

AGRICULTURE AND LAND STEWARDSHIP DEPARTMENT[21]

Notice of Intended Action

**Proposing rulemaking related to farmers’ market nutrition programs
and providing an opportunity for public comment**

The Agriculture and Land Stewardship Department hereby proposes to rescind Chapter 50, “Women, Infants, and Children/Farmers’ Market Nutrition Program and Senior Farmers’ Market Nutrition Program,” Iowa Administrative Code, and to adopt a new chapter with the same title.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 175B.5.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code chapter 175B.

Purpose and Summary

The proposed rulemaking provides updates to the Department’s Farmers’ Market Nutrition Programs (FMNPs), which support low-income mothers and seniors in purchasing fresh fruits and vegetables at authorized farmers’ markets and farmstands.

The proposed rulemaking seeks to update the voucher redemption procedure by modernizing the vendor payment system to include a hybrid electronic method, provide greater flexibility for farming businesses to participate in the FMNPs, enhance sales opportunities, clarify violations for vendors and participants, and ensure program integrity by preventing fraud and misuse of state and federal funds.

Additionally, the proposed changes accomplish many of the goals of Executive Order 10 by removing outdated or redundant language and improving readability of the chapter.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 21—Chapter 8.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by the Department no later than 4:30 p.m. on March 12, 2024. Comments should be directed to:

Colin Tadlock
Iowa Department of Agriculture and Land Stewardship
Wallace State Office Building
502 East 9th Street
Des Moines, Iowa 50319
Phone: 515.518.7609
Email: colin.tadlock@iowaagriculture.gov

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

March 12, 2024
9 a.m.

Second Floor Conference Room
Wallace State Office Building
Des Moines, Iowa

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Rescind 21—Chapter 50 and adopt the following **new** chapter in lieu thereof:

CHAPTER 50

WOMEN, INFANTS, AND CHILDREN/FARMERS' MARKET NUTRITION PROGRAM AND
SENIOR FARMERS' MARKET NUTRITION PROGRAM

21—50.1(159,175B) Authority and scope. This chapter establishes procedures to govern the administration of a farmers' market special supplemental food program by the department of agriculture and land stewardship for implementing the applicable agreement and guidelines set forth by the United States Department of Agriculture, Food and Nutrition Service Agreement, in accordance with Iowa Code chapter 175B.

Information may be obtained by contacting the Agricultural Diversification and Market Development Bureau, Iowa Department of Agriculture and Land Stewardship, Wallace State Office Building, Des Moines, Iowa 50319, telephone 515.281.5321.

21—50.2(159,175B) Severability. If any provision of a rule or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the rule that can be given effect without the invalid provision or application, and, to this end, the provisions of these rules are severable.

21—50.3(159,175B) Definitions. For the purposes of this chapter:

“*Application*” means a request made by an individual to the department for vendor certification or farmers' market/farmstand authorization in the Iowa FMNP on a form provided by the agricultural diversification and market development bureau of the department.

“Authorized CSA” means a community supported agriculture program located within the state of Iowa that is authorized by the department for the exchange of SFMNP funds for eligible foods.

“Authorized farmers’ market” means a farmers’ market site located within the state of Iowa authorized by the department for the exchange of vouchers for eligible foods.

“Authorized farmstand” means a farmstand site located within the state of Iowa authorized by the department for the exchange of vouchers for eligible foods.

“Certified vendor” means an individual who has met all Iowa FMNP conditions as outlined by the department and who is guaranteed payment on all vouchers accepted, provided compliance is maintained by that individual regarding all Iowa FMNP rules and procedures as outlined in the vendor certification handbook. Individuals who exclusively sell produce grown by someone else, such as wholesale distributors, cannot be certified to participate in the Iowa FMNP, except individuals employed by a farmer otherwise qualified under these rules.

“Certified vendor identification sign” means department-issued signage that shall be clearly displayed by the certified vendor at all times the vendor accepts or intends to accept vouchers in an authorized farmers’ market/farmstand. Signs shall remain the sole property of the department with forfeiture by the certified vendor to the department in the event of disqualification or suspension.

“Certified vendor number” means a unique identification number issued for a designated period by the department and assigned to an individual whom the department has identified as a certified vendor. The certified vendor number shall be affixed to the certified vendor identification sign. An individual shall be assigned no more than one certification number for any designated period.

“Certified vendor stall” means all of the area in an authorized farmers’ market that is dedicated to a certified vendor for the purpose of displaying and offering product for sale. Certified vendors are permitted only one certified vendor stall per market. The only exceptions shall be:

1. If the certified vendor elects not to promote any of the area as Iowa FMNP for an entire farmers’ market day; or
2. If the certified vendor elects to exclude a portion of the space by maintaining a distance of separation from the certified vendor stall by a minimum of two farmers’ market vendors who are neither affiliated with nor related to the certified vendor and who are actively participating in the farmers’ market on the given day. An excluded area shall be operated independently of the certified vendor stall.

These exceptions shall hold only when the vendor neither accepts nor intends to accept vouchers.

“Certified vendor stamp” means a department-issued stamp of the certified vendor number.

“Days” means calendar days.

“Designated distribution site” means a site authorized by the department for distribution of vouchers by the local agency.

“Distribution” means the process outlined by the department and the means by which local agencies actually dispense vouchers to eligible recipients.

“Eligible foods” means fresh, nutritious, unprepared, locally grown fruits, vegetables and herbs for human consumption. Eligible foods may not be processed or prepared beyond their natural state except for usual harvesting and cleaning processes. Locally produced, unpasteurized, pure honey is an eligible food only for the recipients of SFMNP benefits.

“Farmers’ market” means a cooperative or nonprofit enterprise or association that consistently occupies a given site throughout the season, which operates principally as a common marketplace for a group of farmers to sell locally grown fresh produce directly to consumers, and where the majority of products sold are produced by the participating farmers with the sole intent and purpose of generating a portion of household income.

“Farmstand” means a consistent site throughout the season, in which a single individual farmer sells the farmer’s produce directly to consumers.

“Fresh produce” means fruits and vegetables that have not been processed in any manner. This term does not include such items as dried fruits and vegetables, potted or dried herbs, wild rice, nuts of any kind including raw nuts, popcorn, fruit or vegetable plants/seedlings, dried beans/peas, seeds/grains, flowers, maple syrup, cider, eggs, meat, cheese, and seafood.

“*Iowa FMNP*” means Iowa farmers’ market nutrition program and refers to both WIC FMNP and SFMNP.

“*Local agency*” means a nonprofit entity that certifies eligible recipients, issues Iowa FMNP vouchers, arranges for the distribution of eligible foods through CSA programs, or provides nutritional education or information on operational aspects of the Iowa FMNP to recipients and that has entered into a contract with the department.

“*Locally grown*” means produce or honey that has a traceable point of origin either within Iowa or in a neighboring state in a county adjacent to Iowa’s border.

“*Posted hours and days*” means the operational time frames in which Iowa FMNP vouchers are accepted stated in applications for authorization submitted by a representative, who has the legal authority to obligate the farmers’ market/farmstand/CSA, which include a beginning and an ending time and date for each year of operation.

“*Proxy*” means an individual authorized by an eligible recipient to act on the recipient’s behalf, including application for, receipt of, or use of vouchers or acceptance of SFMNP foods provided through a CSA program as long as the benefits are ultimately received by the recipient. Minors shall not be used as proxies.

“*Recipient*” means a person chosen by the Iowa department of agriculture and land stewardship to receive Iowa FMNP benefits.

1. To receive WIC FMNP benefits, such person must be a woman, infant over four months of age, or child who receives benefits under the WIC program or is on the waiting list to receive benefits under the WIC program.

2. To receive SFMNP benefits, such person must meet the senior eligibility criteria of the SFMNP in Part 249.6 of Subpart C of Title 7 Code of Federal Regulations as of May 26, 2005.

“*Season*” means a clearly delineated period of time during a given year that has a beginning date and ending date, as specified by the department, which correlates with a major portion of the harvest period for locally grown fresh produce.

“*Secretary*” means the secretary of agriculture for the state of Iowa.

“*Service area*” means the geographic area that encompasses all of the designated distribution sites and authorized farmers’ markets, farmstands, and CSAs within Iowa for a designated period.

“*SFMNP*” means the senior farmers’ market nutrition program.

“*Shareholder*” means an SFMNP recipient for whom a full or partial share in a community supported agriculture program has been purchased by the department, and who receives SFMNP benefits in the form of actual eligible foods rather than vouchers that must be exchanged for eligible foods at farmers’ markets or farmstands.

“*USDA-FNS*” means the United States Department of Agriculture-Food and Nutrition Service.

“*Vendor certification handbook*” means a publication by the department that is based on USDA-FNS regulations and guidelines, addresses all Iowa FMNP rules and procedures applicable to a certified vendor, and provides the basis for vendor training. A copy of the publication shall be issued to each individual after certification training. New editions supersede all previous editions.

“*Voucher*” means an instrument issued by the department to recipients that is redeemable only for eligible foods from certified vendors at authorized farmers’ markets/farmstands with a limited redeemable period that directly correlates to the season designated by the department.

“*WIC*” means the Special Supplemental Food Program for Women, Infants and Children, as administered by the Iowa department of health and human services.

“*WIC FMNP*” means the women, infants, and children farmers’ market nutrition program.

21—50.4(159,175B) Administration and agreements.

50.4(1) The program shall be administered by the secretary or by the secretary’s designee.

50.4(2) The department shall maintain all conditions as outlined in the farmers’ market nutrition program/senior farmers’ market nutrition program state plan submitted to USDA-FNS.

21—50.5(159,175B) Distribution of benefits.

50.5(1) Iowa department of health and human services WIC client screening processes and records shall provide the basis for identifying recipients eligible for receipt of WIC FMNP vouchers. The department may contract with local agencies to certify eligible recipients and distribute SFMNP vouchers. Senior recipient eligibility criteria shall conform to Part 249.6 of Subpart C of Title 7 Code of Federal Regulations as of May 26, 2005.

50.5(2) Local agencies shall distribute vouchers to recipients in the manner specified by the department in the procedures guide. Local agency services shall include, but not be limited to, ensuring that:

- a.* Each recipient is issued vouchers during each distribution as authorized by the department.
- b.* The voucher serial numbers issued to the recipient correspond to the numbers in the distribution registry.
- c.* A proxy is allowed to act on behalf of a recipient.
- d.* Each recipient is provided a thorough explanation of program guidelines and recipient responsibility as outlined by the department.
- e.* All Iowa FMNP support materials are put into use as outlined by the department.
- f.* Accurate and complete records of all related Iowa FMNP activities in the possession of a local agency are maintained and retained for a minimum of three years following the date of submission of the final expenditure report for the period to which the report pertains. In the event of litigation or audit findings, the records shall be retained until all issues arising from such actions have been resolved or until the end of the prescribed retention period, whichever is later.
- g.* All agency records pertaining to this program are made available for inspection to representatives of USDA, the Comptroller General of the United States, the state auditor, the department, and other agencies working under contract with the department as necessary, at any time during normal business hours, and as frequently as is deemed necessary for inspection and audit. Otherwise, confidentiality of personal information on all recipients participating in the program shall be maintained at all times.

21—50.6(159,175B) Recipient responsibilities. Recipients shall be responsible for, but not limited to, all of the following:

1. Qualifying under Iowa FMNP guidelines.
2. Ensuring that the certified vendor is present when exchanging vouchers for eligible foods and surrendering voucher(s) to the certified vendor at the time of use.
3. Using vouchers only to purchase eligible foods from certified vendors who display certified vendor identification signs at authorized farmers' markets/farmstands.
4. Redeeming vouchers on or before the expiration date printed on the face of the voucher, or surrendering all claim to the value of vouchers that remain unredeemed.
5. Ensuring vouchers received are not assigned to any other party other than to a proxy.
6. Reporting violations or problems to the department or the local agency.
7. Reporting all incidents of lost or stolen vouchers to the local agency.

21—50.7(159,175B) Recipient noncompliance sanctions. Sanctions for violations of Iowa FMNP procedures and rules applicable to an Iowa FMNP recipient are based on the severity and nature of the violations observed and the recipient's history of violations.

50.7(1) A warning may be the sanction for minor violations such as, but not limited to:

- a.* Failing to ensure the certified vendor is present when exchanging vouchers for eligible foods.
- b.* Purchasing eligible foods from noncertified vendors.
- c.* Purchasing eligible foods from certified vendors not displaying a certified vendor identification sign or not at an authorized farmers' market/farmstand/CSA.

50.7(2) A disqualification may be the sanction for severe or repeated violations such as, but not limited to:

- a.* Exchanging Iowa FMNP vouchers for anything other than eligible foods.
- b.* Redeeming or attempting to redeem Iowa FMNP vouchers to receive payment.

- c. Dual participation resulting from intentional misrepresentation.

21—50.8(159,175B) Farmers’ market, farmstand, and community supported agriculture (CSA) authorization.

50.8(1) Authorized farmers’ markets shall:

a. Annually submit an application for farmers’ market authorization in a manner outlined by the department. The application shall be submitted by a representative with the legal authority to obligate the farmers’ market and serve as evidence of willingness by a person(s) associated with the farmers’ market to implement all Iowa FMNP requirements.

b. Have a minimum of three eligible certified vendors or certified vendor applicants participate in the farmers’ market for the majority of weeks of the season. The names of these three vendors shall be included in the application for authorization.

c. Maintain posted hours and days of operation to be maintained throughout the season, specifically detailed to cover any anticipated fluctuations in operations over the season.

d. Actively operate for at least two hours on the same day, on at least a biweekly basis, for at least nine consecutive weeks, except that pop-up farmers’ markets managed by or with the support of an authorized farmers’ market may operate less frequently and for less than two hours. For example, an authorized market operates at the county fair for a single day. An application for authorization must be submitted by the pop-up market and must demonstrate shared management with, or a letter of support from, the primary authorized farmer’s market.

e. Maintain accessibility and consistency of the farmers’ market site throughout the season.

f. Notify the department if the farmers’ market changes the posted hours and days of operation prior to the end of the authorization period.

50.8(2) Authorized farmstands shall:

a. Annually submit an application for farmstand authorization in a manner outlined by the department. The application shall be submitted by a representative with the legal authority to obligate the farmstand and serve as evidence of willingness by a person(s) associated with the farmstand to implement all Iowa FMNP requirements.

b. Be operated by a certified vendor. The certified vendor may submit an application for farmstand authorization concurrently with a certified vendor application.

c. Maintain posted hours and days of operation to be maintained throughout the season, specifically detailed to cover any anticipated fluctuations in operations over the season.

d. Actively operate for at least two hours on the same day, on at least a biweekly basis, for at least nine consecutive weeks, except that authorized farmstands may operate for less than nine consecutive weeks if their eligible food crops have a limited growing season.

e. Maintain accessibility and consistency of the farmstand site throughout the season.

f. Be staffed during posted hours and days of operation.

g. Notify the department if the farmstand changes the posted hours and days of operation prior to the end of the authorization period.

h. Qualify as a permanent farmstand or a moveable farmstand.

(1) A permanent farmstand shall be operated from a permanent building that is primarily used for the sale of eligible foods or other farm products, is not moveable, and remains in the same location year-round. The building shall have at least a roof, sidewalls, and a solid floor to protect product and people. Wood post frame, stud frame, rigid-frame metal, and concrete block construction are suitable farmstand construction. The building must be maintained in a manner consistent with standards generally accepted for this type of business.

(2) A farmstand that does not meet the structural requirements of a permanent farmstand or a certified vendor stall not located at an authorized farmers’ market may be considered a moveable farmstand. If three or more applications for moveable farmstands located at a nonauthorized farmers’ market are received by the department, the applicants may be required to meet the authorization requirements of a farmers’ market. A moveable farmstand shall not operate concurrently with the posted hours and days of any authorized farmers’ market within five miles unless the farmstand is

located at the certified vendor's residence or primary grow site or has operated from a structure at the same location for a minimum of five consecutive years.

50.8(3) The department may limit the number of CSAs that may become authorized under Iowa FMNP. CSAs will not be authorized for WIC FMNP. An authorized CSA shall:

a. Annually submit an application for CSA authorization in a manner outlined by the department. The application shall be submitted by a representative with the legal authority to obligate the CSA and serve as evidence of willingness by a person(s) associated with the CSA to implement all Iowa FMNP requirements.

b. Be operated by a certified vendor. The certified vendor may submit an application for CSA authorization concurrently with a certified vendor application.

c. Have a designated distribution site where eligible foods are distributed to senior participants.

d. Provide such information as the department may require for its periodic reports to USDA-FNS.

e. Ensure that SFMNP recipients receive only eligible foods.

f. Provide eligible foods to SFMNP shareholders at or below the price charged to other customers.

g. Ensure that the shareholders receive eligible foods that are of equitable value and quantity to their share.

h. Ensure that all funds from the department are used for planting of crops for SFMNP shareholders.

i. Provide to the department access to a tracking system that determines the value of the eligible foods provided and the remaining value owed to each SFMNP shareholder.

j. Ensure that SFMNP shareholders/authorized representatives provide written acknowledgment of receipt of eligible foods.

k. Accept training on SFMNP procedures and provide training to farmers and any employees with SFMNP responsibilities for such procedures.

l. Agree to be monitored for compliance with SFMNP requirements, including both overt and covert monitoring.

m. Be accountable for actions of farmers or employees in the provision of eligible foods and related activities.

n. Offer SFMNP shareholders the same courtesies as other customers.

o. Notify the department immediately when the CSA program is experiencing a problem with its crops and may be unable to provide SFMNP shareholders with the complete amount of eligible foods agreed upon between the CSA and the department.

p. Comply with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and Department of Agriculture regulations on nondiscrimination contained in Parts 15, 15a and 15b and FNS instructions as outlined in Part 249.7 of Title 7 Code of Federal Regulations, as of May 26, 2005.

q. Notify the department if any CSA program ceases operation prior to the end of the authorization period.

21—50.9(159,175B) Vendor certification and eligibility.

50.9(1) The department does not limit the number of vendors who may become certified under Iowa FMNP.

50.9(2) The department issues a single certified vendor number for each separate and distinct agricultural operation.

50.9(3) To be eligible to apply for certification, a vendor must:

a. Reside and grow eligible foods within Iowa or in a neighboring state in a county adjacent to Iowa's border.

b. Be at least 18 years of age or older.

c. Participate in training on Iowa FMNP rules and procedures conducted by department staff in a manner and frequency specified by the department.

d. Submit a vendor/department agreement signed by a representative with legal authority to obligate the vendor or agricultural operation. Agreements may not exceed three years.

- e. Indicate an intent to participate in one or more authorized farmers' markets/farmstands.

21—50.10(159,175B) Certified vendor obligations. A certified vendor shall be responsible for, at a minimum, all of the following:

50.10(1) Beginning each market day with at least 20 percent of all products for sale or display in a certified vendor stall as eligible foods, having personally grown a majority of the eligible foods for sale or display.

a. When eligible foods are purchased for resale from another producer or wholesaler, the certified vendor must maintain valid receipts containing the following information: the name, address and telephone number of the producer/wholesaler; date of purchase; location of the growing site; and quantity purchased, itemized by product type. These receipts must be maintained for at least two years from the date of purchase and presented to the department upon request.

b. When nonlocally grown fresh unprepared produce or honey is for sale or display, the certified vendor must display prominent signage declaring the state the product was grown and the statement "not eligible for WIC and Senior FMNP".

50.10(2) Accepting and redeeming vouchers only for a transaction that takes place between the certified vendor and recipient or proxy at the location, hours, and days of an authorized farmers' market/farmstand/CSA, only in exchange for eligible foods.

50.10(3) Not transacting vouchers with the vendor's own business, family, employees, or other individuals reasonably connected with the agricultural operation.

50.10(4) Not redeeming vouchers on behalf of another vendor.

50.10(5) Prominently displaying a certified vendor identification sign only at the location, hours, and days of an authorized farmers' market/farmstand. The certified vendor identification sign must be removed or covered when the eligible foods are sold out or when the vendor is not conducting Iowa FMNP transactions.

50.10(6) Providing eligible foods to recipients upon receipt of a valid and properly completed voucher. Vouchers that are properly presented must be accepted by certified vendors participating in the Iowa FMNP.

50.10(7) Taking possession of vouchers accepted as payment for eligible foods.

50.10(8) Accepting a voucher as payment for eligible foods only if the voucher is presented on or before the usage expiration date printed on the voucher.

50.10(9) Handling transactions with recipients in the same manner as transactions with all other customers to ensure that Iowa FMNP clients are not exposed to discriminatory practices in any form.

50.10(10) Not collecting state or local taxes on purchases involving vouchers.

50.10(11) Providing eligible foods to recipients at the current price or less than the current price charged to other customers.

50.10(12) Not levying a surcharge based on the use of vouchers by recipients.

50.10(13) Not returning cash or issuing credit in any form to recipients during sales transactions that involve vouchers only. In the event of a single transaction in which a recipient presents a combination of cash and vouchers for the purchase of locally grown fresh produce, cash or credit up to the value of the cash portion of the payment may be given to the recipient. Credits or refunds may not be issued on returned eligible foods that were purchased with vouchers.

50.10(14) Participating in training as the department deems necessary to carry out the intent of Iowa FMNP.

50.10(15) Cooperating with the department in the evaluation of each season by completely and accurately responding to a survey, with resubmission to the department in a specified and timely manner.

50.10(16) Immediately informing the department in the event of loss, destruction, or theft of the certified vendor identification sign so that a replacement may be issued.

50.10(17) Complying with all procedures and rules as herein outlined and as delineated in the department vendor agreement, the certified vendor handbook, and written notices of clarification issued by the department to the vendor.

50.10(18) Complying with the requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, United States Department of Agriculture regulations on nondiscrimination contained in Parts 15, 15a and 15b and FNS instructions as outlined in 248.7 and 249.7 of the Title 7 Code of Federal Regulations as of May 26, 2005.

50.10(19) Agreeing to be monitored at farmers' markets/farmstands and growing sites for compliance with Iowa FMNP requirements, including both overt and covert monitoring, and providing directions to growing sites upon request of department staff.

50.10(20) Not seeking restitution from Iowa FMNP recipients for vouchers not paid by the department.

50.10(21) Paying the department for any vouchers transacted in violation of the Iowa FMNP regulations.

50.10(22) Ensuring that all other persons who act on behalf of the certified vendor at a farmers' market/farmstand/CSA act solely on behalf of the certified vendor and understand and adhere to the procedures and regulations of the Iowa FMNP.

21—50.11(159,175B) Certified vendor noncompliance sanctions.

50.11(1) A warning may be the sanction for minor violations such as, but not limited to:

a. Failing to appropriately display the certified vendor sign with the current year certification sticker.

b. Conducting Iowa FMNP transactions at locations not authorized by the department or at times other than the posted hours and days for an authorized location.

c. Conducting Iowa FMNP transactions with an expired certification.

50.11(2) A disqualification may be the sanction for severe or repeated violations such as, but not limited to:

a. Failing to accept vouchers as payment only for eligible foods.

b. Redeeming vouchers on behalf of another vendor.

c. Returning cash or issuing credit in any form to recipients during sales transactions that involve vouchers only.

50.11(3) The department will issue certified vendors a written notice for all sanctions. A sanction from the department shall be pending for 15 days following receipt of the written notice by the certified vendor. The certified vendor shall be granted the pending period for presenting a written response or rebuttal. The department may reverse or modify a sanction based upon the written response submitted by the certified vendor. If a disqualification is upheld upon completion of the pending period, the department shall notify the certified vendor of the disqualification period including an effective date and, if applicable, an end date. A disqualification period may be in effect for at least the remainder of the current year or may be permanent.

50.11(4) Disqualified vendors shall refrain from participating in Iowa FMNP.

50.11(5) Violations involving the use of multiple vouchers in a single sales transaction shall be considered as a single violation. Violations involving multiple sales transactions, regardless of time elapsed, shall be considered multiple violations at a standard of one violation per sales transaction.

50.11(6) The department shall have the right to reimbursement from the vendor of an amount equal in value to vouchers redeemed after the official date of the disqualification notification. The disqualified vendor may be required to return the certified vendor identification sign(s) to the department within 15 days of receipt of the disqualification notice. At the conclusion of a disqualification period, the vendor must reapply for and receive certification in order to resume participation in Iowa FMNP.

50.11(7) Probationary status. Any vendor successfully recertified following disqualification will be on probationary status for one full Iowa FMNP season. Recurrence of a substantiated disqualification violation during the probationary period and for which the certified vendor has been cited shall be sufficient grounds for immediate and automatic disqualification.

21—50.12(159,175B) Appeal. A certified vendor who wishes to appeal a sanction made by the department that resulted in a suspension or disqualification may make a written request for administrative appeal to the department’s Iowa FMNP director. This appeal must be made within 15 days of receipt of sanction notification by the certified vendor. The provisions of 21—Chapter 2 shall be applicable to an appeal except as otherwise provided in this chapter. The farmer/farmers’ market/CSA program has the right to appeal a denial of an application to participate. Expiration of a contract or agreement shall not be subject to appeal.

21—50.13(159,175B) Deadlines.

50.13(1) *Submission of vendor application.* All applications shall be submitted no later than one month preceding the last date on which vouchers may be used by recipients at an authorized farmers’ market/farmstand/CSA.

50.13(2) *Recipient voucher usage expiration.* Vouchers shall be valid for recipient use from the season starting date through the ending date as designated by the department. Such date shall be clearly printed on the voucher face. Vouchers shall be null and void after the expiration date.

50.13(3) *Certified vendor voucher reimbursement.* All vouchers accepted by a certified vendor shall be redeemed on or before 15 days following the date of expiration for voucher usage by recipients. Such date shall be clearly printed on the voucher. Any claim to voucher payment beyond the voucher reimbursement expiration date is not valid and shall be denied.

50.13(4) *Submissions by local agency.* Deadlines for submission of records, reports, survey instruments and undistributed vouchers by local agencies shall be established by the department and specified in the agreement entered into with the local agency.

50.13(5) *Operations plans and reports to USDA-FNS.* The department shall develop and submit plans and reports in a manner prescribed by USDA-FNS.

These rules are intended to implement Iowa Code chapters 159 and 175B.