

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON AGRICULTURE  
Esmeralda Soria, Chair  
AB 937 (Connolly) – As Introduced February 19, 2025

**SUBJECT:** The Cannella Environmental Farming Act of 1995: Organic Transition Program

**SUMMARY:** This bill would require the California Department of Food and Agriculture (CDFA) to establish and oversee the Organic Transition Program (OTP) on or before July 1, 2026. Specifically, *this bill*:

- 1) Defines the following:
  - a) “Eligible organization” means an organization that is eligible to participate in the Organic Transition Pilot Program established by CDFA.
  - b) “Program” means the OTP established pursuant to subdivision (b).
  - c) “Socially disadvantaged farmer or rancher” has the same meaning as defined in Section 512.
- 2) Requires CDFA, on or before July 1, 2026, to establish and oversee the OTP.
- 3) Requires CDFA to do both of the following:
  - a) Award grants to eligible organizations to provide incentives, including, but not limited to, grants, technical assistance, and educational materials and outreach, to farmers and ranchers, with at least a 50-percent priority for socially disadvantaged farmers and ranchers (SDFR), to transition land to certified organic production.
    - i) Allows The University of California and California State University to claim the indirect cost rate established with CDFA under the Organic Transition Pilot Program (OTPP) for any grant awarded pursuant to this paragraph. All other eligible organizations may claim an indirect cost rate of up to 35 percent of total direct costs for a grant awarded pursuant to this paragraph. An eligible organization shall not use more than 25 percent of a grant awarded pursuant on administrative costs.
  - b) Make available 25 percent of moneys appropriated to CDFA for the program to support training, capacity building, and ongoing organic transition services at organic technical assistance provider organizations. These activities shall include, but are not limited to, staff professional training, administration of organic transition services, continuing education in organic farming, and coordination between organizations that provide organic technical assistance. The moneys made available under this paragraph are not limited to organizations that apply for funding under OTP.
- 4) Allows CDFA to provide funding for the preparation and implementation of conservation management plans for organic transition.

**EXISTING LAW:** 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. The act also requires the department to establish the Healthy Soils Program and a technical assistance grant program, as specified.

**FISCAL EFFECT:** Unknown

**COMMENTS:** The OTPP was created by the Budget Act of 2022, and is supported with \$10 million in allocations from the Budget Acts of 2022 and 2023. The purpose is to provide support to farmers and ranchers who prepare land for organic certification. The program is designed as a block grant to be administered through organizations that demonstrate the expertise and partnerships needed to accomplish the program's objectives. These objectives include disbursement of financial assistance, technical assistance, project follow-up, application assistance, business planning, and translation services. The Pilot has a strong emphasis on equity, where at least 50% of beneficiaries should be SDFR. As such, it seeks to support diverse farmers and ranchers in their transition to organic production.

OTPP is aligned with the suite of Climate Smart Agriculture incentive programs administered by CDFA's Office of Environmental Farming and Innovation. It also aligns with the state's roadmap for reducing greenhouse gas emissions, to expand organic acreage in California. Financial assistance disbursed to farmers and ranchers can be spent on a wide range of eligible costs for transitioning acres to organic farming, and a field-preparation award can help to build soils for successful organic production.

According to the author, this bill proposes to make technical fixes to the Organic Transition Pilot Program to ensure farmers have access to organic transition support. By making these changes, this will empower farmers to convert their cropland to organic and help California meet our greater climate goals.

While farmers throughout the state are looking to organic certification as a tool, the OTPP is not currently structured to be able to meet this demand. The OTPP does serve farmers directly but offers block grants and requires nonprofit organizations and technical assistance providers to administer the Program. However, the Program structure does not sufficiently support these intermediaries to successfully administer the Program.

Expanding organic acreage is one of California's climate strategies. The Natural Resources Agency established a goal of transitioning 10% of cropland to organic by 2030. In addition to trying to solve the issue mentioned above, our bill is trying to make the Organic Transition Program Pilot more effective, so California is able to meet our goals to transition to organic more efficiently.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Certified Organic Farmers (CCOF) (Sponsor)  
A Voice for Choice Advocacy  
Agriculture and Land-based Training  
Blossom Bluff Orchards  
California Climate & Agricultural Network (CALCAN)

Californians Against Waste  
Californians for Pesticide Reform  
Ceres Community Project  
Family Owned Raw Farm  
Farm2people  
Good Earth Natural Foods  
Pesticide Action & Agroecology Network  
Sierra Harvest

**Opposition**

None on file.

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