



# **Arizona Farmers' Market Nutrition Program**

## **Grower Manual**

**Arizona Department of Health Services  
Association of Arizona Food Banks**

**2010**

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## **Introduction**

The Arizona Farmers' Market Nutrition Program (AZ FMNP) is a program to increase fruit and vegetable consumption in women and children participating in the Special Supplemental Food Program for Women, Infants, and Children (WIC), and in seniors who participate in the Commodity Supplemental Food Program (CSFP).

This manual contains the guidelines for AZ FMNP Authorized Growers. Please review these guidelines carefully. Authorized Growers are responsible for ensuring that their employees and agents selling at markets know and follow these guidelines. Any penalties for non-compliance by Grower representatives are the responsibility of the person who signs the FMNP Grower Agreement.

The purpose of the Arizona Farmers' Market Nutrition Program (AZ FMNP) is to:

- Increase fruit and vegetable consumption among low-income women, children and seniors.
- Support local growers and farmers' markets.

If you have questions or concerns that are not addressed in this manual, contact:

AZ FMNP Program Manager  
Arizona Department of Health Services  
Bureau of USDA Nutrition Programs  
150 N. 18th Avenue, Suite 310  
Phoenix, AZ 85007  
Telephone (602) 542-1886  
Fax (602) 542-1890.

## **AZ FMNP Payment Instruments**

AZ FMNP benefits are issued to qualified participants in the form of two distinct instruments that may be used at farmers' markets for the purchase of fresh fruits and vegetables.

### **FMNP Coupons:**

These instruments are printed and backed by funding through the United States Department of Agriculture Food and Nutrition Services (USDA) division through a special Farmers' Market Nutrition Program. This funding is received by the Arizona Department of Health Services (ADHS). ADHS uses the money to train Growers, Farmers' Market Managers and local WIC and CSFP Agency Staff to implement the program; in addition to printing and providing financial backing for FMNP Coupons. Local WIC and CSFP agencies enter into a written agreement with ADHS to issue FMNP Coupons to eligible persons and to provide nutrition education when the coupons are issued. Each eligible participant receives a booklet of coupons with a total monetary value of \$30.00 each fiscal year. Participants may use FMNP Coupons to purchase fresh, locally grown fruits and vegetables from FMNP Authorized Growers at FMNP Approved Farmers' Markets. These direct purchases of

locally grown fruits and vegetables increase the Growers' share of the food dollar, keep more of the consumer dollar in local communities, help to strengthen Farmers' Markets, and increase consumption of locally grown fresh fruits and vegetables among eligible participants.

### **WIC Fruit and Vegetable Cash Value Vouchers (CVV's):**

These instruments are printed and backed by funding through the United States Department of Agriculture Food and Nutrition Services division through the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Local WIC agencies enter into written agreement with ADHS to provide WIC services for qualified participants. The purpose of WIC is to address the supplemental nutrition needs of at-risk groups through the distribution of supplemental food packages, nutrition education that includes counseling, health and social service referrals, and provision of breastfeeding promotion and support. WIC supplemental foods are presented to clients in the form of Food Instruments, which may be used at approved WIC stores to purchase the prescribed foods. The Food Instrument for fresh fruits and vegetables is called a Fruit and Vegetable Cash Value Voucher or CVV. CVV's may be used to purchase fresh fruits and vegetables at both approved WIC stores and from FMNP Authorized Growers at FMNP Approved Farmers' Markets. CVV's are issued monthly to women and children who participate in the WIC program. Denominations vary according to the participant's eligibility category. Children between the ages of one and five years of age receive a \$6.00 monthly benefit. Postpartum women who are not breastfeeding or who are feeding their infant with a combination of breast milk and baby formula receive an \$8.00 monthly benefit. Women who are pregnant or are postpartum and are feeding their infant exclusively through breastfeeding receive a \$10.00 monthly benefit. Women who are breastfeeding multiple infants receive a \$15.00 monthly benefit.

### **AZ FMNP Eligible Foods**

Only eligible foods may be purchased with the payment instruments issued to participants for use through the AZ FMNP. Although the FMNP coupon and the CVV eligible food requirements are very similar, there are some key differences. Eligible foods for both instruments are described here.

#### **FMNP Coupon Eligible Foods:**

FMNP Coupons may be used to purchase only fresh, unprocessed fruits and vegetables grown by an FMNP Authorized Grower on his/her farm or other growing space in Arizona. Growing space may include land under lease or license, provided that the grower who leases the land carries out the production (cultivation, planting, harvesting, etc.). All eligible food items must be purchased directly from the person who grew them (or a person appointed by the grower to represent his/her farm/garden). FMNP Coupons may only be used at an FMNP Approved Farmers' Markets to make purchases from an FMNP Authorized Grower. Produce may be cleaned, trimmed and packaged, but not otherwise processed, heated, dried, dehydrated, or cooked. *FMNP coupons may not be used for fruits and vegetables purchased by the grower for resale.*

**CVV Eligible Foods:**

CVV’s may be used to purchase only fresh, whole or cut fruits, and vegetables. White potatoes are excluded, and are ineligible. White potatoes include, but are not limited to: new potatoes, russets, red potatoes, Yukon Gold potatoes, and fingerlings. Sweet potatoes and yams are the only allowable types of potatoes, and may be purchased with CVV’s. CVV’s may not be used to purchase processed, dried, frozen or canned fruits and vegetables. Dried items include chili and garlic strings. CVV’s may not be used to purchase herbs, seeds, edible flowers or decorative items such as painted pumpkins. Food must be purchased from an FMNP Authorized Grower at an FMNP Approved Market or from a WIC approved grocery store.

**DIAGRAM A. FOOD CRITERIA**

<b>Food</b>	<b>Approved for purchase with FMNP coupon?</b>
Locally grown, fresh fruits and vegetables	Yes
Non -Locally grown Fresh fruits and vegetables	No
White Potatoes	Yes
Sweet Potatoes and Yams	Yes
Cilantro	Yes

**DIAGRAM B. AZ FMNP- INELIGIBLE FOOD ITEMS  
MAY NOT BE PURCHASED WITH FMNP COUPONS OR CVV’S.**

Honey	Cider	Live plants	Seeds
Jelly/Jam	Herbs*	Non-food items	Salsa
Dried Beans	Meats	Eggs	Nuts - any kind
Syrup	Cheese	Baked Goods	Flowers or blossoms**
Canned or jarred items	Processed items	Cooked items	
Any items sold by a person other than an FMNP Authorized Grower or his/her designee.			

\* *Cilantro may be purchased with FMNP coupons.*

\*\**Broccoli, Cauliflower and Artichokes are not considered flowers and are allowed.*

**AZ FMNP Farmers’ Market Authorization**

An Approved Farmers’ Market has a signed agreement with AZ FMNP to participate in the program. Authorized Growers may accept FMNP Coupons or CVV’s for their fresh fruits and vegetables only at Approved Farmers’ Markets during regular Market hours. Approved Markets are located near where WIC and CSFP clients live, are open for a minimum of four hours at least one day a week, have established market rules, and include enough Authorized Growers participating in the market each week to meet the demand of FMNP participants who come to the

market. Approved Farmers' Markets have the responsibility of assuring proper conduction of AZ FMNP transactions, and assisting with AZ FMNP monitoring.

## **AZ FMNP Grower Authorization**

Any grower who raises fruits and vegetables in Arizona and sells, or plans to sell, the locally grown produce directly to consumers at farmers' markets may apply to be an AZ FMNP Authorized Grower. Authorized Growers are able to accept FMNP Coupons and CVV's as payment for their eligible foods at FMNP Approved Farmers' Markets. FMNP Authorized Growers must post prices at all times for all eligible fruits and vegetables offered for sale. Prices must be prominently displayed on signs that can be easily read and seen by participants. Fruits and vegetables sold to AZ FMNP participants must be of the same quality and offered at a price that is equal to or less than that offered to those paying with any other form of payment.

### **Grower Authorization Requirements:**

- Complete an AZ FMNP Grower Agreement-Agreements are legal authorization for growers to participate in the program. Authorized Grower Agreement forms are available through the Arizona Department of Health Services, Bureau of USDA Nutrition Programs. Any grower who enters into a signed Grower Agreement agrees to accept FMNP coupons for fresh fruits and vegetables grown by the grower in Arizona. A grower must indicate on the Grower Agreement the intention to accept CVV's for fresh fruit and vegetable purchases. A grower is not required to accept CVV's, but is required to accept FMNP coupons.
- Complete a Crop Plan-The Crop Plan lists the quantities and types of crops a grower plans to produce in a season, as well as the estimated planting and harvest dates. Statewide, the Crop Plans will be reviewed to ensure that sufficient amounts of fruits and vegetables are being grown to meet the increased demand at Approved Farmers' Markets. When selling at an Approved Farmers' Market, the Authorized Grower must keep a copy of the Crop Plan on-site. Market Managers and/or inspectors from ADHS or their designee will periodically monitor Crop Plans and the produce for sale to ensure that Authorized Growers are selling the crops indicated on their Crop Plan. This ensures that only locally grown fruits and vegetables are sold to AZ FMNP clients. (See Appendix A: Arizona Farmer's Market Nutrition Program Crop Plan)
- Attend Training-An initial face-to-face training is required for all Authorized Growers. Training sessions will be held in multiple locations on multiple dates to best accommodate the needs of growers. Subsequent trainings may be conducted face-to-face or by other methods, such as teleconference, web conference, or written communication. Training updates will occur on an annual basis.
- Follow Program Rules-All program rules are included in this manual for AZ FMNP Authorized Growers. (See Appendix B: Scope of Work, Grower Agreement)

### **AZ FMNP Authorized Grower Identification:**

Each AZ FMNP Authorized Grower will receive a stamp with a unique grower identification number for use in depositing or cashing AZ FMNP coupons and CVV's. ADHS will provide

a stamp to each Authorized Grower after training is completed and the Agreement is executed.

Each AZ FMNP Authorized Grower will also receive a sign or signs to post at the Approved Farmers' Markets when selling fruits and vegetables. The purpose of the sign(s) is to let participants know that they may spend their AZ FMNP payment instrument(s) with the grower.

## **FMNP Coupon Acceptance**

Authorized Growers selling eligible vegetables and fruits at Approved Farmers' Markets accept the FMNP coupons like cash, except *no change may be given*. FMNP Coupons may only be accepted at Approved Farmers' Markets during regular market hours. FMNP Coupons may not be accepted at other times. Important things to know:

- FMNP Coupons may not be exchanged for cash or given away.
- Never give change for AZ FMNP purchases. The difference between the value of the coupon and the produce selected may be made up in additional produce, or the participant may use their own money to make up the difference in price. Example: For a purchase price of \$3.25, the participants may pay with a \$3.00 FMNP coupon and \$0.25 in cash of their own money.
- Do not collect state or local taxes on purchases made with FMNP coupons.
- Do not accept coupons that are damaged, canceled, marked VOID, or appear to be reproduced or tampered with. If you suspect any type of abuse, do not accept the coupon and inform the Market Manager or ADHS immediately.
- Do not accept out-of-state FMNP coupons and do not accept WIC coupons that are not for the AZ FMNP program. These will not be honored.
- AZ FMNP customers should receive the same quality of fruits and vegetables and pay the same price (or less) for the produce as any other customer. Any overpricing for AZ FMNP purchases is forbidden.
- Do not accept coupons after the printed "Last Date of Use". They will not be honored.
- Rain checks may not be given.
- Have the participant sign the FMNP coupon when the purchase is made. Match the signature on the coupon to the signature on the Client ID. Do not accept coupons without the client or proxy's signature.
- All customers should receive courteous service. Remember, federal law prohibits discriminating against customers based on race, color, national origin, sex, age, or disability.
- Lost or stolen coupons will not be replaced; please treat them like cash. Growers should be advised to report lost or stolen coupons to the State AZFMNP office. Coupons should be stored in a secure (locked) location

## **AZ FMNP Coupon Redemption**

AZ FMNP Coupons may be redeemed or cashed only by an AZ FMNP Authorized Grower. Growers are encouraged to communicate with their bank prior to depositing large sums of

coupons. The AZ FMNP is not responsible for disputes arising between growers and bankers.

To redeem AZ FMNP Coupons:

1. Calculate the total actual cost of the fruits and/or vegetables. The cost of the produce should be equal to the amount on the coupon(s) used by the participant to purchase the items. Coupons are in increments of \$3.00. No change may be given. Additional product may be given to make the purchase equal to an increment of \$3.00, or the participant may pay any difference in cash. No cash change may be given for coupon purchases, but change may be given for cash.
2. Have the AZ FMNP participant sign the coupon at the market. The participant must sign each coupon (on the line at the bottom right corner of the coupon) when the coupon is presented at the Farmers' Market in exchange for locally grown fresh vegetables and fruits. Match the signature on the coupon to the signature on the Client ID (WIC or CSFP). *Do not forget to have the participant sign the coupon.*
3. Stamp or clearly write (in black ink) the Authorized Grower Identification number on the front of each FMNP Coupon, in the space provided for this purpose. FMNP coupons will not be honored without a grower number on the front of the coupon. This number must be clearly written (in black ink) or stamped on the coupon before it is presented to the bank for depositing or cashing.
4. Endorse the back of each coupon.
5. Take a copy of the Grower Agreement to the bank when depositing coupons to answer any questions that the bank may have.
6. Deposit or cash FMNP coupons promptly. Deposit all coupons no later than the "Void After" date printed on the bottom of each coupon (typically 30 days after the last allowable date of use). FMNP coupons will not be reimbursed after the void date. Best practice is to deposit coupons within one week of their receipt.
7. Notify ADHS if you experience any difficulties cashing or depositing coupons at your local financial institution. Growers may request a personalized letter from the AZ FMNP Manager to take to the bank.

## **CVV Acceptance**

AZ FMNP Authorized Growers selling eligible fruits and vegetables at AZ FMNP Approved Farmers' Markets may accept WIC CVV's for payment only if they have a signed Agreement with the State of Arizona that authorizes them to do so, and if the CVV's are accepted within the valid dates of the Agreement.

WIC Clients may use CVV's at WIC approved stores and at FMNP Approved Markets to purchase fresh fruits and vegetables. The following applies only to use of CVV's at FMNP Approved Farmers' Markets:

- CVV's may not be exchanged for cash or given away.
- Never give change for CVV purchases.
- Do not collect state or local taxes on purchases made with CVV's.
- Do not accept a CVV that is damaged, canceled, marked VOID, or appears to be

reproduced or tampered with. If you suspect any type of abuse, do not accept the coupons and inform the Market manager or ADHS immediately.

- Do not accept out-of-state CVV's. Do not accept CVV's that are from any WIC program other than the Arizona WIC Program. These will not be honored.
- AZ FMNP customers should receive the same quality of fruits and vegetables and pay the same price (or less) for the produce as any other customer. Any overpricing for AZ FMNP purchases is forbidden.
- Do not accept CVV's before the "First Date of Use" or after the "Last Date of Use" printed on each CVV.
- Do not give rain checks for purchases. AZ FMNP Customers must receive their fruits and vegetables at the time that they are purchased.
- Participants must sign the CVV at the time of purchase. Match the signature on the coupon to the signature on the WIC ID folder or Proxy Certification form. Do not accept coupons without the Authorized Representative or Proxy signature.
- All customers should receive courteous service. Remember, federal law prohibits discriminating against customers based on race, color, national origin, sex, age, or disability.
- Lost or stolen CVV's will not be replaced; treat them like cash. Growers are advised to report lost or stolen CVV's to the State AZ FMNP office. CVV's should be stored in a secure (locked) location.

### **CVV Acceptance-Step by Step**

1. WIC Participant selects fruits and vegetables for purchase and informs grower that he or she will be using CVV(s) to pay for the purchase.
2. WIC Participant gives WIC ID Folder and CVV(s) to grower.
3. Grower writes Date of Use on CVV. The date must be between the First Date of Use and Last Date of Use printed on CVV.
4. Grower totals the purchase price of the eligible foods. If amount is less than the maximum amount the CVV(s):
  - Grower offers the customer more eligible fruits and vegetables to bring the total to the maximum or "not to exceed" amount.
  - Grower writes the total in the space provided on the CVV(s).

#### **EXAMPLE 1: Customer spends less than the maximum value of the CVV's -**

Customer has two CVV's. One has a "not to exceed" amount of \$6.00 and the other has a "not to exceed" amount of \$8.00. When the grower totals the produce that the customer has selected, the total comes to \$12.00. The grower writes "\$6.00" on the space provided on the CVV with a maximum value of \$6.00, and tells customer that she still has \$2.00 to spend and helps her pick out more produce. After customer picks out \$2.00 of additional produce, grower writes \$8 on the CVV with a maximum value of \$8.00. Note: If the customer stated that she did not want more produce, grower should ask if she still wants to use both CVV's for the purchase. If she wants to use them both, the grower would then write \$6.00 in the space provided on the CVV with the maximum value of \$8.00. If the customer decides to wait and use the CVV during another visit, she may pay the \$6.00 with another form of payment, such as FMNP Coupons, cash, credit card or food stamps (not all farmers' markets

accept food stamps and credit cards – this will vary depending on the market).

If the amount of purchase is more than the maximum value of the CVV(S):

- Grower accepts the CVV(s) for maximum amount as total payment for purchase. Grower writes a total on each CVV that is equal to the maximum value.
- Grower allows customer to pay difference with another form of payment, i.e. FMNP Coupon, cash, credit card or food stamps (not all farmers' markets accept food stamps and credit cards – this will vary depending on the market). Grower writes a total on each CVV that is equal to the maximum value.
- Grower allows customer to put something back. Grower writes a total on each CVV that is equal to the maximum value.

**Example 2: Customer spends more than the maximum value of the CVV's –**

Customer has two CVV's. One has a maximum value of \$5.00 and one has a maximum value of \$6.00. Customer selects \$13.00 of eligible fresh fruits and vegetables. Grower may write the maximum amount on both CVV's and then do one of the following: A) Tell the customer that nothing more is owed. B) Accept another form of payment for the remaining \$2.00. C) Allow the customer to put something back if they do not have any cash or other form of payment with them.

5. After writing the total amount on all CVV's to be used, grower gives CVV's to participant for signature. If the grower has made a mistake in the amount written on the CVV, the grower may draw a single line through the incorrect amount, write the corrected amount in the space provided, and initial in the space provided.
6. Participant signs all CVV's.
7. Grower compares signature(s) on CVV(s) with signature on WIC ID Folder or Proxy Certification form. Signature must match one Authorized Representative or Proxy signature.
8. If signature does not match, grower draws a single line through the first signature and asks participant to sign again in the same signature box or just to the left of it.

After grower has accepted CVV's at the farmers' market, the CVV's must be kept in a secure (locked) location until cashed or deposited into the bank.

CVV's must be cashed or deposited no later than sixty (60) days after the First Date of Use printed on the CVV.

## **CVV Redemption**

Stamp each CVV with the Authorized Grower Identification Number and endorse the back of each CVV.

Review each CVV for the following:

- ✓ Actual amount is entered and does not exceed maximum.
- ✓ Date of Use is entered.

- ✓ Participant has signed.
- ✓ No more than 60 days have elapsed since First Date of Use on the CVV.
- ✓ Grower Number is clearly stamped in “Pay to the Order of” box.
- ✓ Back of CVV is clearly endorsed.

Failure to correctly accept and endorse CVV’s may lead to return/rejection by bank, which could cause the Grower to incur fees.

If Grower has questions about banking CVV’s, AZ FMNP Manager should be contacted for guidance.

## **Multiple-tender Transactions**

Growers may accept multiple forms of payment in single transactions. Using the payment method that has the most restrictive criteria first will make the process easier. A CVV is more restrictive than an FMNP Coupon. Cash and credit cards are less restrictive than either a CVV or an FMNP coupon.

First, gather all items that meet the CVV Criteria. These include fresh, whole or cut fruits and vegetables only. Sweet potatoes and yams are the only allowable potatoes.

If the customer has white potatoes, herbs and/or other items that are ineligible for CVV’s, separate them before totaling the CVV purchase.

If the customer also has FMNP coupons, apply these towards the purchase of any fruits and vegetables that were not covered by the CVV’s. This includes white potatoes and cilantro.

Finally, use cash or credit card to pay for items that are not covered by the FMNP coupons or CVV’s. This includes extra eligible fruits and vegetables, and any herbs or other non-eligible items, including prepared, processed or cooked foods and non-food items.

## **Utilizing the Arizona Grown Message**

The Arizona Grown program is administered by the Arizona Department of Agriculture. The program educates consumers about the availability, freshness, quality, and variety of Arizona agricultural products. Farmers’ Markets and Growers in Arizona may apply to be participants in the Arizona Grown program and use the logo in promotions, education and marketing efforts. For more information, contact:

**Arizona Department of Agriculture  
Office of Licensing and Environmental Service  
1688 West Adams  
Phoenix, AZ 85007  
(602) 542-3578.**



Approved Markets and Authorized Growers of AZ FMNP are encouraged to use the Arizona Grown message in their promotion and education efforts. Approved Markets will receive information throughout the growing season on Arizona Grown.

## **Program Monitoring**

The Arizona Department of Health Services or their designee will conduct regular monitoring activities to ensure Authorized Growers comply with the AZ FMNP guidelines. These monitoring activities include but are not limited to the following:

- Regular visits to Approved Farmers' Markets to ensure that participating Growers are properly authorized and to answer any questions about the program or procedures.
- Compliance buys to check for proper redemption procedures.
- A review of the AZ FMNP Authorized Grower's Crop Plan to ensure that any fruits and vegetables sold for FMNP Coupons and/or CVV's are listed.

ADHS will investigate complaints and alleged violations; assessing penalties or sanctions as appropriate. Any AZ FMNP participant may file a complaint with the Department.

Payments may be withheld for all FMNP Coupons and/or CVV's transacted in violation of regulations. If FMNP Coupons or CVV's have already been cashed or deposited in a financial institution, repayment may be sought. Repeated or blatant infractions may result in disqualification from the program. An Approved Market or Authorized Grower who commits fraud or abuse is liable for prosecution under applicable Federal, State, and local laws.

## Rules and Procedures

### I. Policies and Procedures

- A. Arizona Farmers' Market Nutrition Program (AZ FMNP) Coupons and CVV's may be accepted only for eligible, fresh, nutritious, unprepared foods purchased at Approved Farmers' Markets. In Arizona, eligible foods that may be purchased with FMNP Coupons are locally grown fresh, unprocessed fruits, vegetables and cilantro. Eligible foods that may be purchased with CVV's include fresh, unprocessed fruits or vegetables, excluding white potatoes. AZ FMNP Coupons and CVV's may not be accepted for honey, jelly, jam, eggs, dried beans (pinto, etc.), baked goods, nuts of any kind, syrup, cider, herbs, meats, cheese, salsa, plants, flowers, non-food items, or produce that is processed, heated, dried, dehydrated, or cooked. *AZ FMNP Coupons may not be used for produce that is purchased for resale.*
- B. The term "locally grown" means grown in the state of Arizona.
- C. The term "Authorized Grower" refers to growers who have signed an Agreement with the State to comply with these "Rules and Procedures" and who have not been suspended or disqualified from the program.
- D. Authorized Growers must adhere to the rules and restrictions outlined in the Scope of Work in the Grower Agreement (See Appendix B: Scope of Work Grower Agreement).
- E. Only Authorized Growers who grow fresh fruits and vegetables to sell at Approved Farmers' Markets may be AZ FMNP Authorized Growers. Staff from ADHS or their designees may visit Authorized Growers to ensure that they are growing the produce that is being sold for AZ FMNP Coupons.
- F. Authorized Growers may not redeem AZ FMNP Coupons or CVV's accepted by, or on behalf of, unauthorized growers or vendors.
- G. Where permitted by the rules of an Approved Farmers' Market, an Authorized Grower may accept AZ FMNP Coupons and CVV's for the purchase of authorized, locally grown food that is produced by another Authorized Grower. If selling food produced by another Authorized Grower, a copy of the crop plans for both growers must be available for onsite review.
- H. If an Authorized Grower sells eligible and ineligible products, the eligible foods must be clearly identified so that shoppers can easily see which items may or may not be purchased with AZ FMNP Coupons and CVV's. Ineligible items should be physically separated from the eligible items.
- I. AZ FMNP Coupons and CVV's may be accepted only at Approved Farmers' Markets during advertised hours.
- J. To be authorized to accept AZ FMNP Coupons, eligible growers must attend training, sign an Arizona Farmers' Market Nutrition Program Grower Agreement agreeing to comply with these Rules and Procedures, and submit an up-to-date crop plan that describes types and quantities of fruits and vegetables to be grown by grower and approximate planting and harvest dates.
- K. Upon authorization, the AZ FMNP will assign the grower a unique Grower Number and issue an AZ FMNP stamp with a Grower Identification Number. The Grower Number must be stamped or handwritten in black ink on each FMNP Coupon or CVV accepted by the Authorized Grower before banking. Financial institutions and ADHS may reject a

- coupon not showing a valid Authorized Grower Number
- L. An Authorized Grower may participate in more than one Approved Market.
  - M. Coupons are fully negotiable instruments with a face value of \$3.00 each and should be treated like cash. CVV's are fully negotiable instruments with maximum values clearly indicated and should be treated like cash. Authorized Growers are responsible for protecting the FMNP Coupons and CVV's from possible loss or theft at all times until the Grower is able to deposit or cash them at a local financial institution.
  - N. No state or local taxes may be collected for AZ FMNP purchases.
  - O. Under no circumstances may AZ FMNP Coupons or CVV's be exchanged for cash by shoppers. (See Section III. Abuse and Sanction Policy regarding disqualification from the program)
  - P. No cash change for FMNP Coupons or CVV's may be given to AZ FMNP participants. There are no exceptions, even for participants wanting only a small amount of food. If the amount of a sale is less than the value of the coupon presented, the Authorized Grower should provide additional fruits or vegetables to make up the difference. These may be more of the same item or any other eligible food acceptable to the participant.
  - Q. Authorized Growers must offer authorized foods to AZ FMNP participants at the same price charged to other customers.
  - R. Authorized Growers may accept cash along with FMNP Coupons or CVV's for sales to AZ FMNP shoppers. For example, a \$6.35 purchase may be paid for with two \$3.00 FMNP Coupons and thirty-five cents (\$0.35). Likewise, a \$6.35 purchase may be paid for with one \$6.00 CVV and thirty-five cents (\$0.35).
  - S. The shopper may not know how to cook or store larger quantities of fresh produce and may welcome the Authorized Grower's advice.
  - T. Authorized Growers must offer AZ FMNP participants the same courtesies offered to other customers. Any customer presenting FMNP Coupons or CVV's should be presumed to have obtained them legitimately. Keep in mind, spouses or friends may be authorized representatives and do the shopping for AZ FMNP participant. Look for the name and signature of the representative on the Client ID.
  - U. By law, no person shall be denied participation in the Arizona Farmers' Market Nutrition Program or otherwise discriminated against based on race, color, national origin, sex, age, or disability (See Section II. Complaint Process).
  - V. Authorized Growers must display the Arizona Farmers' Market Nutrition Program sign and have their current year crop plan available for review at their market stands during market hours. If the Grower also accepts CVV's, the grower must also post the WIC CVV's Accepted Here sign. The signs help identify participating growers and prevent shopper embarrassment at having to ask if the grower accepts FMNP Coupons or CVV's. If the sign is lost or destroyed, the Grower should contact ADHS to obtain a replacement sign as soon as possible.
  - W. AZ FMNP Coupons and CVV's may not be accepted prior to their First Date of Use, or after their expiration date (Last Date of Use). Expired coupons must be refused.
  - X. At the end of the season, Authorized Growers may be asked to respond to a survey intended to collect: A) Comments and suggestions to help AZ FMNP understand and correct problems concerning the program; B) Information used to evaluate and promote farmers' markets and the Arizona Farmers' Market Nutrition Program; and C) Information needed to comply with federal requirements that measure the programs'

- effect on farmers' markets.
- Y. ADHS or their designee will monitor Authorized Growers and Approved Farmers' Markets for compliance with program guidelines. Monitoring may include undercover coupon purchases and inspection of a food production site if an Authorized Grower is allegedly accepting AZ FMNP Coupons for fruits and vegetables that are not locally grown.
  - Z. An Authorized Grower who receives a suspension letter from ADHS must immediately remove the Arizona Farmer's Market Nutrition Program sign from his/her market stand(s) and stop accepting coupons until further notice (See Section III. Abuse and Sanction Policy).
  - AA. The Arizona Department of Health Services may establish a claim for payment made to an Authorized Grower for FMNP Coupons or CVV's redeemed in violation of these rules.
  - BB. Approved Farmers' Markets are self-governing and may elect to expel a Grower from the market. Market managers are expected to help monitor AZ FMNP activities at the site to ensure that all participating Growers operate in compliance with program rules. Market managers must notify ADHS if they suspect a Grower is violating program policies. Only ADHS may disqualify or suspend an Authorized Grower from participation in the program if the Authorized Grower is still an active member of the market and selling eligible foods.

## **II. Complaint Process**

The following steps must be taken regarding complaints about the AZ FMNP:

- A. The AZ FMNP Manager, Market Manager, or other authorized individual, will interview the participant or farmer who initiated the complaint to determine the nature of the problem. If the problem occurred with an individual farmer at the Farmers Market, the interviewer should ask for the farmer's name or his location within the market and the date and time that the problem occurred. If the problem occurred with an AZ FMNP participant at the Farmer's Market, the Market Manager or interviewer should ask for the participant's name, his/her WIC/CSFP agency and the date and time that the problem occurred.
- B. Interview other participants or farmers to determine whether the problem is widespread or occurred only once.
- C. Call the complaint hotline to file a complaint.

**Arizona Farmers' Market Complaint Hotline: 1-866-229-6561**

### **Civil Rights**

In accordance with the Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating based on race, color, national origin, sex, age, or disability.

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800)-795 3272 or (202) 720-6382 (TTY). USDA is an equal opportunity provider and employer.

### **III. Abuse and Sanction Policy**

For the following abuses, an Authorized Grower may be disqualified from AZ FMNP for the remainder of the growing season:

- A. Failure to complete a truthful AZ FMNP Agreement Application.
- B. Issuance of any document, such as a rain check, that purports to give a participant or proxy the right to return for authorized food after the participant or proxy has given the Coupon or CVV that includes the food to the Grower.
- C. Failure to accept an FMNP Coupon or CVV only within the valid period or to redeem as indicated on the FMNP Coupon or CVV.
- D. Accepting an FMNP Coupon or CVV, which has been altered in any way.
- E. Failure to offer AZ FMNP participants the same courtesies extended to other customers.
- F. Seeking restitution from a participant or proxy for an FMNP Coupon or CVV not paid for by the AZ FMNP program.
- G. Failure to clearly mark or post current prices, including sale prices either on the eligible foods or on a sign immediately next to or in front of the items.
- H. Failure to provide only fresh, eligible foods to participants in exchange for FMNP Coupons and/or CVV's.

For the following abuses, an Authorized Grower may be disqualified from AZ FMNP for up to three years:

- A. Failure to provide AZ FMNP eligible foods to participants or proxies at the same price posted and/or charged to other customers.
- B. Exchanging FMNP Coupons or CVV's for cash or anything of value other than AZ FMNP eligible foods or providing change from an AZ FMNP transaction.
- C. Seeking reimbursement from AZ FMNP for an AZ FMNP coupon accepted by another business or individual that is not contracted as an Authorized Grower.
- D. Collection of sales tax for eligible foods purchased with FMNP Coupons or CVV's.

Before any sanction is taken, the Authorized Grower will be notified of the violation, proposed sanction, and procedures for a fair hearing. Fraud or other abuses of federal regulations may be subject to prosecution. Decisions regarding disqualification of a grower from AZ FMNP will take into account any possible adverse effect on the services provided to the local WIC and CSFP populations.

#### **IV. Procedures of Offering, Conducting, and Rendering Final Decisions on Fair Hearings**

This process only applies to Authorized Growers wishing to appeal a decision made by ADHS concerning participation in the AZ FMNP. Appeals for decisions concerning benefit (client) eligibility in the Farmers' Market Nutrition Program or WIC should be filed following procedures of the appropriate WIC agency. Expiration of a contract, certification, or agreement is not subject to appeal.

ADHS will provide Authorized Growers with a written notification of any adverse action. This notification will include the causes for the action as well as the effective date of the action and will be provided to the Authorized Grower as quickly as possible. Delivery of the notice will be made by certified mail, return receipt requested; to the last address provided by the Authorized Grower during the most recent authorization or may be made in person by an authorized representative of ADHS. It is the responsibility of the Authorized Grower to notify ADHS of any address changes or corrections after the yearly authorization. The notification will outline the Authorized Grower's right to appeal the action within fifteen (15) days of the date of the notice, right to have a decision concerning the appeal issued within sixty (60) days, and list the address to which a hearing request must be sent or delivered.

Upon receipt of a request for a fair hearing, ADHS will schedule a hearing before an impartial decision-maker selected by the Department. This decision-maker will in no manner have participated in the decision to take adverse action against the grower. Notice of the hearing will be sent via certified mail, return receipt requested, to the Authorized Grower or his representative. This notice will include the date, time, and location of the hearing and will be mailed no less than ten (10) days prior to the scheduled date.

The Authorized Grower and ADHS shall each have one opportunity to reschedule the hearing date upon the specific request to the impartial decision maker. If the postponement will prevent the decision from being rendered within the sixty (60) day period, the impartial decision maker will deny the postponement unless the Grower waives the right to a decision within that period.

A disqualification from the AZ FMNP shall take effect on the effective date specified by ADHS, regardless of the scheduled date of the hearing.

Subpoenas may be issued by ADHS to compel the attendance of witnesses or the production of documents at the hearing. Any such subpoenas shall be served in the manner prescribed by Arizona State law. Subpoenas will be issued upon the request of the Authorized Grower or his representative if such a request is received by ADHS no fewer than seven (7) days before the date set for the hearing.

At the hearing, the Authorized Grower shall have the opportunity to present his or her case orally or in writing and to confront and cross-examine adverse witnesses. The Authorized Grower shall have the opportunity to be represented by counsel if desired and will have the opportunity to review the case record before the hearing.

The impartial decision-maker shall issue a written decision within sixty (60) days from the date ADHS received the request for the hearing. The decision will be made based solely on the evidence presented at the hearing and the statutory and regulatory provisions governing the AZ FMNP. The impartial decision-maker shall describe the basis for his/her decision; however, he/she does not need to prepare a full opinion of formal findings of fact and conclusions of law. The decision shall be delivered to the Authorized Grower, by certified mail, return receipt requested. The decision of the impartial decision-maker shall be final and not subject to further administrative proceedings.

## Glossary

### Per §246.2 –

**Cash Value Voucher (CVV)** means a fixed-dollar amount check, voucher, electronic benefit transfer (EBT) card or other document which is used by a participant to obtain authorized fruits and vegetables.

**Compliance Buy** means a covert, on-site investigation in which a representative of the Program poses as a participant, parent or caretaker of an infant or child participant, or proxy, transacts one or more Food Instruments (FI's) or CVV's, and does not reveal during the visit that he or she is a program representative.

**Farmer** means an individual authorized by the State agency to sell eligible fruits and vegetables to participants at a farmers' market or roadside stands. Individuals, who exclusively sell produce grown by someone else, such as wholesale distributors, cannot be authorized.

**Employee Fraud and Abuse** means the intentional conduct of a State, local agency or clinic employee which violates program regulations, policies, or procedures, including, but not limited to, misappropriating or altering FI's or CVV's, entering false or misleading information in case records, or creating case records for fictitious participants.

**Participants** means pregnant women, breastfeeding women, postpartum women, infants and children who are receiving supplemental foods or FI's or CVV's under the program, and the breastfed infants of participant breastfeeding women.

**Participant Violation** means any intentional action of a participant, parent or caretaker of an infant or child participant, or proxy that violates Federal or State statutes, regulations, policies, or procedures governing the Program. Participant violations include intentionally making false or misleading statements or intentionally misrepresenting, concealing, or withholding facts to obtain benefits; exchanging CVV's, FI's or supplemental foods for cash, credit, non-food items, or unauthorized food items, including supplemental foods in excess of those listed on the participant's FI; threatening to harm or physically harming clinic, farmer or vendor staff; and dual participation.

**Proxy** means any person designated by a woman participant, or by a parent or caretaker of an infant or child participant, to obtain and transact FI's or CVV's or to obtain supplemental foods on behalf of a participant. The proxy must be designated consistent with the State agency's procedures established pursuant to § 246.12(r)(1). Parents or caretakers applying on behalf of child and infant participants are not proxies.

**Appendix A:**  
**Arizona Farmers' Market Nutrition Program**  
**Crop Plan**  
 Updated for Federal Fiscal Year \_\_\_\_

**Grower/Farmer Name** \_\_\_\_\_

**Farm Name** \_\_\_\_\_ **Total Acres or row feet** \_\_\_\_\_

**Mailing Address** \_\_\_\_\_

**City** \_\_\_\_\_ **State** \_\_\_\_\_ **Zip** \_\_\_\_\_

**Telephone** \_\_\_\_\_ **Email** \_\_\_\_\_

**Farm Physical Location and Travel Directions** \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

**AZ FMNP Payment methods accepted by grower for eligible foods as indicated in current FMNP Grower Agreement:**

- FMNP Coupons**
- WIC Fruit and Vegetable Cash Value Vouchers**

<b>Arizona Farmers' Market Nutrition Program Crop Plan</b>			
<b>Fruit or Vegetable Crop</b>	<b>Plant Date</b>	<b>Harvest Date</b>	<b>Acres/Row Feet</b>

Please use additional page if necessary.



## **Appendix B:**

### **Scope of Work Grower Agreement**

Arizona Department of Health Services and Grower now enter into this agreement for Grower to participate in the Arizona Farmers' Market Nutrition Program (AZ FMNP) to provide locally grown, fresh fruits and vegetables to eligible recipients.

#### **Purpose:**

It is the purpose of this agreement to provide locally grown, fresh, unprepared fruits and vegetables for WIC women and children and seniors participating in various AZ FMNP programs. The purpose of these programs is to encourage the consumption of fresh locally grown produce purchased directly from the grower.

#### **Grower shall:**

- A. Accept training on FMNP and cash-value voucher procedures, provide training to any employees with AZ FMNP responsibilities on such procedures, and be accountable for actions of employees in the provision of foods, redemption of coupons and cash-value vouchers, and any other related AZ FMNP activities.
- B. Offer AZ FMNP and WIC participants, parents or caretakers of child participants or proxies the same courtesies as other customers.
- C. Provide eligible foods to recipients at a price equal to or less than that charged to other customers.
- D. Assure that AZ FMNP coupons and cash-value vouchers are redeemed only for eligible foods as defined by AZ FMNP. Eligible foods planned for sale must be listed on the Grower Crop Plan.
- E. Accept AZ FMNP coupons and cash-value vouchers only within the dates of their validity and submit such vouchers and coupons for payment within the allowable time period established by AZ FMNP.
- F. Using the stamp provided by the AZ FMNP, enter the assigned Grower Identification number on each coupon and cash-value voucher in the space provided prior to submitting for reimbursement.
- G. Be monitored both overtly and covertly for compliance with AZ FMNP requirements.
- H. Pay the AZ FMNP for any coupons or cash-value vouchers transacted in violation of this Agreement.

- I. Accept AZ FMNP Coupons and WIC Cash-Value Vouchers according to the procedures outlined in the most current FMNP Grower Manual.
- J. Comply with the nondiscrimination provisions of United States Department of Agriculture (USDA) regulations as provided in 7 C.F.R. § 248.7 and in 7 C.F.R. § 249.7.
- K. Notify AZ FMNP if any Grower or Farmers' Market ceases operation prior to the end of the authorization period.
- L. Provide such information as AZ FMNP may require for its periodic reports to the United States Department of Agriculture, Food and Nutrition Service.
- M. Complete a Crop Plan annually and submit it to the AZ FMNP.

**Grower shall not:**

- A. Collect sales tax on AZ FMNP coupon or WIC Cash-Value Voucher purchases.
- B. Seek restitution from an AZ FMNP or WIC participant for a coupon or cash-value voucher not paid by or partially paid by ADHS.
- C. Issue cash change for purchases that are in an amount less than the value of the coupon(s) or cash-value voucher(s).