

Texas Department of Agriculture (TDA) representative, Rick Garza, addressed members of the TWGGA Board at their February 2009 meeting in Austin regarding the TDA's Handling and Marketing of Perishable Commodities program (HMPC.) The following is information received by the TWGGA Board. The Association's official recommendation to wineries and growers is to use the following guidelines regarding proper licensure.

1. The law requires that any person/business purchasing perishable commodities on credit must have an HMPC license. The annual cost of the General License is \$340 (\$90 license fee and a \$250 Produce Recovery Fund fee.)
2. Grapes are considered a perishable commodity and are subject to the HMPC law.
3. Wineries that pay for the grapes on delivery or that produce their own grapes are not required to get a license as long as they do not resell the grapes. (see #4 below) Unless specified by a contract, delivery is defined as when the purchaser or their representative takes possession. If a buyer and seller originally agreed to payment for the grapes upon possession, and then agree to change the terms to credit, the purchaser (winery) has a 30-day grace period from date of delivery to get the General License.
4. Wineries would not be subject to the HMPC Cash Dealer License as this license is intended for a person that purchases perishable commodities using cash, with the intent to resell the commodities, i.e., a roadside vendor.
5. The Produce Recovery Fund was established by the Texas Legislature to indemnify those who deal in produce to file a claim against the fund in situations of nonpayment/ unresolved disputes of perishable commodities. A winery would not be eligible to file a claim as a buyer. If the winery were a seller of Texas grapes, the winery would be eligible to file a claim.
6. The Produce Recovery Fund Board members are appointed by the Governor. There is one representative of HMPC licensees on the board.

To download a copy of the HMPC statute, please use the following link. Click on "Laws/Regulations", then click "Statutes" and scroll to Title 5, Chapter 101 of the Texas Agriculture Code. For a copy of the application for the General License, click on "Forms" on the home page of this link:

[http://www.agr.state.tx.us/agr/program\\_render/0,1987,1848\\_5610\\_0\\_0,00.html?channel=5610](http://www.agr.state.tx.us/agr/program_render/0,1987,1848_5610_0_0,00.html?channel=5610)

If you have further questions concerning your individual situation, the TWGGA Board of Directors encourages you to contact Rick Garza, TDA's Coordinator for Commodity Products, at 512-936-2430, or via email at [rick.garza@TexasAgriculture.gov](mailto:rick.garza@TexasAgriculture.gov).