique to the store: you are local, your product can be more ripe (true vine ripe tomatoes can be brought right from the field), your are entertainment for the buyer and put him or her in touch with the farming side of their business, you are a marketing opportunity to them, etc.
- Provide *Point of Purchase* (POP) cards that fit stands.
- Choose a signature product, then piggy back other products to broaden line. (Be the produce buyers “tomato guy” but sell a few boxes of peppers and cilantro and basil with each delivery)
- Ask when to make sales calls and deliveries then try to develop a steady routine
- Give the buyer a schedule of what you will harvest and when, then keep them informed of variations and upcoming new products.
- Ask constantly about their needs including pack, size, variety, post harvest and new items.
- Don’t change your price and try to get an agreement for regular deliveries.
- Try to always have something to sell them so that you never break the pattern of delivery.
- Figure out what your minimum average order size is and decide how long you will give the customer to reach it.
- Make sure that your delivery person, you, your label, your prices, your pack, and your attitude are all telling the same story.

# NOTES

## Market Channel Tip Sheet

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### Food Service Jobber

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<b>Pro</b>	<b>Con</b>
Large order size / frequent delivery They buy product outright unlike brokers who sell on consignment Can access Terminal Brokers at the same time	Fair margins Very price sensitive  Slow pay  Far away from Hollister Probably doesn't speak Spanish Must meet pack and grade standards No loyalty

#### **Tips**

- Sell to only one Foodservice Jobber per Terminal Market
- Don't sell to restaurants in the same territory as the Jobber
- Deliver early and personally or be prepared to pay Lumpers to unload for you. Don't argue with the Lumpers.
- Standard pack and grade, good pre-cooling and post harvest are critical. Consider alternative packs that restaurants like. For instance pressure pack your spinach instead of bunching it.
- Sell specialty products like green garlic, squash blossoms, pea tendrils, etc. that are variations on your more conventional items.
- It takes a long time to build up a relationship with a Jobber so be patient. But be prepared for them to suddenly stop doing business with you.
- After you make a delivery, wander around and learn about the competition.
- Make sure that your delivery person, you, your label, your prices, your pack, and your attitude are all telling the same story.

# NOTES

# Market Channel Tip Sheet

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## Terminal Market

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<i><b>Pro</b></i>	<i><b>Con</b></i>
Large order size / frequent delivery Can always find a buyer Easy to access the Brokers  Can access Foodservice Jobbers at the same time Good emergency outlet if other channels suddenly dry up	Very low margins Can't preset the price – or your profit You take all the risk if the product does not sell Far away from Hollister  Probably don't speak Spanish  Must meet pack and grade standards Very slow payers

### ***Tips***

- Don't be intimidated by the foul language, and rough manner – they do it to everyone.
- Deliver early, before 6:00 AM. Deliver yourself or be prepared to pay Lumpers to unload for you. Don't argue with the Lumpers.
- Standard pack and grade, good pre-cooling and post harvest are critical
- Identify and contact brokers before you need them. You will get a better price if they know you. If this will be a regular market channel, plan to bring them product on a regular basis
- After you make a delivery, wander around and learn about the competition.
- Don't use this channel if you only have a few (10) boxes of each item
- Terminal Markets should be the part of your channel strategy that you use the last and the least. But be sure to have one on hand for when you need them.
- Make sure that your delivery person, you, your label, your prices, your pack, and your attitude are all telling the same story.

# NOTES

# Market Channel Tip Sheet

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## Direct to Consumer Markets

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### *Farmers Market*

<b>Pro</b>	<b>Con</b>
Highest margin – full retail Can sell a little or a lot No standard pack or grade Good market intelligence	High selling cost per unit sold Hard to move large volumes You may not like to sell face to face Market schedule is grueling

### *Roadside Stand*

<b>Pro</b>	<b>Con</b>
High margin – full retail Very high profit per unit <u>after</u> break-even No standard pack or grade No transport cost Steady cash flow Great for the ego	Highest overhead expense Have to keep it staffed High regulatory risk exposure Location is critical Must keep a clean farm Management intense

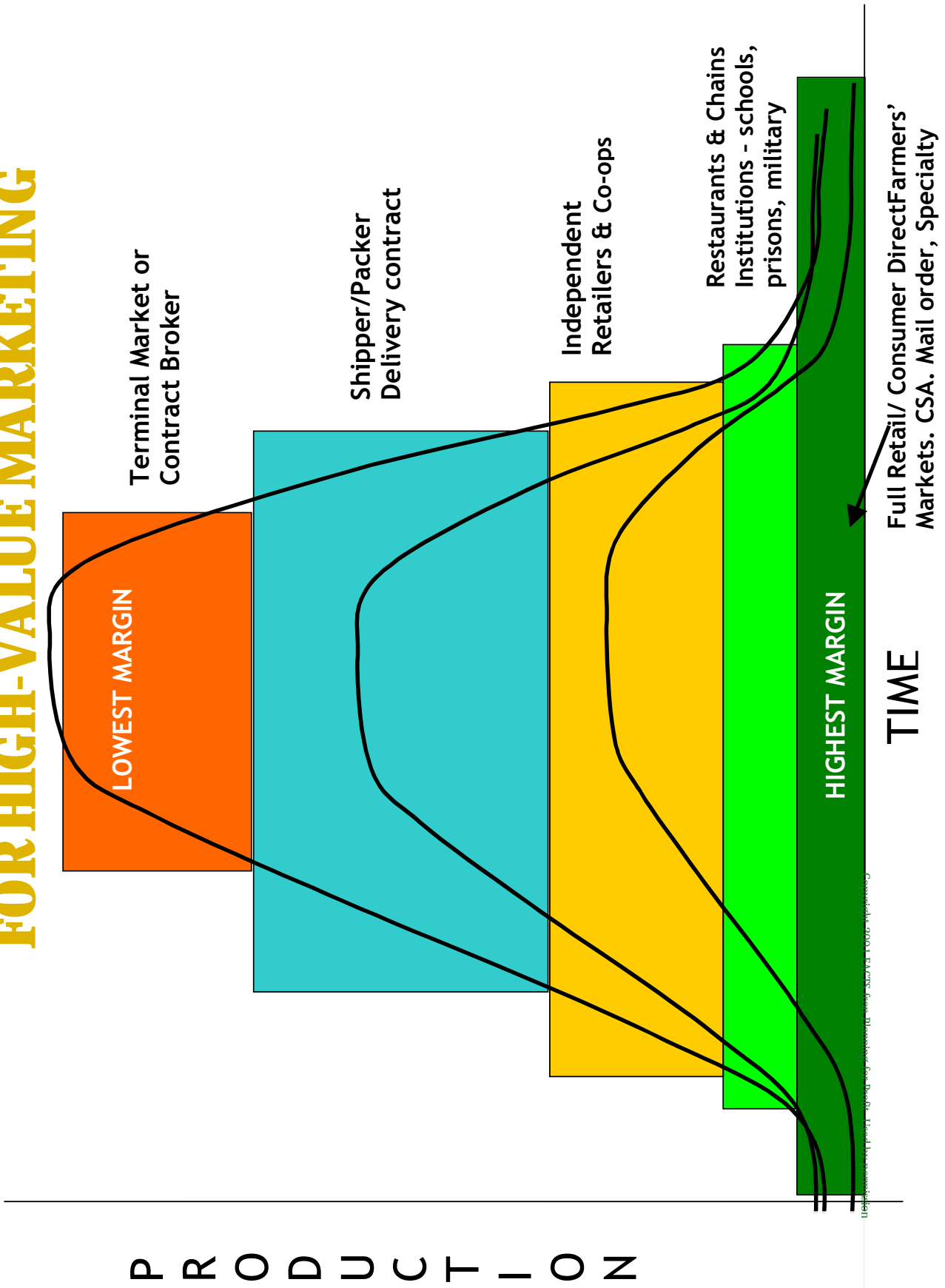
### *Community Supported Agriculture - CSA*

<b>Pro</b>	<b>Con</b>
High margin – full retail  Best risk management because you have certain buyers Spreads production risk to CSA community Reduces the need for operating capital  Can farm more ecologically No standard pack or grade, light post harvest requirements Emotionally gratifying, you see your product from seed to plate – and get to build a community in the process.	Very heavy and skilled marketing management Requires high growing skills  Requires very careful planning  Positioning must be unrelenting. You are selling your story more than you are selling produce



# NOTES

# CHANNEL DIVERSIFICATION STRATEGY FOR HIGH-VALUE MARKETING



# NOTES



# Session Three — MANAGING YOUR MONEY

## Objectives

After a discussion of budgeting you will be able to:

- a. name the different budget forms most used in agriculture, identify the parts of those budgets and understand the source documents
- b. fill out a simple farm budget for your own operation and start or improve your own recordkeeping

Given the format of and practice on a cash flow budget, you will:

- a. be able to fill in a cash flow projection for the coming season for your business and your households
- b. state at least three reasons for keeping and using cash flow budgets

Given a partial budget, you will be able to use it to make decisions on your farm

Given a field trip to the USDA-FSA office, you will obtain the name(s) and contact information for a Spanish-speaking member of the FSA staff who you can contact for more information or to access programs.

## Information and Tools for you

USDA Emergency Loan Program	pg	43
USDA Noninsured crop Assistance Program	pg	45

## Worksheets

Basic Budget	pg	39
Cashflow Budget	pgs	40-41
Partial Budget	pg	42









	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>CY 2003 INCOME</b>													
Farmers Market													
CSA													
Cooperative													
Packer													
<b>Total Income</b>													
<b>EXPENSES</b>													
Variable													
<b>Cultural Costs</b>													
Bed preparation													
Fertilizer/Soil Amendments													
Drip tape													
Seeds													
Transplants													
Thinning													
Pest control - Insecticidal Soap													
Beneficial Insects													
Weed control													
trellising costs													
Gas, fuel, oil													
Irrigation													
Truck costs													
<b>Total Cultural Costs</b>													
<b>Harvest Costs</b>													
Pick (how many times)													
Post-harvest cooling/washing													
Pack & sell													
<b>Total Harvest Costs</b>													
Int. on ops capital													
<b>Total operations costs per acre</b>													
<b>Fixed (overhead)</b>													
Land Rent													
Office expense													
Farm Insurance													
Farmers Mkt Assoc dues & fees													
Porta Potties*													
Equipment maintenance													
<b>Total Fixed</b>													
<b>Total CASH COSTS</b>													
<b>CASHFLOW</b>													

## Partial Budget

Project		Location	Date
Positive Benefits	Value 2	Negative Consequences	Value
Additional returns		Additional cost	
1. Total additional returns	\$	3. Total additional cost	\$
Reduced costs		Reduced returns	
2. Total reduced costs	\$	4. Total reduced returns	\$
5. Total Positive benefits (space 1 + space 2)	\$	6. Total negative consequences (space 3 + space 4)	\$
7. Net Change in Income (space 5 - space 6)	\$		



# Emergency Loan Program

## **Overview**

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

## **Loan Uses**

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

## **Eligibility**

Emergency loans may be made to farmers and ranchers who:

- Own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance);
- Are established family farm operators and have sufficient farming or ranching experience;

- Are citizens or permanent residents of the United States;
- Have suffered at least a 30-percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property;
- Have an acceptable credit history;
- Are unable to receive credit from commercial sources;
- Can provide collateral to secure the loan; and
- Have repayment ability.

## **Loan Requirements**

FSA loan requirements are different from those of other lenders. Some of the more significant differences are the following:

- Borrowers must keep acceptable farm records;
- Borrowers must operate in accordance with a farm plan they develop and agree to with local FSA staff; and
- Borrowers may be required to participate in a financial management-training program and obtain crop insurance.

## **Collateral is Required**

All emergency loans must be fully collateralized. The specific type of collateral may vary depending on the loan purpose, repayment ability and the individual circumstances of the applicant. If applicants cannot provide adequate collateral, their

repayment ability may be considered as collateral to secure the loan. A first lien is required on property or products acquired, produced, or refinanced with loan funds.

## **Loan Limit**

Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

## **Loan Terms**

Loans for crop, livestock, and non-real estate losses are normally repaid within 1 to 7 years; depending on the loan purpose, repayment ability, and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In certain circumstances, repayment may be made over a maximum of 40 years.

## **Interest Rate**

The current annual interest rate for emergency loans is 3.75 percent.

## **Application Deadline**

Applications for emergency loans must be received within 8 months of the county's disaster or quarantine designation date.

**Temporary Assistance**

Borrowers who receive temporary assistance are expected to return to conventional credit sources.

Emergency loans are a temporary source of credit, and borrowers are reviewed periodically to determine whether they can return to commercial credit.

**For More Information**

Further information on the emergency loan program is available from local USDA Service Centers or on the FSA website at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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**Noninsured Crop Disaster Assistance Program  
For the 2001 and Subsequent Crop Years  
How to Participate**

**Background**

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to eligible producers affected by natural disasters. This federally funded program covers noninsurable crop losses and planting prevented by disasters.

This fact sheet will help you establish and maintain eligibility for NAP assistance.

**Who is an Eligible Producer?**

An eligible producer is a landowner, tenant, or sharecropper who shares in the risk of producing an eligible crop. If you have questions regarding your eligibility, please contact your local Farm Service Agency (FSA) office.

**What is an Eligible Crop?**

Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or fiber for which the catastrophic level of crop insurance is unavailable.

Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).

Please contact a crop insurance agent if you have questions regarding whether a crop is insurable in your county. For questions regarding whether a crop is eligible for NAP coverage, please contact your local FSA office.

**What is an Eligible Natural Disaster?**

An eligible natural disaster is any of the following:

- Damaging weather, such as drought, excessive moisture, or hurricane;
- An adverse natural occurrence, such as earthquake or flood; or
- A condition related to damaging weather or adverse natural occurrence, such as excessive heat or insect infestation.

The natural disaster must occur before or during harvest and must directly affect the eligible crop.

**How Do I Apply for Coverage?**

To apply for coverage you must file Form CCC-471, Application for Coverage, and pay the applicable service fees at your local FSA office. The application and service fees must be filed by the application closing date as established by your FSA state committee.

**How Much is the Service Fee?**

The service fee is equal to \$100 per crop per county, or \$300 per

producer per county, not to exceed a total of \$900 per producer for all counties.

**Are Limited Resource Farmers Required to Pay Service Fees?**

No. Limited resource producers may request a waiver of service fees. A limited resource producer has:

- an annual gross income not exceeding \$20,000 from all sources (including income from a spouse or other household members) for each of the 2 prior years; or
- less than 25 cropland acres for all crops, where a majority of the producer's annual gross income is derived from farming and this income from all farming operations does not exceed \$20,000.

**What is the Coverage Period for NAP?**

The coverage period for NAP may vary depending on whether you grow annual, perennial, or value loss crops.

The coverage period for annual crops begins the later of:

- 30 days after you apply for coverage and pay the applicable service fees; or
- the date your crop is planted, not to exceed the final planting date.

**Fact Sheet**

*Noninsured Crop Disaster Assistance Program*

*For the 2001 and Subsequent Crop Years*

*How to Participate*

and ends the earlier of:

- the date you complete the crop harvest;
- the normal harvest date for the crop;
- the date the crop is abandoned; or
- the date you destroy the entire crop acreage.

The coverage period for perennial crops always begins 30 calendar days after the application closing date and ends the earlier of:

- 10 months from the application closing date;
- the date you complete the crop harvest;
- the normal harvest date for the crop;
- the date the crop is abandoned; or
- the date when you destroy the entire crop acreage.

Please contact your local FSA office for more information on the coverage periods for perennial forage crops, controlled-environment crops, specialty crops, and value loss crops.

**What Crop Information Must I Report to Remain Eligible for NAP?**

To remain eligible for NAP assistance, you must annually report the following crop acreage information:

- Name of the crop (lettuce, clover, etc.);
- Type and variety (head lettuce, red clover, etc.);

- Location and acreage of the crop (field, sub-field, etc.);
- Your share of the crop and the names of other producers with an interest in the crop;
- Type of practice used to grow the crop (irrigated or non-irrigated);
- Date the crop was planted in each field; and
- Intended use of the commodity (fresh, processed, etc.).

It benefits you to report crop acreage shortly after planting (early in the risk period). It relieves you of the burden of last minute maneuvering to meet reporting deadlines and possible loss of coverage.

In addition, you must annually provide the following production information:

- the quantity of all harvested production of the crop in which you have an interest during the crop year;
- the disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged, or used differently than intended; and
- verifiable or reliable crop production records (when required).

You must provide your production information in a manner that can be easily understood by your FSA county committee. Questions regarding acceptable production records should be directed to your local FSA office.

Failure to report acreage and production information may result

in reduced or zero NAP assistance. Be aware that acreage reporting and final planting dates vary across the United States. Contact your local FSA office for your local dates.

For aquaculture, floriculture, and ornamental nursery operations, you must maintain operational records. Unique reporting requirements apply to beekeepers and producers of Christmas trees, turfgrass sod, maple sap, mushrooms, ginseng, and commercial seed or forage crops. Please contact your local FSA office for these requirements.

**How Does FSA Use My Reported Acreage and Production?**

FSA uses your acreage report to verify that your crop exists and your number of acres. Also, your acreage report in combination with your production report are used to calculate your approved yield (expected production for a crop year). Your approved yield is the average of your actual production history (APH) for a minimum of 4 to a maximum of 10 crop years (5 years for apples and peaches). To calculate your APH, FSA divides your total production by your crop acreage.

Your approved yield may be calculated using substantially reduced yield data if you do not report acreage and production, or report less than 4 years of crop production.

## **Fact Sheet**

### **Noninsured Crop Disaster Assistance Program**

For the 2001 and Subsequent Crop Years

How to Participate

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#### **When a Natural Disaster Strikes, How Do I Apply for NAP Assistance?**

When your crop or planting is affected by a natural disaster, you must notify your local FSA office by completing Part B, Notice of Loss, on Form CCC-576, Application for Payment, within 15 calendar days of the:

- natural disaster occurrence;
- final planting date, if your planting was prevented by a natural disaster;
- date damage to the crop or loss of production becomes apparent to you; or
- the normal harvest date.

To receive NAP benefits, you must complete Form CCC-576, Application for Payment, prior to the application closing date of the subsequent year. The CCC-576 requires you to provide evidence of production and note whether the crop was marketable, unmarketable, salvaged, or used differently than intended.

#### **How Much Production Must Be Lost to Receive a NAP Payment?**

The natural disaster must have either:

- reduced your expected unit production of the crop by more than 50 percent; or
- prevented you from planting more than 35 percent of your intended crop acreage.

Expected production is the amount of the crop produced in the absence of a natural disaster. FSA compares expected production to actual production to determine the percentage of crop loss.

#### **What is a Unit?**

The NAP unit includes the specific crop acreage in the county in which you have a unique crop interest. A unique crop interest is either:

- 100 percent interest; or
- a shared interest with other producers.

#### **How Much of My Loss Does NAP Cover?**

NAP covers the amount of loss greater than 50 percent of your expected production, based on your approved yield and reported acreage.

#### **What Information Does FSA Use to Calculate My Payment?**

Your NAP payment is calculated by unit using:

- Crop acreage;
- Approved yield;
- Net production;
- 55 percent of an average market price for the specific commodity, established by your FSA state committee; and
- A payment factor reflecting the decreasing cost incurred in the production cycle for the crop that is harvested, unharvested, or prevented from being planted.

#### **Where Can I Get More Information?**

Further information on NAP is available from your local FSA office or on FSA's web site at: [www.fsa.usda.gov](http://www.fsa.usda.gov)

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The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.





# Session Four — PRODUCTION AND PLANNING FOR MULTIPLE MARKETS

## Objectives

Given a format for tracking production and estimating yields, you will discuss

- a. how to keep from having a drop in production
- b. the differences in planting for different markets
- c. using the forms to predict when crops will be available and how much you will have

## Worksheets

Cropping Timelines pg 51 - 53

Predicted v Actual Yields and Sales pg 54 - 55

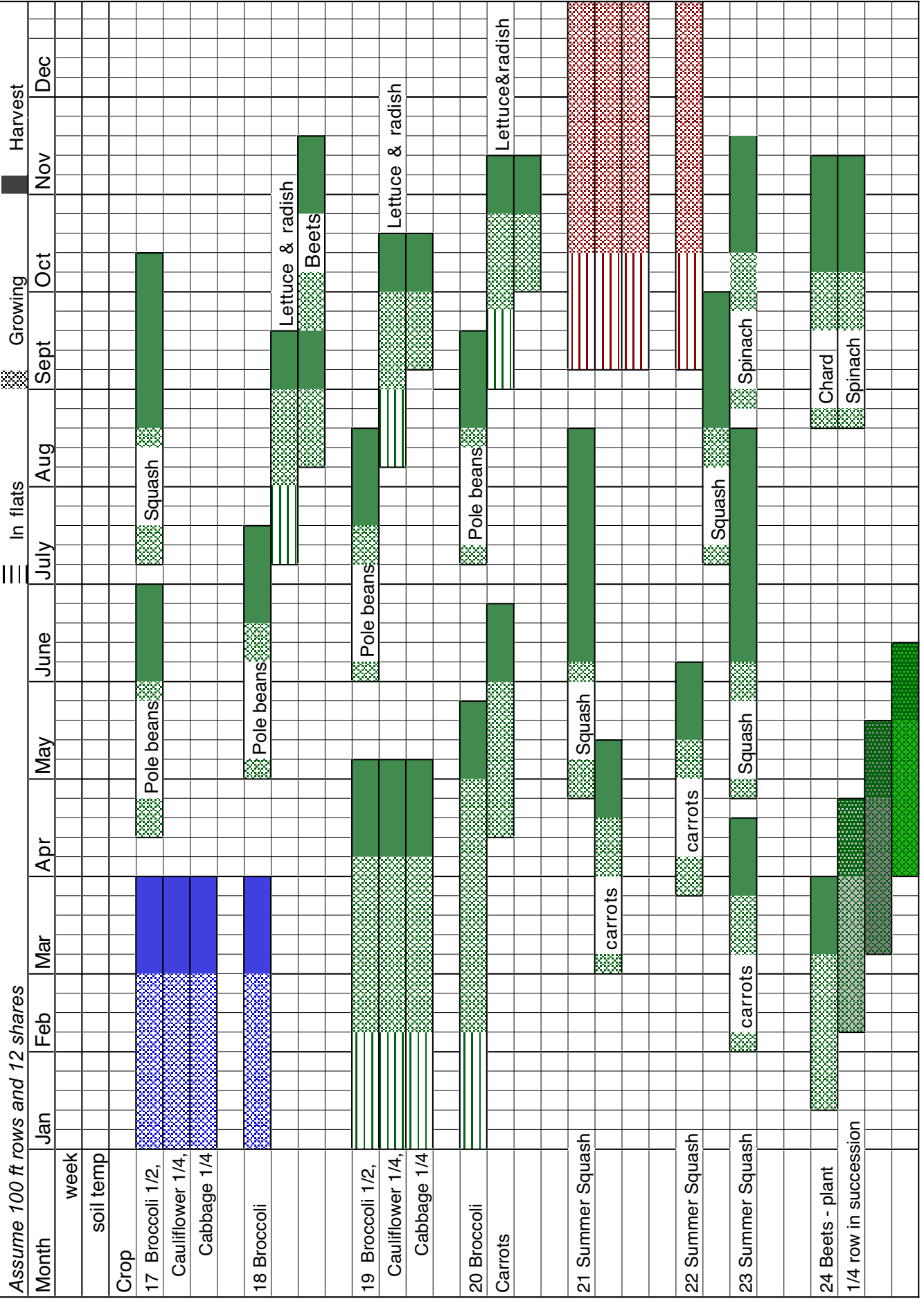
## Information and Tools for you

California Organic Producers Registration pg 56

California Certified Producer pg 57



**TIME AND TEMPERATURE CROPLINES**



















# Session Five — CONTRACTS AND REGULATIONS: WHAT YOU NEED TO KNOW

## Objectives

### Contracts - you will

- a. be able to distinguish a contract from a promise
- b. be able to read a contract with an eye toward the important clauses and ask appropriate questions of your attorney

### Regulatory impacts - you will

- a. know how to reach a local office for assistance
- b. be able to access web-based information on agency sites
- c. develop a set of risk management strategies to prevent fines and penalties
- d. be able to put these mitigations into a business plan

### Human Resource Practices

- a. know the steps to take before hiring to ensure the best person is chosen
- b. know which documents are important to keep in a personnel file or be able to look that list up when needed
- c. develop a set of risk management strategies to prevent fines and penalties

## Information and Tools for you

10 Questions to ask (and answer) Before You Sign a Contract	pg	61
<i>PACA</i> Fact Finder	pg	63 - 68
Organic Inputs Tracking Form	pg	69
California New Employees and Contractors I-9	pg	70 76- 78
FELS Employers Guide	pg	79
Some of the required Posters	pg	85-88

## Resources

Website for Organic Plan Spanish Version soon <http://ccof.org/certification.html>



# Neil D. Hamilton's **Ten Questions to Ask (and answer) Before You Sign a Contract**

adapted from **The Legal Guide to Direct Marketing**  
by Neil D. Hamilton

1. Do you understand what you are agreeing to do, for example are you selling a particular quantity or quality of product?
2. What is the price you will be paid and how is it determined?
3. When will you be paid or when is payment due if you are buying something?
4. Who will decide if you have satisfied the terms of the contract?
5. What will happen if a dispute arises, will it go to court or does the contract include some form of alternative dispute resolution such as mediation or arbitration?
6. If there is a dispute, where will it be heard and which state's laws will be used?
7. How long will the agreement run and how can it be terminated or extended?
8. Can the agreement be modified once it is signed?
9. Are you considered a merchant under the agreement and held to a higher commercial standard or will you be treated as a farmer?
10. Can the contract be assigned to another person or is it personally to you?

**Offer**

**Acceptance**

**Consideration**

**Capacity**

**Remedy**



# PACA FACT FINDER

*<http://www.ams.usda.gov/fv/paca.htm>*

## **What is the Perishable Agricultural Commodities Act?**

The Perishable Agricultural Commodities Act (PACA) establishes a code of fair trading practices covering the marketing of fresh and frozen fruits and vegetables in interstate and foreign commerce. It protects growers, shippers, distributors, retailers and others who deal in those commodities by prohibiting unfair and fraudulent practices.

## **Why do businesses that buy or sell fruits and vegetables need more protection than businesses in other industries?**

The produce industry is unique. Dealers handle a product that is very perishable and a 1- or 2-day delay in marketing can mean the difference between profit and loss. By spelling out the responsibilities of all parties, the PACA helps to promote the prompt marketing of produce, while still protecting buyers' and sellers' rights in the event that a contract dispute occurs.

## **Is there a penalty for operating without a PACA license?**

Companies that operate without a valid PACA license are subject to fines of up to \$1,000 for each offense and \$250 each day the offense continues. Court injunctions can be issued against those who persist in operating without a license.

## **How is the PACA enforced?**

The PACA is enforced through a licensing system. Almost everyone involved in the marketing of commercial quantities of fresh and frozen fruits and vegetables in interstate or foreign commerce must maintain a valid PACA license. A produce trader found to have committed unfair trade practices may face a civil monetary penalty, license suspension or, in the most serious cases, license revocation.

## **How do I get a PACA license?**

Anyone with license questions or needing assistance in applying for a license may call PACA's toll-free number, 1-800-495-PACA (7222).

## **Is anyone exempt from licensing requirements?**

Yes, growers are exempt as long as they sell only products that they have grown. Retailers and frozen food brokers representing sellers are exempt until they purchase or act as an intermediary in making the sale of \$230,000 or more worth of fruits and vegetables in a calendar year. Truckers who are only contract carriers do not need a license.

### **How is the PACA program financed?**

PACA license and complaint filing fees finance the administration of the program. No tax revenues are used to fund the PACA program.

### **What responsibilities do I have as a PACA licensee?**

The law requires that produce traders comply with the terms of their contracts. Sellers must ship the quantity and quality of produce specified. Buyers must accept shipments that meet contract specifications and pay promptly after acceptance. Prompt payment means payment within 10 days unless the buyer and seller, prior to the sale, agree in writing to extend the payment time.

### **What can I do if I have a dispute with a supplier or a buyer over a business transaction?**

The PACA Branch offers dispute resolution services to members of the produce industry. If a person has a dispute with a licensee over a produce transaction, that person may file an informal complaint against a licensee for damages if he or she believes that the licensee failed to abide by the law. The written complaint, accompanied by a \$60 filing fee, must be filed within 9 months from the date payment is due or damages are suffered.

One of PACA's informal complaint services includes mediation, where the PACA Branch attempts to help the parties resolve their differences. Informal mediation is an effective way to resolve disputes, since it places the resolution of the dispute directly in the hands of the interested parties by providing a forum where both sides can air their differences in a neutral atmosphere.

If the parties cannot reach an informal resolution, the complainant may file a formal complaint. A formal complaint is handled by the Department of Agriculture (USDA) similar to how a lawsuit is handled in a court of law. However, instead of a judge, the Secretary of Agriculture can issue an award plus interest based on the evidence in the case. Although there is a \$300 filing fee for a formal complaint, the complainant can recover the filing fee if an order is issued in its favor.

If a licensee fails to satisfy a PACA award, USDA will suspend the firm's license and restrict it from operating in the produce industry for up to 3 years.



## Fruit and Vegetable Programs

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**What are some unfair trade practices that usually result in claims being filed?**

Rejecting without reasonable cause produce bought or contracted to be handled on consignment;

Failure to pay promptly the agreed price of produce that complies with contract terms;

Discarding, dumping, or destroying without reasonable cause any produce received to be sold on behalf of another firm;

Failure to deliver the contracted produce in a timely manner and at the price and quality level specified in the purchase agreement; and

Failure or refusal to account truly and correctly or to make full payment promptly for produce shipped on consignment or on joint account.

**Can I recover money from a firm that has gone out of business or has filed for bankruptcy protection?**

Yes. Under the PACA trust provisions, a buyer must hold its produce-related assets for the benefit of unpaid produce suppliers that have preserved their trust rights. This requires firms to place produce-related obligations above all others.

**What must sellers do to preserve their trust rights?**

Although the trust automatically goes into effect at the time the buyer receives the goods, sellers must properly preserve their rights by meeting specific notification requirements.

**What are the notification requirements?**

The law allows PACA licensees to qualify automatically for trust protection by including on their invoices or other billing documents the following statement: **“The perishable agricultural commodities listed on this invoice are sold subject to the statutory trust authorized by Section 5(c) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499e(c)). The seller of these commodities retains a trust claim over these commodities, all inventories of food or other products derived from these commodities, and any receivables or proceeds from the sale of these commodities until full payment is received.”**

Other produce sellers must provide the buyer — the produce debtor — with a written notice of their intent to preserve trust benefits under the PACA within 30 days from the date that payment was past due or notification was received that a payment instrument was dishonored.

**How long are a seller's rights preserved?**

Trust claimants who preserve their trust rights by providing proper notice remain beneficiaries until paid.

**How is payment from trust assets enforced?**

The trust is a self-help tool that is totally separate and unrelated to filing a complaint under PACA. Trust beneficiaries may file in the U.S. District Court to enforce payment from the trust immediately following a buyer's failure to pay promptly. In cases where the debtor is bankrupt, trust beneficiaries should file their claims for payment with the bankruptcy court.

**If I file a trust claim with the court, can I still file a PACA complaint?**

Yes, pursuing a trust action with the court does not impede you from pursuing a complaint under PACA.

**Can I agree to payment terms other than those in the PACA regulations and still qualify for protection under the trust?**

Although PACA prompt payment terms specify payment within 10 days from the date of acceptance, a buyer and seller may agree to extended terms as long as the agreement is made in writing prior to the transaction, and the terms are reflected on the invoice and all other billing documents. However, the agreed-upon payment terms cannot exceed 30 days from the date of acceptance to qualify for trust protection.

**What is a disciplinary action under the PACA?**

USDA may penalize a licensee that repeatedly and flagrantly violates the Act. A disciplinary action may result in a suspension or revocation of the firm's PACA license. In lieu of suspension or revocation, the Secretary of Agriculture may assess a civil penalty of up to \$2,000 for each violation or for each day the violation continues.

**How does the USDA decide if a PACA license should be suspended or revoked as the result of a disciplinary proceeding?**

USDA considers the seriousness and the nature of the violation(s), the number of violations that took place, the length of the time period in which the violations occurred, and the effect that the violations had on the produce industry. Revocation of the license is the most severe penalty that can be imposed.

**How does a PACA license suspension or license revocation restrict a firm and/or its principals?**

Following the suspension or revocation of a PACA license, the firm and its responsibly connected individuals are automatically subject to licensing and employment restrictions, which prohibit those individuals and firms from working or operating in the produce industry for a certain period of time. A person is considered to be responsibly connected if he/she is an

**What are some of the common PACA violations that prompt USDA to take disciplinary action?**

owner, a partner in a partnership, a member or manager in a limited liability company, or an officer, director, or holder of more than 10 percent of the stock of a corporation or association. As long as the license is suspended, the firm cannot conduct business in the produce industry. Furthermore, none of the persons responsibly connected with the firm can engage in business under the PACA, nor can another PACA licensee employ them.

Failure to pay for produce purchased;

Slow payment;

Failure of a commission merchant or grower's agent to render accurate accountings and pay promptly the net proceeds due the shippers and growers;

Flagrant misbranding or misrepresentation of produce shipped in interstate or foreign commerce;

Making false and misleading statements for a fraudulent purpose, including altering or otherwise falsifying official USDA inspection certificates; and

Employing a restricted person after receiving notice from the USDA that the employment is prohibited.

**This law puts strict regulations on the produce industry. Do you receive much industry resistance?**

The industry developed and sponsored this law, and the majority of industry members strongly support the PACA. The act has been amended several times over the years to keep pace with changing trade practices. The most recent revisions occurred in 1995.

**Where can I get more information about the PACA program?**

You can visit our website at <http://www.ams.usda.gov/fv/paca.htm> for more information about the PACA program. Here you can find information about licensing, resolving commercial disputes, mediation, PACA publications, a list of current PACA violators, a digest of recent disciplinary decisions, and an office directory.

We also offer a free Internet training program that covers the basic information you need to know to operate within the PACA. After reviewing the course material, you'll take on-line tests that are scored automatically so you'll get immediate feedback. To begin training, click on the link PACA Internet Training Program located on our homepage.

## Fruit and Vegetable Programs

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*You may contact any of the following offices if you have additional questions about the PACA program:*

USDA, AMS, F&V Programs PACA Branch  
P.O. Box 96456  
Washington, DC 20090-6456  
Telephone: 877-622-4716 (toll-free)  
Fax: 202-690-4413

USDA, AMS, F&V Programs PACA Branch  
622 Georges Road, Suite 303  
North Brunswick, NJ 08920-3303  
Telephone: 877-471-7720 (toll-free)  
Fax: 732-846-0427

USDA, AMS, F&V Programs PACA Branch  
1200 East Copeland Road, Suite 404  
Arlington, TX 76011-4938  
Telephone: 888-901-6137 (toll-free)  
Fax: 817-276-1968

USDA, AMS, F&V Programs PACA Branch  
Building A, Suite 360  
Glen Ellyn, IL 60137-5832  
Telephone: 888-693-0423 (toll-free)  
Fax: 630-858-9304

USDA, AMS, F&V Programs PACA Branch  
300 W. Congress Street, Box FB30  
Tucson, AZ 85701-1319  
Telephone: 888-639-0575 (toll-free)  
Fax: 520-670-4798

USDA, AMS, F&V Programs PACA Branch  
8700 Centreville Road, Suite 206  
Manassas, VA 20110-8411  
Telephone: 888-639-9236 (toll-free)  
Fax 703-330-4856

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.

Revised April 2000



## REPORTING NEW EMPLOYEES AND INDEPENDENT CONTRACTORS

As a business or government entity doing business in California, you are required to report certain information on independent contractors and employees you hire to the Employment Development Department (EDD).

This information will assist in locating parents who are delinquent in their child support payments.

The reporting requirements for both new employees and independent contractors are listed below.

### Background:

In 1996, Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act, requiring all employers to report certain information on newly hired and rehired employees. The federal requirement was implemented by California effective July 1, 1998.

In 1999, California enacted a law requiring businesses and government entities to report similar information on independent contractors. This requirement was effective January 1, 2001.

### NEW EMPLOYEE REPORTING

**Effective Date: July 1, 1998**

#### Reporting Requirements for California Employers

California employers are required to report information on newly hired or rehired employees who work in California to EDD's New Employee Registry (NER) no later than 20 days after the start-of-work date. However, multi-state employers may elect to report, via magnetic media, all newly-hired employees to one state in which they have employees. The State of California encourages multi-state employers to report California employees to the California NER.

#### Who Must Be Reported

**NEWLY-HIRED EMPLOYEES** are those individuals who have not previously been included on your payroll.

**REHIRED EMPLOYEES** are those individuals who were previously included on your payroll; left your employment due to furlough, termination, separation, layoff, or unpaid leave of absence; and are now returning to your employment.

An individual is considered a new hire or rehire on the first day they perform service for wages (the first day of work).

### INDEPENDENT CONTRACTOR REPORTING

**Effective Date: January 1, 2001**

#### Reporting Requirements for Businesses and Government Entities Doing Business in California

Any business or government entity (defined as a "service-recipient" that is required to file Federal Form 1099-MISC for services performed by an independent contractor (defined as a "service-provider") must report. A service-recipient means any individual, person, corporation, association, or partnership, or agent thereof, doing business in this State, deriving trade or business income from sources within this State, or in any manner in the course of trade or business subject to the laws of this State. An independent contractor is defined as an individual who is not an employee of the business or government entity for California purposes and who receives compensation or executes a contract for services performed for that business or government entity either in or outside of California.

#### Who Must Be Reported

Any individual whom the business or government entity is required to provide a Federal Form 1099-MISC for services performed as an independent contractor. This does not include an independent contractor who is a corporation, general partnership, limited liability partnership, or limited liability company. In general, independent contractors who are sole proprietors are to be reported.

## When to Report

Information on newly-hired or rehired employees must be reported within 20 days of their start-of-work date.

Employers who choose to report via electronic or magnetic media must submit two transmissions each month that are not less than 12 or more than 16 days apart.

## Required Information

The following information must be reported to EDD:

### Employer Information

- Name or business name, and address
- EDD employer account number
- Federal employer identification number

### Employee Information

- First name, middle initial, and last name
- Social Security Number
- Home address
- Start-of-work date

## Reporting Methods

Employers may elect any of the following methods to report information to EDD:

- File a *Report of Employee(s)* (DE 34)
- File a copy of employee's W-4 form (must include EDD employer account number)
- Submit on magnetic media
- File On-Line (iNER)  
(Refer to EDD's Internet site at [www.edd.ca.gov](http://www.edd.ca.gov) for details)

## Reporting by Magnetic Media

Employers hiring 25 or more employees are encouraged to report this information via magnetic media. If you report by magnetic media, you do not need to send a *Report of Employee(s)* (DE 34). For details, please contact the Magnetic Media Unit at (916) 651-6945.

## Where to Send Reports

Employment Development Department  
P.O. Box 997016, MIC 23  
West Sacramento, CA 95799-7016  
Telephone: (916) 657-0529  
Fax: (916) 255-0951

## When to Report

You must report independent contractor information to EDD within twenty (20) days of EITHER making payments totaling \$600 or more for services performed, OR entering into a contract for \$600 or more for services performed, whichever is earlier. If the threshold is met, reporting is required in each calendar year, but only once in a calendar year.

## Required Information

The following information that applies must be reported to EDD:

### Business or Government Entity Information

- Name, business name, address, and telephone number
- Federal employer identification number
- EDD employer account number
- Social Security Number

### Independent Contractor Information

- First name, middle initial, and last name
- Social Security Number
- Address
- Start date of contract or date \$600 or more is paid
- Amount of contract (including cents)
- Contract expiration date
- Ongoing contract (check box if applicable)

## Reporting Methods

Business and government entities may elect any of the following methods to report information to EDD:

- File a *Report of Independent Contractor(s)* (DE 542), or
- Submit on magnetic media

## Reporting by Magnetic Media

Businesses and government entities hiring 25 or more independent contractors are encouraged to report this information via magnetic media. If you report by magnetic media, you do not need to send a *Report of Independent Contractor(s)* (DE 542). For details, please contact the Magnetic Media Unit at (916) 651-6945.

## Where to Send Reports

Employment Development Department  
P.O. Box 997350, MIC 99  
Sacramento, CA 95899-7350  
Telephone: (916) 657-0529  
Fax: (916) 255-3211

You may obtain forms and/or information by calling (916) 657-0529. If you have any questions, please contact our Employment Tax Customer Service Representative at 1-888-745-3886. For TTY (nonverbal) access, call 1-800-547-9565. You can also access our Internet site at [www.edd.ca.gov](http://www.edd.ca.gov). For magnetic media filing, please contact (916) 651-6945.

# REPORT OF NEW EMPLOYEE(S)

See detailed instructions on reverse side. Please type or print.  
NOTE: Report new employees within 20 days of start of work.



00340600



DATE M M D D Y Y	CA EMPLOYER ACCOUNT NO. L L L L L L L L L L	BRANCH CODE L L	FEDERAL ID NO. L L L L L L L L L L	NO. OF FORMS NEEDED L L
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BUSINESS NAME	CONTACT PERSON	TELEPHONE NO.
---------------	----------------	---------------

ADDRESS	STREET	CITY	STATE	ZIP
---------	--------	------	-------	-----

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
CITY	STATE	ZIP
		START-OF-WORK DATE M M D D Y Y

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
CITY	STATE	ZIP
		START-OF-WORK DATE M M D D Y Y

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
CITY	STATE	ZIP
		START-OF-WORK DATE M M D D Y Y

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
CITY	STATE	ZIP
		START-OF-WORK DATE M M D D Y Y

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
CITY	STATE	ZIP
		START-OF-WORK DATE M M D D Y Y

EMPLOYEE FIRST NAME	MI	EMPLOYEE LAST NAME
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
CITY	STATE	ZIP
		START-OF-WORK DATE M M D D Y Y



## INSTRUCTIONS FOR COMPLETING THE REPORT OF NEW EMPLOYEE(S),

### WHO MUST BE REPORTED:

Federal law requires all employers to report to EDD within 20 days of start of work all employees who are newly hired or rehired. This information is used to assist state and county agencies in locating parents who are delinquent in their child support obligations.

An individual is considered a **new hire** on the first day in which he/she performs services for wages. An individual is considered a **rehire** if the employer/employee relationship has ended and the returning individual is required to submit a W-4 form to the employer.

### WHAT MUST BE REPORTED ON THIS FORM:

#### Employer's:

- California Employer Account Number  
*on each form completed*
- Branch Code - Complete only if employer was assigned a Branch Code number
- Federal Employer Identification Number
- Business name and address

#### Employee's

- First name, middle initial, and last name
- Social security number
- Home Address
- Start of work date (hire date)

### HOW TO COMPLETE THIS FORM:

Please record information in the spaces provided. If you use a typewriter or printer, ignore the boxes and type in UPPER CASE as shown. Do not use dashes or slashes

EMPLOYEE FIRST NAME			MI	EMPLOYEE LAST NAME		
I M O G E N E			A	S A M P L E		
SOCIAL SECURITY NO.		STREET NO.		STREET NAME		UNIT/APT
1 2 3 4 5 6 7 8 9		1 2 3 4		A N Y S T R E E T		3 1 2

If you **must hand print this form**, write each letter or number in a separate box as shown. Do not use commas or periods.

EMPLOYEE FIRST NAME			MI	EMPLOYEE LAST NAME		
I M O G E N E			A	S A M P L E		
SOCIAL SECURITY NO.		STREET NO.		STREET NAME		UNIT/APT
1 2 3 4 5 6 7 8 9		1 2 2 3		A N Y S T R E E T		3 1 2

### ADDITIONAL INFORMATION:

To obtain information for submitting Reports of New Employee(s) on magnetic media, call (916) 654-6845.

If you have any questions concerning this reporting requirement, please contact your local Employment Tax Customer Service Office (ETCSO) listed in your local telephone directory in the State Government section under "Employment Development Department".

#### TO OBTAIN ADDITIONAL DE 34s:

- Enter number of forms needed in spaces provided next to Federal ID Number (**on the first page only**);
- Visit EDD's Home Page at [www.edd.ca.gov](http://www.edd.ca.gov)
- Contact your local ETCSO or for 25 or more forms Telephone (916) 322-2835.

An inquiry line (916) 657-0529 has been established to provide information about this reporting requirement. A customer service representative will be available to assist you during normal business hours.

### HOW TO REPORT:

Please record the information in the spaces provided and mail to the following address or FAX to (916) 255-0951.

**EMPLOYMENT DEVELOPMENT DEPARTMENT**  
**P. O. Box 997016, MIC 23**  
**West Sacramento, CA 95799-7016**

**REPORT OF  
INDEPENDENT CONTRACTOR(S)**



05420700



See detailed instructions on page 2. Please type or print.

**SERVICE-RECIPIENT (BUSINESS OR GOVERNMENT ENTITY):**

DATE M M D D Y Y	FEDERAL ID NO.	CA EMPLOYER ACCOUNT NO.	SOCIAL SECURITY NO.	NO. OF FORMS NEEDED
SERVICE-RECIPIENT NAME / BUSINESS NAME		CONTACT PERSON		
ADDRESS			TELEPHONE NO.	
CITY			STATE	ZIP

**SERVICE-PROVIDER (INDEPENDENT CONTRACTOR):**

FIRST NAME	MI	LAST NAME		
SOCIAL SECURITY NO.	STREET NO.	STREET NAME		UNIT/APT
CITY	STATE		ZIP	
START DATE OF CONTRACT M M D D Y Y	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE M M D D Y Y	CHECK HERE IF CONTRACT IS ONGOING	

FIRST NAME	MI	LAST NAME		
SOCIAL SECURITY NO.	STREET NO.	STREET NAME		UNIT/APT
CITY	STATE		ZIP	
START DATE OF CONTRACT M M D D Y Y	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE M M D D Y Y	CHECK HERE IF CONTRACT IS ONGOING	

FIRST NAME	MI	LAST NAME		
SOCIAL SECURITY NO.	STREET NO.	STREET NAME		UNIT/APT
CITY	STATE		ZIP	
START DATE OF CONTRACT M M D D Y Y	AMOUNT OF CONTRACT	CONTRACT EXPIRATION DATE M M D D Y Y	CHECK HERE IF CONTRACT IS ONGOING	

## INSTRUCTIONS FOR COMPLETING THE REPORT OF INDEPENDENT CONTRACTOR(S)

### WHO MUST REPORT:

Any business or government entity (defined as a "service-recipient") that is required to file a Federal Form 1099-MISC for service performed by an independent contractor (defined as a "service-provider") must report. You must report to the Employment Development Department within twenty (20) days of EITHER making payments of \$600 or more OR entering into a contract for \$600 or more with an independent contractor in any calendar year, whichever is earlier. This information is used to assist state and county agencies in locating parents who are delinquent in their child support obligations.

An independent contractor is further defined as an individual who is not an employee of the business or government entity for California purposes and who receives compensation or executes a contract for services performed for that business or government entity either in or outside of California. For further clarification, request *Information Sheet: Employment Work Status Determination* (DE 231ES). See below for additional information on how to obtain forms.

### YOU ARE REQUIRED TO PROVIDE THE FOLLOWING INFORMATION THAT APPLIES:

#### Service-Recipient (Business or Government Entity):

- Federal employer identification number
- California employer account number
- Social security number
- Service-recipient name/business name, address, and telephone number

#### Service-Provider (Independent Contractor):

- First name, middle initial, and last name
- Social security number
- Address
- Start date of contract OR date payments equal \$600 or more
- Amount of contract (including cents)
- Contract expiration date
- Ongoing contract (check box if applicable)

### HOW TO COMPLETE THIS FORM:

If you use a typewriter or printer, ignore the boxes and type in UPPER CASE as shown. Do not use commas or periods.

FIRST NAME	MI	LAST NAME
IMOGENE	A	SAMPLE
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
123456789	12345	MAIN STREET
		UNIT / APT.
		301

If you **handwrite** this form, print each letter or number in a separate box as shown. Do not use commas or periods.

FIRST NAME	MI	LAST NAME
I M O G E N E	A	S A M P L E
SOCIAL SECURITY NO.	STREET NO.	STREET NAME
1 2 3 4 5 6 7 8 9	1 2 3 4 5	M A I N S T R E E T
		UNIT / APT.
		3 0 1

### GENERAL INFORMATION:

To obtain information for submitting *Report of Independent Contractor(s)* on magnetic media, call (916) 651-6945.

If you have any questions concerning this reporting requirement, please call (916) 657-0529. You may also contact your local Employment Tax Customer Service Office listed in your telephone directory in the State Government section under "Employment Development Department," or you may access our Internet site at [www.edd.ca.gov](http://www.edd.ca.gov).

To obtain additional DE 542 forms:

- Enter number of forms needed in upper right hand corner on front of form, or
- Visit our Internet site at [www.edd.ca.gov](http://www.edd.ca.gov), or
- For 25 or more forms, telephone (916) 322-2835
- For less than 25 forms, telephone (916) 657-0529

### HOW TO REPORT:

Please record the information in the spaces provided and mail to the following address or fax to (916) 255-3211.

**EMPLOYMENT DEVELOPMENT DEPARTMENT**  
**P. O. Box 997350, MIC 99**  
**Sacramento, CA 95899-7350**

**INSTRUCTIONS**

PLEASE READ ALL INSTRUCTIONS CAREFULLY BEFORE COMPLETING THIS FORM.

**Anti-Discrimination Notice** It is illegal to discriminate against any individual (other than an alien not authorized to work in the U.S.) in hiring, discharging, or recruiting or referring for a fee because of that individual's national origin or citizenship status. It is illegal to discriminate against work eligible individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.

**Section 1 - Employee.** All employees, citizens and noncitizens, hired after November 6, 1986, must complete Section 1 of this form at the time of hire, which is the actual beginning of employment. **The employer is responsible for ensuring that Section 1 is timely and properly completed.**

**Preparer/Translator Certification** The Preparer/Translator Certification must be completed if Section 1 is prepared by a person other than the employee. A preparer/translator may be used only when the employee is unable to complete Section 1 on his/her own. However, the employee must still sign Section 1.

**Section 2 - Employer.** For the purpose of completing this form, the term "employer" includes those recruiters and referrers for a fee who are agricultural associations, agricultural employers or farm labor contractors.

Employers must complete Section 2 by examining evidence of identity and employment eligibility within three (3) business days of the date employment begins. If employees are authorized to work, but are unable to present the required document(s) within three business days, they must present a receipt for the application of the document(s) within three business days and the actual document(s) within ninety (90) days. However, if employers hire individuals for a duration of less than three business days, Section 2 must be completed at the time employment begins. **Employers must record: 1) document title; 2) issuing authority; 3) document number, 4) expiration date, if any; and 5) the date employment begins.** Employers must sign and date the certification. Employees must present original documents. Employers may, but are not required to, photocopy the document(s) presented. These photocopies may only be used for the verification process and must be retained with the I-9. **However, employers are still responsible for completing the I-9.**

**Section 3 - Updating and Reverification.** Employers must complete Section 3 when updating and/or reverifying the I-9. Employers must reverify employment eligibility of their employees on or before the expiration date recorded in Section 1. Employers **CANNOT** specify which document(s) they will accept from an employee.

- If an employee's name has changed at the time this form is being updated/ reverified, complete Block A.
- If an employee is rehired within three (3) years of the date this form was originally completed and the employee is still eligible to be employed on the same basis as previously indicated on this form (updating), complete Block B and the signature block.

- If an employee is rehired within three (3) years of the date this form was originally completed and the employee's work authorization has expired or if a current employee's work authorization is about to expire (reverification), complete Block B and:
  - examine any document that reflects that the employee is authorized to work in the U.S. (see List A or C),
  - record the document title, document number and expiration date (if any) in Block C, and complete the signature block.

**Photocopying and Retaining Form I-9** A blank I-9 may be reproduced, provided both sides are copied. The Instructions must be available to all employees completing this form. Employers must retain completed I-9s for three (3) years after the date of hire or one (1) year after the date employment ends, whichever is later.

**For more detailed information, you may refer to the INS Handbook for Employers, (Form M-274). You may obtain the handbook at your local INS office.**

**Privacy Act Notice.** The authority for collecting this information is the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 USC 1324a).

This information is for employers to verify the eligibility of individuals for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of aliens who are not authorized to work in the United States.

This information will be used by employers as a record of their basis for determining eligibility of an employee to work in the United States. The form will be kept by the employer and made available for inspection by officials of the U.S. Immigration and Naturalization Service, the Department of Labor and the Office of Special Counsel for Immigration Related Unfair Employment Practices.

Submission of the information required in this form is voluntary. However, an individual may not begin employment unless this form is completed, since employers are subject to civil or criminal penalties if they do not comply with the Immigration Reform and Control Act of 1986.

**Reporting Burden.** We try to create forms and instructions that are accurate, can be easily understood and which impose the least possible burden on you to provide us with information. Often this is difficult because some immigration laws are very complex. Accordingly, the reporting burden for this collection of information is computed as follows: **1) learning about this form, 5 minutes; 2) completing the form, 5 minutes; and 3) assembling and filing (recordkeeping) the form, 5 minutes,** for an average of 15 minutes per response. If you have comments regarding the accuracy of this burden estimate, or suggestions for making this form simpler, you can write to the Immigration and Naturalization Service, HQPDI, 425 I Street, N.W., Room 4034, Washington, DC 20536. OMB No. 1115-0136.

**EMPLOYERS MUST RETAIN COMPLETED FORM I-9  
PLEASE DO NOT MAIL COMPLETED FORM I-9 TO INS**

Form I-9 (Rev. 11-21-91)N

## Employment Eligibility Verification

**Please read instructions carefully before completing this form. The instructions must be available during completion of this form. ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work eligible individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because of a future expiration date may also constitute illegal discrimination.**

**Section 1. Employee Information and Verification** To be completed and signed by employee at the time employment begins.

Print Name: Last	First	Middle Initial	Maiden Name
Address (Street Name and Number)		Apt. #	Date of Birth (month/day/year)
City	State	Zip Code	Social Security #
<b>I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.</b>		I attest, under penalty of perjury, that I am (check one of the following): <input type="checkbox"/> A citizen or national of the United States <input type="checkbox"/> A Lawful Permanent Resident (Alien # A _____) <input type="checkbox"/> An alien authorized to work until ___/___/___ (Alien # or Admission #) _____	
		Date (month/day/year)	
Employee's Signature			Date (month/day/year)

**Preparer and/or Translator Certification.** (To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Preparer's/Translator's Signature	Print Name
Address (Street Name and Number, City, State, Zip Code)	
Date (month/day/year)	

**Section 2. Employer Review and Verification.** To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number and expiration date, if any, of the document(s)

List A	OR	List B	AND	List C
Document title: _____		_____		_____
Issuing authority: _____		_____		_____
Document #: _____		_____		_____
Expiration Date (if any): ___/___/___		___/___/___		___/___/___
Document #: _____		_____		_____
Expiration Date (if any): ___/___/___		_____		_____

**CERTIFICATION - I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) \_\_\_/\_\_\_/\_\_\_ and that to the best of my knowledge the employee is eligible to work in the United States. (State employment agencies may omit the date the employee began employment.)**

Signature of Employer or Authorized Representative	Print Name	Title
Business or Organization Name		Date (month/day/year)
Address (Street Name and Number, City, State, Zip Code)		

**Section 3. Updating and Reverification** To be completed and signed by employer.

A. New Name (if applicable)	B. Date of rehire (month/day/year) (if applicable)
C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment eligibility.	
Document Title: _____ Document #: _____ Expiration Date (if any): ___/___/___	
<b>I attest, under penalty of perjury, that to the best of my knowledge, this employee is eligible to work in the United States and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.</b>	
Signature of Employer or Authorized Representative	Date (month/day/year)

## LISTS OF ACCEPTABLE DOCUMENTS

LIST A  Documents that Establish Both Identity and Employment Eligibility	<b>OR</b>	LIST B  Documents that Establish Identity	<b>AND</b>	LIST C  Documents that Establish Employment Eligibility
<ol style="list-style-type: none"> <li>1. U.S. Passport (unexpired or expired)</li> <li>2. Certificate of U.S. Citizenship (<i>INS Form N-560 or N-561</i>)</li> <li>3. Certificate of Naturalization (<i>INS Form N-550 or N-570</i>)</li> <li>4. Unexpired foreign passport, with <i>I-551 stamp</i> or attached <i>INS Form I-94</i> indicating unexpired employment authorization</li> <li>5. Permanent Resident Card or Alien Registration Receipt Card with photograph (<i>INS Form I-151 or I-551</i>)</li> <li>6. Unexpired Temporary Resident Card (<i>INS Form I-688</i>)</li> <li>7. Unexpired Employment Authorization Card (<i>INS Form I-688A</i>)</li> <li>8. Unexpired Reentry Permit (<i>INS Form I-327</i>)</li> <li>9. Unexpired Refugee Travel Document (<i>INS Form I-571</i>)</li> <li>10. Unexpired Employment Authorization Document issued by the INS which contains a photograph (<i>INS Form I-688B</i>)</li> </ol>	<b>OR</b>	<ol style="list-style-type: none"> <li>1. Driver's license or ID card issued by a state or outlying possession of the United States provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address</li> <li>2. ID card issued by federal, state or local government agencies or entities, provided it contains a photograph or information such as name, date of birth, gender, height, eye color and address</li> <li>3. School ID card with a photograph</li> <li>4. Voter's registration card</li> <li>5. U.S. Military card or draft record</li> <li>6. Military dependent's ID card</li> <li>7. U.S. Coast Guard Merchant Mariner Card</li> <li>8. Native American tribal document</li> <li>9. Driver's license issued by a Canadian government authority</li> </ol> <p style="text-align: center;"><b>For persons under age 18 who are unable to present a document listed above:</b></p> <ol style="list-style-type: none"> <li>10. School record or report card</li> <li>11. Clinic, doctor or hospital record</li> <li>12. Day-care or nursery school record</li> </ol>	<b>AND</b>	<ol style="list-style-type: none"> <li>1. U.S. social security card issued by the Social Security Administration (<i>other than a card stating it is not valid for employment</i>)</li> <li>2. Certification of Birth Abroad issued by the Department of State (<i>Form FS-545 or Form DS-1350</i>)</li> <li>3. Original or certified copy of a birth certificate issued by a state, county, municipal authority or outlying possession of the United States bearing an official seal</li> <li>4. Native American tribal document</li> <li>5. U.S. Citizen ID Card (<i>INS Form I-197</i>)</li> <li>6. ID Card for use of Resident Citizen in the United States (<i>INS Form I-179</i>)</li> <li>7. Unexpired employment authorization document issued by the INS (<i>other than those listed under List A</i>)</li> </ol>

Illustrations of many of these documents appear in Part 8 of the Handbook for Employers (M-274)

**KEY EMPLOYMENT REQUIREMENTS FOR  
AGRICULTURAL WORKPLACES IN CALIFORNIA  
(Revised January 2001)**

From the Farm Employers Labor Service (FELS) website <http://208.186.125.6/fels.htm>

Federal and state laws and regulations set minimum employment standards for California's agricultural workplaces. Those standards are numerous and complex. This checklist covers many of them. It does not list every rule and may include some that do not apply to you, however; you should therefore consult an employment law attorney or consultant for more details.

**Workers' Compensation**

- Employer must have a workers' compensation insurance policy or be permissibly self-insured
- Workers' compensation notice must be posted and given to employees

**Unemployment Insurance**

- Employment Development Department registration number

**Federal Taxes**

- Internal Revenue Service employer identification number

**Employment Eligibility Verification**

- Must verify on INS Form I-9 the eligibility of every newly-hired employee to work in the United States

**Child Labor**

- Minors below age 12 may neither work in agriculture nor be near moving equipment or unprotected chemicals or water hazards (grower's children excepted)
- Permits to Work and Permits to Employ must be on file for at least 3 years for older minors (grower's children and high school graduates excepted)
- Limits on hours of work must be observed (grower's children excepted, but must attend school when in session)
- Minors below age 18 may not mix or load certain pesticides
- Minors below age 16 may not work in hazardous agricultural occupations (example: near moving machinery) (grower's children excepted)
- Minor children notice must be posted
- Property owner who benefits from a minor's employment and who knowingly allows child labor violations to occur is liable for them, even if not the minor's employer

**Farm Labor Contractors (FLC)**

- Verify that FLC is federally registered and state licensed (best way: get and keep a photocopy of each document)
- Keep for at least 3 years a copy of FLC's payroll records for FLC crews supplied to grower
- Grower who is a joint employer of FLC's employees or who uses an unlicensed FLC is liable for FLC's violations
- Recommended: Have FLC direct his workers' compensation carrier to send you a certificate of insurance



## Other Posters and Notices

- Other IWC orders as applicable
  - 4 (e.g., clericals of an employer whose only other employees are covered by Order 14)
  - 8 (post-harvest handling of commodities not produced by the employer, usually including its clericals)
  - 13 (post-harvest handling of commodities produced only by the employer, usually including its clericals)
- Migrant and Seasonal Agricultural Worker Protection Act poster
- Employee Polygraph Protection Act poster
- California nondiscrimination poster (5 or more employees)
- Federal nondiscrimination poster (15 or more employees)
- Federal Minimum Wage poster
- Cal/OSHA: Safety and Health Protection on the Job; Form No. 200; others as applicable, based on activities
- Industrial Welfare Commission (IWC) Order 14 (ag occupations)

## Minimum Wage

- In general, all nonexempt employees must be paid at least \$6.25/hr (\$6.75/hr January 1, 2002) no matter whether wages are earned on an hourly, piece-rate, commission or salary basis
- Piece-rate earnings are averaged over a workweek to determine whether minimum wage is achieved

## Housing and Meals Credited Against Minimum Wage

- Employee must authorize in writing
- IWC orders limit credit amounts

## Overtime Premium Pay

- Almost all nonexempt employees—even those paid a salary or by piece rate—must receive overtime premium pay
- IWC Order 14
  - Hours over 10 in a workday and first 8 hours on 7th day of work in a workweek: 1\* times regular pay rate (RPR)
  - Hours over 8 on 7th day of work in a workweek: 2 times RPR
- IWC Orders 4, 8 and 13 (and most others)
  - 9th-12th hours in a workday, hours over 40 in a workweek, and first 8 hours on 7th day of work in a workweek: 1\* times RPR
  - Hours over 12 in a workday and over 8 on 7th day of work in a workweek: 2 times RPR
- Exceptions to overtime premium pay
  - Irrigators (over 1/2 of time worked in a workweek)
  - Drivers of certain large trucks (generally, weighing at least 6,000 lbs. with 3 or more axles)
  - Certain part-time agricultural employees (up to 6 hours in a workday and 30 hours in a workweek)



- Caution: An employee who during a workweek processes, packs or otherwise handles after harvest any amount of any commodity not produced by his employer must be paid 1\* times RPR for all hours worked over 40 in that workweek, even if most of the employee's work is agricultural

Deductions not mandated by law require employee's written authorization

#### Payment of Wages

- At least semimonthly (exception: at least weekly for FLC employees)
- Immediately upon discharge or layoff
- Within 72 hours after voluntary quit

#### Itemized Statement given to employee with wage payment

- Employee name and social security number
- Basis on which wages are paid (for example, "\$5.75/hr." or "\$.20/vine pruned")
- Total hours worked
- Number of piece work units produced (if applicable)
- Total pay period earnings
- Purpose and amount of any sum withheld
- Net pay
- Employer's name, address and IRS employer ID number
- Inclusive dates of pay period

#### Employer Records

- Employer's name and address
- Employee's name, record identifier (if any), permanent address, sex, occupation, social security number and, if under age 18, birthdate and designation as minor
- Day and time when workweek starts
- Starting and ending times of each work period (meal periods in which operations stop and mandatory rest periods excluded)
- Number of piece work units produced, if applicable
- Total hours worked each workday, workweek and payroll period
- Date, purpose and amount of any sum withheld from or added to wages
- Net pay
- Total pay period earnings, including value of board, lodging or other compensation
- Basis on which wages are paid (for example, "\$5.75/hr." or "\$.20/vine pruned")
- Pay date and period payment covers
- Keep records for at least 3 years; but it's prudent to keep them for 4 years to defend claims under state's unfair competition laws (Business & Professions Code sections 17200-17209)

#### Reporting Time Pay

- \*\* of usual day's pay (at least 2 but not more than 4 hours) for employee who reports for work but is given less than \* of usual day's work; most typical exception is for an Act of God or other cause beyond employer's control

## Tools and Equipment

- Employer must provide and maintain required or necessary tools and equipment for employees earning less than twice the minimum wage
- Funds securing return of equipment deposited in a joint bank savings account
- Deduction from employee's final pay for lost equipment allowed only upon employee's prior written authorization and only where loss is due to employee's dishonest, willful or grossly-negligent act

## Meal Periods

- \* Allow a 30-minute unpaid meal period in a 5-hour work period; employer and employee may waive it if a work period of 6 or fewer hours will complete day's work; employer and employee may agree to on-duty paid meal period if task requires it. If a meal period is not provided, the employer must pay the employee one hour of pay at the employee's regular rate of pay each day a meal period is not provided.

## Rest Periods

- Allow a 10-minute paid rest period per 4 hours of work or major fraction thereof, based on total workday hours; none required if employee works under
- 3\* hours in a workday. If a rest period(s) is(are) not provided, the employer must pay the employee one hour of pay at the employee's regular rate of pay each day a rest period(s) is(are) not provided.

## Transportation of Workers

- Licensing of drivers
- Vehicle safety standards and inspection stickers

## Housing

- Inspections and permits under state Employee Housing Act if 5 or more employees are housed
- Compliance with federal housing standards for migrant agricultural workers
- Federal migrant agricultural worker housing poster

## Field Sanitation in hand-labor operations

- Toilet Facilities
  - Crew with 1-4 employees: one toilet, even if a mixed-sex crew
  - Crew with 5 or more employees: one toilet per 20 employees of each sex, or fraction thereof
  - Toilet paper in suitable holder
  - Screened
  - Chemical toilet waste water tank must be able to hold at least 40 gallons and must contain effective odor-control and solid-liquefying chemicals
  - Keep service & maintenance records for at least 2 years
- Handwashing Facilities
  - One per 20 employees or fraction thereof
  - Water tank must be able to hold at least 15 gallons and be refilled with potable water as necessary
  - Soap and single-use towels provided
  - Sign posted stating: This water is for handwashing only

- Toilet and Handwashing Facilities
  - Located near each other
  - Within a <sup>\*</sup>1-mile or 5-minute walk of employees, whichever is shorter; where terrain prevents this, then at the point closest to vehicular access
  - Ventilated and rigidly-constructed, with self-closing doors, lockable from inside
  - Inside surfaces must be nonabsorbent, smooth, readily-cleanable, and light-colored
  - Clean and sanitary
  - Alternative compliance: May provide transportation to facilities if:
    - (1) employees are performing fieldwork for under 2 hours (including transportation time) or (2) 4 or fewer employees are engaged in hand-labor operations on a given day
- Drinking Water
  - Pure, cool water must always be readily available
  - Dispensed by fountain or single-use cups
  - Container must be covered, protected and kept clean
- Good hygiene practices notice

#### Other Safety and Health Requirements

- Written Injury and Illness Prevention Program
- Written Hazard Communication Program
- First-aid kit and person trained in its use

#### Migrant and Seasonal Ag Worker Protection Act Disclosure

- Disclose this information in writing to a recruited migrant or seasonal day-haul agricultural worker when the worker is recruited and to a seasonal agricultural worker upon the worker's request when the worker is offered employment:
  - Place of employment, including employer's name and address
  - Wage rates (including piece rates) to be paid
  - Crops and activities the worker may be employed in
  - Period of employment
  - Any transportation, housing and other benefit to be provided, and any cost to be charged for them
  - Workers' compensation and unemployment insurance
  - Existence of any strike or other concerted work stoppage
  - Existence of any arrangement under which the grower or FLC receives a commission or other benefit from sales to workers
  - Workers' compensation carrier and policyholder information



# Equal Employment Opportunity is THE LAW

## Employers Holding Federal Contracts or Subcontracts

Applicants to and employees of companies with a Federal government contract or subcontract are protected under the following Federal authorities:

### **RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN**

Executive Order 11246, as amended, prohibits job discrimination on the basis of race, color, religion, sex or national origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

### **INDIVIDUALS WITH DISABILITIES**

Section 503 of the Rehabilitation Act of 1973, as amended, prohibits job discrimination because of disability and requires affirmative action to employ and advance in employment qualified individuals with disabilities who, with reasonable accommodation, can perform the essential functions of a job.

### **VIETNAM ERA, SPECIAL DISABLED, RECENTLY SEPARATED, AND OTHER PROTECTED VETERANS**

38 U.S.C. 4212 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, prohibits job discrimination and requires affirmative action to employ and advance in employment qualified Vietnam era veterans, qualified special disabled veterans, recently separated veterans, and other protected veterans.

Any person who believes a contractor has violated its nondiscrimination or affirmative action obligations under the authorities above should contact immediately:

The Office of Federal Contract Compliance Programs (OFCCP), Employment Standards Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210 or call (202) 693-0101, or an OFCCP regional or district office, listed in most telephone directories under U.S. Government, Department of Labor.

## Private Employment, State and Local Governments, Educational Institutions

Applicants to and employees of most private employers, state and local governments, educational institutions, employment agencies and labor organizations are protected under the following Federal laws:

### **RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN**

Title VII of the Civil Rights Act of 1964, as amended, prohibits discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of race, color, religion, sex or national origin.

### **DISABILITY**

The Americans with Disabilities Act of 1990, as amended, protects qualified applicants and employees with disabilities from discrimination in hiring, promotion, discharge, pay, job training, fringe benefits, classification, referral, and other aspects of employment on the basis of disability. The law also requires that covered entities provide qualified applicants and employees with disabilities with reasonable accommodations that do not impose undue hardship.

### **AGE**

The Age Discrimination in Employment Act of 1967, as amended, protects applicants and employees 40 years of age or older from discrimination on the basis of age in hiring, promotion, discharge, compensation, terms, conditions or privileges of employment.

### **SEX (WAGES)**

In addition to sex discrimination prohibited by Title VII of the Civil Rights Act of 1964, as amended (see above), the Equal Pay Act of 1963, as amended, prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Retaliation against a person who files a charge of discrimination, participates in an investigation, or opposes an unlawful employment practice is prohibited by all of these Federal laws.

If you believe that you have been discriminated against under any of the above laws, you should contact immediately:

The U.S. Equal Employment Opportunity Commission (EEOC), 1801 L Street, N.W., Washington, D.C. 20507 or an EEOC field office by calling toll free (800) 669-4000. For individuals with hearing impairments, EEOC's toll free TDD number is (800) 669-6820.

## Programs or Activities Receiving Federal Financial Assistance

### **RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX**

In addition to the protection of Title VII of the Civil Rights Act of 1964, as amended, Title VI of the Civil Rights Act prohibits discrimination on the basis of race, color or national origin in programs or activities receiving Federal financial assistance. Employment discrimination is covered by Title VI if the primary objective of the financial assistance is provision of employment, or where employment discrimination causes or may cause discrimination in providing services under such programs. Title IX of the Education Amendments of 1972 prohibits employment discrimination on the basis of sex in educational programs or activities which receive Federal assistance.

### **INDIVIDUALS WITH DISABILITIES**

Sections 501, 504 and 505 of the Rehabilitation Act of 1973, as amended, prohibits employment discrimination on the basis of disability in any program or activity which receives Federal financial assistance in the federal government. Discrimination is prohibited in all aspects of employment against persons with disabilities who, with reasonable accommodation, can perform the essential functions of a job.

If you believe you have been discriminated against in a program of any institution which receives Federal assistance, you should contact immediately the Federal agency providing such assistance.

# Your Rights under the Family and Medical Leave Act of 1993

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are eligible if they have worked for their employer for at least one year, and for 1,250 hours over

the previous 12 months, and if there are at least 50 employees within 75 miles. The FMLA permits employees to take leave on an intermittent basis or to work a reduced schedule under certain circumstances.

## Reasons for Taking Leave:

Unpaid leave must be granted for *any* of the following reasons:

- to care for the employee's child after birth, or placement for adoption or foster care;
- to care for the employee's spouse, son or daughter, or parent who has a serious health condition; or
- for a serious health condition that makes the employee unable to perform the employee's job.

At the employee's or employer's option, certain kinds of *paid* leave may be substituted for unpaid leave.

## Advance Notice and Medical Certification:

The employee may be required to provide advance leave notice and medical certification. Taking of leave may be denied if requirements are not met.

- The employee ordinarily must provide 30 days advance notice when the leave is "foreseeable."
- An employer may require medical certification to support a request for leave because of a serious health condition, and may require second or third opinions (at the employer's expense) and a fitness for duty report to return to work.

## Job Benefits and Protection:

- For the duration of FMLA leave, the employer must maintain the employee's health coverage under any "group health plan."

- Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.
- The use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

## Unlawful Acts by Employers:

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA;
- discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

## Enforcement:

- The U.S. Department of Labor is authorized to investigate and resolve complaints of violations.
- An eligible employee may bring a civil action against an employer for violations.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

## For Additional Information:

If you have access to the Internet visit our FMLA website: <http://www.dol.gov/esa/whd/fmla>. To locate your nearest Wage-Hour Office, telephone our Wage-Hour toll-free information and help line at 1-866-4USWAGE (1-866-487-9243): a customer service representative is available to assist you with referral information from 8am to 5pm **in your time zone**; or log onto our Home Page at <http://www.wagehour.dol.gov>.



U.S. Department of Labor  
Employment Standards Administration  
Wage and Hour Division  
Washington, D.C. 20210

WH Publication 1420  
Revised August 2001

# Notice

## Migrant and Seasonal Agricultural Worker Protection Act

This federal law requires agricultural employers, agricultural associations, farm labor contractors and their employees to observe certain labor standards when employing migrant and seasonal farmworkers unless specific exemptions apply. Further, farm labor contractors are required to register with the U.S. Department of Labor.

### Migrant and Seasonal Farmworkers Have These Rights

- To receive accurate information about wages and working conditions for the prospective employment
- To receive this information in writing and in English, Spanish or other languages, as appropriate
- To have the term of the working arrangement upheld
- To have farm labor contractors show proof of registration at the time of recruitment

# Aviso

## Ley de Protección de Trabajadores Migrantes y Temporales en la Agricultura

Esta ley federal exige que los patrones agrícolas, las asociaciones agrícolas, los contratistas de mano de obra agrícola (o troqueros), y sus empleados cumplan con ciertas normas laborales cuando ocupan a los trabajadores migrantes y temporales en la agricultura, a menos que se apliquen excepciones específicas. Los contratistas, o troqueros, tienen además la obligación de registrarse con el Departamento del Trabajo.

### Los Trabajadores Migrantes y Temporales en la Agricultura Tienen los Derechos Siguietes

- Recibir detalles exactos sobre el salario y las condiciones de trabajo del empleo futuro
- Recibir estos datos por escrito en inglés, en español, o en otro idioma que sea apropiado
- Cumplimiento de todas las condiciones de trabajo como fueron presentadas cuando se les hizo la oferta de trabajo
- Al ser reclutados para un trabajo, ver una prueba de que el contratista se haya registrado con el Departamento del Trabajo



Amends General Minimum Wage Order and IWC Industry and Occupation Orders

Please Post Next to Your IWC Industry or Occupation Order

**OFFICIAL NOTICE**



# California Minimum Wage

**MW-2001**

**Minimum Wage - Every employer shall pay to each employee wages not less than the following:**

**\$6.25**  
per hour beginning January 1, 2001

**\$6.75**  
per hour beginning January 1, 2002

To employers and representatives of persons working in industries and occupations in the State of California:

**SUMMARY OF ACTIONS**

TAKE NOTICE that on October 23, 2000, the Industrial Welfare Commission (IWC), having proceeded according to its authority in the Labor Code and Constitution of California, Article 14, § 1, amended Sections 1, 2, 3, and 5 of the General Minimum Wage Order, MW-98. Section 4, Separability, has not been changed. The IWC adopted increases to the minimum wage and to meals and lodging credits in this general minimum wage order and in all of the IWC's industry and occupation orders. The IWC also repealed and/or amended the following non-statutory full and partial exemptions from the minimum wage for certain employees that are contained in this order as well as in its industry and occupation orders: student nurses, professional actors, full-time carnival ride operators, employees of the State or local governments and any political subdivision thereof, personal attendants in private homes except for persons under the age of eighteen who are employed as baby sitters for a minor child of the employer in the employer's home, and minors paid not less than 85% of the minimum wage rounded to the nearest nickel. The present partial exemption for learners was amended to include minors. The IWC took these actions after holding investigative public hearings as required by Labor Code § 1178, considering the report of the Wage Board on the minimum wage selected pursuant to Labor Code § 1178.5, and subsequently holding public hearings according to the requirements of Labor Code § 1181.

This summary must be made available to employees in accordance with the IWC's wage orders. Copies of the full text of the amended wage orders may be obtained at [www.dir.ca.gov/IWC](http://www.dir.ca.gov/IWC) or by mail from the IWC.

**1. APPLICABILITY**

The provisions of this Order shall not apply to outside salespersons and individuals who are the parent, spouse, or children of the employer previously contained in this Order and the IWC's industry and occupation orders. The IWC has eliminated other exemptions from the minimum wage previously contained in this Order and in sections of the IWC's industry and occupation orders. (See Section 5, Amended Provisions, below.) Exceptions and modifications provided by statute or in Section 1, Applicability, and in other sections of the IWC's industry and occupation orders may be used where any such provisions are enforceable and applicable to the employer.

**2. MINIMUM WAGES**

Every employer shall pay to each employee wages not less than six dollars and twenty-five cents (\$6.25) per hour for all hours worked, effective January 1, 2001, and not less than six dollars and seventy-five cents (\$6.75) per hour for all hours worked, effective January 1, 2002.

**3. MEALS AND LODGING**

Meals or lodging may not be credited against the minimum wage without a voluntary written agreement between the employer and the employee. When credit for meals or lodging is used to meet part of the employer's minimum wage obligation, the amounts so credited may not be more than the following:

	<b>Effective January 1, 2001</b>	<b>Effective January 1, 2002</b>
<b>LODGING</b>		
Room occupied alone .....	\$29.40 per week	\$31.75 per week
Room shared .....	\$24.25 per week	\$26.20 per week
Apartment – two-thirds (2/3) of the ordinary rental value, and in no event more than: ...	\$352.95 per month	\$381.20 per month
Where a couple are both employed by the employer, two-thirds (2/3) of the ordinary rental value, and in no event more than: .....	\$522.10 per month	\$563.90 per month
<b>MEALS</b>		
Breakfast .....	\$2.25	\$2.45
Lunch .....	\$3.10	\$3.35
Dinner .....	\$4.15	\$4.50

**4. SEPARABILITY**

If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

**5. AMENDED PROVISIONS**

This Order amends the minimum wage and meals and lodging credits in MW-98, as well as in the IWC's industry and occupation orders. (See Orders 1-15, Secs. 4 and 10; and Order 16, Secs. 4 and 9.) This Order also amends the following other provisions of the IWC's industry and occupation orders to be consistent with the IWC's actions regarding the elimination of certain exemptions from the minimum wage: Order 1, Secs. 1(B) and 4(A)(1) and (2); Order 2, Secs. 1(B) and 4(A)(1) and (2); Order 3, Secs. 1(B) and 4(A)(1) and (2); Order 4, Secs. 1(B) and 4(A)(1) and (2); Order 5, Secs. 1(A) and (C), and 4(A)(1) and (2); Order 6, Secs. 1(B) and 4(A)(1) and (2); Order 7, Secs. 1(B) and 4(A)(1) and (2); Order 8, Secs. 1(B) and 4(A)(1) and (2); Order 9, Secs. 1(B) and 4(A)(1) and (2); Order 10, Secs. 1(B) and (D), and 4(A)(1) and (2); Order 11, Secs. 1(B) and (C) and 4(A)(1) and (2); Order 12, Secs. 1(B) and (C) and 4(A)(1) and (2); Order 13, Secs. 1(B) and 4(A)(1) and (2); Order 14, Secs. 1(B) and 4(A)(1) and (2); Order 15, Secs. 1(B) and 4(A)(1) and (2); and, Order 16, Sec. 1(B). These amendments were adopted on October 23, 2000, in Sacramento.

**These Amendments to the Wage Orders shall be in effect as of January 1, 2001.**

Questions about enforcement should be directed to the Division of Labor Standards Enforcement. Consult the white pages of your telephone directory under CALIFORNIA, State of, Industrial Relations for the address and telephone number of the office nearest you. The Division has offices in the following cities: Bakersfield, Eureka, Fresno, Long Beach, Los Angeles, Oakland, Redding, Sacramento, Salinas, San Bernardino, San Diego, San Francisco, San Jose, Santa Ana, Santa Barbara, Santa Rosa, Stockton, and Van Nuys.



#### **4. SEPARABILITY**


If the application of any provision of this Order, or any section, subsection, subdivision, sentence, clause, phrase, word or portion of this Order should be held invalid, unconstitutional, unauthorized, or prohibited by statute, the remaining provisions thereof shall not be affected thereby, but shall continue to be given full force and effect as if the part so held invalid or unconstitutional had not been included herein.

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# Session Six — Action Plan

## Worksheets

Action Plan

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## Personal Checklist and Action Plan

Subject Area	No Interest	I will do this by (date)	I've already done it	I (we) need assistance with	Resource
<b>Planning Success for You and Your Family</b>					
I shared the Values and Family worksheets with my family					
Held a family meeting					
Developed Values and Vision for our family					
<b>Strategic Planning</b>					
Developed Values and Vision Statement for our family farming business					
Developed Strategic, Tactical, and Operational Goals					
<b>Marketing: Sell What You Grow</b>					
Used the Market Tip Sheets to consider alternative markets					
Posted the Golden Rules of Marketing on my refrigerator					
Developed a channel strategy					
Developed a history of our farm and a consistent story and image					

Subject Area	No Interest	I will do this by (date)	I've already done it	I (we) need assistance with	Resource
<b>Managing Your Money</b>					
Made a basic household budget					
Made a basic farm budget					
Made a cashflow budget for the farm					
Made a cashflow budget for the house					
Spoke to the FSA about a loan or program					
Used partial budgeting to make a decision					
<b>Production and Planning for Multiple Markets</b>					
Drew a farm map					
Developed timelines for my crops					
Projected yield and harvest					
Changed planting to reflect my channel strategy					
Developed a post harvest routine for each crop I grow					

Subject Area	No Interest	I will do this by (date)	I've already done it	I (we) need assistance with	Resource
<b>Contracts and Regulations: What You Need to Know</b>					
Found a resource to help me understand contracts before I sign them					
Made a list of required Organic recordkeeping to take to the field					
Made a way to track harvest and sales information for organic certification, farmers Market certification and the FSA Noninsured Crop Program					
Made a kit of paperwork required of each new employee					
Filled out Illness and Injury Prevention Program and started safety training					
Made a list of posters and other employee related tools I need					
I am using this action plan to identify where I need help and to ask for that help					

