

Date of Hearing: April 15, 2021

ASSEMBLY COMMITTEE ON AGRICULTURE
Robert Rivas, Chair
AB 350 (Villapudua) – As Introduced January 28, 2021

SUBJECT: Agriculture: Cannella Environmental Farming Act of 1995: technical assistance grant program: groundwater conservation planning

SUMMARY: This bill establishes, within the California Department of Food And Agriculture (CDFA), a technical assistance (TA) grant program to help landowners keep agriculture land, which may be fallowed due to the implementation of The Sustainable Groundwater Management Act (SGMA), in production in the San Joaquin Valley (SJ Valley). Specifically, *this bill*:

- 1) Makes legislative findings about SGMA impact to the SJ Valley, the projected loss of up to 24% of irrigated agricultural lands in the SJ Valley and the need for technical assistance (TA) to help farmers create plans that address continued economic viability and alternative management of their properties impacted by SGMA, thereby creating more economic certainty for the regions that are so heavily dependent on the agricultural economy.
- 2) Requires CDFA to establish and administer a three-year grant program to fund TA for landowners located in critically overdrafted basins of the SJ Valley, with the purpose of encouraging innovation and alternative economically viable approaches to agricultural land management to prevent unnecessary fallowing.
 - a. Requires CDFA to fund one TA provider in each of the designated counties.
- 3) Requires CDFA's grant program to do the following:
 - a. Establish rules and guidelines for TA providers to receive grant to provide TA, if the technical assistance providers have demonstrated previous experience providing agricultural-related TA directly to individuals or entities in the SJ Valley.
 - b. Establish a process for prospective TA providers to apply to CDFA to receive grants to provide TA.
 - c. Determine what type of entity may qualify as a TA provider, including, but not limited to, nonprofit organizations, the University of California Cooperative Extension, and local agencies, including resource conservation districts.
 - d. Establish a process for determining how to distribute grant funds to TA providers in a way that ensures equitable access to TA throughout critically overdrafted basins.
 - e. Ensure at least 25 percent of the grant program funds are used to provide technical assistance to socially disadvantaged farmers and ranchers.
 - f. Review grant program applications from TA providers and recommend grant awardees to the secretary (secretary) of CDFA.
 - g. Allow direct TA costs and a percentage of overhead expenses, to be determined by the secretary, to be funded as part of the grant awards.

- h. Establish regulations that the TA providers shall comply with when providing TA or acting pursuant to this section.
- 4) The TA provided as a result of the grant program shall be provided as follows:
 - a. Directly to landowners in critically overdrafted basins.
 - b. To design, develop, and implement on-farm conservation plans for agricultural lands that are at risk of fallowing due to water shortages. The purpose of the on-farm conservation plans is to recommend how to conserve water, as specified, while preserving agriculturally productive and avoiding permanent fallowing where possible.
 - 5) The TA provided as a result of the grant program may include, but is not limited to, conducting initial outreach, determining if landowners are eligible to receive TA through the program, linking landowners with existing funding programs, and assisting landowners with on-farm conservation plan design, development, and implementation.
 - 6) Requires the secretary to award grants to each counties' TA providers that shall not exceed one hundred thousand dollars (\$100,000) in each year of the three-year program, for a maximum of three hundred thousand (\$300,000) per technical assistance provider.
 - a. Requires the total grant program not to exceed \$800,000 per year.
 - 7) Defines, for the purpose in law, the following:
 - a. Critically overdrafted basin means the basins identified as critically overdrafted by the Department of Water Resources.
 - b. Landowner means an owner of the land that would benefit from the technical assistance or a lessee or other entity designated by the lessor or owner as having the authority to implement an on-farm conservation plan on the land that would benefit from the technical assistance.
 - c. On-farm conservation plan means the planning document that describes the natural and agricultural resources of the landowner's property, documents practices used to protect existing water resources, identifies opportunities to maintain or improve the quality of natural resources on the property, and prioritizes management practices according to the landowner's needs, goals, and timelines.
 - d. San Joaquin Valley means the area comprised of all of the counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.
 - e. Socially disadvantaged farmers and ranchers" has the same meaning as defined in Section 512.
 - f. Technical assistance provider means an entity that receives grant funds from the department and provides technical assistance to landowners.

EXISTING LAW:

- 1) Requires, under The Cannella Environmental Farming Act of 1995, CDFA to establish and oversee a Healthy Soils Program by providing incentives, including loans, grants, research, and TA, or educational materials and outreach, to farmers whose management practices contribute to healthy soils and result in net long-term on-farm greenhouse gas benefits and establishes the State Water Efficiency and Enhancement Program to provide financial assistance in the form of grants to implement irrigation systems that reduce greenhouse gases and save water on agricultural operations.
- 2) Provides, under SGMA, for the sustainable management of groundwater basins by requiring local government agencies, including basins designated as high- or medium-priority basins by the Department of Water Resources, to take specified actions to conserve and regulate the extraction of groundwater in those groundwater basins.

FISCAL EFFECT: Unknown

COMMENTS: During a major drought, California Governor Jerry Brown signed a major legislative water initiative for California, SGMA. SGMA consists of three legislative bills, Senate Bill SB 1168 (Pavley), Assembly Bill AB 1739 (Dickinson), and Senate Bill SB 1319 (Pavley). The legislation provides a framework for long-term sustainable groundwater management across California. Under the roadmap laid out by the legislation, local and regional authorities in medium and high priority groundwater basins have formed Groundwater Sustainability Agencies (GSAs) that oversee the preparation and implementation of a local Groundwater Sustainability Plan (GSP). SGMA could mean less water for irrigating farms. The implementation of SGMA is anticipated by the Public Policy Institute of California to transition an estimated 300,000 to 1.2 million acres of farmland, out of more than 5 million acres of total irrigated land, to be taken out of production.

According to the author, landowners will be faced with difficult decisions during the implementation of SGMA, and not all are equipped to make informed land transition decisions on potentially affected parcels. SGMA will have a staggering effect on the San Joaquin Valley; a region which is already one of the most economically distressed in the state. The San Joaquin Valley is home to the majority of the state's overdrafted basins which are overlaid by majority disadvantaged and low-income communities.

Supporters state the grants would make TA available to SJ Valley landowners/farmers in critically overdrafted basins and would work to create conservation management plans specifically addressing the impacts to their agricultural property under the implementation of the SGMA. These management plans would evaluate current and future agricultural resources and create a plan for landowners seeking assistance to address the continued economic viability and alternative management of properties in critically over-drafted locations. This management plan would also serve as a basis for landowners to evaluate economically viable alternative land uses for habitat, open space, alternative energy, and/or temporary rotational fallowing and seek further financial assistance as needed.

The California Groundwater Coalition has requested this bill be amended to expand the grant program to allow for landowners throughout the entire state, regardless of their location or the state of the groundwater basin from which they pump. The bill currently limits the grant program to only landowners within critically overdrafted basins and in the San Joaquin Valley. SGMA

requires governments and water agencies of high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge, thus affecting many various regions in the state.

REGISTERED SUPPORT / OPPOSITION:

Support

American Farmland Trust (Sponsor)
California Climate & Agriculture Network (CALCAN)
Community Alliance with Family Farmers
Environmental Defense Action Fund

Oppose Unless Amended

California Groundwater Coalition

Opposition

None on file.

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