

Running a successful farm business requires certain licenses and permits which may take time to understand, apply for and receive. The licenses and permits highlighted below are meant to help guide farmers in the requirements for running a farm business.

This fact sheet includes information on:

- Master Business License;
- Specialty Licenses;
- Pesticide Applicator License;
- Cash Buyer's, Produce Dealer's License, and Commission Merchant's License;
- US Department of Transportation Intrastate Number;
- Commercial Driver's License Exemption; and
- Food Handler Permit.

In addition to the list above, WSDA offers Specific Agricultural Product Licenses and Food Processor Licenses. These are covered in the "Regulations for Specific Products" section of this handbook.

Master Business License

A **Master Business License** is available from the Washington State Department of Licensing (DOL) and required for any business that gross more than \$12,000 annually. If your farm requires a **Specialty License**, then you will need a Master Business License in order to get the Specialty License. You can register for both at the same time or add a Specialty License later.

A Master Business License has a one-time \$15.00 fee. It costs \$5.00 to register a trade name. While a trade name is optional, it may save time down the road, if you register one from the start of your business.

By getting Master Business License, you will be sent a Washington State Unified Business Identifier (UBI) Number or Tax Registration Number. The UBI offers some advantages such as enabling you to open a business bank account.

Before getting your business license you will need to decide your **ownership structure**. The definitions of ownership structures are available online: www.dol.wa.gov/business.

Prior to completing the application, it is helpful to know if you will have **employees**. An employee is generally someone for whom an employer determines their work schedule, hours, and job responsibilities. They usually receive a federal W-2 form (employee wages) from the employer and have federal income tax, social security contributions, and workers' compensation withheld from their paycheck.

Specialty Licenses

Specialty Licenses are required by law if you meet any of the below criteria:

- sell by weight and use scales;
- sell eggs off-farm;
- sell more than \$100 of nursery products (excluding cut flowers);
- sell taxable items (such as cut flowers); or
- sell alcohol.

In addition, a Specialty License is required if you are a bulk fertilizer distributor, seed dealer, or a pesticide dealer.

Specialty Licenses are renewable annually and have different fees. The DOL has a custom business licensing guide online that can help you navigate what you need. You can register and pay online or at office locations around the

state. Some municipalities have additional licensing requirements and are listed online. For more information, please go to: www.dol.wa.gov/business, or email mls@dol.wa.gov, or call (360) 664-1400.

Example: If you want to sell eggs to a restaurant, apply for your Master Business License (if you don't have it already), pay for it and your specialty license for egg handler/dealer, then WSDA will come out and inspect your operation, approve it, and your licensing will become complete and you are ready to do business.

Pesticide Applicator License

The Washington State Department of Agriculture requires an annual Pesticide Applicators License for people who apply or supervise the application of a restricted use pesticide on land owned or rented by the person or their employer for the purpose of producing an agricultural commodity. The license currently ranges from \$33.00 to \$215.00 per year depending upon application type.

Classes and tests are required for each license, and are available throughout the state. Many of these are available in Spanish. For more information, please go to: <http://agr.wa.gov/PestFert/LicensingEd>, email license@agr.wa.gov, or call (877) 301-4555.

Cash Buyer's, Produce Dealer's, and Commission Merchant's License

Any person who purchases agricultural products for re-sale must be licensed by the Washington State Department of Agriculture Commission Merchants Program annually as a commission merchant, dealer, or cash buyer. This may also require a bond. Washington's Commission Merchants Program was established to protect producers, buyers, and sellers of agricultural products against illegal business practices.

A **Cash Buyer's License** is required for anyone who 1) buys produce for the purpose of reselling, and 2) pays cash at the time of taking possession. A cashier's check, certified check, or bank draft may be used in lieu of cash, but no personal or business checks may be used. A Cash Buyer may not deal in livestock, hay, grain, or straw. A Cash Buyer's License costs \$125 per year.

A **Produce Dealer's License** is similar to a Cash Buyer's License. It is required for anyone who 1) buys produce for the purpose of reselling, and 2) pays the grower by personal check or buys on credit. A Produce Dealer's License is \$560 and the licensee must be bonded for \$10,000. To view a list of licensed produce dealers go to: <http://agr.wa.gov/Inspection/CommissionMerchants/docs/rptProduce.pdf>.

A **Commission Merchant's License** is required for anyone who 1) buys produce for the purpose of reselling, and 2) is being paid a sales commission by the producer. Any one who receives any agricultural product on consignment for sale or processing needs this license. A Commission Merchant's License costs \$560 and the licensee must be bonded for an amount based upon the annual gross dollar amount of purchases.

For more information, please visit the WSDA Commission Merchants Program at <http://agr.wa.gov/Inspection/CommissionMerchants> or contact them by emailing commerch@agr.wa.gov or calling (360) 902-1822.

US Department of Transportation Intrastate Number

In Washington State commercial vehicles owned and operated by farmers must have a Department of Transportation intrastate number from USDOT if they are:

- more than 10,000 pounds Gross Vehicle Weight and one of the types of vehicles described by DOL at www.dol.wa.gov/vehicleregistration/intrastatedot.html **AND**
- used to transport your own orchard, farm, or dairy products, livestock, or plant or animal waste within Washington State.

To get a USDOT number, you must go to the United States Department of Transportation. There is an online registration and compliance assistant program that will help you register by asking questions about the size of vehicles you operate and if you will be carrying passengers at www.fmcsa.dot.gov/registration-licensing/gettingstarted/guide0.10.htm.

The USDOT Intrastate number is free and the vehicles are exempt from safety audits and compliance reviews.

Complete information about Washington State DOT licensing requirements can be found at www.dol.wa.gov/vehicleregistration/intrastatedot.html, or call (360) 753-0337.

Commercial Driver's License Exemption

By law, farmers transporting farm equipment, supplies, or products to or from a farm, in a farm vehicle, are not required to have a commercial driver's license if the vehicle is:

- operated by the farmer or a farm employee;
- not used in the operation of a common or contract motor carrier; and
- used within 150 miles of the farm (in an air-mile radius).

In this case, farm products include Christmas trees or wood products transported by vehicles weighing no more than 40,000 pounds licensed gross vehicle weight. This weight restriction applies only to Christmas trees and wood products.

If farmers meet all requirements for this commercial driver's license exemption, they may operate farm-exempt vehicles and cross into Idaho and Oregon.

Food Handler Permit

Washington State requires that all food workers have food safety training before handling food served to the public. A food worker is anyone who serves food commercially to the public. Food workers who attend a food safety training class and pass the State of Washington exam on food safety basics are issued a Food Worker Card (also called a Food Handler Permit).

Your first Food Worker Card is valid for two years and costs \$10.00. Before the card expires, you must take the food safety training class and pass the exam again. Renewal cards after that are valid for three or five years.

Find a local health department office near you or for a copy of the study guide available in six languages and Braille, please go to: www.doh.wa.gov/ehp/food/localcontacts.html, or call: (888) 586-9427.

Recommended Fact Sheets: Food Processing, Labor, and section on Regulations for Specific Products

For further assistance or to make suggestions on how to improve this fact sheet, please email smallfarms@agr.wa.gov or call (360) 902-2057 or (360) 676-2059.