



CALIFORNIA FARM BUREAU

State Issues Update

3/31/2020

HAS YOUR CONTRACT BEEN CANCELLED? HAVE YOU NOT BEEN PAID IN FULL?

If any of these situations have happened to you due to the COVID-19 pandemic, we encourage you to review the conditions of your contract and, if you believe there has been a breach, know your rights and learn about the California Department of Food and Agriculture's Market Enforcement Branch.

The Market Enforcement Branch (MEB) is responsible for interpreting and enforcing the [Processor Law](#) and the [Produce Dealers Act](#). Both Acts are intended to ensure confidence and stability in the agricultural marketplace and to protect against unfair business practices between producers, handlers, and processors of **California** farm products. The Produce Dealers' Act covers all farm products grown or produced in California, with the exception of milk, timber, cattle, and vegetable seed sold between dealers, whereas the Processor Law regulates all persons who purchase California farm products from growers for the purpose of processing.

To enforce both Acts, MEB is responsible for licensing entities (dealers, brokers, commission merchants, cash buyers, and processors) that handle California farm products for the purpose of resale or processing.¹ Through its licensing function, MEB also has the authority to investigate complaints filed by producers and licenses related to breach of contract or failure to pay, either in part or in full. While MEB may take formal actions such as license revocation and penalty issuance, they also can play an important role in investigation and informal mediation between parties.

A complaint may be filed against licensed dealers, brokers, commission merchants, processors, cash buyers or those who are subject to licensing under the Produce Dealers Act and/or the Processors Law. All complaints must be in writing and must be submitted within nine (9) months from the date a complete account of sales (payment) was due. Provide two (2) copies of all documents in your possession that are relevant to establishing the complaint, a filing fee of \$100, and a written denial of jurisdiction from the appropriate federal agency.

To learn more about the Market Enforcement Branch and if they can be of service to you and/or your operation, please visit their webpage at: <https://www.cdfa.ca.gov/mkt/meb/services.html>

¹ Complaints involving fruits and vegetables moving in interstate commerce must first be filed with USDA pursuant to the Perishable Agricultural Commodities Act. MEB requires a letter of denial from the federal agency prior to taking any action.