

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON AGRICULTURE

Esmeralda Soria, Chair

AB 2778 (Committee on Agriculture) – As Amended March 16, 2026

SUBJECT: Food and agriculture

SUMMARY: This bill does the following: 1) extends the California Seed Law (CSL) Subvention program until July 1, 2032 and repeals, by January 1, 2036, 2) requires the Nutrition Incentive Matching Grant (NIMG) program to be administered in a manner designed to maximize eligibility for relevant federal grant programs supporting nutrition incentives, and 3) specifies that a certified mobile farmers' market (CMFM) is a qualified entity eligible to be in the NIMG Grant Program. Specifically, *this bill*:

- 1) Extends the California Seed Law (CSL) Subvention program until July 1, 2032 and repeals, by January 1, 2036, the CSL Subvention program unless the legislature takes action to extend the program.
- 2) Requires the NIMG program to be administered in a manner designed to maximize eligibility for relevant federal grant programs supporting nutrition incentives.
- 3) Specifies that a CMFM, as defined, is a qualified entity eligible to be awarded moneys through the NIMG Grant Program.

EXISTING LAW:

- 1) CSL regulates agricultural or vegetable seed, as specified, within the state, as well as the investigation and prosecution, as specified. (Food and Agriculture Code (FAC) 52281 – 52289)
- 2) Provides that the California Department of Food and Agriculture (CDFA), county agricultural commissioners (CAC), and their qualified representatives enforce CSL. (FAC 52281 – 52289)
- 3) Establishes a CSL subvention program under which requires CDFA to annually apportion \$120,000, in aggregate, among counties that choose to participate in the subvention program as specified. FAC 52323-4)
- 4) Makes the CSL subvention program inoperative on July 1, 2027, and all provisions relating to the CSL subvention program are repealed on January 1, 2028. (FAC 52325)
- 5) Establishes the NIMG Program which is administered by the Office of Farm to Fork (OF2F) in CDFA for the purposes of encouraging the purchase and consumption of California fresh fruits, nuts, and vegetables by nutrition benefit clients, as defined. (FAC 49012)
- 6) Creates the NIMG Account in the CDFA Fund to collect matching funds received from a specified federal grant program, if available, and funds from other public and private sources. (FAC 49012)

- 7) Requires the NIMG program to provide grants upon the deposit of sufficient funds, including from a successful application for federal grant funding, if available, into the account. (FAC 49012)
- 8) Provides for the administration of the program and requires, subject to specified federal regulations, CDFA to award funds in the NIMG account to qualified entities, as defined, for consumer incentive programs, among other things. (FAC 49012)

FISCAL EFFECT: Unknown

COMMENTS:

CALIFORNIA SEED LAW:

CSL provides for an optional subvention program under which a county may enter into a cooperative agreement with the Secretary of CDFA to receive an annual apportionment of funds from the secretary for maintaining a statewide compliance level on all seed within the county. Under those provisions, a county with no registered seed labelers may annually receive \$100, at the discretion of the Secretary of CDFA and upon recommendation of the Seed Advisory Board, and a county with registered seed labeler operations may annually receive a subvention based on enforcement activity generated by the registered seed labeler operations within the county.

Extension of the operative dates or sunsets will permit the continued allocation of industry-derived subvention funds to various counties for the enforcement of CSL. These payments provide CAC, on behalf CDFA, the ability to perform local seed inspection and enforcement services to ensure that seed sold in California is properly and accurately identified on the product label. Without this subvention, it is unlikely that CSL would be enforced in a cost-effective manner.

NUTRITION INCENTIVE MATCHING GRANT PROGRAM:

The California Market Match (MM) program was launched in 2009 to encourage low-income families receiving benefits through SNAP to purchase fresh, locally-grown fruits and vegetables at farmers' markets. The program "matches" or doubles the amount of benefits these families can spend and has expanded operations to over 150 farmers' markets across California and increased the spending power of 37,000 families.

A strong demand for MM often outstrips available funding for the program. The 2014 federal Farm Bill included \$100 million in grant funding for programs such as Market Match that incentivize healthier eating amongst SNAP recipients. In order to best position local programs to receive these federal grants, AB 1321 (Ting of 2015) created a state NIMG Program to apply for federal funds and award them to local MM programs with a proven record of success. Establishing a state framework to oversee funding of MM programs would leverage state resources to streamline local program administration and expand MM programs across a more equitable cross-section of communities that lack access to fresh produce.

Proposition 4 of 2024 provided \$20 million dollars for infrastructure related to CMFM, including, but not limited to, a mobile farmers' market vehicle, refrigeration, and other equipment. The Mobile Farmers' Market Grant Program is currently in development. CMFMs in California are mobile food facilities, such as a truck, van, or trailer, operated by a producer,

nonprofit, or government agency that sells California-grown produce directly to consumers at predetermined locations. Authorized under Assembly Bill 2786, these markets bring fresh food to underserved areas.

This bill widens the scope of NIMG ability to look for more federal funds and specifies that a CMFM is a qualified entity eligible to be in the NIMG Grant Program.

Supporters state this bill helps California is maximized to respond to all opportunities to draw down federal funding to benefit rural communities and shoppers. This bill prevents the statute from becoming outdated as federal program names and structures change. This bill would also ensure certified mobile farmers' markets are treated equivalently to certified farmers' markets and farm stands for the purposes of eligibility for CNIP. Assembly Bill 2786 (Chapter 915, Sec. 2, Statutes of 2024) established a new definition for "certified mobile farmers' market" to connect agricultural products sold or distributed at retail directly to communities through mobile food facilities. Certified mobile farmers' markets extend the reach and impact of certified farmers' markets by increasing sales for farmers who are generally unable to make it viable to sell in isolated locations that lack traditional farmers markets. Mobile markets have participated in CNIP and provided matching incentives through Market Match and related nutrition incentives for several years, and this bill would amend statute to reflect the formal definition of certified mobile farmers markets established in 2024.

According to the author, AB 2778 is the Assembly Committee on Agriculture's Omnibus bill. Each year, various private and public groups discover minor problems with state statutes affecting agriculture and policies under the jurisdiction of the California Department of Agriculture. These minor problems do not warrant separate and costly bills. According to the Legislative Analyst, the cost of producing a bill was \$17,890.

Legislators respond by combining several of these minor topics into an annual 'omnibus bill. In 2022, for example, the Assembly Committee on Agriculture (Ag Com) omnibus bill was AB 1959 (Ag Com) which contained noncontroversial statutory changes to 3 areas of local government law, avoiding approximately \$35,780 in legislative costs.

REGISTERED SUPPORT / OPPOSITION:

Support

Agricultural Institute of Marin
Alchemist CDC
California Alliance of Farmers' Markets
California Food and Farming Network
Coastside Farmers' Markets
Ecology Center (BERKELEY)
Food Access LA
Foodwise
Heart of the City Farmers' Market
North Coast Growers Association
Roots of Change
Santa Cruz Community Farmers' Market
Urban Village Farmers' Market Association

Opposition

None on File

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