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PRODUCE NOTES

March 4, 2002

RETAIL REGISTRATION REQUIREMENTS

(part one of a two part series)

While the law exempts retail stores from registration, there are no exceptions.

Every person engaged in the processing or handling of processed food sold as organic, including fish or seafood, must register annually with the California Department of Health Services. Processors or handlers of processed meat, fowl, or dairy products must register with the California Department of Food and Agriculture.

The registration process is carried out by the Country Agricultural Commissioner's office in each county.

For clarification purposes, the following activities may require registration: milling, canning, pasteurizing, chopping, slicing, cutting, shelling, mixing, blending, storing, handling, salvaging, packaging, labeling, and repacking.

Processed means cooking, baking, heating, drying, mixing, grinding, crushing, pressing, churning, separating, extracting juices or other material, peeling, fermenting, eviscerating, preserving, dehydrating, freezing, or manufacturing that materially alters the flavor, keeping quality, any other property, or the making of any substantial change of form.

Under these definitions, salad bars, juice bars, delis, and repacker of bulk products may be considered a processor or handler, and as such may need to be registered.

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THIS WEEK

In our continuing effort to build awareness about the upcoming new regulations for organic, the following is part one of two with excerpts from, Guidelines for Good Organic Retail Practices, issued by the California Department of Food and Agriculture. The section we will reprint in our Produce Notes is titled, Retail Registration Requirements. Many of you have called in with questions. We hope that this answers them. If not, we have also provided phone numbers and e-mail addresses of two individuals who can provide more in-depth information. If you would like to receive a copy of the guidelines, please contact your sales person here at Veritable and ask them to send you a copy.

Thank You.

Karen Salinger
Sales Manager

WHAT'S NEW IN OUR MARKET

Asparagus will begin shipping this week from Durst Farm and Matsumura/Valley Ripe. Supplies will start slow and increase as the weather and ground temperature both warm up.

We are still waiting for that first shipment of **mangos**. It should be any day now. **Ataulfos** will be the first variety to arrive. Shipments of **Tommy Atkins** have been delayed.

Rain in Chile has disrupted the supply of **blackberries** and **raspberries**. Supplies are intermittent.

The warm spring like weather has resulted in lower **lettuce** prices. The forecast for the week is calling for some rain and cooler weather, so, hang on to your seats.

Limes are almost finished. They'll be back in 6-8 weeks.

Meyer lemons are also slowing down and will be gapping for a couple months. Regular **Eureka lemons** are in great supply and prices are excellent.

The season is ending on **lotus root**, **Dancy tangerines**, **pomelos** and **Oro Blancos**.

Blueberries from New Zealand are almost finished.

Cuyama Orchards is almost finished with **Fuji** apples. They do not put any of their apples in CA storage, so they end earlier than other growers. Their supply of **Pink Lady** apples should last another 3 weeks.

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A retail store is generally exempt from registration; however, when a retail store becomes involved in the production, handling, or processing, they may be required to be registered and /or certified. Outlined below are some examples that are clear that you would be involved in the production.

1. When a retailer has a packer/processor put the store label on the finished product, then they are involved in the production.
2. When a retailer actually creates the product from ingredients, then they are involved in the production
3. When a retailer labels a product with their store name and claims the product is organic, then they are involved in the production.
4. When a retailer provides a custom packer/processor with a recipe and has the processor/packer make and label that product for the retailer, then they are involved in the production.
5. When a retailer has a packing shed pack and labels raw agricultural products under the retail label, then they are involved in the production.
6. When a retailer purchases more products than they can use in their own stores, and then wholesales that product to other retail stores, they are involved in the production.
7. When a retailer purchases bulk products, then repackages them in smaller packages and places a store label on them, then they are involved in the production.

Whether the retailer carries out the activity at the store location or off site would not change them being involved in the production.

Here are some examples of activities that may not be considered as being involved in the production:

1. Even though a retailer has a deli in which various ready-to-eat products are made, they may not be involved in the production if the following apply: a) the product is left in the display unit and packaged upon request by the consumer (in this case the product is not labeled with all other legal labeling requirements); b)if the deli makes the particular product upon request, such as a sandwich or juice drink, provided the product is packaged and handed to the customer and not labeled and placed on a shelf for later sale.
2. When a retailer simply washes and prepares product for display, it is considered being involved in the production.

VERIFICATION OF PAPERWORK

All persons who sell, at retail, food sold as organic, shall keep accurate and specific records of the following:

The name, address and organic registration numbers of California companies where they have purchased products. The name and address of all food suppliers, the quantity of food purchased or otherwise transferred, and the date of the transaction.

If the food is labeled or represented to be certified, invoices from the supplier or separate written documentation from a certification organization that states that the food is certified under this article.

When a distribution center breaks lots, the documentation showing the transfer must designate which products are organic and /or certified.

The law only addresses the invoice, not bills of lading, shipping documents, order documents, transfer documents, or other such documents, which may accompany food shipments. In terms of enforcement, often times the invoice does not accompany the product; it is often later that an invoice is created and then mailed to the receiver of the product. This creates a problem in enforcement since CDFA needs to verify the organic claim at the time of inspection without having to wait several days and make another trip to the store to verify records.

Retail store chains that do not forward invoices to local stores should send lading bills to the branch store that contains the invoices which are required to be kept by law. The above section creates a minor problem. If retailers maintain invoices at head quarters, then the respective local store may never see the original invoice. In all cases, CDFA strongly suggests that the required information on the invoice also be on another document, which may accompany the food.

FOR MORE INFORMATION, PLEASE CONTACT:

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