Selling and Sampling Alcoholic Beverages at Farmers Markets and Fairs

A Guide for New York State Markets

Note: This article is part two of a two-part series. The first article which discusses the regulations for alcohol sales at farmers markets from a vendor standpoint can be found here.

While the previous article discussed selling and sampling alcoholic beverages at a farmers market from the farmer or vendor's standpoint, this article will inform market managers of regulations pertaining to the farmers market itself – what do farmers markets need to do in order to sell alcohol at their market?

It is important to know that you cannot just allow vendors who sell alcohol to come into your market — there are some procedures you need to follow. You should check to make sure the prospective vendor is following all state and local regulations pertaining to alcohol sales. More information on that can be found in part one, or in the <u>fact sheet</u> attached to this article. This is especially important if you want to have alcohol samplings or sales by the glass for a market event. Special exceptions may apply when it comes to selling alcohol at the New York State fair, county or local fairs.

You also need to request a farmers market designation in order to be able to sell alcoholic beverages at your farmers market and not be subject to the regulations that pertain to retail stores or restaurants *unless* your market is already approved for the Farmers Market Nutrition Program (FMNP). FMNP markets qualify automatically in most cases and **do not** need to follow the procedure below. It is important to note that the farmers market designation process applies not only to regular farmers markets wishing to add alcohol but also in cases of events where there will be producers selling local agricultural products (at least two) and alcohol vendors. Since at least two local producers must attend such events, the Department of Agriculture recommends that you schedule at least three to allow for the possibility that one may drop out or fail to attend. Once you have the required number of farmers to qualify for the farmers market designation, you can then have an unlimited number of alcohol vendors at your market or event.

The official definition of a farmers market when it comes to qualifying for this designation is as follows:

"A farmers' market is defined as an assembly of two (2) or more independent farmers or producers who collectively sell a diverse array of locally grown agricultural products. Only bona fide producers of agricultural products (e.g. fruit and vegetables, dairy products, eggs, meat or poultry, ornamental plants or flowers, maple syrup, honey, and other processed products, like fruit preserves, that use the producer's farm grown ingredients) can be considered famers."

In order to apply for this official designation, you need to submit the Farmers Market Designation Application linked here. To avoid speculation about whether or not your event includes a bona fide farmers market, you should name your event "[Event Name] Farmers Market" on the application. You'll need to specify how many farmers will be attending your market on the days when the wineries/breweries/distilleries will be present **as well as attach a list** of the farmers and their addresses and phone numbers along with the products they will be selling at the market – applications without this list will not be processed. Non-alcohol vendors MUST be present on all days and hours during which wine, beer or spirits are to be sold. And if your market or event occurs on Sunday you will also need to follow state law which requires that alcohol sales may occur on Sundays only between the hours of 12:00 pm and 9:00 pm. Also check here to make sure you are following any county-specific regulations.

You should submit your completed designation application several weeks in advance to make sure it is approved before the start of alcohol sales at your market. Once you receive a copy of your official designation as a farmers market, you will need to bring a copy with you to the market and make sure

people staffing your market office or info booth know where it is. This is especially important since the law requiring wineries to have a no fee permit from the State Liquor Authority was recently changed.

After August 1 2010, wineries selling local wine don't need any special permit from the SLA to sell at farmers markets. Since the only thing needed to legally sell wine at your market is your NYS Farmers market designation document, advise any wineries participating in your market that you will have a copy of your designation on-site to validate the legality of wine sales.

Under a 2012 amendment, NYS Micro Breweries (those producing 60,000 barrels or less) can also sell beer by the bottle at farmers markets - but unlike wineries they must first obtain either a regular SLA Marketing Permit or a no fee Brewer's Off Premises Permit. Again, applications should be submitted several weeks in advance and you must have a copy of your permit with you at <u>each</u> market you attend. The only exception to this rule is that breweries specially licensed as a Farm Brewery (those using at least 20% local hops and 20% other local ingredients) do not need a SLA permit to sell NY-labeled beer at designated farmers markets.

Due to this amendment, farm distilleries producing distilled spirits from NY-grown ingredients can now sell by the bottle at designated farmers markets as well; however, they need a <u>Marketing Permit</u> from the SLA to do so. Apply several weeks in advance of your market/event and keep a copy of the permit with you at <u>each</u> market.

If alcohol vendors at your market intend to offer samples of their product as a way to encourage sales, they will need to also have a <u>Tasting Permit</u>. Most winery and breweries already have a three-year Tasting Permit but if a vendor that does not have this wishes to offer samples for a singular market/event, they will need to apply for a one-time Tasting Permit and pay a fee of \$30.

Lastly, as a condition of their licenses, all NY wineries, breweries, and distilleries are responsible for enforcing state law when it comes to age restrictions regarding both sales by the bottle and tastings at farmers markets and market events. It should go without saying as enforcing these rules is required to keep liquor licenses, however, market managers would be prudent to enforce these rules as well. If a minor were to be sold alcohol at a farmers market, the market could be held liable.

For this reason it is important to check with your market insurance provider before allowing alcohol sales by the bottle at your market to make sure this will not affect your coverage. If you do plan to allow alcohol vendors to do samplings or sell by the glass (especially if it is outside your normal market hours), you may need to purchase special event insurance for each market event. Since Marketing Permits do not cover sales by the glass, you will also want to make sure your vendor has a Temporary/Special Events Permit which will allow them to sell by the glass up to four times per year per location for \$36. If your current carrier does not offer special events insurance coverage, you can contact the Federation's market insurance provider, Campbell Risk Management, at 800-730-7475 ext. 203.

Completed Farmers Market Designation applications should be emailed to Soni Singh with the Department of Agriculture at soni.singh@agriculture.ny.gov or faxed to (718) 722 – 2836. For questions regarding the Farmers Market Designation process or selling alcohol at farmers markets, you can email Soni and/or call him at (718) – 722-2830. For questions about liquor licenses and permits, contact the State Liquor Authority - http://www.sla.gov or (518) 453 – 8130, Monday to Friday 8:30 am to 8:30 PM.