

Date of Hearing: April 19, 2023

ASSEMBLY COMMITTEE ON AGRICULTURE

Robert Rivas, Chair

AB 1232 Connolly – As Amended April 12, 2023

**SUBJECT:** Department of Food and Agriculture: resilient and higher welfare grant program

**SUMMARY:** This bill would establish a resilient and higher welfare grant program (RHWG program), within the Department of Food and Agriculture (CDFA), to support the implementation of higher standards of care and more climate-smart farming practices as specified. Furthermore, require CDFA to establish a competitive grant application program that help producers and processors seeking to improve farm animal welfare. Specifically, *this bill*:

1) Defines the following:

a) “Animal welfare certification” means a value-added certification program offered by an organization or agency that uses independent, on-farm auditors to routinely assess a producer’s compliance with specific farm animal care standards, recognized by the secretary of CDFA as meeting all of the following criteria:

i) Publicly available certification protocol and standards.

ii) Standards that do all of the following:

(1) Exceed conventional industry standards, based on industry guidelines.

(2) Prohibit routine caging, crating, and tethering of animals.

(3) Include, at a minimum, provisions for space allowance, environmental enrichment, and ability to engage in natural behaviors, pain control and physical alterations, animal handling and transport, and responsible antibiotic use where antibiotics are used only for the purpose of treating sick or injured animals or controlling diagnosed outbreaks of disease.

iii) Auditors with no vested or financial interest in audit outcomes who possess a background in animal care science, or have received equivalent training.

iv) A requirement for producers to comply with 100 percent of standards to receive certification.

b) “BIPOC advisory committee” means the Black, Indigenous, and People of Color Farmer Advisory Committee established by CDFA.

c) “Higher welfare” means the result of practices that do all of the following:

i) Exceed conventional industry standards, based on industry guidelines.

ii) Prohibit routine caging, crating, and tethering of animals.

iii) Include, at a minimum, provisions for space allowance, environmental enrichment, ability to engage in natural behaviors, pain control and physical alterations, animal handling and transport, and responsible antibiotic use where antibiotics are used only

- for the purpose of treating sick or injured animals or controlling diagnosed outbreaks of disease
- d) “Limited resource farmer or rancher (LRFR)” has the same definition as in Section 760.107 of Title 7 of the Code of Federal Regulations.
  - e) “Processor” means any small or very small mobile livestock or poultry slaughter operation where state or federal inspection is maintained.
  - f) “Producer” means any person who raises livestock or poultry for meat, eggs, dairy, or fiber, without limit to property ownership or minimum acreage of production.
  - g) “Socially disadvantaged farmer or rancher (SDFR)” has the same meaning as defined in Section 512.
  - h) “Welfare-certified producer” means any producer currently participating in one or more animal welfare certifications.
- 2) Requires CDFA, in coordination with the BIPOC advisory committee, to establish and administer a RHWG program, ensuring the program does both of the following:
- a) Seeks to support the implementation of higher standards of care and more climate-smart farming practices by providing education materials, outreach, and incentives, including grants, to producers and processors seeking to improve farm animal welfare and increase capacity to meet growing demand for higher-welfare and welfare-certified products, to comply with regulatory requirements, to make necessary climate adaptations, or any combination of these things.
  - b) Aligns with the Farmer Equity Act of 2017.
- 3) Requires CDFA to establish an annual competitive grant application process that for producers and processors seeking to improve farm animal welfare to apply to the department for financial assistance.
- a) A person, group of individuals, nonprofit organization, or tribal government entity shall be eligible to submit a grant application under the program as a producer if it meets both of the following conditions:
    - i) The individual or entity leases, rents, or owns land in California regardless of whether the land is publicly owned or privately owned or is tribal land.
    - ii) The individual or entity raises livestock or uses indigenous livestock production practices, or both of these things, is seeking to improve farm animal welfare as specified.
  - b) A person, group of individuals, nonprofit organization, or tribal government entity shall be eligible to submit a grant application under the program as a processor if it processes livestock in California and is seeking to improve farm animal welfare and increase capacity to meet growing demand for higher-welfare and welfare-certified products, to

comply with regulatory requirements, or to make necessary climate adaptations, or any combination of these things.

- c) Requires CDFA to award grants for costs associated with improving farm animal welfare, comply with welfare-based regulatory requirements, meet climate impact needs, achieve or maintain participation in an animal welfare certification program, or any combination of these things. These costs may include any of the following:
    - i) Auditing and certification fees required for animal welfare certification.
    - ii) On-farm improvements required by a producer to meet the standards of an animal welfare certification program or welfare-based regulation, including, but not limited to, all of the following:
      - (1) Infrastructure improvements related to providing animals with access to the outdoors or pastures, as specified.
      - (2) Infrastructure improvements related to providing animals with cage- and crate-free, enriched indoor environments, as specified.
      - (3) Infrastructure improvements related to increasing the capacity of existing welfare-certified producers' operations, as specified.
      - (4) On-farm improvements required to safeguard animal welfare and help animals adapt to increasing climate impacts, as specified.
      - (5) Improvements related to expanding access to higher-welfare processing facilities, including, but not limited to, any of the following:
        - (a) Purchasing or constructing mobile processing facilities.
        - (b) Purchasing equipment to improve animal handling and slaughter, including controlled atmosphere stunning infrastructure and technology.
        - (c) Implementing humane handling and slaughter trainings for workers that are accessible in all relevant and culturally appropriate languages.
      - (6) Labor or consulting costs, or both, associated with a project to improve farm animal welfare.
      - (7) Rent or leasing fees associated with an operation's expansion of outdoor access or transition to pasture-based management.
- 4) Requires CDFA to prioritize grant as follows:
    - a) Project that occur in and benefit vulnerable communities, as specified,
    - b) Grants associated with achieving and maintaining the goals of RHWG program, and then,
    - c) At least 15% of funds in the RHWG program for technical assistance for LRFR and SDFR, as specified.

- 5) Requires CDFA, in coordination with BIPOC advisory committee, to conduct outreach and education, as specified.
- 6) Requires CDFA, by 2029, to release a report on the effectiveness of the RHWG program, as specified.

**EXISTING LAW:**

- 1) Establishes CDFA and charges it with various duties and obligations. *Food and Agriculture code (FAC) 101-105*
- 2) Requires CDFA to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat. *FAC 560 – 570*
- 3) Requires that covered animals be housed in confinement systems that comply with minimum standards for freedom of movement, cage-free design, and minimum floor space, and identifies covered animals to include veal calves, breeding pigs and egg-laying hens. *Health and Safety Code 25990–25994*

**FISCAL EFFECT:** Unknown

**COMMENTS:** On November 6, 2018, California voters approved Proposition 12, the Farm Animal Confinement Initiative, which amended animal welfare laws from Proposition 2 (2008). This law requires that covered animals be housed in confinement systems that comply with specific minimum standards for freedom of movement, cage-free design, and minimum floor space, and identifies covered animals to include veal calves, breeding pigs and egg-laying hens, as specified. The law prohibits a farm owner or operator from knowingly causing any covered animal to be confined in a cruel manner, as specified, and prohibits a business owner or operator from knowingly engaging in the sale within the state of shell eggs, liquid eggs, whole pork meat or whole veal meat, as defined, from covered animals confined in a cruel manner. In September of 2022, CDFA finalizes the regulation around this issue. Proposition 12 did not establish a structure for resources or support for farmers and ranchers required to make on-farm improvements to meet these requirements.

According to the author, consumers are increasingly interested in, and willing to pay more for, animal products from farms using more humane animal husbandry practices. Public institutions, as part of broader food procurement policies like the Good Food Purchasing Program (GFPP), are increasingly sourcing welfare-certified animal products. Fourteen California school districts, including Los Angeles, Oakland, San Diego, and San Francisco- representing over \$145 million in purchasing power- have adopted GFPP and are actively seeking to source from welfare-certified farmers in California. Some California farmers are already tapping into these markets for animal welfare-certified products, but there is a gap in the supply of local, welfare-certified producers to meet growing demand.

This bill prioritizes SDFRs, as well as producers in disadvantaged communities. SDFRs recognize the shifting consumer interest toward higher welfare practices, but frequently lack the resources required to make the on-farm improvements necessary to meet the growing demand. These farmers and ranchers are also the most vulnerable to climate impacts. This bill will help

socially disadvantaged farmers and ranchers continue to serve their communities with additional access to growing markets with demand for higher welfare and welfare-certified products, helping to ensure that as the market shifts, California's most vulnerable producers are not left behind.

Supporters state the urgency with which we need to transition our farm system toward more resilient, sustainable, and humane systems cannot be overstated. The passage of this bill will help California producers adopt necessary on-farm improvements to achieve welfare certifications, making them more competitive in the marketplace, increasing the amount of local, certified products available in California, and helping the state meet its existing goal to support more climate-smart agricultural practices. The establishment of this Program could not come at a more opportune time.

The California Cattlemen's Association (CCA) and the California Farm Bureau (CAFB) expressed concerns that this bill is unlikely to benefit California producers. Development of a state-administered animal welfare grant program risks harming California beef producers, allows grantees to "double dip" in economic incentives, disadvantaging non-participants, and would establish a new climate-smart agriculture program at a time when the state is failing to sufficiently fund existing such programs.

The California Veterinary Medical Association (CVMA) has asked for a clarifying amendment to this bill. CVMA points out that language relating to antibiotic use conflict with FAC 14401-2. This bill does not allow, in its definition of judicious use of antibiotics, preventive use to address an elevated risk of contraction of a particular disease or infection. In 2015, SB 27 (Hill) Chapter 758, statues of 2015, became law and now serves as landmark legislation, used as a model throughout the country on the judicious use of antibiotics. As such, CVAM asks for the following amendment:

*On pages 2 and 3 that states: "physical alterations, animal handling and transport, and responsible antibiotic use as defined in Sections 14401 and 14402 of the Food and Agriculture Code. ~~where antibiotics are used only for the purpose of treating sick or injured animals or controlling diagnosed outbreaks of disease.~~"*

Opponents state they could support the bill if it was amended. "As organizations whose purpose include protecting farmed animals, we are encouraged to see the recognition for the plight of farmed animals that this bill represents. Farmed animals, particularly "factory" farmed animals, which represent 99% of all farm animals raised for food in the United States, face some of the most horrific conditions imaginable. While we ultimately believe a transition away from animal agriculture to farming specialty crops is the most efficient way to end the suffering of farmed animals and positively impact the environment, substantially higher protections than those currently accepted as industry standard are needed in the interim." This bill could help be a guide for the industry to move in a more compassionate direction, but without being a vehicle for the animal agriculture industry to mislead the public on its farming practices and the conditions in which the animals were raised – an advertising practice known as "humanewashing."

Opponents have asked for the following amendments to the bill:

- 1) Include language which ensures "exceeding industry standards", as referenced in the definitions of "animal welfare certification" and "higher welfare", establishes minimum acceptable higher welfare standards for the target species, such as pain control for castration, dehorning, and debeaking. These standards should be meaningful and substantially exceed industry standards.
- 2) Include language which ensures "climate adaptations" prioritize the welfare of the animal rather than subsidize other portions of the operation, such as land modifications that make land suitable for farming that otherwise would not be.
- 3) Include language which prohibits CAFO permit holders, entities or individuals who are seeking a CAFO permit, or "dual producers" from grant eligibility.
- 4) Delete section 542(c) (2) (C).
- 5) Include language that expands grant eligibility to farmers who seek to transition to growing specialty crops or other non-animal agriculture activities.
- 6) Delete the language "integrate drought resistant grasses or transition to pasture-based management" in section 542(c) (3).
- 7) Include language to ensure annual reports require information with regard to how the animals benefited from the program.
- 8) Include a 3-year sunset provision.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

American Society for the Prevention of Cruelty to Animals

A Greener World

Animal Legal Defense Fund

Campaign for Family Farms and the Environment

Center for Good Food Purchasing

Compassion in World Farming

Community Alliance with Family Farmers

Farm Action Fund

Food & Water Watch

Food Animal Concerns Trust

Food Chain Workers Alliance

Friends of the Earth

Heal Food Alliance

Healthcare without Harm  
Humane Society of the United States; the  
Johns Hopkins Center for a Livable Future  
Los Angeles Food Policy Council  
Socially Responsible Agriculture Project  
World Animal Protection

**Oppose Unless Amended**

Humane League; the  
Social Compassion in Legislation

**Other**

California Cattlemen's Association  
California Farm Bureau Federation  
California Veterinary Medical Association

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