

**MC FARM ANNUAL MEETING
MINUTES 1/30/2011
APPLE FAIR, BOONVILLE**

Meeting was called to order by Association President Marbry at 10:00.

Welcome and introductions:

Members of the Operating Committee (OC) introduced themselves.

Marbry thanked the membership for raising the stall fees in 2010 in order to hire a General Manager (GM) and said that Alison is doing a super job. Alison and Marbry will co-facilitate the meeting

Alison reviewed ground rules for the meeting. Agreed to by membership.

Approval of the agenda:

- Timekeeper: Tom volunteered.
- Only Ag members and OC can vote. Anyone is welcome to speak.
- Sky asked whether the Contingency Fund was on the agenda. Increasing the contingency fund is part of Office Manger's (OM) report.
- **Motion to approve the agenda as proposed.** M/S: Michael F./Michael K.
Vote: Passed with a show of hands.

Approve minutes:

- Posted on web site for you to review before the meeting.
- No additions
- **Motion to approve the minutes as posted.** M/S: Donna/Winnie/passed with a show of hands.

General Manager's Report:

- I have been learning about the structure of MCFARM, where can it grow, it's strengths and weaknesses, learning from the Market Managers (MM), about the fiscal system, dealing with internal and outside issues. Neufeld Farms again this year and fees in Ft Bragg, which increased 650% this year. We have requested a grant for \$1000 from FB City Council to help off set the fee increase. Also working with County and City officials to recognize the importance of supporting Farmers' Markets (FMs), serving as a liaison between MC FARM and two USDA grants, building relationships with County ag officials, and working on a proposed food distribution hub. At this time I am asking for your participation in a growers' survey about the food hub as part of an application for a USDA grant for Sonoma and Mendocino Counties
- **Marketing and Promotion:** Promote to consumers and strengthen MC FARM from the inside out by attracting new vendors and new younger farmers. My strategies for this are: (1) establishing good relations with agencies, (2) advertising – posters, rack cards (the poster for 2011is being developed and will be ready by March for OC meeting: John Johns is working on rack cards), (3)

social marketing – websites, Face Book, email newsletters, (4) cross promotion activities and building community awareness, like the Young Farmers event at Frey vineyards, and (5) developing a list of membership benefits

- **Website:** redesigned and updated; new home page; added a section – “want to be a vendor” and FAQ for new vendors; links to market Face Book pages, and a link to join MC FARM’s e-newsletter list. Farmer and farm profiles are coming in the future
- **E-newsletter:** In the past members received two paper newsletters per year with information of interest to farmers. The e-newsletter has the same kinds of information, but comes once a month. You can use it for promotion of events at your market. We can see how many people open it and which links are clicked on -- most frequently linked are the markets’ Face Book pages.
- **Community Awareness:** MC FARM presence at the Local Food summit in Ukiah last spring and the Young Farmers mixer. Getting the word out – people don’t know about us or what we do. MC FARM and MC GROW will have a table to help farmers fill out MC FARM paperwork at the Seed and Scion exchange.
- **Membership Benefits:** Direct market for product, access to additional sales from EBT and WIC, advertising thru MC FARM, insurance, occasional workshops, e-newsletter, 20% discount in May and June at Friedman Bros for items needed to vend at markets.
- Since the OC voted that MC FARM will no longer purchase plastic bags, I have been working on options for vendors to use to purchase their own bags.
Discussion: This needs further discussion by the membership. Plastic bags are the best distributed advertising we have. Need some kind of little plastic bags to weigh things out in. Do we have a choice? Can we get the bags we used to have before? This should this be a membership vote, not an OC vote. Added to the agenda as New Business.
- Questions for Alison: **is the snail mail newsletter no longer coming?** Yes. People who don’t have email or don’t use it – can ask their MM to bring a hard copy to market.

Office Managers Report: This has been the smoothest of my 11 years in this position thanks to Alison’s help.

- **Vendor Application/ Membership duration:** I am going to assume that if you were at this meeting, you have picked one up and don’t need one mailed. Some phone numbers have changed. On page 3, there is now a section to certify that the applicant or their family members produce what they sell and another to certify that they accept responsibility for any fine or duty of any violation (i.e. that the vendor, not MC FARM, pays the fine).
- With the addition of Winter markets, the duration of the membership becomes different than usual. This is how it can work: A new vendor that applies in the Winter market season, can essentially get a selling season of 2 winter markets and one Summer market, because the membership expires in April after the following Summer season. So a vendor who applies in Nov 2010 will have the

membership expire in April 2012. **Discussion:** However permits will expire and MMs need to check that permits are current. Environmental Health (EH) permits are Jan-Jan. Producer's certificates last for a year from date purchased.

- **Advertising report:** See attached report. Please give feedback to MMs or GM if you have suggestions for advertising.
- **Fiscal Report:** See attached charts. The charts are broken down by market, by 2009 and 2010, and by ag and nonag. The Gross Sales chart doesn't include the last two months for the 2 winter markets. Stall fees: the extra \$3 day for the ag fee has been left out so 2010 can be compared to 2009. The MC FARM profit and loss chart does include winter markets. Total income for 2010 was \$80,484. Total operating funds are what the markets spend. Profit (unexpended income) in 2010 was \$830. As a non-profit, we strive to spend everything we bring in and not have a profit. Alison: The fiscal year change (from Jan-Dec to May-Apr.) is being looked into and we are trying to see what the benefits vs caveats would be. Advice from a CPA is pending and we will make the decision soon.
- **Proposed Budget:** See attached chart. Uses a conservative estimate that sales will stay level. Insurance is going to be a lot higher because some cities are requiring a \$2 million per incident policy. There are also increases in license and permits fees in Ft Bragg, and there may be others. We will be considering GM pay later in meeting. Rent has increased in Ukiah. The needed fiscal review by a CPA is in budget. The report lists some choices for using what is left, which will be discussed when we consider approval of the budget. Possible uses are not limited to those listed.
- **Questions:** Is increase in FB fee due to move to Franklin St? Don't know – we will be meeting with City Manager soon to discuss it. Ukiah rent would pay for plastic bags. Don't have a choice about Ukiah rent. Could move somewhere else. Plastic bags are not a cost issue – the OC decision had to do with use of plastic. Where is mileage for GM reported? Under supplies. How much time was spent in travel? When did the FB fees increase? From 2010 to 2011. How much will it be? At least \$2000. Surprised that we didn't go down in gross sales much between 08-09; but did between 09-10. Gross sales figures can easily be off if the vendors do not report them accurately in the rush of packing up from the market day. Gualala and Boonville said that it was the loss of major vendors, not lower sales that impacted their gross sales. Are we still maintaining 25% ratio of craft vs. food vendors? MM are taking all the ag vendors they can find. Will address this in new business. In looking at gross sales over many years we have to consider the impact of increased products prices. In 2010 we may be seeing the impact of farmers being afraid to raise prices.

Discussion of Contingency Fund: Contingency fund (CF) has not been added to in 2010. We could add the 2010 profit to contingency fund. What are the tax implications? After the first year, it is protected, as retained earnings, from taxation. We need a goal for the contingency fund beyond not paying taxes. Angela: goal is to have an emergency fund to meet increased costs. Is it adequate? We have never had to use

it. Doesn't seem like much in unstable economic times. Discussed at fall OC meeting and recognized the importance of having it be robust. Does goal mean adopt a policy or a target of what percent of operating fund should be reflected in the Contingency Fund or to think about potential uses? Rents and fees are the most likely needs. Should we have a CF that is double or triple current rents and fees? Does our insurance have a deductible? No. Also legal council if needed. For right now – just put in what we have. Use the money for biodegradable bags. The \$500 advance to markets and the salary increases could have gone to contingency. Possible goal: 10% of the last year's income. Summary of discussion (Alison): three categories: annual contribution, long term goal for it – how much would we like to have in it; define what it is for (how do we know when the rainy day is here?). Focus on this for the next year? In OC or in a working group? Need to vote on some of the other choices before we vote on the contingency fund. Agreed. What should we do to resolve this? See if we can agree now? Let OC do it? Time is up for this discussion. Need to make one decision today and take the larger policy discussion in the OC.

Salary Increases for GM and OM: Alison and Angela chose to leave for this discussion. Marbry: OC recommended a \$4/hr raise for both positions with retroactive bonus at end of year if there is money for it. GM and OM are independent contractors. The GM earns \$14/hr after taxes. This raise would make their compensation equivalent to other non-profit compensation. Angela is willing to take a \$2 raise. She started at \$15 and is up to \$19 after 11 yrs. Alison is incredibly skilled, is paid much more in other jobs; Angela has been the glue that has held MC FARM together for many years. **Discussion:** This can be done without raising stall fees – there is money in the budget to cover it. Why don't we give the OM what the GM gets? (Voiced agreement.) What if we moved both to \$3? Both should go up to \$4. They make a lot compared to what other people in the organization make. Angela should be paid at least as much as Alison. If we have extra money maybe we should lower stall fees. Could The GM get a raise and work fewer hours? Let's give raises to the Market Managers – not management. These positions are helping make our jobs easier. OM contributions are invaluable and she puts in a lot of volunteer time, she really deserves more. I re-read the discussion in the old minutes about the GM position and the GM was supposed to find ways to raise money to pay for position. Farmers are not making a lot, nor are the MMs. How many hours do they work? The GM's contract is for 300 hrs, the OM does not have a cap but it is usually the same from year to year. To increase both to \$3 would be \$2400/yr. Decision to make two motions so they can be considered separately.

Motion: Increase the GM's compensation by \$3/hr. M/S: Ron Rice/Donna. Discussion. Is this going to be sustainable? Suggestion: withdraw motion and make one for OM first because it is less contentious. Motion and second were withdrawn.

Motion: Increase the OM compensation by \$3/hr. M/S Diane/Donna. Discussion: Would like to see JD. Give her \$4 per hour – she is vital – that would cover everything she does. She is there for us. Vote: Passed with a show of hands

Motion: Increase the GM compensation by \$3/hr. M/S: Donna/Wayne. Discussion – if we want them to be earning the same amount, we would need to give her a \$2 raise. If we vote we will know where we stand on this. Could we lower her hours? We don't want to lose her. Would have to change her contract. Do we want to give her too high of a pay raise so soon after hiring her? Motion and second were withdrawn.

Motion: Increase the GM compensation by \$2/hr. M/S: Donna/Wayne Vote: Passed with a show of hands.

Motion: No bonus at his time, with possibility of the OC coming to the Annual Meeting next year asking for a bonus for this year. M/S: Wayne/Ana Discussion: Maybe if there is extra money it should go to MMs, not staff. Purpose of bonus was to recognize work and deal with taxable surplus. Vote: Passed with a show of hands.

Approve Budget for 2011. Tabled until after lunch in order to give Angela time to adjust budget numbers.

Lunch

Marbry thanked people who helped with meeting and the food donors.

Approve Budget for 2011:

- **Allocating an extra \$300 to the (smaller) markets.** Managers of these markets are doing a great job with what they have to work with. How much is left to work with now? \$1186. Would leave \$586 for contingency. **Motion:** Give Ukiah Tues and Redwood Valley markets an additional \$300 a piece. M/S: Ana/Wayne. **Discussion:** How does this compare with other markets? Ukiah Tues is not growing – if the market is not sustaining itself is it worth it? Will these funds help this market? RV does a lot of fund raising to operate the market. Jen thinks it would help the market. Advertising costs are high and they pay off. Advertising costs are the same for big and small markets. The Tuesday market is only two days after Sat market, afternoons are too hot, but would like to keep it going. Former Tuesday Manager – thought I was doing a bad job, but it hasn't gotten better since I left. It was started at that time to work with the Gowan's schedule. Advertising doesn't matter if the time and location are wrong. John2 what is different this year is that we will be focusing on the community and the area – Chamber, Main St program, Children's playgroup for low income people, sign walker. Customer base is picking up, but we need more vendors. Would use money to help pay musicians and sign walker. Owe it to the new manager to at least give it one more year. Vote: Passed with a show of hands.
- **Increase to contingency funds.** \$800 left over from last year. Probably below taxable amount. **Motion:** Put \$800 left over from last year in the contingency fund. M/S: Donna/ Michael F. Alison: Should we keep it until we find out whether we need it for change of FY? Could put it in and then take it back out if we needed it. Since we have no procedure of taking money out of the contingency fund, we could just do it. Vote: Passed with a show of hands.

- **Summary of the changes to the proposed budget.** Increase GM pay by \$600. Increase OM pay by \$1500. \$600 for RV and Ukiah Tuesday. Put \$586 in the contingency fund.
- **Motion:** Approve the budget as proposed with these changes. M/S: Tom P/Wayne. Vote: Passed with a show of hands.

NCO MC GROW Grant: Michael Foley, Alison and Antonia (MC GROW/Coordinator). Core funding is for building the number of people growing for Farmers' Markets, also for enhanced training for MMs, food processing training, training for new vendors in vending, cooking using fresh foods for consumers. We got the largest grant awarded by the USDA in this round of funding. Being overseen by Miles Gordon at NCO. Alison & Antonia presented a list of proposed workshops and ask for feedback. Hoop houses: NRCS has a cost share program of up to 75% for hoop houses, there are strings attached. The hoop house workshop will include a presenter from NRCS. List of topics is not set in stone. Mostly crop focused with nothing for livestock producers. Looking to hire people as presenters – would prefer to hire local people if there are qualified people to do it. Contact Antonia if you are interested. Univ. of Vermont has a good publication on "tunnels" (hoop houses). Add workshops on irrigation and water conservation and on pest management. There will be opportunities for input from other producers. Will use e-newsletter to get word about workshops out. Also need your help getting the work out. Trying to schedule workshops for the off season. Will be four this year, four next year. Food Safety Certification? Is this about EH stuff or keeping your produce safe? Was EH, but the other may be important with new food safety rules. Have morning and afternoon workshops on same day rather than on two different days. More livestock stuff. Include capital investment in business management. CA farm link has a mentoring program. What farms would you as farmers like to visit? Is this just for food crops? That is the focus. Workshop on nursery production. Using bees – for pollination and honey production. Is Food Storage of limited interest or needed to increase local food availability? Some focus on organic – how do I protect my farm from my non organic neighbors?

Market Managers' Reports:

Gualala / Donna: Numbers say it all. Down so much this year due to the loss of one vendor. But I brought in new farmers. Had a fun year.

Mendocino / Andy and Winnie: Great vibes, money down from losing the big guys, but the little guys are still here.

Ukiah Sat / Scott: Challenging times. Interesting growth in Ukiah. We added two major sponsors. Have a lot more vendor days. Running into space problems. At one point we had 8 meat vendors. We entered the chili cook off in Ukiah – a big waste of money, but we learned that there are different people in Ukiah and lots of people who

didn't know about us. Do we tell the people we meet in our daily lives about our Farmers' Markets?

Ukiah Tues / John: Customer base is building up, need to focus on getting more vendors, especially farmers and specialty producers. More advertising made a difference

Willits / Michael: Booming this year, 8% over last year (with the two rainy days taken out of the figures). A circus that runs itself. Winter market took off well, but there was a big drop from one month to the next. Appealing to localization constituency: you will only have local food if you come support it — need critical mass to draw more vendors.

Redwood Valley / Jen: One large vendor made a big difference. Have more vendors, more products, more customers. It was a great year, good music, good events. Fund raising is still necessary to operate.

Ft Bragg / Julie: Gypsy reaching out to me got me into the Farmers Market. Am excited about taking over from Gypsy as the manager. Face Book is really working for us – 300 friends in first year.

Boonville / Diane – Loss of a couple of vendors hurt us too. Not having enough customers to attract enough vendors is a Catch 22 situation. We had a couple of good new special events: the Blackberry Pie Bake Contest and a Seed and Grain Cleaning Workshop.

Laytonville / Marbry: We are small but not the smallest. Well attended by faithful locals. Good music, people shop then sit down and listen to music. More vendors than ever this year. Small space. We get the overflow of Willits vendors. I write an article in newspaper as my major advertising. Change to Monday has been really positive.

Second Certificates:

Marbry: Proposal to change existing policy to enable an ag vendor to hold two second certs. Legally can have two, but our rules only allow one. Stall fees are paid separately. The seller has to have more of their own produce on their table than the second cert. Does. Positives: Adds to the variety in market. Allows a producer to sell at market when they can't go to market themselves. Would give discretion to MM to say no when the second cert would compete with a vendor who is at the market. Negative – consumer is not directly buying from farmer. Should be used to increase variety, not competition.

Discussion: History – loss of direct sales with farmer/we grow what we sell.

Advantage of having more products. Fear of abuses – hard to monitor second certs.

One at a time or for entire season? According to state regs can only have two within a 12 month period. Both have to be members of MC FARM. Both certs have to have both names on them. Good for someone who just has one crop at one time of the year.

Motion: Two second certs available. M/S: JJ/Donna Further discussion: MC Farm is stricter than state. This proposal would allow two per day and per year. MM have to monitor them – customers needs to be able to tell whose product is whose. Vote (needs two thirds majority): Passed with a show of hands. Exact wording of the change in rules and regs is attached.

EBT Machines at Most Markets:

Food Stamp machines – like a debt card. State program to make machines available to FMs for free. One out of every 4 children in the country are receiving Food Stamps, one out of every 8 adults. Setting it up and doing the accounting is extra work for MMs. Scott: swipe card, give tokens, redeem tokens. Hard to get started, but over three years there has been great growth in sales in Ukiah. Tokens need to look different from market to market. Token has to be pre-approved by State agency. Can get tokens made at Ukiah High through Public Health.

Election:

Secretary is not open – Diane is completing Gypsy's term.

VP: Michael Foley nominated by Mimi, accepted. Approved.

Treasurer: Alexandria Curry nominated by Marbry for second term, is willing. Approved.

Second Member Rep Seat: JJ nominated Mimi, declined. John Richardson nominated self. Approved.

New Business:

Plastic bags: See previous discussion. Minimum order for plastic bags with logo is a pallet @ \$30/box. Vendors want them: fast and quick, biodegradable bags are \$90 per box, not affordable for farmers. Lose a sale when you don't have a bag. MM could provide a place where customers can recycle them. Key to change is offering re-usable bags for sale.

Motion: Continue to furnish MC FARM plastic bags for vendors. M/S: Joanne Frasier/Gordon Brown. Vote: Passed with a show of hands.

Old Business: None

Announcements:

The 2011 Not So Simple Living Fair will be 7/22-24 in Boonville.
Ana has leukemia and we wish her well.

Farmer Showcase: Doug Mosel, Mendocino Grain Project -- Mendocino County was once almost self sustaining in grain production 1968 or '69 was the last time there were reportable amounts of grains grown in the county. Last year we grew at the Nelson Family ranch. We demonstrated that we can grow grain between the rows in a vineyard. Will be growing about ten acres in vineyards in 2011. Last year we sold over 40 grain shares and planted a total of 21 varieties on 12 _ acres, and two-thirds were successful. We learned we can't dry farm most beans, but we can dry farm lentils here. We intend to do all of this without irrigation, except for beans. Our climate is well-suited for growing grain. There are now grain growers in the three adjoining counties. Will plant about 40 acres this year. Hope to supply to Willits Grange project. Hope to double the members. One retail outlet – Westside Renaissance Market. Talking to a few bakers and restaurants. Just got flour mill with a NCO grant. Will be able to mill fresh

flour. Exploring having a monthly Grain Day at the Farmers Markets, where there is 220-volt power available for the mill.

Questions and discussion: You could use second certs to sell at markets. What is the smallest acreage needed? Don't need much space to grown for self. Looking for more producers? – not this yr, but in the future. Where in county can grain be grown? Everywhere, if it's flat. Different grains in different climates. Deer fencing? Could be an issue, but I would try, depending on plot size.

The meeting was adjourned at 4 p.m.