

Washington State law requires certain licenses and permits for farm and food businesses, depending on the type of farm or food business you operate, what products you sell, where and how you sell your products, and possibly even production methods (e.g., pesticide application). The licenses and permits highlighted below are meant to help guide farmers in the requirements for running a farm business. This fact sheet is not intended to provide legal advice. Please contact specific agencies as well as other jurisdictions (county and city) to verify what you need.

This fact sheet includes information on:

- Washington State Business License.
- Specialty licenses.
- Pesticide Applicator License.
- Cash Buyer's, Produce Dealer's License, and Commission Merchant License.
- U.S. Department of Transportation intrastate number.
- Commercial Driver License Exemption.
- Weights and Measures.
- Food Safety licenses and permits.

The licensing requirements for any one business will vary depending on the products and activities of that business. Licenses and permits that are commonly required across most farm businesses are included here. Licensing requirements by farm product are addressed in the "Regulations for Specific Products" section of this *Handbook for Small and Direct Marketing Farms*.

Washington State Business License

A Washington Business License is required for any business that grosses more than \$12,000 annually. It is also required for any business that needs a specialty license to operate, even if that business grosses less than \$12,000 per year.

This State Business License (sometimes called the "Master Business License") is the basic license for doing business in Washington State. By getting a State

Business License, you will be assigned a Washington State Unified Business Number or UBI.

The Washington State Business License application is used to do many business functions, including applying for specialty licenses (known as "endorsements"), obtaining a county or city business license, registering a trade name, hiring an employee, or changing a business location. Applying for a State Business License establishes your accounts with multiple Washington State agencies, including the departments of Revenue, Employment Security, and Labor & Industries.

The Business license application is available from the Washington State Department of Revenue (DOR) Business Licensing Service. The Business Licensing Service "Business Licensing Wizard" can customize the licensing information for your business. Find it at the DOR website, or call 800-451-7985, or email BLS@dor.wa.gov.

Ownership structure

To get your business license, you will need to clarify your ownership structure. The definitions of business ownership structures are found by searching for "Ownership Structure" at bls.dor.wa.gov. If the business will be a Limited Liability Company (LLC), partnership, or corporation, you will need to register at the Secretary of State's Office website, sos.wa.gov, before filling out the Washington Business License. The cost of this registration is \$180 for a paper application and \$200 for an online application.

Employees

Prior to completing the business license application, it is helpful to know if you will have employees within 90 days of start-up, because this must be designated on your application in order to register for optional workers' compensation coverage for employees, or for business owners.

See the "Labor on the Farm" and "Insurance" fact sheets for more information.

Fees

The Washington Business License application fee is \$19. However, it costs an additional \$19 each time you change your Business License in any way, including adding a specialty license, hiring employees after you've completed your license, or registering a trade name after you've completed your license. Trade names (e.g., Market Gardens doing business as Edible Gardens) are optional, and it costs an additional \$5 to register each trade name.

Specialty Licenses

Specialty licenses are added on to your Business License, and are administered through the Washington State Business Licensing Service. Specialty Licenses are required by law. Some of the most frequently encountered specialty licenses are for farm businesses selling:

- By weight and using scales.
- Eggs off the farm.
- More than \$100 of nursery products per year (excluding cut flowers).
- Taxable items (such as cut flowers).
- Alcohol.
- Seeds grown by farms other than your own.
- And distributing bulk fertilizer.
- Pesticides.

If you already have a Washington Business License and you need to add a specialty license, you will need to go through the application process again.

Find the complete list of specialty licenses and fees by searching on the Business and Licensing Service webpage, bls.dor.wa.gov. Specialty licenses use the same Business License form. If you already have a Business License you will use the form to add the specialty license to your existing Business License.

The fees depend up which specialty license you need. For example, if you want to sell eggs to a restaurant, you will need to apply and pay online for your Business License (if you don't have it already) and your specialty Egg Handler/Dealer License. Once you have these licenses, then the WSDA will inspect your operation. When approved, your licensing becomes complete and you are ready to do business.

Specialty licenses are renewable annually. Keep track of your renewal dates to ensure your licenses are current and to avoid extra fees.

Pesticide Applicator License

The Pesticide Management Division of the WSDA is responsible for ensuring that pesticides are used safely and legally. The Pesticide Management Division's Licensing Section is responsible for providing initial licensing and recertification for pesticide applicators, dealers, consultants, and structural pest inspectors (SPI's).

WSDA requires an annual Pesticide Applicators License for people if they apply or supervise the application of, a restricted use pesticide:

- On land that they own or rent.
- For their employer to produce an agricultural commodity.

The license fees currently range from \$33 to \$215 per year, depending on application type. Classes and tests are required for each license and are available throughout the state. Many of these classes are available in Spanish. Find more information at WSDA's website, agr.wa.gov, by searching for "Pesticide Classes," or contact license@agr.wa.gov, 877-301-4555.

Cash Buyer, Produce Dealer, and Commission Merchant License

One of these three licenses may be required to buy agricultural products directly from growers and resell them. These licenses are intended to ensure growers are paid for the products they sell. The WSDA Agricultural Investigations Program has the authority to ensure compliance of these regulations. Buyers can be fined for acting as a cash buyer or produce dealer without a license. These licenses apply to buying and reselling produce, tree fruit, livestock, hay and straw, hops, seeds, and other agricultural products, including honey. These licenses are not required to buy wine grapes, dairy products, grains, and legumes.

Fruit stands carry these licenses and farmers market vendors who purchase produce from growers for resale at the market are also required to have a license.

The way a buyer pays the grower for product determines which license is needed.

Cash Buyer License

A Cash Buyer License is required for anyone who buys any amount of produce, tree fruit, hops, seeds, and other agricultural products, including honey, for reselling and pays cash at the time of taking possession. A cashier's check, certified check, or bank draft may be used instead of cash, but no personal or business checks may be used. A cash buyer may not deal in livestock, hay, grain, or straw. Cash Buyer Licenses cost \$135 per year, and no bond is required.

Produce Dealer License

A Produce Dealer License is similar to a Cash Buyer License. It is required for anyone who buys produce, tree fruit, hops, seeds, and other agricultural products, including honey, for reselling, and pays the grower by personal check or buys on credit. A Produce Dealer License is \$605, and the licensee must be bonded for a minimum of \$10,000.

A Commission Merchant License

A Commission Merchant License is required for anyone who buys produce, tree fruit, hops, seeds, and other agricultural products for the purpose of reselling, and is being paid a sales commission by the producer. Anyone who receives any agricultural product on consignment for sale or processing also needs this license. A Commission Merchant License costs \$605, and the licensee must be bonded for a minimum of \$10,000. The maximum bond amount is based on the annual gross dollar amount of purchases.

Limited Dealer and Broker Licenses

There are two additional types of buyer licenses. One is a Limited Dealer License, which is for buyers who pay upon taking possession of the agricultural products, and they are required to be bonded. The second is a Broker License for people who negotiates the purchase or sale of agricultural products without handling the products or any part of the proceeds.

Exemptions

There are four exemptions to the Cash Buyer and Produce Dealer Licenses. They are not needed when:

1. The buyer uses the agricultural products for their own home use.
2. The buyer operates out of a permanent, fixed building that is open year-round, and the product goes directly to the building where it is offered for sale. For example, when a restaurant, an independent grocery store, or school buys directly from the farmer.
3. The buyer is a cooperative. Cooperatives are not required to be licensed to buy directly from growers.
4. The buyer is purchasing wine grapes, dairy products, grains, and legumes.

The list of these licenses and application forms are available online at agr.wa.gov by searching for "Agricultural Investigations." For more information, contact the WSDA Agricultural Investigations Program at 360-902-1857, commerch@agr.wa.gov.

U.S. 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 the vehicle is both:

- 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.
- Used to transport your own orchard, farm, or dairy products, livestock, or plant or animal waste within Washington State.

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

To get a USDOT number for the first time, go to the U.S. Department of Transportation, Federal Motor Carrier Safety Administration at fmcsa.dot.gov, click on "Registration."

For help with online registration, or to receive the form by mail, call 360-596-3810 or 360-753-0353.

Commercial Driver 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 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.
- 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 License exemption, they may operate farm-exempt vehicles and cross into Idaho and Oregon.

Weights and Measures

Any business that uses scales or other weighing or measuring devices to sell products—for example at a farmers market, farm stand, or U-Pick—must register their scales with the Department of Revenue Business Licensing Service as a part of your Washington State Business License. Registration costs vary by size. Small scales up to 400 pounds capacity are \$10.

Scale inspections are conducted by the WSDA Weights and Measures Program. Scales must be accurate and be legal for trade. Scales must be positioned so that customers can observe the weight display. Contact WSDA Weights and Measures Program for details, 360-902-2035, wtsmeasures@agr.wa.gov, or agr.wa.gov.

Food Safety Licenses and Permits

There are a variety of licenses and permits that may be required when handling, preparing, or processing food and edible products. This is an overview. Additional information about these licenses and permits is included throughout this handbook.

Which license is required will depend on your specific business activities. It is very important to contact both the local health department and the WSDA Food Safety Program to determine which permit or license is needed for your specific products and marketing. A list of local health jurisdiction offices is found by searching the Washington Department of Health website, doh.wa.gov. Contact the WSDA Food Safety Program, 360-902-1876, foodsafety@agr.wa.gov, or [search for it at agr.wa.gov](http://agr.wa.gov).

Food Worker Card

All food handlers in Washington State must take the basic food safety training before handling food served 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 (sometimes called Food Handler Permit). The Food Worker Card course and test is available online at foodworkercard.wa.gov. The online test can be taken in several languages, including English and Spanish. A study guide and additional information is available through the Washington State Department of Health's website, doh.wa.gov, by searching "Food Worker Card." A first Food Worker Card is valid for two years and costs \$10. Renewal cards are valid for three or five years.

Retail food permits

Businesses selling food in a retail setting must have a retail food permit from the local health jurisdiction (health department). There are a variety of retail food permits that may be required depending on the business activity, for example making prepared foods to sell at a restaurant, café, food truck or other retail venue, or selling products as a vendor at a farmers market. It is important to contact the local health department directly to determine which permits are required. See the Selling Ready to Eat Foods fact sheet and the "Regulations for Specific Products" Section of this handbook.

Cottage Food Permit

Some businesses making specific low-risk food products for sale directly to the end consumer may be able to do so in an inspected home kitchen with a Cottage Food Permit from WSDA. See the Cottage Food Permit fact sheet.

WSDA Food Processor License

A WSDA Food Processor License is generally required for “handling or processing of any food in any manner of preparation for sale for human consumption.”

Food processing includes canning, freezing, drying, dehydrating, cooking, pressing, powdering, packaging, baking, heating, mixing, grinding, churning, separating, extracting, cutting, fermenting, eviscerating, preserving, jarring, slaughtering, and other forms of food processing. See the “WSDA Food Processor License” fact sheet.



9. Insurance

10. Labor on the Farm

23. WSDA Food Processor License and Facilities

24. Cottage Food Permit

48. Selling Ready-to-Eat Foods