

REPORT OF THE

**JOINT SUBCOMMITTEE
STUDYING VIRGINIA'S FARMERS
MARKET SYSTEM**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 110

**COMMONWEALTH OF VIRGINIA
RICHMOND
2000**

Members

Delegate Robert S. Bloxom, Chair
Delegate J. Paul Council
Delegate Mitchell Van Yahres
Senator W. Roscoe Reynolds
Senator Emmett W. Hanger, Jr.

Staff

Division of Legislative Services

Nicole M. Rovner, Staff Attorney
Iris A. Kincaid, Operations Support Staff

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	BACKGROUND	1
	A. History of the Market Network Concept; Farmers Market Board Law	1
	B. Current Market System.....	4
III.	SUBCOMMITTEE DELIBERATIONS.....	6
	A. Public Testimony	6
	B. Additional Issues	8
	C. Discussion; Recommendations	9
IV.	CONCLUSION	10
V.	APPENDICES	11

- Appendix A - House Joint Resolution No. 506 (1999)
- Appendix B - Virginia Acts of Assembly - Chapter 375 (1986)
- Appendix C - Virginia Acts of Assembly - Chapter 413 (1989)
- Appendix D - Northern Neck Vegetable Growers Assoc. Inc.
- Appendix E - Eastern Shore Marketing Cooperative, Inc.
- Appendix F - Virginia Acts of Assembly - Chapter 536 (2000)

I. INTRODUCTION

The Joint Subcommittee Studying Virginia's Farmers Market System was established as a result of House Joint Resolution 506, introduced in 1999. (Appendix A) Although the resolution was not enacted, the Speaker of the House of Delegates requested that the study be undertaken by the House Committee on Agriculture. The chairmen of the House Committee on Agriculture and the Senate Committee on Agriculture, Conservation and Natural Resources appointed committee members to form a joint subcommittee. As described by HJR 506, the purpose of the study was to "examine the Farmers Market System management structure and the relationship of that structure to the localities and farmers each market serves."

The joint subcommittee was chaired by Delegate Robert S. Bloxom and held three meetings. The first meeting was held in Virginia's Northern Neck so that the subcommittee could observe a farmers' market in operation, and included briefings from the Virginia Department of Agriculture and Consumer Services (VDACS), representatives of the four farmers' markets in the system and the Farmers Market Board, and Division of Legislative Services staff. During the second and third meetings, both held in Richmond, the subcommittee received public comment, received additional information from VDACS, and held committee discussions. The subcommittee concluded the study by making one recommendation to improve the management and oversight of the markets.

II. BACKGROUND

A. HISTORY OF THE MARKET NETWORK CONCEPT; FARMERS MARKET BOARD LAW

In 1985, the General Assembly enacted House Joint Resolution 337, which requested VDACS to conduct a study on the feasibility of establishing state wholesale farmers' market facilities. A steering committee, consisting of legislators and industry and state agency representatives, was formed to direct the study.¹ The steering committee identified four objectives:

1. To assure that the production of fruits and vegetables, which provides an important source of income for many of Virginia's farmers, contributes significantly to the overall economy of our Commonwealth.

¹*Wholesale Farmers' Market Feasibility Study*, House Joint Resolution 337 (1985) Steering Committee, November 1, 1985.

2. To assure that consumer demand and increased producer success with fruit and vegetable crops are stimulating a growing interest in producing and marketing more of these quality products.
3. To provide the Commonwealth of Virginia the opportunity to establish wholesale farmers' market facilities, allowing us to compete in the market place like 16 other Eastern states with similar market facilities.
4. To allow the fruit and vegetable growers of our Commonwealth to have modern and efficient wholesale and retail marketing channels to get their products to market in a profitable and expeditious manner.

The steering committee's report included findings that 85 percent of fruits and vegetables consumed in Virginia were imported, that Virginia's soils and climate were favorable for fruit and vegetable production, and that increasing fruit and vegetable marketing opportunities for farmers would enable them to improve their profitability by diversifying their crops. The report also provided a comparison of supply and demand of fruits and vegetables in four Virginia regions to three regions supported by wholesale farmers' markets in North Carolina, South Carolina and Florida. The study concluded that a network should be established; that the Norfolk/Hampton Roads, Richmond/ Petersburg, Springfield/Manassas and Roanoke/Salem locations could be feasible sites for combination wholesale/retail farmers' markets; and that the Eastern Shore, Halifax County and Carroll County locations could be feasible sites for shipping point markets. The steering committee's final recommendation was that a Farmers Market Network Board be created and funded to work jointly with localities to establish a farmers' market network.

Legislation creating the Board was enacted in 1986. (Appendix B) The new law contained the following declaration of policy:

The General Assembly finds and declares that agriculture is important to the prosperity of the Commonwealth, and is a major source of income to a large segment of the Commonwealth's population. Additionally, it declares that the establishment of a Virginia wholesale, shipping point and retail farmers market system throughout the Commonwealth, in cooperation with local cities, towns, counties, or combinations thereof, will enhance the overall economy of Virginia's agricultural industry and promote tourism. Such a system will provide consumers with fresh, properly prepared and marketable fruits, vegetables, horticultural plants, handicrafts, and other agricultural products produced and marketed in Virginia. In order to develop this system of farmers markets in coordination with the Department of Agriculture and Consumer Services, there shall be created a Farmers Market Board.

During its first year of existence, the Farmers Market Network Board contracted with a private consulting firm, The Fantus Company, to make recommendations on the structure of the network. In 1987, the Board published a brochure proposing two types of facilities: a wholesale/retail market that could be located near a densely populated area and a shipping point market that could be located in a heavy production area. The brochure stated that the proposal of a farmers' market network "has received overwhelming support all over the state, with a great many localities competing to be selected as a site for one of the markets."² The Fantus report was released in February of 1988, and recommended among other things that the Board be converted to an authority that would adopt a statewide set of rules and regulations governing the day-to-day operation of the farmers' markets in the network, conduct marketing for all of the markets, and hire facility managers for the markets.³ The study envisioned that the network would encompass markets in Accomack, Carroll, Halifax, Hanover, Chesapeake, Lynchburg and Williamsburg. Some of these were planned to be or include retail markets, but most of them would be shipping point markets.

The Fantus recommendation to create a farmers' market authority was not implemented. Instead, the Farmers Market Board law was amended in 1989 to transfer authority to manage the network from the Board to the Commissioner of Agriculture and Consumer Services. (Appendix C) Under the legislation, the Commissioner may employ personnel to operate the system of markets, develop and manage a program budget for the farmers' market network, provide marketing and promotional services for the farmers' market network, develop detailed technical plans for, acquire or build, and manage the farmers' market network and rent or purchase land and facilities as deemed necessary to establish markets or to enhance farmers' market development.

Among the purposes of the Board listed in the statute are: identifying farmers' market needs throughout the Commonwealth, promoting the orderly growth and development of farmers' markets, promoting public awareness of farmers' markets, promoting the coordination of Virginia's farmers' market development with other segments of the economy, assisting in the coordination activities of various state agencies and other organizations contributing to the development of Virginia's farmer's market system, developing a comprehensive statewide master plan for the development of the network and developing a network policy. The policy is to include guidelines for fees to be charged at the markets, standards for evaluating market and network operations, recommended criteria for inclusion of markets in the state network in the future, recommended

² *A Farmers' Market for the Commonwealth of Virginia: A Fresh Start for Virginia*. Virginia Farmers Market Board, 1987.

³ A copy of the Fantus report is on file with the Division of Legislative Services.

changes in management of markets; and recommended guidelines for award of contracts for market management. The law has not been amended since 1989.

The first market to be acquired as part of the network was an already-existing wholesale farmers' market in Halifax. At the request of the Southside Virginia Marketing Cooperative, the General Assembly appropriated funding to purchase the market in 1988. It was thought that the market would facilitate alternative vegetable production by tobacco growers. The market was established, but because of increased profitability of growing tobacco and difficulties with growing broccoli and other vegetables, the market later ceased operations. The Commonwealth sold the facility to the Halifax County Industrial Development Authority.

B. CURRENT MARKET SYSTEM

Currently, there are four farmers' markets in Virginia, one each in Southwest Virginia, the Eastern Shore, the Northern Neck, and Southeastern Virginia. These markets have all been built with money appropriated by the General Assembly pursuant to a request by a local group of growers. According to the Department of Agriculture and Consumer Services, the purpose of the system as it now exists is to provide post-harvest handling and marketing services for small-and medium-sized produce growers. These services, which include federal and state grading and inspections, packing, and cooling of produce, might not be affordable to small growers if they were they not provided at central locations such as these markets. The commingling of products harvested by several growers allows products to be sold in the large quantities that grocery stores and other large buyers demand. While the Commissioner's authority with respect to markets applies to wholesale, shipping point and retail markets, the system does not encompass the latter. There exist about 50 retail markets in Virginia, however, that are operated independently of the system.

All four of the markets in the system are located on land that has been donated to the Commonwealth and are operated pursuant to a contract with the state. Three are operated by private sector grower organizations, and one is operated by a county. The Commonwealth is responsible for facility and site capital repair and maintenance for each, while the operator is responsible for day-to-day maintenance and repair. Under the contracts that govern operation of the markets, profits and losses accrue to the market operator, and the operator is required to make reports on market operations at the Farmers Market Board's quarterly meetings. The contracts do not specify the format of the reports but do require that they include a narrative describing the operation of the market, a financial statement, a listing of each type of crop sold through the market and the number of units of each crop, the gross value of each crop, and the number of producers served.

Testimony before the subcommittee indicated that the Board has not developed a master plan, due to the fact that the idea for each market has been generated at the local level. The chairman of the Farmers Market Board stated that the Board's role was one of oversight rather than meddling in the operation of the markets in the network. During 1999, the Board endorsed two proposals that had been brought before it by local proponents: a shipping point market for fruit growers in the Piedmont-Roanoke Region of the Commonwealth, and a seafood processing, marketing and inspection office that would become part of the Eastern Shore Farmers' Market.⁴

The four markets in the system differ in a number of ways:

- The Northern Neck market, established in 1998 at a project cost of \$3.2 million, is operated by the Northern Neck Vegetable Growers Association. The association was organized in 1988, and has 34 members and a nine-member board that is elected for two-year terms. The board meets quarterly. The association has hired a general manager, Parker Farms, to handle the daily operations of the market. Parker Farms is the market's sole tenant. All of the equipment contained in the market other than a hydrocooler was provided by Parker Farms. This equipment includes a cucumber/pepper line, re-packing line, forklifts, pallet jacks and metal storage racks. The market receives products from about 2,500 acres' worth of crops and about 35 producers. The market site is approximately 21 acres in size, with a 60,000-square-foot building that has areas for unloading, handling, packing, cooling and loading for shipment. See Appendix D.
- The Eastern Shore market, established in 1994 at a project cost of \$2.4 million, receives products from about 4,000 acres' worth of crops and 200 producers, and has three tenants. The market is operated by the Eastern Shore Marketing Cooperative, which has 64 members and a 12-to 16-member board that meets bimonthly or as needed. Board member terms are three years. The Cooperative's executive committee consists of four elected officers, and the committee exercises powers authorized by the board between board meetings. The market occupies a 35-acre tract of land and a building with 19,600 square feet of dry storage space and 8,176 square feet of cold storage. The market does not have grading facilities. See Appendix E.
- The Southwestern Virginia market, established in 1992 at a project cost of \$1.3 million, has three wholesale tenants and includes a small retail space. It is operated by Carroll County. It also includes packing and grading facilities, but they are smaller than those contained in the Northern Neck Market. The Southwestern market receives more products that are produced outside of

⁴ The General Assembly provided planning and study monies for both of these projects in the 2001-2002 budget, items C-4.15 and C-4.20.

Virginia than the other markets, in an effort to provide a full line of produce. The market is located on about 15 acres and includes a production warehouse building with cooler space and an administration building.

- The Southeastern market, established in 1998 at a project cost of \$5 million, is operated by the Southeast Farmers' Marketing Cooperative. The market is receiving management assistance from the Department of Agriculture and Consumer Services. One of its tenants is the Virginia Department of Corrections, and about 25 producers are using the market's services. The market is located on about 15 acres of land and includes a warehouse, an administration building, a melon building and a direct sales building. Equipment includes cooler rooms, pressure cooling and hydrocooling machinery, green beans and green pepper grading lines, packing lines and a truck scale.

III. SUBCOMMITTEE DELIBERATIONS

A. PUBLIC TESTIMONY

The primary purpose of the subcommittee's October meeting in Richmond was to hear from farmers in the four markets' production areas. The testimony emphasized differences in the ways that each market operates and revealed varying levels of satisfaction among producers as to the quality of services provided by the markets. It was noted that the differences among the markets can, in part, be attributed to the fact that each market was established as a result of a proposal made by a local growers' group. Ideally, then, each market should be responsive to the needs of farmers in the region surrounding the market. Subcommittee members also stated, however, that there should be some degree of uniformity in the way that the markets are operated to ensure fairness to producers in all the markets' production areas.

Specific comments made by speakers during the public hearing are summarized below. Comments have been divided into three categories, depending on whether the remark referred to a strength of the current system or a weakness, or related to some other aspect of the study. Comments that were made by more than one speaker are designated by an asterisk. Comments that were submitted in the form of correspondence to the subcommittee are also included.

Strengths:

- The Northern Neck Farmers' Market has the advantages of having a broker with a recognized name and being well-staffed. When the farmer is able to rely on someone who is focused on selling his product, he is able to focus on farming. Reputation is very important in the business of selling produce.

- The operator of Northern Neck Farmers' Market treats farmers fairly and has been reliable in paying the farmer.
- Selling produce at the Northern Neck Farmers' Market has been satisfactory.*
- The Southeastern Farmers' Market worked well during its first year, when there was a buyer present. The farmer may not have been paid top dollar, but was able to sell his product.
- The Southeastern Farmers' Market is good for tobacco farmers who are producing alternative crops, especially vegetables.
- The Virginia Department of Corrections utilizes the Southeastern Farmers' Market for both buying and selling produce. The latter allows the Department to save the taxpayers money by buying food cheaper than it would otherwise be able to.
- The markets help farmers who are finding it more difficult to sell to grocery stores, especially when so many grocery store chains are consolidating.
- The markets provide an opportunity for farmers to work together.

Weaknesses:

- The Southeastern Farmers' Market does not have the advantage of having a broker with a recognized name.
- During the second year of the Southeast Farmers' Market, there was a broker but he couldn't guarantee that he would be able to sell the farmer's product. This creates a situation in which the farmer must market his own product.
- There have been some serious problems with the Southeast Farmers' Market, some of which have been investigated by an attorney for the Commonwealth and by the Auditor of Public Accounts.
- On some occasions, the prices farmers have been paid at the Northern Neck Farmers' Market have been low. Farmers should have more say as to how the market is operated.
- The markets should not be taking produce from other states or the Department of Corrections because this only helps those competing with Virginia farmers. Is it always made clear to buyers when the produce they buy was not grown in Virginia?*
- The Department of Consumer Services may not be capable of policing the markets, since the success of the markets reflects on the Department's reputation.

- There is room for improvement at the Northern Neck Farmers' Market, but that doesn't mean the market is a failure.*
- Are the markets unfairly competing with growers who have invested in grading, packing and cooling equipment and have to pay to have their produce inspected?

Other comments:

- The proposal for the new fruit packing and processing plant is very important. Without the grading machinery that would be provided by such a facility, Virginia's apple industry will be unable to compete with Washington's.
- Direct marketing of produce can be very profitable, particularly with organic produce. There is a strong market for locally-grown organic produce in Virginia Beach. Providing farm tours has proven to be enjoyable and educational for consumers who are interested in organic produce.
- The question that really should be asked is whether the markets are helping farmers. The answer is unclear.
- Some farmers may be unhappy with the markets because they encourage farmers to grow vegetables and thereby increase competition among farmers.
- Weights and measures regulations are being inappropriately applied to farmers selling at retail markets. These regulations are not designed to apply to retail markets and are making it difficult for some farmers to sell at such markets.*

B. ADDITIONAL ISSUES

In response to issues raised during some of the public testimony and by subcommittee members, VDACS representatives provided the subcommittee with brief overviews of some of its programs and initiatives. The Department's marketing assistance and organic certification programs, similar to the farmers market network, exist to expand opportunities for farmers. Government regulation of weights and measures, according to VDACS representatives, has existed in Virginia since 1661.

Although the Commissioner's authority under the Farmers Market Board law extends to retail markets, VDACS is not directly involved in the operation of retail farmers' markets. The Department does, however, provide assistance with promotion, organization and training as part of an overall marketing assistance program for all agricultural products. For example, Department staff work to make growers aware of marketing options and assist groups who wish to establish a farmers' market by providing contracting guidelines and helping to contact potential producers. Department staff also prepare the Virginia Direct Marketing Association's newsletter, provide "Virginia Grown" ad slicks to grocery stores and

growers to encourage consumers to purchase locally-grown products, and publish a guide to pick-your-own operations, retail farmers' markets and other opportunities to purchase fresh produce, honey and other products. A Department representative assured the committee that VDACS is becoming more aggressive in its efforts to provide marketing and other kinds of assistance to small growers in particular.

At one time, organic certification was provided by private groups in Virginia, but the Department is currently the only entity that is providing this service statewide. Organic growers view the ability to label their products "organic" as a market advantage. The United States Department of Agriculture is in the process of establishing organic certification standards. Whether the VDACS will continue to certify organic products after the federal standards are in place is not yet clear.

Under the current weights and measures law, the Commissioner must "inspect and test, to ascertain if they are correct, all weights and measures commercially used (i) in determining the weight, measurement, or count of commodities or things sold, or offered or exposed for sale, on the basis of weight, measure, or of count or (ii) in computing the basic charge or payment for services rendered on the basis of weight, measure, or count."⁵ This means that there are 107,000 devices under the jurisdiction of the Department. Because the law does not distinguish among types of transactions, any scale used to weigh any thing that is sold, regardless of where it is used, is subject to Department inspection. Grocery stores and other large commercial operations are usually inspected more frequently than small retail farmers' markets. It can be expensive for vendors in retail markets to maintain approved scales, but some markets have addressed this difficulty by using community scales.

C. DISCUSSION; RECOMMENDATIONS

During the course of the study, it became clear to the subcommittee that the four markets in the system are very different from one another, in the types of products sold, in the kind of equipment available, and in the way they are utilized by produce buyers. It is also clear that the law does not in any way mandate that the markets be operated or managed in the same way. The subcommittee is concerned about the problems that have been experienced by some farmers at some of the individual markets; however, there is no clear indication that any of these problems are systemic or the result of flaws in the structure of the network as a whole. Rather, difficulties experienced at the local level can and should be addressed at the local level, with assistance from the Board or the Department if necessary. The subcommittee believes that the system as currently organized is close to striking an appropriate balance between state oversight and independent operation of the markets. At the same time, there is a need to ensure that the

⁵ § 3.1-928 of the Code of Virginia.

state's investment in these facilities is protected and that they are serving farmers as intended.

Subcommittee members expressed an interest in staying informed about the network and having access to a mechanism for evaluating its success. The subcommittee finds that the best way to ensure that the unique attributes of each market are considered in assessing the success of the markets is to judge each against the operator's goals for the market. A requirement that market operators set goals for each year will also ensure that adequate planning is occurring on a continual basis. The legislation recommended by the subcommittee is intended to improve the state's oversight of the markets by requiring that contract operators annually submit to the Commissioner and the Board a plan for, and a report on, the operation of the market. (Appendix F) The plan is to describe the operator's goals for the coming year, and the report is to describe the extent to which the goals for the previous year were met. The Commissioner must annually submit a report summarizing the market operators' reports and plans to the chairmen of the standing committees of jurisdiction in the General Assembly. This requirement will allow both the decision makers who have invested public money in the markets and the citizens of the Commonwealth to ensure that the markets continue to serve the needs of local farmers and the agricultural community and rural economy in general. Without sacrificing the independence and flexibility currently afforded to the markets in the network, it is hoped that the recommendation will facilitate an appropriate level of consistency among the markets.

IV. CONCLUSION

Virginia's network of farmers markets is an evolving concept. While learning how ideas about the network have changed over time provided a valuable context for its examination of the existing system, the subcommittee was most interested in ensuring that the system that has developed is serving its primary purpose: enhancing marketing opportunities for farmers. Overall, the subcommittee felt that the network, which has only recently been established, is helping to strengthen the state's agricultural economy. It is the belief of the members of the subcommittee that the network will improve as the subcommittee's recommendations are implemented, as the market operators become more experienced, and as new components such as the seafood facility and Roanoke/Piedmont market are added to the network.

V. APPENDICES

999204132

HOUSE JOINT RESOLUTION NO. 506

Offered January 13, 1999

Establishing a joint legislative subcommittee to study the structure and management of the Virginia Farmers Market System.

Patrons—Bloxom; Senator: Norment

Referred to Committee on Rules

WHEREAS, in 1986 the General Assembly found and declared that agriculture "is important to the prosperity of the Commonwealth, and is a major source of income to a large segment of the Commonwealth's population;" and

WHEREAS, the General Assembly also declared that the "establishment of a Virginia wholesale, shipping point and retail farmers market system throughout the Commonwealth, in cooperation with local cities, towns, counties or combinations thereof, will enhance the overall economy of Virginia's agricultural industry and promote tourism;" and

WHEREAS, in response to these declarations the General Assembly created a Farmers Market Board to implement and promote the development of farmers markets throughout the Commonwealth; and

WHEREAS, much of the authority for implementation of the development of a farmers market system and its management was transferred to the Commissioner of Agriculture and Consumer Service in 1989; and

WHEREAS, concern has been expressed that the management of individual markets in the Farmers Market System has been too far removed from the localities in which they are located; and

WHEREAS, the declarations made in 1986 are just as true today as they were then, and farmers are under new and increasing pressures affecting their livelihood; and

WHEREAS, a thorough analysis of the Farmers Market System is needed to assure that the operation, management, location and promotion of farmers markets is being conducted in cooperation with localities and that the system is assisting local markets and farmers to the greatest degree and in the most efficient manner possible; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint legislative study be established to study the structure and management of the Virginia Farmer's Market System. The joint subcommittee shall be composed of nine members, which shall include six legislative members and three nonlegislative citizen members as follows: four members of the House of Delegates, to be appointed by the Speaker according to Rule 16 of the House Rules; two members of the Senate, to be appointed by the Senate Committee on Privileges and Elections; two citizens to be appointed by the Speaker; and one citizen to be appointed by the Senate Committee on Privileges and Elections.

In conducting its study, the joint subcommittee shall examine the Farmers Market System management structure and the relationship of that structure to the localities and farmers each market serves and shall make recommendations on any needed changes.

The direct costs of this study shall not exceed \$ 4,800.

The Division of Legislative Services shall provide staff support for the study. Technical assistance shall be provided by the Virginia Department of Agriculture and Consumer Services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

999204132

HJ506

1/13/99 21:25

- (v) Mixed beverage special events licenses, \$30 for each day of each event; and
 - (vi) Annual mixed beverage special events licenses, \$300 per annum.
 - (2) Mixed beverage restaurant licenses for restaurants located on the premises of and operated by private, nonprofit clubs:
 - (i) For each club with not more than 200 resident members based on the average membership during the preceding 12 months, \$400 per annum;
 - (ii) For each club with more than 200 but not more than 500 resident members based on the average membership during the preceding 12 months, \$1,000 per annum; and
 - (iii) For each club with more than 500 resident members based on the average membership during the preceding 12 months, \$1,500 per annum.
 - (3) Mixed beverage carrier licenses:
 - (i) One hundred dollars per annum for each of the average number of dining cars, buffet cars or club cars operated daily in this Commonwealth by a common carrier of passengers by train;
 - (ii) Three hundred dollars per annum for each passenger ship operated by a common carrier of passengers by ship; and
 - (iii) Eight hundred dollars per annum for each license issued to a person operating common carriers of passengers by airplane.
 - (4) Temporary mixed beverage licenses authorized by § 4-34 of this Code, one-half of the tax imposed by this section on the license for which the applicant applied.
 - (b) The privileges conferred by any license issued by the Board pursuant to this chapter, except mixed beverage special events licenses, unless otherwise provided, shall continue until June 30 next following, and, provided that no cause exists for which the Board would be entitled to refuse to issue a license, thereafter from year to year until terminated by operation of law, by voluntary surrender, or by order of the Board, but any continuation beyond the original expiration date shall be conditioned upon the payment of the subsequent annual license tax as required by law.
- Notwithstanding the foregoing, the provisions of subsection (d) of § 4-34 having to do with a system of annual reissuance of licenses so as to distribute such reissuances as equally as practicable on a monthly basis throughout the twelve months of the year shall apply mutatis mutandis to licenses issued pursuant to the provisions of this chapter on and after July 1, 1981.
- (c) The state license taxes provided for herein shall be collected by the Board and shall be paid into the state treasury and treated in the same manner as license taxes collected by the Board under the provisions of Chapter 1 (§ 4-1 et seq.) of this title.
 - (d) The provisions of subsections (b) through (e) of § 4-33 having to do with the proration of tax, other state taxes, application fees and refunds shall apply mutatis mutandis to taxes on state licenses issued pursuant to the provisions of this chapter and to those persons and places within the purview of this chapter.

CHAPTER 375

An Act to amend the Code of Virginia by adding in Chapter 9 of Title 3.1 an article numbered 3, consisting of sections numbered 3.1-73.1 through 3.1-73.4, relating to the establishment of a Farmers Market Board.

[S 278]

Approved April 2, 1986

Be it enacted by the General Assembly of Virginia:
 1. That the Code of Virginia is amended by adding in Chapter 9 of Title 3.1 an article

numbered 3, consisting of sections numbered 3.1-73.1 through 3.1-73.4, as follows:

Article 3.

Farmers Market Board.

§ 3.1-73.1. *Declaration of policy.*—The General Assembly finds and declares that agriculture is important to the prosperity of the Commonwealth, and is a major source of income to a large segment of the Commonwealth's population. Additionally, it declares that the establishment of a Virginia wholesale, shipping point and retail farmers market system throughout the Commonwealth, in cooperation with local cities, towns, counties, or combinations thereof, will enhance the overall economy of Virginia's agricultural industry and promote tourism. Such a system will provide consumers with fresh, properly prepared and marketable fruits, vegetables, horticultural plants, handicrafts, and other agricultural products produced and marketed in Virginia. In order to develop this system of farmers markets in coordination with the Department of Agriculture and Consumer Services, there shall be created a Farmers Market Board.

§ 3.1-73.2. *Farmers Market Board created.*—A. The Virginia Farmers Market Board, hereinafter referred to in this article as the "Board," is hereby created within the Department of Agriculture and Consumer Services to be composed of thirteen members, ten of whom shall be appointed by the Governor. The Commissioner of the Department of Agriculture and Consumer Services shall serve as an ex officio member of the Board with the power to vote. The President of the Board of Agriculture and Consumer Services and the Dean of Agriculture for Virginia Polytechnic Institute and State University shall also serve on the Board. Each of the ten members of the Board to be appointed by the Governor shall represent each of the ten U.S. Congressional districts in Virginia. Five of these members shall represent the agribusiness sector and five shall be general appointees who represent various facets of marketing agricultural products.

Of the members appointed by the Governor, three shall serve for an initial term of one year, three for an initial term of two years, and four for an initial term of three years, and each thereafter shall be appointed for a term of three years. A chairman and a vice chairman shall be elected by the members for one-year terms. Any member may designate a representative to serve in his place.

B. The Commissioner shall immediately declare the office of any member of the Board vacant when it is determined that the member is unable to perform the duties expected of the office, or for any reason does not meet the qualifications of this section. The Governor shall appoint a new member to serve for a full or unexpired term whenever the office of a member becomes or is declared vacant. In any case where a new appointment is made, the person receiving the appointment shall be a representative of the same segment of industry or government as the predecessor. No appointed Board member may serve for more than two consecutive terms. Original appointments of terms of one year and two years shall be regarded as full terms and appointments to fill unexpired terms shall likewise be regarded as full terms.

C. The members of the Board shall serve without compensation, but the nongovernmental members may be reimbursed for reasonable expenses incurred in attending meetings of the Board or in acting in an official capacity for the Board.

D. The Board shall meet as soon as practicable and as often as necessary at the call of the Chairman or a majority of members. It shall adopt a general statement of policy and procedures which shall be subject to approval by the State Board of Agriculture and Consumer Services. No meeting shall be deemed a regular or special meeting unless a quorum is present.

E. The Commissioner shall report to the Board of Agriculture and Consumer Services in the manner and at such times as the Board of Agriculture and Consumer Services may prescribe, regarding the receipts and expenditure of funds as well as the Board policies, programs and activities. The Board of Agriculture and Consumer Services shall ensure that funds made available to the Farmers Market Board are expended only for the purposes set forth in this article.

§ 3.1-73.3. *Purposes of Farmers Market Board.*—The purposes of the Farmers Market Board shall be:

1. To identify and implement the development of farmers market needs throughout the

Commonwealth.

2. *To assure orderly growth and development of farmers markets.*
 3. *To use and develop present authorities and funding mechanisms as provided in Chapter 9 (§ 3.1-47 et. seq.) of Title 3.1 of the Code of Virginia as deemed feasible by the Board.*
 4. *To achieve public awareness of farmers markets.*
 5. *To coordinate the interaction of Virginia's farmers market development with other segments of the Commonwealth's economy, such as tourism, horticultural production and marketing, fruit and vegetable production and marketing, retail trade, wholesale trade, intrastate marketing, interstate marketing, and new marketing ventures such as electronic marketing.*
 6. *To assist in the coordination activities of various state agencies and other organizations contributing to the development of Virginia's farmers market system.*
- § 3.1-73.4. *Powers and duties of the Board.—In order to carry out its purposes, the Board shall have the following powers:*
1. *To receive and dispense funds.*
 2. *To make or have made detailed feasibility studies on wholesale, shipping point or retail farmers markets, as deemed necessary.*
 3. *To enter into contracts for the purpose of developing new and improved farmers marketing methods of Virginia's fruits, vegetables, handicrafts, horticultural plants and other agricultural products.*
 4. *To enter into joint ventures with cities, towns, counties, or combinations thereof, in developing wholesale, shipping point and retail farmers markets.*
 5. *To enter into contracts with commercial, private entities for developing farmers markets.*
 6. *To rent or purchase land and facilities, as deemed necessary to enhance farmers market developments.*
 7. *To appoint employees, full- or part-time, and fix compensation, if any, in accordance with provisions of Virginia's Personnel Act.*
 8. *To acquire any licenses or permits necessary for the performance of the duties of the Board.*
 9. *To examine the Produce Market Loan Fund created in Article 2 (§ 3.1-65 et seq.) of Title 3.1 of the Code of Virginia and to recommend amendments to that article whereby the loan fund can be utilized by the Board.*

CHAPTER 376

An Act to amend the Code of Virginia by adding in Article 4 of Chapter 1 of Title 38.1 a section numbered 38.1-43.01, relating to the notice of cancellation of or refusal to renew certain commercial insurance policies.

[H 140]

Approved April 2, 1986

- Be it enacted by the General Assembly of Virginia:
1. That the Code of Virginia is amended by adding in Article 4 of Chapter 1 of Title 38.1 a section numbered 38.1-43.01 as follows:

§ 38.1-43.01. *Notice of cancellation of or refusal to renew certain commercial insurance policies.—A. No notice of cancellation or refusal to renew by an insurer of a policy of insurance as defined in § 38.1-15 or § 38.1-16 insuring a business entity shall be effective unless the insurer shall deliver or mail a written notice of cancellation or refusal to renew.*

Director nor any employee of the Division shall reveal to any person outside of the Division the contents or nature of any such request or statements except with the consent of the person signing such request; provided that (i) when the Director or an employee receives a request which is substantially the same as one previously received, he may, unless specifically directed not to do so by the person first submitting such request, so inform the person submitting such similar request and (ii) unless specifically directed otherwise, the Director or employee may reveal the nature of a request when seeking information from anyone to assist in drafting same. Bills drafted by the Division shall conform to the statements submitted with the request or the supplementary written instructions submitted by the person who originally made the request.

B. All legislative drafting requests and accompanying documents shall be maintained by the Division as permanent records. Until the July first immediately following the legislative session for which the legislation was drafted, or the effective date of enacted legislation, whichever is earlier, each of these separate files shall be considered the property of the requester. During that time no one other than members of the Division staff shall have access to any such file without the specific approval of the requester. After that time, the files shall become public property.

C. All legislative drafting requests from the Governor, a Governor's Secretary or the head of any judicial or independent agency shall be submitted to the Division on or before January 1 of the year for which such legislation is to be considered by the General Assembly except that such requests from the Governor may also be submitted in accordance with the procedures established by the Rules Committees of the House of Delegates and the Senate for the conduct of business during a legislative session.

CHAPTER 413

An Act to amend and reenact §§ 2.1-1.6, 3.1-73.2, 3.1-73.3 and 9-6.25:2 of the Code of Virginia, to amend the Code of Virginia by adding a section numbered 3.1-73.5 and to repeal § 3.1-73.4 of the Code of Virginia, the amended, added and repealed sections relating to powers and duties of the Virginia Farmers Market Board.

[S 738]

Approved March 21, 1989

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.1-1.6, 3.1-73.2,*3.1-73.3 and 9-6.25:2 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 3.1-73.5 as follows:

§ 2.1-1.6. State boards.—A. There shall be, in addition to such others as may be established by law, the following permanent collegial bodies affiliated with a state agency within the executive branch:

Accountancy, Board for
 Aging, Advisory Board on the
 Agriculture and Consumer Services, Board of
 Air Pollution, State Advisory Board on
 Alcoholic Beverage Control Board
 Apple Board, Virginia State
 Appomattox State Scenic River Advisory Board
 Architects, Professional Engineers, Land Surveyors and Landscape Architects, Board for
 Art and Architectural Review Board
 Athletic Board

Auctioneers Board
Audiology and Speech Pathology, Board of
Aviation Board, Virginia
Barbers, Board for
Boating Advisory Board
Branch Pilots, Board for
Bright Flue-Cured Tobacco Board, Virginia
Building Code Technical Review Board, State
Catoctin Creek State Scenic River Advisory Board
Cattle Industry Board, Virginia
Cave Board
Certified Seed Board, State
Chesapeake Bay Local Assistance Board
Child Abuse and Neglect, Advisory Board on
Children, Advisory Board for the Department for
Chippokes Plantation Farm Foundation, Board of Trustees
Coal Research and Development Advisory Board, Virginia
Coal Surface Mining Reclamation Fund Advisory Board
Commerce, Board of
Commercial Driver Training Schools, Board of
Conservation and Development of Public Beaches, Board on
Conservation and Historic Resources, Board of
Continuing Education Advisory Board
Contractors, Board for
Corn Board, Virginia
Correctional Education, Board of
Corrections, State Board of
Cosmetology, Board for
Criminal Justice Services Board
Dark-Fired Tobacco Board, Virginia
Deaf and Hard-of-Hearing, Advisory Board for the Department for the
Dentistry, Board of
Education, State Board of
Education for Health Professions and Occupations, Board on
Egg Board, Virginia
Emergency Medical Services Advisory Board
Employment Agency Advisory Board
Farmers Market Board, Virginia
Fire Services Board, Virginia
Forestry, Board of
Funeral Directors and Embalmers, Board of
Game and Inland Fisheries, Board of
Geology, Board for
Goose Creek Scenic River Advisory Board
Health, State Board of
Health Professions, Board of
Hearing Aid Specialists, Board for
Hemophilia Advisory Board
Historic Landmarks Board, Virginia
Housing and Community Development, Board of
Industrial Development Services Advisory Board
Insurance Advisory Board, State
Irish Potato Board, Virginia
Laboratory Services Advisory Board
Marine Products Board, Virginia
Medical Advisory Board, Department of Motor Vehicles
Medical Board of the Virginia Supplemental Retirement System

Medicare and Medicaid, Advisory Board on
Medicine, State Board of
Mental Health, Mental Retardation and Substance Abuse Services Board, State
Migrant and Seasonal Farmworkers Board
Military Affairs, Board of
Mine Safety Board
Mines, Minerals and Energy, Board of Examiners in the Department of
Minority Business Enterprise, Interdepartmental Board of the Department of
Motor Vehicle Dealers' Advisory Board
Networking Users Advisory Board, State
Nottoway State Scenic River Advisory Board
Nursing, Board of
Nursing Home Administrators, Board of
Oil and Gas Conservation Board, Virginia
Opticians, Board for
Optometry, Board of
Outdoor Recreation Advisory Board
Peanut Board, Virginia
Perinatal Services Advisory Board, State
Personnel Advisory Board
Pesticide Advisory Board
Pharmacy, Board of
Physical Therapy to the Board of Medicine, Advisory Board on
Plant Pollination Advisory Board
Polygraph Examiners Advisory Board
Pork Industry Board, Virginia
Poultry Products Board, Virginia
Private College Advisory Board
Private Security Services Advisory Board
Professional Counselors, Board of
Professional Soil Scientists, Board for
Psychiatric Advisory Board
Psychology, Board of
Public Buildings Board, Virginia
Public Telecommunications Board, Virginia
Radiation Advisory Board
Real Estate Board
Reciprocity Board, Department of Motor Vehicles
Reforestation Board
Rehabilitative Services, Board of
Retirement System Review Board
Safety and Health Codes Board
Seed Potato Board, State
Sewage Handling and Disposal Appeal Review Board, State Health Department
Shenandoah State Scenic River Advisory Board
Small Business Advisory Board
Social Services, Board of
Social Work, Board of
Soil and Water Conservation Board, Virginia
Soybean Board, Virginia
State Air Pollution Control Board
Substance Abuse Certification Board
Surface Mining Review, Board of
Sweet Potato Board, Virginia
Teacher Education Advisory Board
Tourism and Travel Services Advisory Board
Toxic Substances Advisory Board

Transportation Board, Commonwealth
 Transportation Safety, Board of
 Treasury Board, The, Department of the Treasury
 Veterans' Affairs, Board on
 Veterinary Medicine, Board of
 Virginia Employment Commission, State Advisory Board for
 Virginia Supplemental Retirement System, Board of Trustees
 Virginia Waste Management Board
 Visually Handicapped, Board for the
 Voluntary Formulary Board, Virginia
 Volunteerism, Advisory Board for the Department of
 War Memorial Board, Virginia
 Water Resources Research Center Statewide Advisory Board, Virginia
 Waterworks and Wastewater Works Operators, Board for
 Well Review Board, Virginia.

B. Notwithstanding the definition for "board" as provided in § 2.1-1.2, the following entities shall be referred to as boards:

Compensation Board
 State Board of Elections
 State Water Control Board
 Virginia Parole Board.

§ 3.1-73.2. Farmers Market Board created.—A. The Virginia Farmers Market Board, hereinafter referred to in this article as the "Board," is hereby created within the Department of Agriculture and Consumer Services to be composed of ~~thirteen~~ fourteen members, ten of whom shall be appointed by the Governor. The ~~Commissioner~~ Director of the Division of Marketing of the Department of Agriculture and Consumer Services shall serve as an ~~ex officio~~ member of the Board with the power to vote. ~~The~~ , the President of the Board of Agriculture and Consumer Services and , the Dean of Agriculture for Virginia Polytechnic Institute and State University , and the Dean of Agriculture for Virginia State University shall also serve on the Board as ~~ex officio~~ members . Each of the ten members of the Board to be appointed by the Governor shall represent ~~each of the ten U.S.~~ Congressional districts in Virginia the different regions of the Commonwealth to ensure balanced and statewide representation . Five of these members shall represent the agribusiness sector and five shall be general appointees , at least two of whom shall ~~who~~ represent various facets of marketing agricultural products.

Of the members appointed by the Governor, three shall serve for an initial term of one year, three for an initial term of two years, and four for an initial term of three years, and each thereafter shall be appointed for a term of three years. A ~~chairman and a vice chairman~~ shall be elected by the members for one-year terms. The Chairman of the Board shall be appointed by the Governor for a one-year term. The Vice Chairman shall be elected by the members for a one-year term. Any member may designate a representative to serve in his place.

B. The ~~Commissioner~~ Director of the Division of Marketing shall immediately declare the office of any member of the Board vacant when it is determined that the member is unable to perform the duties expected of the office, or for any reason does not meet the qualifications of this section report to the Commissioner of the Department of Agriculture and Consumer Services any vacancy in the membership of the Board. In the event that a member is unable to perform the duties expected of the office, or for any reason does not meet the qualifications of this section the Governor shall declare the office of that member vacant and shall appoint a new member to serve for a full or unexpired term ~~whenever the office of a member becomes or is declared vacant~~ . In any case where a new appointment is made, the person receiving the appointment shall be a representative of the same segment of industry or government as the predecessor. No appointed Board member may serve for more than two consecutive terms. Original appointments of terms of one year and two years shall be regarded as full terms and appointments to fill unexpired terms shall likewise be regarded as full terms.

C. The members of the Board shall serve without compensation, but the

nongovernmental members may be reimbursed for reasonable expenses incurred in attending meetings of the Board or in acting in an official capacity for the Board.

D. The Board shall meet as soon as practicable and as often as necessary at the call of the Chairman or a majority of members. It shall adopt a general statement of policy and procedures which shall be subject to approval by the State Board of Agriculture and Consumer Services. No meeting shall be deemed a regular or special meeting unless a quorum is present.

E. The ~~Commissioner~~ *Director of the Division of Marketing* shall report *through the Commissioner* to the Board of Agriculture and Consumer Services in the manner and at such times as the Board of Agriculture and Consumer Services may prescribe, regarding the receipts and expenditure of funds as well as the Board policies, programs and activities. The Board of Agriculture and Consumer Services shall ensure that funds made available to the Farmers Market Board are expended only for the purposes set forth in this article.

§ 3.1-73.3. Purposes of Farmers Market Board.—The purposes of the Farmers Market Board shall be:

1. To identify and implement the development of farmers market needs throughout the Commonwealth.
2. To ~~assure~~ *promote* the orderly growth and development of farmers markets.
3. To ~~use and develop~~ *encourage where appropriate and feasible the use of* present authorities and funding mechanisms as provided in Chapter 9 (§ 3.1-47 et seq.) of Title 3.1 of the Code of Virginia as ~~deemed feasible by the Board~~.
4. To ~~achieve~~ *promote* public awareness of farmers markets.
5. To ~~coordinate the interaction~~ *promote the coordination* of Virginia's farmers market development with other segments of the Commonwealth's economy, such as tourism, horticultural production and marketing, fruit and vegetable production and marketing, retail trade, wholesale trade, intrastate marketing, interstate marketing, and new marketing ventures such as electronic marketing.
6. To assist in the coordination activities of various state agencies and other organizations contributing to the development of Virginia's farmers market system.
7. To develop a comprehensive statewide master plan for the development of the network.
8. To develop and adopt network policy, including:
 - a. Guidelines for fees to be charged at the markets;
 - b. Standards for evaluating market and network operations;
 - c. Recommended criteria for inclusion of markets in the state network in the future;
 - d. Recommended changes in management of markets;
 - e. Recommended guidelines for award of contracts for market management.
9. To review and comment on budget proposals for the network.
10. To advise the Governor on the development of the farmers market network.

§ 3.1-73.5. Commissioner to manage farmers market operations.—In order to establish, operate and maintain a network of farmers markets within the Commonwealth, the Commissioner or his designee shall have the authority to carry out the provisions of this article, including the power to:

1. Employ such personnel as necessary to operate the system of markets in accordance with the Virginia Personnel Act (§ 2.1-110 et seq.);
2. Receive and dispense funds;
3. Develop and manage a program budget for the farmers market network;
4. Provide marketing and promotional services for the farmers market network;
5. Develop detailed technical plans for, acquire or build, and manage the farmers market network;
6. Conduct such studies as are necessary to ensure the success of the farmers market network;
7. Acquire necessary insurance, licenses, and permits for the operation of the market network;
8. Make contracts and agreements and execute other instruments necessary for the operation of the farmers market network;
9. Enter into agreements with and accept grants from any governmental agency in

furtherance of this article;

10. Enter into joint ventures with cities, towns, counties or combinations thereof in developing wholesale, shipping point, and retail farmers markets; and

11. Rent or purchase land and facilities as deemed necessary to establish markets or to enhance farmers market development.

§ 9-6.25:2. Policy boards, commissions and councils.—There shall be, in addition to such others as may be designated in accordance with § 9-6.25, the following policy boards, commissions and councils:

Apprenticeship Council

Athletic Board

Auctioneers Board

Board for Accountancy

Board for Architects, Professional Engineers, Land Surveyors and Landscape Architects

Board for Barbers

Board for Commercial Driver Training Schools

Board for Contractors

Board for Cosmetology

Board for Geology

Board for Hearing Aid Specialists

Board for Opticians

Board for Professional Soil Scientists

Board for Rights of the Disabled

Board for Waterworks and Wastewater Works Operators

Board for the Visually Handicapped

Board of Agriculture and Consumer Services

Board of Audiology and Speech Pathology

Board of Commerce

Board of Correctional Education

Board of Dentistry

Board of Directors, State Education Assistance Authority

Board of Directors, Virginia Education Loan Authority

Board of Examiners in the Department of Mines, Minerals and Energy

Board of Funeral Directors and Embalmers

Board of Housing and Community Development

Board of Medical Assistance Services

Board of Medicine

Board of Nursing

Board of Nursing Home Administrators

Board of Optometry

Board of Pharmacy

Board of Professional Counselors

Board of Psychology

Board of Rehabilitative Services

Board of Social Services

Board of Social Work

Board of Surface Mining Review

Board of Veterinary Medicine

Board on Conservation and Development of Public Beaches

Chesapeake Bay Local Assistance Board

Child Day-Care Council

Commission on Local Government

Commonwealth Transportation Board

Council on the Environment

Council on Human Rights

Council on Information Management

Criminal Justice Services Board

Farmers Market Board, Virginia

Interdepartmental Council on Rate-setting for Children's Facilities
 Library Board, the Virginia State Library and Archives
 Marine Resources Commission
 Milk Commission
 Real Estate Board
 Reciprocity Board, Department of Motor Vehicles
 Safety and Health Codes Board
 State Air Pollution Control Board
 State Board of Corrections
 State Board of Elections
 State Board of Health
 State Health Department, Sewage Handling and Disposal Appeal Review Board
 State Mental Health, Mental Retardation and Substance Abuse Services Board
 State Seed Potato Board
 State Water Control Board
 Statewide Health Coordinating Council
 Substance Abuse Certification Board
 The Treasury Board, *The*, Department of the Treasury
 Virginia Aviation Board
 Virginia Fire Services Board
 Virginia Health Services Cost Review Council
 Virginia Historic Landmarks Board
 Virginia Oil and Gas Conservation Board
 Virginia Parole Board
 Virginia Public Telecommunications Board
 Virginia Soil and Water Conservation Board
 Virginia Voluntary Formulary Board
 Virginia Waste Management Board
 Virginia Well Review Board
 Virginia World Trade Council.

2. That § 3.1-73.4 of the Code of Virginia is repealed.
3. That an emergency exists and this act is in force from its passage.

CHAPTER 414

An Act to amend and reenact §§ 44-1, 44-12, 44-13, 44-19, 44-80, 44-81, 44-93 and 44-115 of the Code of Virginia and to amend the Code of Virginia by adding in Chapter 1 of Title 44 an article numbered 4.2, consisting of sections numbered 44-54.4 through 44-54.12, and to repeal § 44-2.1 of the Code of Virginia, relating generally to the Virginia State Defense Force.

[H 1474]

Approved March 21, 1989

Be it enacted by the General Assembly of Virginia:

1. That §§ 44-1, 44-12, 44-13, 44-19, 44-80, 44-81, 44-93 and 44-115 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Chapter 1 of Title 44 an article numbered 4.2, consisting of sections numbered 44-54.4 through 44-54.12, as follows:

§ 44-1. Composition of militia.—The militia of the Commonwealth of Virginia shall consist of all able-bodied citizens of this Commonwealth and all other able-bodied persons resident

Appendix D

**Northern Neck Vegetable Growers Association, Inc.
P O Box 8
Montross, Va 22520**

August 25, 1999

HOUSE JOINT RESOLUTION NO. 506- Joint legislative subcommittee to study the structure and management of the Virginia Farmers Market System.

Northern Neck Vegetable Growers' Association, Inc.
Northern Neck of Virginia Farmers' Market
Oak Grove, Virginia

Gary Allensworth, President, NNVGA, Inc.
Rod Parker, General Manager, NN of VAFm

1. The Northern Neck Vegetable Growers' Association, Inc. is the operator of the NN of VAFm. Contract with VDACS #97-011 Dated 5/20/97.
2. The Northern Neck Vegetable Growers' Association, Inc. (NNVGA, Inc.) provides oversight of the management and operation of the Northern Neck of Virginia Farmers' Market through a nine member Board of Directors elected by the NNVGA, Inc. membership. A list of Board members is enclosed. They are elected for two year terms. The Board meets quarterly (set tentatively as the second Tuesday of January, April, July, and October of 1999). Membership is at 34 for 1999, plus 3 Associate Members and 12 Annual Meeting Sponsors. The NNVGA became incorporated in July of 1996. The NNVGA, Inc. is also a 501c exempt organization.

A request for proposal was advertised locally and nationally for a tenant to manage the market. It was issued 11/17/97. The NNVGA, Inc. selected a single tenant to serve as General Manager for the day-to-day operation and management of the market. Parker Farms submitted a proposal and was selected. The Management Agreement was signed 1/26/98.

Complaints and problems from a farm producer are first addressed by the General Manager. If these two parties cannot work out a solution the producer may bring the issue to the Board of Directors. The three parties then can discuss the issue and reach a resolution.

3. The Northern Neck Vegetable Growers' Association was organized in 1988 and had many discussions at early meetings on vegetable marketing opportunities and challenges. The Association worked on projects in the early years such as Virginias Finest criteria, educational meetings and workshops, and volume supply purchases. Development of local marketing options was always a goal. A \$50,000 grant was appropriated by the General Assembly in 1995 as a result of working with local legislators to do a Marketing Feasibility Study and some local site analysis.

Economics Research Associates completed the study with help from local surveys of producers. Study results were positive for locating a wholesale shipping point marketing facility in the Northern Neck region. In 1996 the General Assembly appropriated \$2.8 million for construction. No suitable site was located in the region that could be donated for the construction of the facility. Several growers and other supply organizations loaned approximately \$59,000 to the NNVGA, Inc. for purchase of the Oak Grove site which was deeded to the State for construction of the Market. That loan is currently being paid back. Parker Farms moved into the facility in June of 1998. There was no startup or operating funds provided or required. Volume and dollar amounts through the facility are shown on enclosed reports.

4. The market site is approximately 21 acres with a 60,000 square foot building with areas for unloading, handling, packing, cooling, and loading for shipment. Equipment in the facility include a hydrocooler, cucumber/pepper line, re-packing line, forklifts, pallet jacks, metal storage racks, and etc.. The hydrocooler cost \$350,000 with \$250,000 of that paid with appropriated funds and the remainder through a loan from the Rural Rehabilitation Trust Fund. The other equipment was provided by the tenant.
5. A 1998 commodity throughput and gross value report is inclosed.

A 1999 commodity throughput and gross value report for year-to-date is enclosed

6. Questions?

This market provides another marketing option for vegetable producers in this region to reach markets that they would otherwise not have the product volume, equipment, time, or contacts to access.

**EASTERN SHORE MARKETING COOPERATIVE,
Inc.**

Report to HJR 506 Committee

ORGANIZATION:

EASTERN SHORE MARKETING COOPERATIVE, INC.

Address: P.O. Box 269 Melfa, VA 23110

Phone: 804-787-3842 Fax : 804-787-4375

e-mail: esfm@esva.net

History and Mission: Since the beginning of the movement to create a farmers' market network in Virginia, there has been a group of farmers on the Eastern Shore who were interested in participating in that network. That group banded together in an ad hoc committee and worked to have the Eastern Shore area included in the network. Following the formation of the Farmers' Market Board and the appropriation of funds by the General Assembly, it became clear that a local group would have to step forward to operate a local market. The leadership which had organized the drive to build a farmers' market on the Eastern Shore chose to pursue the creation of a producer cooperative for the purpose of operating the Farmers' Market facility and to protect the rights and concerns and serve the producers of the Eastern Shore of Virginia.

ESMC was officially incorporated on the 24th day of March, 1989. The first meeting of the membership was held at Painter, Va. on May 25, 1989. Currently there are 64 members with 55 holding common stock and 9 with preferred stock.

Objectives:

1. To maintain the organization in accordance with cooperative principles consistent with its Articles of Incorporation, Bylaws and other legal contractual requirements.
2. To provide the best possible produce handling and marketing services for the members and the agricultural community in order to maximize returns of the Cooperative.
3. To maintain financial stability for debt retirement, equity retirement, and future growth and expansion of the Cooperative.
4. To maintain a competent and loyal employee group by providing a competitive compensation and benefit program, training and development of individual capabilities, and a pleasant work environment so that the lives and the work of the employees will be given meaning, dignity, satisfaction, and purpose, both on and off the job.
5. To provide leadership and to cooperate with other business, community, and civic groups in furthering programs of mutual interest and benefit to the community.

6. To act as an independent operator of the Eastern Shore Farmers' Market under contract with the Commonwealth of Virginia as stipulated in the Farmers' Markets Network Operations and Management Plan, issued December 1, 1988.

Operation:

Members: The Cooperative members elect representatives from the general membership to serve a three year term on the Board of Directors.

Board of Directors: The Board of Directors is the policy making body and governing group of the Eastern Shore Marketing Cooperative. The Board consists of at least twelve but not more than sixteen members of whom one is a public director. The Board of Directors holds meetings every other month or as needed.

Officers: The Board of Directors shall elect from the membership a President, Vice-President, Secretary and Treasurer. The President shall serve as the executive officer of the Cooperative, preside over all meetings of the Board and supervise the General Manager.

Executive Committee: The Executive Committee consists of four members: President, Vice President, Secretary, and Treasurer. The Committee exercises powers authorized by the Board between those times when Board meetings are held.

Standing Committees: The Board of Directors appoints three committees, Finance, Solicitation & Expansion, and Personnel which interlock the board, members, Extension Agents, VDACS personnel and industry representatives. Committees are responsible to the Board of Directors and report to the Board.

General Manager: The General Manager is the director of the day-to-day operations of the Cooperative. He and his staff implement policies adopted by the Board of Directors. The General Manager is hired by the Board and responsible to the Board through the President for the operational management of the Cooperative.

Policy Development:

The Board of Directors, in cooperation with the Management of the Cooperative, has the responsibility for developing policy. The policy will be a statement in general terms, which serves as a guide for consistent decisions in recurring situations. By necessity, it must be broad and general, leaving room for interpretation and the exercise of judgement and initiative. Policy should be subject to frequent review and revision as necessary. The policy must give the Board and Management the framework within which to live and work.

In making tenant solicitations and receiving contracts from any shipper/brokers that are tenants in our markets, Eastern Shore Marketing Cooperative, Inc. has made mandatory checks that the brokers/shippers will have all current Federal and State produce license as well as bonding. They are also required to carry Property Damage, Bodily Liability, Fire & Legal Liability insurance while they are tenants of the Eastern Shore Farmers Market.

Eastern Shore Marketing Cooperative, Inc. also mandates in all the tenants leases that any producer on the Eastern Shore, whether or not Co-op members, will have the right to rent space in pre-cooling and cold storage facilities as the space is available, at a set agreeable fee with the landlord and the tenant. Therefore, any producer on the Eastern Shore who is not satisfied with the current prices being offered by our tenants has the ability to store their produce until they do find a suitable market. Although Eastern Shore Marketing Cooperative, Inc. has a set rental schedule for dry and cold storage space, sliding scale fees have been offered in order to encourage buyers and shippers to locate on the Eastern Shore, thus providing more opportunities for the producer to sell his product. If any problem arises between a producer and one of our tenants, the first course of action is for the Eastern Shore Marketing Cooperative, Inc. to enter into negotiations between the parties. If we cannot resolve the problem immediately we ensure that further arbitration will take place until all parties are satisfied. As of this time, the Co-op has not had to negotiate any problems.

The Eastern Shore Marketing Cooperative, Inc. is dedicated to all facets of agriculture on the Eastern Shore. Through our efforts of expansion came the advent of the cotton gin on the Eastern Shore. The gin is now a fully functional operation that is a private enterprise called Shore Gin & Cotton, Inc. Because of the faith and trust of the local producers in the Co-op, Eastern Shore Marketing Cooperative, Inc. has, for the past two years, accepted a contract to also manage the cotton gin.

In an effort to serve other entities of the agriculture community on the Eastern Shore, Eastern Shore Marketing Cooperative, Inc. has led an expansion project into a wholesale Seafood Warehouse. Into this end, not only have we gained full support of all the Working Waterman's Associations, we also have board members who represent the watermen of the Eastern Shore. Eastern Shore Marketing Cooperative, Inc. has also purchased an additional 5 acres to help with this expansion. At the time of the expansion, this land will be donated to the Commonwealth of Virginia.

Eastern Shore Marketing Cooperative, Inc. has also created an annual Scholarship Fund in the amount of \$1000.00 available to high school seniors on the Eastern Shore who will be continuing their studies in any advanced agricultural field.

The Virginia Department of Agriculture and Consumer Services and the Virginia Farm Market Board established the Eastern Shore Farmers' Market with the concept of functioning as a regional wholesale and distributing facility for agricultural products, especially those produced by small to medium sized farms. The Eastern Shore Farmers' Market has been extremely successful in this mission, having handled almost \$20 million worth of produce in the 6 years of operation. After receiving a State guaranteed loan for it's start-up, the Market is now totally self-supporting and debt free.

This year, 1999, is the sixth full year of operation for the Eastern Shore Farmers' Market. Since the market opened, approximately 3.5 MILLION packages of produce have been handled, for approximately \$25 MILLION wholesale value. Considering that the original cost for development of the Market was \$2.5 million and returns have provided \$25 million, the taxpayers of Virginia have received an outstanding return on their investment.

Even if a small portion of that \$25 million remains on the Shore, then the Market has made an outstanding contribution to the local economy as well. The Market has helped provide an increasingly superior agricultural product since it's inception.

The Eastern Shore Farmers Market is currently located on a 35-acre tract of land within Accomack County Industrial Park. The Industrial Development Authority of Accomack and Northampton Counties donated this land to the Commonwealth of Virginia for the sole purpose for the construction of the Farmer Market. We currently have one produce building consisting of 19600 sq ft of dry storage space in 4 bays and also 8176-sq. ft. cold storage in 4 bays. Located in the office building adjacent to the produce building are four broker offices as well as the manager's office and reception area. The Cooperative has one bay which houses the hydrocooler to serve all the area producers. Just south and bordering the 35 acres in the Industrial Park, Eastern Shore Marketing Cooperative, Inc. has purchased an additional 5 acres which will be needed for the Seafood Warehouse in the projected expansions.

VIRGINIA ACTS OF ASSEMBLY -- 2000 SESSION

Appendix F

CHAPTER 536

An Act to amend and reenact § 3.1-73.5 of the Code of Virginia, relating to farmers markets.

[H 1038]

Approved April 6, 2000

Be it enacted by the General Assembly of Virginia:

1. That § 3.1-73.5 of the Code of Virginia is amended and reenacted as follows:

§ 3.1-73.5. Commissioner to manage farmers market operations.

A. In order to establish, operate and maintain a network of farmers markets within the Commonwealth, the Commissioner or his designee shall have the authority to carry out the provisions of this article, including the power to:

1. Employ such personnel as necessary to operate the system of markets in accordance with the Virginia Personnel Act (§ 2.1-110 et seq.);
2. Receive and dispense funds;
3. Develop and manage a program budget for the farmers market network;
4. Provide marketing and promotional services for the farmers market network;
5. Develop detailed technical plans for, acquire or build, and manage the farmers market network;
6. Conduct such studies as are necessary to ensure the success of the farmers market network;
7. Acquire necessary insurance, licenses, and permits for the operation of the market network;
8. Make contracts and agreements and execute other instruments necessary for the operation of the farmers market network;
9. Enter into agreements with and accept grants from any governmental agency in furtherance of this article;
10. Enter into joint ventures with cities, towns, counties or combinations thereof in developing wholesale, shipping point, and retail farmers markets; and
11. Rent or purchase land and facilities as deemed necessary to establish markets or to enhance farmers market development.

B. If a market in the network is operated pursuant to a contract between the Commissioner and the market operator, such contract shall require that the operator annually submit to the Commissioner and the Board a plan for, and a report on, the operation of the market. The plan shall describe the operator's goals for the coming year as to the acreage to be served by the market, the types of crops to be sold at the market, and the number of brokers, buyers and producers to utilize the market. The report shall describe the extent to which the goals for the previous year were met. The Commissioner shall annually submit a report summarizing the market operators' reports and plans to the Chairmen of the House Committee on Agriculture, the Senate Committee on Agriculture, Conservation and Natural Resources, the House Committee on Appropriations, and the Senate Committee on Finance.

HB 1038 Farmers markets.

Patron-Robert S. Bloxom

Summary as passed:

Farmers markets. Requires that persons operating farmers markets pursuant to a contract with the Commissioner of Agriculture and Consumer Services annually submit to the Commissioner and the Farmers Market Board a plan for, and a report on, the operation of the market. The plan is to describe the operator's goals for the coming year, and the report is to describe the extent to which the goals for the previous year were met. The Commissioner must annually submit a report summarizing the market operators' reports and plans to the chairmen of the standing committees of jurisdiction in the General Assembly. There are currently four wholesale farmers markets to which this bill would apply. This is a recommendation of the Joint Subcommittee Studying Virginia's Farmers Market System.

Full text:

01/24/00 House: Presented & ordered printed 003813644

03/02/00 House: Enrolled bill text (HB1038ER)

04/18/00 Governor: Acts of Assembly Chapter text (CHAP0536)

Status:

01/24/00 House: Presented & ordered printed 003813644

01/24/00 House: Referred to Committee on Agriculture

01/27/00 House: Reported from Agriculture (22-Y 0-N)

01/31/00 House: Read first time

02/01/00 House: Read second time and engrossed

02/02/00 House: Read third time and passed House (Block Vote) (98-Y 0-N)

02/02/00 House: VOTE: BLOCK VOTE PASSAGE (98-Y 0-N)

02/02/00 House: Communicated to Senate

02/03/00 Senate: Constitutional reading dispensed

02/03/00 Senate: Referred to Committee on Agriculture, Conservation & Nat.

02/21/00 Senate: Reported from A. C. & N. R. (12-Y 0-N)

02/22/00 Senate: Const. reading disp., passed by for the day (39-Y 0-N)

02/22/00 Senate: VOTE: CONST. RDG. DISPENSED R (39-Y 0-N)

02/23/00 Senate: Read third time

02/23/00 Senate: Passed Senate (39-Y 0-N)

02/23/00 Senate: VOTE: PASSAGE R (39-Y 0-N)

03/02/00 House: Enrolled bill text (HB1038ER)

03/07/00 House: Enrolled

03/07/00 House: Signed by Speaker

03/08/00 Senate: Signed by President

04/06/00 Governor: Approved by Governor-Chapter 536 (effective 7/1/00)

04/18/00 Governor: Acts of Assembly Chapter text (CHAP0536)



Go to (General Assembly Home) or (Bills and Resolutions)

