

## *Appendix I*

### Instructions to Vendors on Produce Consignment or Exchanging

The Larimer County Farmers' Market (LCFM) is aware of and respects different business approaches with our vendors. We understand that there are limitations as to where agricultural products can be grown and that climate has a large effect on quality and quantity of produce. **The LCFM is, and will continue to be, a grower's only market;** these policies will not allow vendors to exclusively resell or consign produce—instead, these policies allow sale of *limited quantities and crops*. We are aware that exchange of produce does occur, so these regulations are in place to ensure good business ethics, Best Management Practices and honesty with other vendors, customers and market administration. With that, the LCFM has regulations regarding reselling (or “swapping”) items from/with other farmers:

Colorado state law ([C.R.S. 12-16-104](#)) requires that anyone who purchases farm products for processing or resale **MUST** have a valid Colorado Farm Products dealer license prior to the purchase for processing or resale.

- A Farm Products Dealer application fee is \$275.00
- Small Volume Dealer license is \$25.00 (no purchases over \$20,000 annually, and no single purchase over \$2,500)
- Cash Buyer license is \$75.00 (all purchases are to be paid in cash, cashier's check or money order, at time of purchase. No personal or company checks may be used)

#### *Who is considered a dealer?*

- Any person engaged in buying any farm products from the owner for processing or resale (this include swapping of items or items used for trade);
- Any person engaged in receiving and taking possession of any farm products from the owner for storage or safekeeping;
- Any person engaged in soliciting or negotiating sales of farm products between the vendor and purchaser respectively;
- Any person who receives on consignment or solicits from the owner thereof any kind of farm product for sale on commission on behalf of such owner, or who accepts any farm product in trust from the owner thereof for the purpose of resale, or who sells or offers for sale on commission any farm product or in any way handles any farm product for the account of, or as an agent of, the owner thereof.

Therefore, if you are a dealer in the above-mentioned situations, you must obtain a Farm Products Dealer License. The LCFM must obtain a copy of this license. In addition to a copy of the license, the following regulations are in place to ensure Best Management Practices and ethics:

1. Permission must be asked of LCFM administration; a list of products must be provided, as well as the names and contact information for the farmers that you are buying products from. Provide written explanation as to why these products are being consigned/swapped and the length of time these products will be sold at the LCFM.
2. Farm inspections may be done at any time during the LCFM season; vendors will be notified prior to inspections to schedule a time and date that works for the vendor. If vendors are suspected of misrepresenting their products, a farm inspection will occur.
3. A copy of your Farm Products Dealer License, as required by Colorado state law and regulated by the Colorado Department of Agriculture. Any violations or questionable practices will be handled by the CDA inspectors.
4. Products purchased must be from a Colorado farm; you may not buy products from a wholesale facility or warehouse. When you sell these products, you must give **written credit at your booth** (signage) to who grew the product (farm name and location). Vendors found “taking credit” for the consigned products as their own will be fined \$50.00 per violation. There are no exceptions to this.

### ***Clarification for 2020***

If your situation does not fit in the resale category and you are not a dealer, you may fall into another category. If a grower wishes to sell their products as well as the products of another grower, both vendors will be asked to submit an application to the market.

For example, if a peach grower has a neighbor that grows corn, they may decide that the peach grower will physically sell both the corn and the peaches at the market and the proceeds will go back to each grower respectively. In this case, the growers are basically sharing a booth space and splitting their market staff, but neither grower is making a commission or purchasing someone else’s product with the intention of resale. Again, in this case each vendor will submit an application so that their products can be vetted by the market staff.

We are aware that certain products may be grown more easily on another farm in Colorado. When you bring these products to market, you must be honest about who grew them, where they were grown and how they were grown (organic or conventional). Honesty and ethical business practices are expected for all vendors.