

Date of Hearing: April 10, 2024

ASSEMBLY COMMITTEE ON AGRICULTURE
Esmeralda Soria, Chair
AB 2313 (Bennett) – As Introduced February 12, 2024

SUBJECT: Farmer Equity Act of 2017: Regional Farmer Equipment and Cooperative Resources Assistance Pilot Program

SUMMARY: This bill require the California Department of Food and Agriculture (CDFA) in collaboration with certain entities, to establish the Regional Farmer Equipment and Cooperative Resources Assistance Pilot Program (RFECRA Program), as specified. Specifically, *this bill*:

- 1) Establishes the RFECR program within CDFA.
- 2) Requires CDFA to provide technical assistance, including application assistance, and grants in order to support regional farm equipment sharing and enhance cooperative benefits for socially disadvantaged farmers and ranchers (SDFR) and limited resource farmers and ranchers (LRFR).
- 3) Requires that eligible entities for RFECR grants include resource conservation districts, county agricultural commissioners, the University of California Cooperative Extension, tribal entities, small and underserved farmer cooperatives, and nonprofit organizations serving SDFR or LRFR, or both.
- 4) Requires eligible activities of the RFECR program to include, but are not limited to, all of the following:
 - a) Grants to eligible entities to develop and expand equipment sharing including, but not limited to, both of the following:
 - i. The purchase of tools, equipment, and infrastructure to support conservation practices including, but not limited to, soil health practices, water conservation, and wildfire resilience.
 - ii. The purchase of tools, equipment, and infrastructure to enhance regional food and fiber systems and cooperative resources for SDFR and LRFR.
 - b) Grants to eligible entities to provide technical assistance and support, including, but not limited to, any of the following.
 - i. Application assistance.
 - ii. Cooperative development.
 - iii. Training on the use and maintenance of tools, equipment, and infrastructure.
 - iv. Outreach to ensure direct and meaningful benefits to SDFR and LRFR.
- 5) Requires applicant to provide CDFA all of the following information:
 - a) A description of the types of tools, equipment, and infrastructure the applicant will purchase.

- b) A description of the lending program, including safeguards for the long-term benefits of any tools, equipment, or infrastructure purchased, expected benefits of the lending program, and the types of farmers the applicant aims to serve, including specific outreach that will be provided to SDFR and LRFR.
 - c) A description of how the lending program will be maintained after the period of the grant expires.
 - d) Documentation that the lending program's tools, equipment, and infrastructure will be primarily used on farms or ranches that are 500 acres or less.
 - e) The type of technical assistance to be provided during the grant period including, but not limited to, cooperative development, equipment maintenance of tools, and small farm tool demonstrations.
- 6) Requires CDFA, in providing grants pursuant, to do both of the following:
- a) Provide grants to eligible entities that primarily serve SDFR.
 - b) If there are moneys available after providing grants, provide grants to eligible entities that primarily serve LRFR.
- 7) Allows CDFA to expand or amend an existing grant program to meet the requirements of this section.
- 8) Requires funding for RFECR program be made available upon appropriation by the Legislature.
- 9) Defines the following:
- a) "Limited resource farmer or rancher" has the same definition as in Section 760.107 of Title 7 of the Code of Federal Regulations.
 - b) "Socially disadvantaged farmer or rancher" has the same meaning as defined in Section 512 of the Food and Agricultural Code.

EXISTING LAW:

- 1) Establishes the CDFA (*Food and Agricultural Code Sections 101 and 102*).
- 2) Establishes the Farmer Equity Act of 2017, which requires the CDFA to ensure the inclusion of socially disadvantaged farmers and ranchers in the development, adoption, implementation, and enforcement of food and agriculture laws, regulations, and policies and programs, as specified (*Food and Agricultural Code Section 510*).
- 3) Establishes the California Farmland Conservancy Program as a statewide grant program to support local efforts to establish agricultural conservation easements and land improvement projects for the purpose of preserving important agricultural land resources and enhancing sustainable agricultural issues (*Public Resources Code Sections 10200 – 10264*).
- 4) Establishes the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) program, which provides funding through local air districts for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations (*Chapter 249, Statutes of 2017 and Chapter 254, Statutes of 2017*).

FISCAL EFFECT: Unknown.

COMMENTS: California is the largest agriculture producing state in the nation, with over 400 crops. California farms are smaller than the national average. The most recent USDA Agriculture census showed that 65% of the farms in California are under 50 acres. While all farming in California faces numerous issues such as labor, regulations, equipment and land cost, not to mention fire, drought and floods, these issues affect small farms more intensely.

Small-scale, SDFR, LRFR, and beginning farmers and ranchers face significant barriers in accessing infrastructure resources. After land, the purchase of farm equipment and infrastructure is the second largest capital investment and remains difficult to get to for small, underserved and beginning farmers with limited cash flow for major purchases. These small-scale farming operations require a greater variety of costly equipment and some high-capital equipment is only used a few times a year. Cooperatively managed equipment sharing can help address these infrastructure barriers and increase farm viability, while supporting implementation of conservation practices and maximizing efficient use of equipment.

The appeal of cutting equipment investment costs has driven the development of standard equipment sharing organizations around the globe. In Sweden, machine rings (equipment sharing groups) started at the beginning of the 1990s and now number 20 local associations with about 5000 members (about 6% of Swedish farmers) - while Germany has about five times that amount of equipment sharing activity. Canadian farmers in Ontario and Saskatchewan have formed numerous machinery cooperatives. However, the US is comparatively far behind. The reason seems to be largely a cultural one: while equipment-sharing has been proven successful elsewhere, there is a persistent impression that tool sharing is unlikely to work or not worth the hassle.

Equipment sharing programs allow farmers to borrow or lease high-value equipment from regional agricultural centers such as fairgrounds, universities, cooperative extension offices, farmer cooperatives, and resource conservation districts (RCD). These programs aim to alleviate the financial burden for farmers, increase on-farm safety, reduce emissions, incentivize conservation practices, and provide necessary resources to producers. There is evidence of successful state-government-run equipment sharing programs in states like the Southern Maryland Agricultural Development Commission equipment sharing and rental program and several of New Hampshire's County Conservation Districts have equipment rental programs to allow farmers to borrow specialized equipment at a low cost for soil health and nutrient management practices.

This bill hopes to create the RFECR program at CDFA to facilitate a competitive grant program. Eligible groups for the grants include, but not limited to RCDs, UC Cooperative Extension offices, Agricultural Commissioners, Tribal Communities & Governments, as well as appropriate non-profit organizations and farmer cooperatives. According to supporters, this bill will support small farm equipment lending programs across the state by funding both existing and new programs to purchase equipment, infrastructure, maintenance, and training, as well as some personnel costs. Furthermore, this program would support essential training for farmers on new and innovative small-farm equipment, equipment maintenance, as well as cooperative development on how to participate and design farmer cooperatives. This bill makes SDFR and LRFR a priority for the equipment-sharing program and will work to ensure there is technical assistance to aid in the success of those who use the RFECR program.

Supporters state that this bill establishes a program to support equipment sharing for farmers and ranchers that face the highest barriers in accessing the equipment they need to build climate resilience and regional food and fiber systems. This program would provide funds to eligible entities, such as resource conservation districts, County agricultural commissioners, University of California Cooperative Extension offices, tribal entities, farmer cooperatives, and nonprofits to develop and maintain equipment sharing programs for their constituencies. The program would also support technical assistance for maintenance of tools, tool demonstrations, and farmer cooperatives. This bill prioritizes farmers that face the highest barriers - underserved farmers and ranchers, and limited resource farmers. As climate impacts worsen, this bill would provide a critical bridge for farmers who are seeking access to needed equipment for conservation practices, wildfire mitigation, and expanding their economic viability, but currently face financial barriers.

REGISTERED SUPPORT / OPPOSITION:

Support

350 Sacramento Agriculture and Land-based Training Association	Central California Environmental Justice Network
Air's Wild Acres	Chiatri De Laguna Farm
Amador Resource Conservation District	Community Alliance with Family Farmers
American Farmland Trust	Contra Costa Resource Conservation District
Asrys Bridge	Dream Life Farms
Barbell Farm	Esperanza Community Farms
Beeworthy Farms	Evans Estate
Belong Farm	Farm View Youth Learning Center
Black Thumb Farm	Farm-ng
California Association of Resource Conservation Districts	Fibershed
California Center for Cooperative Development	Flourish Local
California Certified Organic Farmers (CCOF)	Foodshed Coop
California Climate & Agriculture Network (CALCAN)	Foodwise
California Climate and Agriculture Network	Fresh Approach
California Farmlink	Funders for Regenerative Agriculture
California Food and Farming Network	Gemperle Orchards
California Native Seed Supply Collaborative	Gold Ridge Resource Conservation District
California Nurses for Environmental Health and Justice	Green Lot
California Plowshares	Greenbelt Alliance
California State Grange	Hen and Harvest Farm
Californians Against Waste	Hummingbird Ridge Farm
Carbon Cycle Institute	K & K Ranch
Center for Land-based Learning	Kuni Bea Farms
	Loca Vivant Kitchen
	Lopez Organic Farms
	Lost Coast Ranch
	Marin Resource Conservation District
	Mockingbird Flora
	Monterey Bay Farms

Nextgen California
Occidental Arts and Ecology Center
Ojai Valley Fire Safe Council
Pesticide Action Network
Pie Ranch
Pittsburg Unified School District
Resource Conservation District of Greater
San Diego County
Roots of Change
Sacramento Valley Soil Hub
Santa Barbara County Food Action Network
Santa Rosa Junior College Shone Farm
See-la
Solano Resource Conservation District
Solectrac
Sonoma County Farm Trails

Soul Food Farm
Sunlife Farms INC.
Sustaina
Sustainable Agriculture Education
The Climate Center
The Collins Farm
Toluma Farms
Tomkat Ranch
Trinity County Resource Conservation
District
Upper Salinas - Las Tablas Resource
Conservation District
Veggielution
Welkin Farms
White Buffalo Land Trust
Zero Foodprint

Opposition

None on file.

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