XYZ Farms

YYZ Farms
. CE Barnhart
Lexington, KY 40546

(859)257-7270
tim.woods@uky.edu

Invoice

DATE	INVOICE #
03/06/2010	1002

TERMS	DUE DATE
Net 30	04/05/2010

BILL TO

Buy Local Restaurant
Jim Bobb, Chef
123 Main St.
Columbus, OH 43001

AMOUNT DUE	ENCLOSED
$40.95	

Please detach top portion and return with your payment.

Activity	Amount
• 3 boxes lettuce	21.00
• 2 boxes tomatoes	18.00
• tax	1.95

Thanks for your business

| TOTAL | $40.95 |

Appendix 17

Insurance Coverage Options

for

Fresh Produce Growers

Insurance Coverage Options for Fresh Produce Growers

Fresh produce growers today face several risks associated with foodborne illness outbreaks. First, consumers affected by these outbreaks can take legal action against growers to claim monetary damages due to illness (also called liability risk). Second, regulators can issue a product recall or warning because of the outbreak, causing a catastrophic drop in sales and damaging the farm's or product's reputation. As foodborne illness outbreaks increase, so does the risk of economic loss. Insurance against economic loss from foodborne illness helps growers safeguard their business operations. With the variety of insurance coverage or policies available, fresh produce growers should understand what policies best cover their farms.

General Farm Liability Insurance Policy

General farm liability insurance typically protects against claims for bodily injury and property damage that occur on the farm premises or as a result of farm operations (IRMI, 2008). These policies cover accidents that affect farmers, employees, guests, and customers.[1] Outlaw (2007) and the New England Small Farm Institute (2008) suggest that these general commercial or farm liability policies are appropriate for growers with pick-your-own operations and on-farm stands. The New England Small Farm Institute (2008) further explains that farm liability insurance covers lawsuits only from activities considered "farming," which is usually defined to include only agricultural production activities and on-farm roadside stands. These policies also typically cover the sale of produce in its raw, unprocessed state, whether sold on-farm or at a farmers' market. The sale of produce grown by another farmer, even if the produce is sold "raw and unprocessed," is not covered under a general farm liability policy.

Commercial Business Liability Insurance

Commercial business liability insurance may be necessary if the grower also undertakes activities that are not considered "agricultural" or "farming" (New England Small Farm Institute, 2008). It works essentially the same way as general farm liability insurance. The insurance is appropriate for growers who have fresh-produce processing facilities. This insurance is also appropriate for growers that sell in farmers' markets or sell more than a certain percentage of products that originate off-farm (New England Small Farm Institute, 2008).

Product Liability Insurance Policy

Many fresh produce growers mistakenly believe that their general farm liability policy protects against claims of injury from contaminated fresh produce that causes foodborne illness. But as Hamilton (1999) explains, this is not generally the case, because the injury usually happens off the farm premises. In this case, a product liability insurance policy is appropriate, as it protects against consumer claims of injury caused by a defective or hazardous product such as contaminated fresh produce. (Holland, 2007). A growing number of retail stores require that food products they carry have a minimum level of product liability coverage (normally a $1 million policy or more). It is important to understand, however, that food product liability insurance strictly covers claims of injured parties and not recall costs.

The cost of food product liability coverage is difficult to estimate. Insurance providers are often reluctant to provide quotes because there is no "standard" premium rate for food products, and the industry is very competitive. Instead, most insurance companies that offer this coverage provide an estimate only when growers submit a detailed description of their product and business operations (production, distribution, and marketing plans). However, an approximate rule of thumb in the industry is around $1,000 per year for a $1 million policy.

Based on an informal survey of insurance providers undertaken in May 1998, Holland (2007) indicates that the annual premiums for food product liability insurance ranged from $500 to $20,000 for a $1 million policy. The average food product liability premium was found to be $3,000 for a $1 million policy. The most significant factors contributing to the premium charged are: level of gross sales or annual payroll, prior claims (claims history), level of coverage, type of product, type of market, and recall plan.

Product Recall Insurance Policy

A product recall insurance policy typically covers only the actual or direct costs of a product recall, such as costs associated with getting the contami-

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[1] *Note, however, that this policy does not replace Worker's Compensation insurance and only typically covers activities considered "farming."*

nated product off the shelf and destroyed, cost of replacing contaminated products, and transportation costs. It does not cover other indirect costs or losses due to the product recall or an outbreak warning, such as third party expenses, loss of profit, and business interruption losses. Third-party expenses refer to those costs that occur when a downstream retailer loses business as a result of the contamination.[2] Loss of profit refers to instances when the product recall or warning damages consumer confidence in the grower, negatively affecting revenues in the current or next business cycle. Business interruption losses are those losses resulting from a period where the growers' operations shut down.

An important issue to consider in the purchase of product recall insurance is that it covers recall costs only for growers responsible for contamination or outbreak. For those growers that were not a source of contamination but whose products were also taken off the shelf as a precaution, recall losses may not be covered. This can be a problem if, for example, no government entity officially traced or narrowed the source of the contamination (Odza, 2008).

Accidental or Product Contamination Policy

A more comprehensive policy that covers both the direct and indirect costs of product recall is the accidental or product contamination policy. It also insures growers against claims resulting from their own unintentional distribution of a product deemed unsafe. However, as with the product recall policy above, this coverage applies only to those growers whose product was contaminated. Those growers who suffered loss of profit or business interruption losses but were not contaminated (their product was rejected as a precaution or due to a market scare) typically will not be covered under this policy.

Malicious Tampering Insurance

Malicious tampering insurance is a more comprehensive insurance policy that covers losses from criminal actions of sabotage against the grower, as well as the losses covered in the accidental or product contamination policy (the indirect and direct recall costs). An example of a private company that sells this type of comprehensive coverage is MRM MacDougall Risk Management (Skees et al., 2001).[3] Damages due to malicious product tampering are indemnified for up to $75 million, while damages due to accidental product contamination are indemnified for up to $50 million. Under the accidental contamination provision of the policy, losses are categorized into four areas: (1) recall expenses, (2) lost gross profit, (3) rehabilitation expenses, and (4) crisis response. The second category covers loss for "12 months following discovery" or lost profit during a shorter period when the sales revenue

remains lower that would have been reasonably projected had the product contamination not occurred. Indemnities are even paid to rebuild the lost market share. Table 1 (see back cover) provides examples of other companies that offer product recall insurance, accidental contamination insurance, malicious tampering insurance, and combinations thereof. Again, the shortcoming of this product, as with the product recall and accidental contamination, is that it applies only to growers whose product was contaminated.

Combination Policies

Some insurance companies offer combination or package policies. For example, the general farm liability policy and commercial business coverage can be combined with a homeowner's policy. A combination policy makes sense for growers whose farms have both residential and commercial characteristics. Such policies are especially appropriate for family- and individually-operated farms (rather than large corporate farming operations). Combination policies generally offer the additional advantage of a lower premium than for two policies purchased separately.

Excess/Umbrella/Surplus Lines of Insurance

Excess/Umbrella/Surplus lines of insurance are the terms used to describe insurance coverage that provides catastrophic loss protection when the underlying insurance is inadequate. For example, there are some risks that North Carolina-licensed insurance companies may not cover. The excess or surplus lines market is an insurance marketplace for unique or hard-to-place risks. For fresh produce growers, these excess or surplus lines provide additional protection above and beyond the losses covered under other policies. An excess or surplus insurance policy can be tailored to protect against losses from foodborne illness outbreaks even when the grower's product is not contaminated. The disadvantage of these types of policies is that premium rates are not regulated under state laws, and the Insurance Guaranty Association offers no protection for companies that sell these lines. Therefore, if the surplus lines insurer has financial difficulties, claims against the policy might not be paid. Note that product liability insurance in North Carolina sometimes falls under excess or surplus lines of insurance.

Adjusted Gross Revenue (AGR) or Adjusted Gross Revenue-Lite (AGR-Lite) Crop Insurance

All of the insurance policy options discussed so far are private-industry provided (and underwritten), and these policies are not a part of the government-supported Federal Crop Insurance (FCI) program.[4] Except for the excess/surplus lines, these privately provided insurance options cover only losses related to food-

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[2] *Third party expenses may also include the liability the grower faces from downstream retailers whose brand names may be tarnished as a result of the contaminated fresh produce supplied to them.*
[3] *This policy is underwritten by Lloyd's of London.*

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[4] *The FCI program is overseen by the United States (US) Dept. of Agriculture Risk Management Agency (USDA-RMA). This is a publicly supported, privately delivered program that provides insurance products that help protect farmers from yield/revenue losses due to natural perils (such as drought or flood.). AGR and AGR-Lite are offered under this program. AGR-Lite is currently available in North Carolina.*

borne illness outbreaks if the particular grower's fresh produce was contaminated. The insurance options previously discussed (except for the excess/surplus lines) do not cover growers that were not contaminated, even if they suffered product recall expenses such as loss of profit or business-interruption losses.

The Adjusted Gross Revenue (AGR) or the Adjusted Gross Revenue-Lite (AGR-Lite) insurance products offered under the FCI program may cover some of the lost profits or revenues due to a foodborne illness outbreak even if the grower's product is not contaminated. AGR and AGR-Lite are whole-farm revenue protection plans. They protect against low farm revenues due to unavoidable natural disasters or market fluctuations that affect income during the insurance year. This coverage extends to fresh produce, as well as to most farm-raised crops and animals (any source of non-value-added agricultural revenue in the farm). The plans can partially cover a catastrophic drop in fresh produce revenues due to a foodborne illness outbreak. The revenue loss can either be from a precipitous price drop or a substantially low (or zero) demand for the fresh produce due to the outbreak.[5]

AGR and AGR-Lite use a grower's five-year historical farm average revenue as reported on the IRS tax return form (Schedule F or equivalent) and an annual farm report as a basis to provide a level of guaranteed revenue for the insurance period. If actual revenue for the period falls under the revenue guarantee chosen by the grower, then the AGR or AGR-Lite policy will provide indemnity payments. Note, however, that there are limits to the amount of revenue that can be insured, depending on the coverage and payment rates chosen. Large corporate farms with revenues above these limits may not qualify. For more details on AGR and AGR-Lite, see the RMA factsheets about them (RMA, 2007).

For more details about which insurance may apply to their particular operation, growers should contact their *insurance agents*.

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[5]*Note that this is the authors' interpretation of the policy. However, there is a clause in the AGR-Lite policy where losses from the following may not be covered: "inability to market the agricultural commodities due to quarantines, boycotts, or refusal of any person to accept your agricultural commodities." We have contacted RMA for clarification of this issue and were told that a product warning that causes a revenue reduction (due to an industry wide drop in prices, for example) would be covered under AGR-Lite. The warning that caused low prices is a "market fluctuation" and should be covered. However, we were unable to get a definitive interpretation of whether revenue losses from a direct, government-announced product recall falls under this clause.*

References and Further Information:

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International Risk Management Institute (IRMI). 2008. "Glossary of Terms" In http://www.irmi.com (Last Accessed: June 20, 2008).

Long, J. 2008. *Guide to Insurance for Your Business.* North Carolina Department of Insurance, Raleigh, NC.

New England Small Farm Institute. 2008. "Risky Business" In http://www.smallfarm.org/ nesfi_library/virtual/virtual/riskybusiness (Last Accessed: June 20, 2008).

North Carolina Dept. of Insurance. 2008."A Consumer's Guide to Surplus Lines of Insurance." NC Dept. of Insurance, Raleigh, NC.

Odza, K. 2008. "Tomato Fallout – Recall Insurance Coverage Disputes." In the Food Liability Law Blog. http://www.foodliabilitylaw.com (Last Accessed: June 20, 2008).

Outlaw, S. 2007. "Getting the Right Liability Insurance Coverage." Paper presentation in the workshop titled: Profitable Produce: A Workshop on Legal Liability and Handling Food Safety, Roxboro, NC (May, 15, 2007).

Risk Management Agency (RMA). 2007. "2007 Adjusted Gross Revenue Lite" Factsheet that can be downloaded from http://www.rma.usda.gov/pubs/ rme/fctsht.html.

Skees, J.R., A. Botts, and K.A. Zeuli. 2001. "The Potential for Recall Insurance to Improve Food Safety." *International Food and Agribusiness Review.* 4(1):99-111.

For Assistance in Finding Authorized Insurance Services in North Carolina:
N.C. Department of Insurance

For assistance finding insurance, regularly licensed companies and surplus lines:

MAP (919) 733-9811
For help with unauthorized insurance
1-800-546-5664 consumer services
(919) 733-7487 agent services

Table 1. Examples of Product Recall, Contamination, and Malicious Tampering Policies offered by Private Companies (From Skees et al., 2001).

Company	Product	Description
AIG Insurance	Recall Plus	Includes First Party Recall, Third Party Product Recall Expenses, and Third Party Impaired Property Expenses. The First Party Recall covers the traditional recall expenses and also has a "rehabilitation coverage option that covers the cost of restoring the company's sales or market share to the level expected prior to the product recall."[a]
Fireman's Fund	Liability insurance and product withdrawal expense coverage	Covers expenses for recalls, including communications, office supplies, additional labor costs, shipping, and the costs to dispose withdrawn products. "If a defective product is discovered, you can act quickly and confidently by initiating a withdrawal without obtaining prior approval." Also offers business interruption coverage.[b]
Liberty Mutual	Product recall expense insurance	Covers expenses for recalls, including communications, overtime compensation, and product disposal. Included as a general liability endorsement.[c]
Triple S. Inc: Subsidiary of National Food Processors Assoc.	Product Contamination Insurance	Covers expenses to inspect, withdraw, and destroy product; value of product itself; and "extra expenses to rehabilitate and re-establish the product in the marketplace." For members of the National Food Processors Assoc. only.[d]
Chubb Group	Reputational damages liability insurance	Protects against claims for financial damages made by a customer or franchisee alleging that a foodborne illness harmed its reputation and resulted in a loss of income.[e]
Zurich, U.S.	Brand protection insurance	Covers recall expenses, including those of third party. Also covers "loss of profit relating to recall incident and costs to rehabilitate or re-establish processor's reputation and product's market share."[f]
IBS (Insurance Brokers Service)	Total recall plus	"Provide up to $25 million in protection from the unexpected costs of recall management and gross profit loss" and brand protection.[g]
CAN Commercial Insurance	FOOD program	Allows food companies to "take preventative action by getting products off the shelves quickly if there is any question of food safety."[g]
MRM MacDougall	Recall insurance	Offers up to $50 million in protection for a recall and $75 million for malicious tampering with food products. Insures recovery expenses as well as damage to sales and reputation.

[a] Source: Company Web site is: http://firemansfund.com/spd/cfm? spi=liability and Mancini, L. 1997. "Before disaster strikes:property and product liability insurance for food companies." Chilton's Food Engineering. 69(4): 95-98.

[c] Source: Company Web site is: http://www.libertymutual.com/business/specialp.html and Demetrakakes, P. 1999. "Backlash." Food Processing. 60(8): 16-21.

[d] Source: Company Web site is: http://www.nfpa-food.org/triplesbrochure and Mancini, L. 1997. "Before disaster strikes:property and product liability insurance for food companies." Chilton's Food Engineering. 69(4): 95-98.

[e] Source: by Goch "Chubb liability insurance designed for food industry," Best's Review – Property-Casualty Insurance Edition, November 1998, p. 86 and Company Press Release, Aug. 24, 1998 "Chubb protects food processors and suppliers from losses when customers and franchisees sue for 'reputational damages' stemming from foodborne illness."

[f] Source: Demetrakakes, P. 1999. "Backlash." Food Processing. 60(8): 16-21.

[g] Source: Dwyer, S. 1999. "Is your brand bulletproof?" Prepared Foods. 168(6): 29-30.

Produced by

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COLLEGE OF
AGRICULTURE & LIFE SCIENCES
ACADEMICS ▴ RESEARCH ▴ EXTENSION

NC STATE UNIVERSITY

Appendix 18

Registering Your Farm
for On-line Sales

Source: PiedmontLocalFood.com, April 2012

Registering Your Farm

April 2012

Contents:

Registering on the Site

Registering Your Farm

1. Go to www.piedmontlocalfood.com

2. Click on the "Register Today" button.

3. Fill out your personal information. If your farm has a different address than your residence, put in your RESIDENCE information here and add the FARM information later!

4. Once you have filled out the information and entered the CAPTCHA code, click "Register" to complete the registration. You will receive an e-mail letting you know that your registration has been received.

5. ALL farms must be approved before you are allowed to sell your products online. Once approved, you will receive an e-mail informing you that you have been approved to sell!

Piedmont Local Food info@piedmontlocalfood.com via p3nlhg791.shr.prod.phx3.se   3:34 PM (0 minutes ago)
to me

Hello John Smith,

Thank you for signing up at Piedmont Local Food (http://www.piedmontlocalfood.com/)
You can now login to the site.

Farm Information

Creating a Farm Profile
1. After approval is received, you should log into the site to begin adding your farm profile information. This is also where you will ALWAYS log in to check orders and to manage your inventory. Type in your e-mail address used in the registration process and the password you chose for your account.

2. Once logged in, click on the "My Farm" button in orange.

3. The next screen will be blank, as you haven't entered any information in yet! Click the "create farm profile" button to proceed to the profile page.
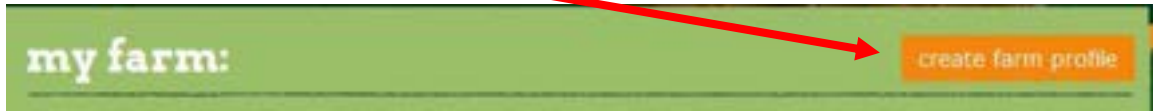

4. The Farm Profile page is where you enter information about your farm, including any pictures you may want to show, Facebook page links, etc.. You should think about WHAT you want to say about your farm as this is what buyers will see when they want to know about you and what you grow. Once done, click on the "Save" button.

5. The next page that comes up is the farm profile page as buyers will see it. You will also notice a map with a marker showing where your farm is located. If you need to edit anything in your farm profile or

want to add pictures or additional information, simply click on the "edit farm" button. You can do this any time you log into the site.
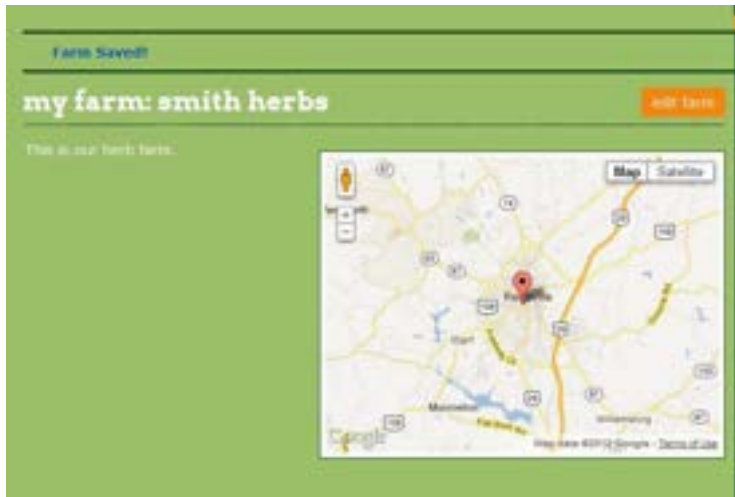
Adding Products

1. Select the "Farm Inventory" option from your menu on the right.
2. Click the orange "Create Item" button. You will see the following page come up:

3. Here you will be able to enter the details about your product, images for your product and the pricing information.
4. One NEW feature of the new site is the ability to set pricing for both consumer and bulk orders once, along with the minimum needed to be ordered to get bulk pricing. The site will calculate the price according to the quantity ordered. You will see this part of the product information at the lower part of the product information screen. When you are done with your product information, click "Save" and you can add more products.

Editing / Deleting Items

1. When you need to make a change to an item, you simply click on the "Edit" button beside the product and you can edit the details accordingly.

2. If you need to remove an item from the inventory for whatever reason, but don't want to delete it forever, simply click on the "Edit" button beside the item and scroll down to the bottom of the item details page and click on the "No" button beside "Published". This will allow you to save the item, but have it no longer show up on the site until you are ready to make it available again. The list above shows you which items are "Published" and which are not, as well as the quantity you have left and if it has a picture or pictures associated with it. You may also view an items picture by clicking the "(view)" link beside the item. This will ONLY show you a quick image of items that are "Published".

NOTE – One feature of the NEW site that was requested by farmers was to have products that were sold but whose quantity was depleted still show up but show none available at that time. This was to allows buyers to see items they may want to purchase that are "out of stock" and entice them to come back to the site later to check on availability and purchase when the farmer has more available.

3. If you need to completely delete an item, such as a one-time product you no longer plan to offer, you can simply click the red "Delete" button beside the item. This will remove the item from your list PERMANENTLY, so if you decide to offer this item again later, you would have to reenter ALL of the information for the item again.

Orders

E-mail Notification of New Orders

When a customer purchases one or several of your products, you will immediately receive an e-mail notification letting you know. This e-mail will look like this:

New Order - #132 - Piedmont Local Food

From: **Piedmont Local Food** (manager@piedmontlocalfood.com)
Sent: Mon 2/13/12 8:15 AM
To:

Piedmont Local Food
525 NC Hwy 65, Suite 200
Reidsville, NC 27320
United States
Call Us: 336-347-8278
Fax: 336-342-8242
E-Mail: manager@piedmontlocalfood.com

Order #132
Customer Name: Jonathan Jones
Delivery Date: 02/15/2012 (Wednesday 12:00PM)

Payment Status: Not Paid - Collect on Delivery

Farmer/Supplier Copy (Test Farm)

Products Ordered

Item Name	Price	Unit	Quantity	Total
Strawberries	$10.00	Gallon	1	$10.00

We look forward to selling more of your products.

This e-mail notification only lets you know an order has been placed for your product. There are other steps required for you to process your orders that are different than the way orders were processed on the old site.

Viewing Orders

Orders on the site are handled a little differently than they were on the old site, but the process now should make it easier for farmers to handle. First, as a farmer, you are also registered as a buyer and so ALL orders, whether something ordered FROM your farm or something you have ordered as a buyer, are shown in your order details page:
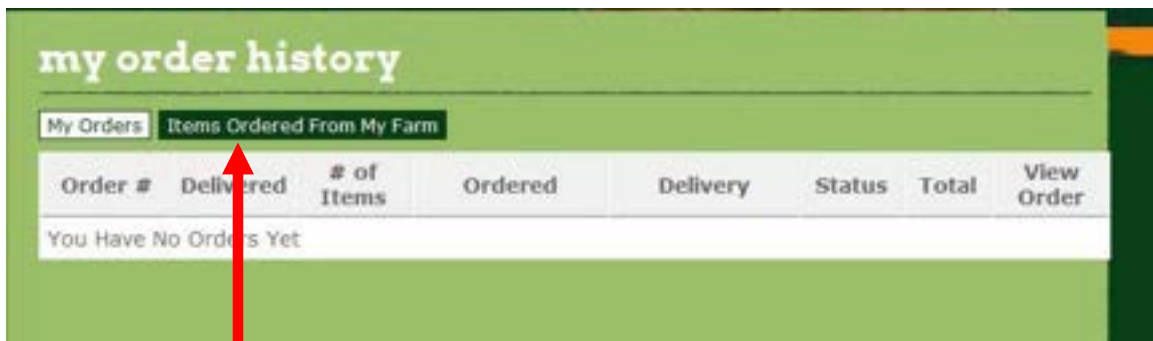
If you haven't PLACED any orders, you won't see anything on the "My Orders" page, which is the default page that comes up each time. To see orders for your products by other buyers, click on the "Items Ordered From My Farm".

This gives you details about the orders placed to your farm. This is the place where critical steps and information are handled. There are a few things you MUST do each week from this page in order to process orders.

Checking and Processing Orders

1. Each week that your farm receives orders, you must get the items ordered ready to bring to the warehouse. All orders must be placed before 2:00 on Tuesdays, so in order to make sure you have the correct items to bring to the warehouse, we recommend you follow some procedures to make sure everything is correct.
2. The first step in this process is to get labels onto the packaged items. You do this by first clicking in the "Dates to Filter" boxes and set the begin date to the MONDAY of the previous week and the end date to the Tuesday orders are to be completed by. If you check your orders after 2:00 on each Tuesday, this will already be set by default and you won't have to do anything. Notice also that default setting is to show only those items that have NOT been delivered. This ensures you won't package and label an item that was delivered previously. The order area also have other valuable tools for you to use that will be covered later, but for now we focus on getting items ready for delivery.

Printing Labels *

1. Once you have your list of items displayed, you can begin to print the labels. You should have received a label printer when you registered through Cooperative Extension and this is the printer to use for printing labels. The EASIEST way to print your labels is to simply click on the "Print All Labels" button at the bottom of the current list of orders. This will print all labels for every item ordered. You then place the correct label onto the package for that item and it is ready to bring to the warehouse.
2. If you need to reprint a single label or labels for one order, click on the "View" button for that order and the details for that order are displayed. You can then either print individual labels for each item by clicking the "Print Label" button next to each item or the "Print All Labels" button at the bottom of the screen to print all labels for that particular order.
3. Once labels have been placed on the items, bring them to the warehouse on Wednesday morning and the workers there will check them in.

Additional Order Tools

We have added some helpful tools to the order page that you can use to make the process easier and to help your farm "business". One of the best tools on the main order page is the "View Printable List" option. When you are viewing the orders placed to your farm for the week, you can view and print a list of the items to use as a check list for making sure everything is ready to bring to the warehouse. Simply follow the procedures to view current orders in the previous steps above and click the "View Printable List" button. This will bring up a screen with a checklist for you to print using the print feature of the browser you use. (Different browsers have different ways for printing, so this manual will not give instructions for specific browser printing)

Another tool at your disposal is the "Export to CSV" option. For those who have Microsoft Excel or anther spreadsheet program, you can export all order information you choose and view this as a Comma-Separated-Value file (CSV) for figuring sales information for your farm. Here you would set the date range as described above to the desired range (such as the previous month, quarter or year), orders delivered and/or not delivered and click the "Filter" button to pull up those orders. Once they are visible, you simply click on the "Export to CSV" button and it will give you all pertinent sales information for those orders. You can use this data for your book keeping or other business needs.

Product Delivery & Payment

Delivery Schedule

Please contact your site administrator for information on your nearest produce drop-off location, and your weekly delivery schedule.

Payment

Payments are deposited directly into the farmer's bank account once the order has been received by the customer and the paperwork has been processed.

A retainer fee of 30% of the sales price of each product helps pay for the administrative, marketing, and shipping costs of the program. Please price your products accordingly.

* Farmers who use Microsoft Internet Explorer 9 as their web browser may need to change a default setting in the settings to avoid printing problems. Detailed instructions on changing this setting can be found on the FAQ section of the website.

Appendix 19. Vendor Letter Requiring Gap Coverage

Dear Sir or Madam:

The purpose of this document is to ensure that the produce you sell to FreshPoint is grown, harvested, packed, processed and handled in a manner compatible with the FDA/USDA's *“Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables”*. The guide directs growers to use its recommendations to develop appropriate best management practices for their individual operations. Such practices have come to be known as "GAPs".

By signing this form, your company hereby guarantees that you and any suppliers you may utilize to provide your company with Agricultural commodities or products, foreign or domestic, which may then be sold to SYSCO and its affiliates, have implemented GAP's as described by the aforementioned document as appropriate for the commodities or products provided.

Further, your signature implies that your company has implemented control strategies that monitor and verify your supply sources compliance with aforementioned GAP Guidelines and affords SYSCO QA the access to both your suppliers operations for GAP auditing purposes as well as access to audit your GAP monitoring and verification documentation.

Please note that the Guidelines encompass such areas of importance to Food Safety as:

1. Prevention of microbial contamination.
2. Management of risk and land use.
3. Harvesting operations.
4. Water quality and safety.
5. Pesticide usage and pesticide residual compliance.
6. Employee hygiene and sanitation practices.
7. Management of soil amendments.
8. Monitoring and documentation of all the above.

Company Name: _____

Authorized Contact: _____

(Please Print)

Authorized Signature: _____

Date: _____

Appendix 20

The [GAP] Guide at a Glance

The *Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables* In Brief

Source: U.S. Food and Drug Administration

U. S. Food and Drug Administration
Center for Food Safety and Applied Nutrition

The Guide at a Glance
The *Guide to Minimize Microbial Food Safety Hazards for Fresh Fruits and Vegetables* In Brief

> **This *Guide* provides general, broad-based voluntary guidance that may be applied, as appropriate, to individual operations**

The *Guide*
- Is intended to assist domestic and foreign growers, packers, and shippers of unprocessed or minimally processed (raw) fresh fruits and vegetables by increasing awareness of potential hazards and providing suggestions for practices to minimize these hazards
- Covers agricultural and postharvest water uses, manure and biosolids, worker health and hygiene, field and facility sanitation, transportation, and traceback
- Does not impose any new requirements or supercede existing laws or regulations
- Will be most effective when used to evaluate individual operations and to institute good agricultural and good manufacturing practices (GAPs and GMPs) appropriate to the individual operations

Basic Principles include
- Prevention of microbial contamination of fresh produce is favored over reliance on corrective actions once contamination has occurred
- Accountability at all levels of the agricultural and packing environments is important to a successful food safety program

Water

> **Wherever water comes into contact with fresh produce, its quality dictates the potential for pathogen contamination**

Agricultural Water
- Identify source and distribution of water used
- Be aware of current and historical use of land
- Review existing practices and conditions to identify potential sources of contamination. Consider practices that will protect water quality
- Maintain wells in good working condition
- Consider practices to minimize contact of the edible portion of fresh produce with contaminated irrigation water. Where water quality is good, risk is low regardless of irrigation method
-

Processing Water
- Follow GMPs to ensure water quality is adequate at the start of and throughout all processes
- Maintain water quality, such as by periodic testing for microbial contamination, changing water regularly, and cleaning and sanitizing water contact surfaces
- Antimicrobial chemicals may help minimize the potential for microbial contamination to be spread by processing water; levels of antimicrobial chemicals should be routinely monitored and recorded to ensure they are maintained at appropriate levels
- As organic material and microbial load increase, the effectiveness of many antimicrobial chemicals will decrease. Filtering recirculating water or scooping organic material from tanks may help reduce the build-up of organic materials

Cooling Operations
- Maintain temperatures that promote optimum produce quality and minimize pathogen growth
- Keep air cooling and chilling equipment clean and sanitary
- Keep water and ice clean and sanitary
- Manufacture, transport, and store ice under sanitary conditions

Manure and Municipal Biosolids

> **Properly treated manure or biosolids can be an effective and safe fertilizer.**

- If manure is used as a fertilizer, it should be managed to minimize microbial hazards
- Federal regulations address the requirements for use of biosolids in the U.S.. Some states also have specific requirements for the use of biosolids. Foreign growers should follow these or similar requirements

Manure
- Use treatments to reduce pathogens in manure and other organic materials. Treatments may be active (e.g., composting) or passive (e.g., aging)
- Manure treatment and storage sites close to fresh produce fields increase the risk of contamination
- Consider factors such as slope and rainfall and the likelihood of runoff into fresh produce production areas
- Use barriers or physical containment to secure storage and treatment sites
- Protect treated manure from being re-contaminated
- When purchasing treated manure, get information about the method of treatment
- Maximize the time between application of manure to production areas and harvest
- Use of raw manure on produce during the growing season is not recommended

Animal Feces

> **While not possible to exclude all animal life from fresh produce production areas, many field programs include elements to protect crops from animal damage.**

- Domestic animals should be excluded from fields and orchards during the growing and harvesting season
- Follow GAPs to ensure animal waste from adjacent fields, pastures, or waste storage facilities does not contaminate fresh produce production areas. Where necessary, consider physical barriers such as ditches, mounds, grass/sod waterways, diversion berms, and vegetative buffer areas
- Control of wild animal populations may be difficult or restricted by animal protection requirements. However, to the extent feasible, where high concentrations of wildlife are a concern, consider practices to deter or redirect wildlife to areas where crops are not destined for fresh produce markets

Worker Health and Hygiene

> **Infected employees who work with fresh produce increase the risk of transmitting foodborne illness.**

- Train employees to follow good hygienic practices
- Establish a training program directed towards health and hygiene – include basics such as proper handwashing techniques and the importance of using toilet facilities
- Become familiar with typical signs and symptoms of infectious diseases
- Offer protection to workers with cuts or lesions on parts of the body that may make contact with fresh produce
- If employees wear gloves, be sure the gloves are used properly and do not become a vehicle for spreading pathogens
- Customer-pick and road-side produce operations should promote good hygienic practices with customers – encourage handwashing, provide toilets that are well equipped, clean, and sanitary and encourage washing fresh produce before consumption

Sanitary Facilities
- Poor management of human and other wastes in the field or packing facility increases the risk of contaminating fresh produce
- Be familiar with laws and regulations that apply to field and facility sanitation practices
- Toilet facilities should be accessible to workers, properly located, and well supplied
- Keep toilets, handwashing stations, and water containers clean and sanitary
- Use caution when servicing portable toilets to prevent leakage into a field
- Have a plan for containment in the event of waste spillage

Field Sanitation

Fresh produce may become contaminated during pre-harvest and harvest activities from contact with soil, fertilizers, water, workers, and harvesting equipment.

- Clean harvest storage facilities and containers or bins prior to use
- Take care not to contaminate fresh produce that is washed, cooled, or packaged
- Use harvesting and packing equipment appropriately and keep as clean as practicable
- Assign responsibility for equipment to the person in charge

Packing Facility

Maintain packing facilities in good condition to reduce the potential for microbial contamination.

- Remove as much dirt as practicable outside of packing facility
- Clean pallets, containers, or bins before use; discard damaged containers
- Keep packing equipment, packing areas, and storage areas clean
- Store empty containers in a way that protects them from contamination

Pest Control
- Establish and maintain a pest control program
- Block access of pests into enclosed facilities
- Maintain a pest control log

Transportation

Proper transport of fresh produce will help reduce the potential for microbial contamination.

- Good hygienic and sanitation practices should be used when loading, unloading, and inspecting fresh produce
- Inspect transportation vehicles for cleanliness, odors, obvious dirt and debris before loading
- Maintain proper transport temperatures
- Load produce to minimize physical damage

Traceback

The ability to identify the source of a product can serve as an important complement to good agricultural and management practices.

- Develop procedures to track produce containers from the farm, to the packer, distributor, and retailer
- Documentation should indicate the source of the product and other information, such as date of harvest, farm identification, and who handled the produce
- Growers, packers and shippers should partner with transporters, distributors and retailers to develop technologies to facilitate the traceback process

Once good agricultural and management practices are in place, ensure that the process is working correctly. Without accountability, the best efforts to minimize microbial contamination are subject to failure.

Appendix 21

Know Where You Stand:

Conducting GAP Self-Audits

Source: Primus Labs

KNOW WHERE YOU STAND

B. CONDUCTING SELF-AUDITS:

At **no charge**, growers or field representative can perform Self-Audits of each of your ranch operations, harvest crew operations, cooler operations, and packinghouse operations. These Self-Audits will help to give you, or your grower an idea of where improvements should be made. These Self-Audits are also a very good tool because the questions that are utilized in the Self-Auditing program are the same exact questions that are used by PrimusLabs.com auditors when conducting Independent Third Party Audits. If the Self-Audits are done "On-line", you will get your results and a corrective actions letter emailed back to you.

STEPS TO ACCESS THE PROGRAM:

1)   Log onto PrimusLabs.com's Internet site www.primuslabs.com,
2)   Click on **"Food Safety Programs"**,
3)   Within the General Services box, select **"Self Audit Program (Download Audit Database)"**,
4)   Use the **"Quick Pull Down Menu"** and select **"Electronic"**, then **"Online Program Menu"**,
5)   Select **"Sign-In (First Time)"** on the left-side menu,
6)   Select **"Self Auditor"**,
7)   Fill in personal information and click **"Submit"**,
8)   Select **"Login"** from the left-side menu,
9)   Login using username and password, then select **"New Audit"**,
10)   Select the audit type and then proceed to enter audit information.

C. CONDUCTING THIRD PARTY AUDITS:

PrimusLabs.com has a complete staff of multi-lingual auditors located throughout the Western Hemisphere. Regarding the scheduling of your third party audit, please contact Julian Sollozo at (805) 922-0055 or by e-mail at, julian@primuslabs.com.

Appendix 22

Process for Getting GAPs Certified

Source: North Carolina State University Cooperative Extension

Steps Outlining Process for Getting GAPs Certified
Joyce Baros, Benjamin Chapman, Chris Gunter, Audrey Kreske, Diane T. Ducharme[1]
[1]North Carolina State University

Create a Food Safety Plan:

Step 1: Familiarize yourself with Good Agricultural Practices:

Good Agricultural Practices (GAPs) are the basic environmental and operational conditions necessary for mitigating the risks associated with producing fruits and vegetables. The purpose of GAPs is to give logical guidance in implementing best management practices that will help by reducing and managing contamination of fruits and vegetables. Examples of GAPs include worker hygiene and health, manure use and water quality throughout the production and harvesting process.

- For more information visit the N.C. Fresh Produce Safety Portal
  - http://ncfreshproducesafety.ncsu.edu/

Step 2: Complete preliminary exercises:

Before attending a GAPs training, it is helpful to be familiar with food safety hazards on your farm. By creating a map of your farm and completing an initial hazard assessment, you will be better prepared to actively participate in training.

- Map your Farm
  - http://edis.ifas.ufl.edu/pdffiles/FY/FY96900.pdf
- Initial hazard assessment
  - https://store.extension.iastate.edu/ItemDetail.aspx?ProductID=12938

Step 3: Attend a GAPs training:

GAPs trainings are offered throughout the state on an ongoing basis. To find a workshop that will fit your needs please visit the N.C. Fresh Produce Safety Training and Events Calendar or check with your local Extension agent.

- NC Fresh Produce Safety Training and Events Calendar
  - http://ncfreshproducesafety.ncsu.edu/category/trainings-events
- Contact your local Extension office
  - http://www.ces.ncsu.edu/local-county-center/

Step 4: Complete hazard assessment of farm using information learned in training:

Now that you have attended a GAPs training you will be better acquainted with food safety hazards on the farm. Use your new knowledge to complete a more in-depth assessment of your farm. The N.C. Fresh Produce Safety Portal offers a variety of different self-audits so that you may choose the one that best fits your needs.

- Fresh Produce Safety Portal Self-Audits
  - http://ncfreshproducesafety.ncsu.edu/good-agricultural-practices/audits-plans/self-audits

Step 5: Collect your specific GAPs in a food safety plan:

You've put in the time learning about GAPs and assessing food safety hazards on your farm, now it's time to put your plan in writing. A food safety plan consists of standard operating procedures

(SOPs), which describe how you address food safety risks on your farm. Your food safety plan also includes any documentation or records you may have regarding your Good Agricultural Practices. The N.C. Fresh Produce Safety Portal includes food safety plan templates to be modified for your farm as well as information on writing SOPs.

- Food safety plan templates and creating SOPs
    - http://ncfreshproducesafety.ncsu.edu/good-agricultural-practices/audits-plans/food-safety-plans

Get GAPs Certified:

Step 1: Determine buyer requirements or choose your 3rd party auditor:

If your buyer requires GAPs certification you should determine from them which 3rd party auditor to use and which sections of the audit are required. If your market does not require GAPs certification you may choose whichever 3rd party auditor you prefer. The N.C. Fresh Produce Safety Portal provides a list of 3rd party auditors commonly used in North Carolina.

- List of 3rd party auditors and audit questions
    - http://ncfreshproducesafety.ncsu.edu/good-agricultural-practices/audits-plans/third-party-auditors

Step 2: Download audit matrix and check requirements:

Download the audit matrix and make sure your food safety plan satisfies all the requirements of that particular audit. Ensure you have gathered all of the appropriate records and documentation.

Step 3: Request audit:

Once you have your food safety plan and are sure it meets the audit requirements you are ready to request an audit. When you submit your audit request you will need to include your farm information, the type of audit you are requesting, and several dates and times when you will be harvesting the crops you wish to have inspected. You will also need to send a copy of your food safety manual for review. The USDA audit request is available on the NCDA&CS website. To request an audit from a different 3rd party auditor, contact that company directly.

- NCDA&CS USDA audit request
    - http://www.ncagr.gov/markets/NCgradesvc/

Step 4: Use your audit:

You've completed your audit and received your score. Whether you passed with flying colors or hit a few roadblocks, now is the time to evaluate and make improvements. Carefully review your audit and determine where you may have lost points. What could you do to improve your management practices and reduce food safety risks? You've invested your time and money into preparing for your audit; make sure you are utilizing the results to benefit your farm.

*Apply for cost-share

Funding is sometimes available to provide growers with financial support in improving food safety on their farm. The North Carolina Department of Agriculture and Consumer Services (http://www.ncagr.gov/markets/NCgradesvc/) as well as the Carolina Farm Stewardship Association (http://www.carolinafarmstewards.org/) have offered cost-share programs in the past. Check these websites for updates or contact your local Extension office for more information.

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Retailers, Co-ops and Specialty Grocers

Bare Essentials Natural Market, Boone
Chatham Marketplace, Pittsboro
Deep Roots Market, Greensboro
French Broad Food Coop, Asheville
Ingles Grocery, Black Mountain
The Fresh Market, Greensboro
Whole Foods, national

Carlie C's IGA, Dunn
Company Stores Market, Burlington
Farm Fresh, Virginia Beach
Hendersonville Community Coop
Lowe's Foods, Winston-Salem
Tidal Creek Co-op, Wilmington

Wholesale Distributors and Food Service Companies

Albert's Organics, SE District, Charlotte
Eastern Carolina Organics, Durham
Ford Produce, Raleigh
Fresh Point, Raleigh
Ward Produce, Raleigh

Bon Appetit, SE Region, Durham
Farmhand Foods, Durham
Foster Caviness, Greensboro
Honeycutt Produce, Chadburn

Specialty Distributors

Bread Riot, Rowan County
Feast DownEast, Wilmington and SE
Mint Market, Durham
Pilot Mountain Pride, Surry Co and NW
Sandhills Farm to Table Co-op, Moore County

Down East Connect, Columbus Co and SE
Madison Farms, Madison County
Piedmont Local Food, Rockingham County
Produce Box, Raleigh / statewide

Restaurants

Acme Food and Beverage, Carrboro
Green Sage Café/Coffeehouse, Asheville
Little Hen, Holly Springs
Manna, Wilmington

Angelina's, Pittsboro
Laurey's, Asheville
Lucky 32, Greensboro
Market Place, Asheville

Institutional / Goverment Buyers

NCDA Farm to School

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