



FARMERS' MARKET FORUM

FARMERS' MARKET FEDERATION OF NEW YORK

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Finally! Update on IRS Electronic Payment Reporting Requirements!

Stacy Miller, Executive Director, Farmers Market Coalition

Earlier this year, IRS issued a final rule on "Information Reporting Requirements Payments Made in Settlement of Payment Cards and Third Party Network Transactions" (6050W for short). Many of you have been eagerly awaiting a final word regarding the reporting obligations of markets operating scrip systems. Are they required to issue 1099s to each individual farmer to whom they reimburse token purchases?

Since early spring, FMC has been engaged in discussions about potential interpretations and implications, and, with the help of pro bono legal guidance and the research efforts of members like the Farmers' Market Federation of New York, gone back and forth with officials in IRS and USDA. In early June, staff in Maine Representative Chellie Pingree's office took the lead on a [letter](#) on behalf of fourteen House members urging IRS to clarify their interpretation and eliminate uncertainty around the requirements. By the way, below this message is a list of those Representatives, so that you can [send them a thank-you email!](#)

I'm writing today to let you know that the saga reached a new milestone last week when the IRS came to determination about how farmers markets operating scrip systems are to be considered for purposes of reporting electronic transactions. In short, it's good news. Below is text, reviewed and developed in

cooperation with IRS, about how they interpret the 6050W rule.

Farmers Markets Requirements Concerning IRS 6050W
A central payor in a farmers market scenario may have an obligation to issue information reports (via a 1099-K) documenting payments made to market stall merchants if their relationship meets the definition of a third party network and if the number and amount of the transactions exceeds certain thresholds.

A third party network is any arrangement which involves the establishment of accounts with a central organization by a substantial number of persons (50 or more, according to the legislative history). Third party network arrangements, in a farmers market context, may include scrip currency programs. In such arrangements, customers use electronic payment to receive approved scrip from a central payor (the farmers market), which is then exchanged for goods with individual market stall-holders, who are reimbursed by the central payor (the farmers market). **Third party network transactions are reportable only if total annual transactions with respect to a particular payee exceed \$20,000 and 200 in number.**

Thus, small farmers markets (those with 50 or fewer stall merchants) are not subject to 6050W because they are not third party networks. Larger farmers markets

that constitute third party networks are subject to 6050W only to the extent that payments to a particular stall merchant involve more than 200 transactions and exceed \$20,000. (*Note: "transactions" refers to the exchange of scrip between farmer and farmers market, not between customer and farmer*).

Documentation:

A central payor is responsible for keeping books and records to substantiate that he/she is exempt from 6050W information reporting as a third party network. The primary reasons a small farmers market would be outside the scope of 6050W would be because (1) there are not a "substantial number" of farmers (fewer than 50) to whom a central payor is making payments, (2) payments to any given farmer in the market by such a central payor do not exceed \$20,000 in a calendar year or (3) transactions by any given farmer (in which the farmer exchanges redeemed scrip for cash by the central payor) do not exceed 200 in a calendar year. Depending on the sophistication of the central payor (farmers market), much of this information is already being kept. Information about the number of vendors to which the central payor makes payment, the number of transactions with each vendor, and the total amount paid out are all relevant items for documentation. This information should be collected and maintained for each calendar year beginning January 1, 2011. For more specific legal and taxation advice, farmers markets should seek services of a qualified tax professional.

More information about Internal Revenue Code section 6050W can be found on the IRS website, <http://www.irs.gov/taxpros/article/0,,id=225080,00.html>. Third party networks subject to full reporting requirements under 6050W can preview form 1099-K at <http://www.irs.gov/pub/irs-pdf/f1099k.pdf>



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Farmers Market Federation
of NY

Changing of the Guard

There's a change taking place in the Farmers Market Federation office, namely...me! After three years as the Federation's administrative assistant, vendor insurance coordinator, periodic staff writer, and wearer of many other hats, I have decided to move on. I've enjoyed working for this worthwhile non-profit organization that does so much good for farmers markets, local farmers, consumers, and communities across the state. Serving as the assistant to Diane Eggert—the hardest-working, most dedicated person I've ever come across in my career (truly)—has taught me a lot about local agriculture, the professionalism of farmers and market managers, and the value of partnering with committed community organizations and government agencies to achieve beneficial common goals.

But as important as all that is, one of the best aspects of my job has been the daily interaction with everyone who calls in or writes to our office for information on the many programs we administer. Service to our members, insurance participants, and supporters is a top priority of the Federation. I'm always happy to provide information about our Health Bucks programs, liability coverage, online directory, etc. I've come to know many of our members by name—or even voice!—and have enjoyed sharing a friendly word or two while answering your questions. It's been a pleasure! I'm sure our new assistant will feel the same.

So Diane, our Board of Directors, and I hope you'll join us in welcoming Kathleen Weimar, our new Administrative Assistant, to the Federation family. She's very skilled and experienced and is looking forward to learning the various responsibilities of this significant support position. I'll stay on a little while longer to help make the transition as smooth as possible but, starting October 3rd, Kathleen will be your initial contact when calling the Farmers Market Federation with your questions or comments.

Thanks and best wishes to all!

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New EBT promotion tools: Video Series on Youtube

Two new videos produced by our intern, Zach Cullen, a videography student at Syracuse University.

These videos are presented to consumers through the newsletter series "Fresh Tips", as well as posted on the website, www.snaptomarket.com. Use them to educate your community about using food stamp benefits at your farmers market or to promote the experience of shopping for fresh healthy local food from local growers at your farmers market.

EBT at the Farmers Market: A Fresh Experience



<http://www.youtube.com/user/nyfarmersmarket?feature=mhee>

Shop the Farmers Market with EBT



<http://www.youtube.com/user/nyfarmersmarket?feature=mhee#p/a/u/1/4JDxvbyziMo>

Up Next: A targeted advertising campaign using print, television, and internet marketing. All pieces will be generic so they can be used in any community, but will be tested in one community this Fall and will then be available to all markets for use next Spring.

New York's Favorite Farmers Market Recipe Contest Winners Announced!

It's no secret that some of the best produce in the country is grown right here in New York State. Our farmers markets are chock full of fresh, locally grown fruits, vegetables, dairy products, eggs, and meats that can be prepared in countless combinations to create all kinds of tasty dishes. This spring, the Farmers Market Federation of New York sponsored a recipe contest to highlight these delicious, healthy foods and the many ways they can be used once you get them home from the market. The Federation felt the contest would also generate conversation between shoppers and farmers, encouraging customers to develop an ongoing relationship with the growers at their local markets, who are always eager to talk with them about their

work cut out for them. The variety of creative, delicious recipes submitted made their job both difficult and quite pleasant.

Sampling Catherine Macera's *Sweet & Spicy Surf & Turf Salad*, the judges commented, "This dish has it all! Great mixture of texture, colors, and flavors. It just explodes in the mouth with a riot of different tastes." And of Sara Getman's *Greenhouse Green Juice*, "A simple, straightforward, easy-to-make recipe with the freshest stuff available." After further tasting, reviewing, and discussion, winners for all categories were ultimately chosen.

<u>Category</u>	<u>Winner</u>	<u>Farmers Market</u>	<u>Recipe</u>
Appetizer	Cheryl Paff	Rhinebeck, Woodstock	Sweet Corn Chowder
Entrée	Catherine Macera	Herkimer	Sweet & Spicy Surf & Turf Salad
Dessert	Kathlyn Fisher	CNY Bounty	CNY Bounty Carrot Cake
Snack	Sara Getman	Sherrill	Greenhouse Green Juice
Other	Diane Whitten	Saratoga, Ballston Spa	Cold Cantaloupe Melon Soup

products and offer tips on how to store, preserve, and prepare them.

The contest was open to those agricultural individuals with day-to-day, grass-roots knowledge of New York's produce bounty. Farmers, vendors, market managers, and market sponsors across the state were invited to submit their best original recipes using farm-fresh, locally grown ingredients. The winning entry in each of five categories would be named "New York's Favorite Farmers Market Recipe." The response was enthusiastic!

The five contest categories were: Appetizers, Entrées, Desserts, Snacks, and "Other" (for those appealing recipes that didn't readily fit into a specific category). Entries were judged by two professional chefs based on how well they showcased New York State ingredients, their ease of preparation, and most of all, taste. Sean Agate, Executive Chef for *Vineyard 108 at Hotel Clarence*, a Finger Lakes favorite in Seneca Falls, and Phil Buccieri, a central New York native and Line Chef at the famous *NOLA Restaurant* in New Orleans, had their

Look for these award-winning recipes at the markets noted above. The winners will have display signs at their booths showcasing their victorious creations and free recipe cards will be available for customers who'd like to try the prize-winning recipes for themselves. And remember, cooking tips and other recipes can be found at farmers markets across the state.

The contest-winning recipes will also be featured at this year's *Finger Lakes Cork & Fork* festival in Seneca Falls, September 16th & 17th, with free recipe cards available to festival-goers. The winning recipes will also be highlighted on the Farmers Market Federation of NY's Facebook page and in various newsletters published by the Farmers Market Federation.

The Federation would like to thank all those who entered this year's contest. Keep creating! And look forward to next year's contest!

To find the award-winning recipes, visit the Farmers Market Federation of New York's Facebook page at www.facebook.com/FMFNY.

Hurricane Irene and Tropical Storm Lee Disaster Relief

The one-two punch delivered to New York farmers by the recent storms, Irene and Lee, have left much of the agriculture landscape devastated. Reports of flooding have caused significant damage to many counties across New York. Vegetable crops lost, corn fields flattened, animals lost, stranded or dead, and barns, homes and outbuildings flooded. The damage is, in some cases irreparable.

Many state and federal agencies are clamoring to support New York's agricultural producers, as well as local efforts to help rebuild have sprung up. The following is a list of disaster relief efforts as we have been able to compile. If you, your market, your neighbors can provide aid, please contact any of these efforts and offer your support.

New York State Department of Agriculture and Markets resource information:

<http://www.agmkt.state.ny.us/disaster-assistance-and-resources.html>

Schoharie County Emergency Services:

<http://www.facebook.com/#!/pages/Schoharie-County-NY-Emergency-Services/145245731287>

Help Schoharie County, NY

<http://helpschohariecountynypostirene.blogspot.com>

New York Farm Bureau

http://www.nyfb.org/resources/topic_detail.cfm?ID=413

New York FarmNet

www.nyfarmnet.org

Schoharie County Community Action Program:

<http://www.sccapinc.org/>

American Red Cross of Northeastern NY:

<http://www.redcrossneny.org/index.asp?IDCapitulo=9SZH1HW02Z>

Several markets are collecting donations to support the farmers in their area:

Greenmarket:

www.growNYC.org

Rhinebeck Farmers Market

www.rhinebeckfarmersmarket.blogspot.com

Food Bank of the Southern Tier

<http://www.foodbankst.org/>

Sowing the Seeds of Healthy, Local Eating

More than 900,000 visitors attended the New York State Fair in Syracuse this year, and close to 3,500 of the fairgoers were treated to a tasty sample of a freshly prepared, refreshing and nutritious dish using local produce - free!

The NYS Department of Agriculture & Markets unveiled the NY Fresh Connect: Agriculture Promotion, Outreach and Demonstration vehicle, or Ag POD, at the State Fair last month. The Ag POD is a mobile kitchen that can be used as an education vehicle to improve consumer's awareness of, and access to affordable, nutritious, and locally produced agricultural products.

Located right inside Gate 1 of the State Fair, next to the Farmers Market, the Ag POD offered taste-testings to fairgoers three times a day with recipes prepared by

chefs and nutrition educators on site using fresh produce from the Farmers Market.

The response was overwhelming! Taste-testers were pleasantly surprised to learn new recipes that made eating fresh, nutritious food this easy. Many took the recipes and headed right over to the farmers market to buy the ingredients and make the dish at home. Others tried to sneak in for a second sample. The chefs and educators provided the perfect amount of spice, flavor and fun to make the Ag POD a huge success.

Participating chefs, nutrition educators and staff came from Cornell Cooperative Extension (Onondaga, Cayuga, and Livingston counties), CNY Food Bank, Bloomfield Central School District, Friends of the Rochester Public Market and the Department of Agriculture & Markets.

Recipes ranged from “Dressed Up Fresh Fruit Cup” to “Corn, Tomato, Cucumber Salad”.



Todd Fowler, Food Service Director Bloomfield Central School District preps Tabouli (parsley salad) in Ag POD, Syracuse 9/2/11

The mission of the Ag POD is to foster a culture of healthy and local eating for New York State residents through promotion, outreach, and demonstration. NY Fresh Connect is a new program introduced by Governor Cuomo which launches new farmers' markets and expands others around the State of New York. The program is designed to assist New York farmers by increasing the sale of locally-grown food in communities. The program will also bring fresh food to underserved communities, improve nutrition education, and help create local jobs.

Future programming for the Ag POD will include: promotion of locally produced agricultural products available at a farmers market and other public places; outreach regarding food security programs; cooking demonstrations of local food and taste testing; nutrition education; and agriculturally-focused workshops. Food security outreach programs include: SNAP/Food Stamps; EBT at farmers markets; WIC and Senior Farmers' Market Nutrition Program (FMNP/S); WIC Vegetable and Fruit Checks; School meals and Farm to School; and Food Bank and emergency food networks.

Contact: Ann McMahon, NYS Department of Agriculture & Markets ann.mcmahon@agmkt.state.ny.us / 518.485.7728



Erin Willett, CCE Livingston County, hands out samples of “Garlicky Summer Squash” at New York State Fair, Syracuse 9/4/11

Weather, Economy Don't Dampen Farmers Market's Success at Fair

Hard to believe, but the 2011 Great New York State Fair is already behind us. And a great fair it was! Though the effects of our economic recession, Hurricane Irene skirting Syracuse on the first Sunday, and a very rainy Labor Day resulted in decreased overall attendance, the *Farmers Market at the Fair*—sponsored by the Farmers Market Federation of NY and the City of Rochester's Biz Kid\$ program—enjoyed its best year ever!

The farmers market, located just inside the main gate these past three years, has become a perennial favorite of fairgoers looking for healthy alternatives to the ubiquitous deep-fried fare offered throughout the fairgrounds. Customers appreciate being able to purchase fruit snacks and beverages while enjoying their day at the Fair, then picking up some fresh fruits and vegetables on their way out to share with their family and friends.

The Biz Kid\$ and the Federation partner each year to bring this actual farmers market stand to the Fair in order to promote New York State's bounty of nutritious local produce and encourage customers to visit their own community markets when they return home from the Fair. An equally important goal of the partnership is to provide hands-on business experience for the Biz Kid\$ youth, who, long before opening day, have been studying the concepts of entrepreneurship and honing their professional skills. They learn about product planning, pricing strategies, marketing, credit & banking, money management, and customer service. This experience of developing a product for the Fair and selling it themselves gives them the opportunity to put their skills to work in a real-world business setting.

This year the Biz Kid\$ sold fresh fruit cups and their popular juice-blend beverage, *Vive*, in addition to the variety of in-season produce provided by farmers around the state. The students enthusiastically employed their sales skills by interacting with the public and drawing them in for a closer look at the market's bountiful selection.

A few of the enterprising Biz Kid\$ once again donned their fruit costumes and bravely stepped out into the road for an even more personal interaction with passers-by. And on those rare occasions when the Biz Kid\$ weren't available, our dedicated adult friends of

the Federation helped out by manning the booth (though we're pretty sure none of them dressed up as grapes or giant apples).



But promoting and selling were not the only skills the Biz Kid\$ put into practice. Months in advance, they conceptualized and planned their product (keeping in mind their steadfast goal of using only New York State produce); researched their needs, potential suppliers, and costs; designed their own labels; discussed marketing strategies; and, in the case of the fresh fruit cups, purchased, prepped, cut, and packaged the product themselves.

These fortunate Biz Kid\$ program participants have learned first-hand that running a business is more complex than they may have originally thought. They now know that being an entrepreneur involves hard work, extensive planning, knowledge, perseverance, and a positive, professional attitude. And the Biz Kid\$ are grateful for the opportunity. So many of those who've participated in this project with the Federation say they greatly appreciate the experience and are inspired to continue their hard work to create a bright future for themselves.

The Farmers Market Federation has hosted the Farmers Market at the Fair for many years now and looks forward to its annual collaboration with Rochester's Biz Kid\$. Its main goal is to showcase New York's great abundance of fresh, healthy fruits, vegetables, and other agricultural products available to consumers at farmers markets throughout the state. The Federation once again offered handy brochures at the booth listing all the farmers markets in the state by region so

customers can readily find a market in or near their own community. A variety of recipe handouts were also available to illustrate the many ways customers can prepare their fresh fruit and vegetable purchases, including the winning recipes from the Federation's *New York's Favorite Farmers Market Recipe Contest*.

This was a banner year at the Fair for the Farmers Market Federation and the City of Rochester's Biz Kid\$. Sales were up over last year, Fair visitors and employees alike have offered positive feedback regarding our

healthy food choices, and many compliments have been received on the Biz Kid\$ and volunteers' friendliness and enthusiasm.

Both the Federation and the Biz Kid\$ program are already looking forward to next year when they can once again promote the benefits of farmers markets and help put our youth on the path to becoming business-savvy adults who'll make a positive contribution to their communities.



Demari Webster, 15, of Rochester, trims and cuts watermelon to be used in fruit cups and sold at the New York State Fair near Syracuse. / JAMIE GERMANO/STAFF PHOTOGRAPHER

Save the Date

Keeping the Momentum Going: NYS Farmers Market Manager's Conference
Marriott Courtyard, Saratoga Springs, NY
March 8-10, 2012