

ASSEMBLY COMMITTEE ON AGRICULTURE
ROBERT RIVAS, CHAIR
ASSEMBLYMEMBER, THIRTIETH DISTRICT

INFORMATIONAL HEARING

Wednesday, March 17, 2021

9:30 a.m. to 11:30 a.m. State Capitol, Room 4202

SUBJECT: Farmer Equity Act

Background

The federal government's Food, Agriculture, Conservation, and Trade Act of 1990 defines a "Socially Disadvantaged Group" as a group whose members have been subjected to racial or ethnic prejudice without regard to their individual qualities. These groups include people who are African American, American Indian, Alaskan native, Hispanic, Asian-American, Native Hawaiian, and Pacific Islander.

Historically, members of socially disadvantaged groups have been subject to discriminatory practices in agriculture, being denied land ownership in the early 19th and 20th centuries and, more recently, experiencing delays or disproportional denial with government loans.

The experiences of farmers of color reveals several ways to think about the discrimination against them with respect to government services. An example is the impact of structural racism on Black farmers, carried out by government agencies serving farmers that was the successful litigation of *Pigford v. Glickman*. The case, which resulted in a \$1.25 billion consent decree, the largest civil rights class action settlement in the country's history, verified the United States Department of Agriculture (USDA) discrimination against Black farmers, which has contributed to a shockingly high rate of Black farm loss. Later cases on the part of American Indian, Latino, and female farmers documented similar mistreatment by the USDA of other racial minorities and women.

A study commissioned in 1994 by the United States Department of Agriculture (USDA) confirmed that the largest loans from the USDA went to corporations and white male farmers. The loans given to farmers who were African American averaged 25% less than those given to white farmers. Additionally, the majority of disaster payments went to white farmers (97%), while less than 1% of went to African American farmers.

Instances such as these led to the codification of socially disadvantaged farmers and ranchers (SDFR) in the USDA's 1990 Farm Bill, creating the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program. The Program provides grants to organizations that work with historically underserved and SDFRs and assists them in owning and operating farms.

Despite several decades of stated commitment by the USDA to improve SDFRs access to the farm safety net, many still face barriers to accessing these important services.

Because SDFRs are more likely to operate smaller, more diverse operations than white farmers and ranchers in California, laws, regulations and programs designed to apply to larger growers are either irrelevant or harmful to growers operating small-scale operations. Furthermore cultural and language differences, education, legal status, and farm size all cause additional barriers to SDFRs.

California's farmers and ranchers are almost 80 percent white, in part due to federal farm programs having been managed inequitably, leading to white farmers benefitting more than farmers of color. As a result, generations of SDFRs have faced additional obstacles securing or retaining farmland, accessing new competitive technologies, and entering profitable markets.

Across urban and rural settings, California farmers and ranchers are diverse. California has the largest population of Asian-American farmers, and ranks third in the nation of Hispanic farmers. While diversity in farmers continues to increase annually, data from the 2017 census shows that farmers of color tend to farm smaller farms, earn less money on average, and receive less in government funding than their white counterparts.

AB 1348 (Aguiar-Curry) of 2017 codified the definition of "Socially Disadvantaged Group" and "Socially Disadvantaged Farmers," and establishing the CDFA as the coordinating agency for Socially Disadvantaged Farmer Programs. Assemblymember Aguiar-Curry stated, *"This bill will empower farmers by ensuring that CDFA includes Socially Disadvantaged Farmers and Ranchers in the development, adoption, implementation, and enforcement of socially disadvantaged farmers programs and policies. It will also require the department to coordinate efforts and share information regarding socially disadvantaged farmers with the federal government."*

The Farmer Equity Act states *"existing federal agricultural policies have failed to provide sufficient and appropriate technical assistance and financial support"* for SDFRs. Regardless of current inadequacy at the federal level to provide sufficient redress for current and past inequity, CDFA now has the opportunity to coordinate state government efforts in concert with community partners to increase inclusion and equity within California's agricultural industry.

Some key issues facing Socially Disadvantaged Farmers and Ranchers

Language: SDFRs do not always speak English as a first language. Many recent immigrants and immigrants who have lived in California for generations, who

were skilled agriculturalists in their home countries, have chosen to become farmers or ranchers in California. Some of these farmers have found niche markets to sell their crops and grow their businesses. Many struggle to find resources and information because the majority of the information available about farming practices, programs, marketing, and regulations is in English. Many of the skilled agriculturalists who start farming upon arriving in California are older, and often struggle to learn English. Often, these older farmers ask younger family members for translation assistance. Along with language differences, cultural differences are important to understand when designing outreach and education and conveying information about regulations and policies. There are also many diverse cultures and languages spoken within different countries, thus many immigrant farmers could speak indigenous languages and follow customs that are not widely recognized or known here in California.

Land Access: A primary challenge facing SDRFs in California is land Access. Although the 2017 Ag Census reported that the majority of all demographic groups of farmers and ranchers in California own their land, socially disadvantaged farmers and ranchers face significant land access challenges. Specifically, many socially disadvantaged farmers operate on leased land without a long-term lease arrangement or protections in cases of lease termination. It is difficult for these farmers to plan for the future or implement conservation practices when lease terms are year-to-year. Often farmers operate on parcels of land that are not suitable for agriculture. It is very difficult for beginning farmers to access land, especially when the system favors large-scale farms that specialize in a few crops. In expensive land rental markets, tenant farmers have low bargaining power to secure access that would allow them to implement the types of practices that lead to sustainable agriculture.

Engagement with agricultural industry, state, and local agencies: SDRFs are not likely to engage with traditional agricultural industry groups, marketing associations or decision-making bodies such as CDFA boards and commissions. They are also less likely to attend public meetings about regulations affecting their farms, particularly if the meetings are held only in a language they do not speak or understand. Because SDRFs have barriers that prevent engagement with current opportunities for information, policy and decision-making, they are not often receiving important information, and their voices are not always included in important policies that affect their farm businesses.

Technical assistance directed towards SDRFs: Farmers, particularly first-generation farmers, rely on technical assistance from government agencies, non-profit service providers, and other farmers to help them learn best practices. Farmers reported, however, that the current state of technical assistance is limited in availability, scope, and cultural relevance. Small and moderately-scaled producers, including many women and socially disadvantaged farmers and ranchers, who cannot afford consultants, are especially in need of greater support to improve their participation in CDFA's Climate Smart Agriculture programs.

Improved delivery of technical assistance to SDFRs, including outreach and education, project design, grant application assistance, and project implementation, ensure that a greater diversity of producers successfully participate in the Climate Smart Agriculture programs. Increased technical assistance will also improve the overall impact of the Climate Smart Agriculture programs.

With the passage of AB 2377 (Irwin) in 2018 at least 5% of the budgets from the three Climate Smart Agriculture programs administered by CDFA—Healthy Soils Program, SWEEP and AMMP—are earmarked specifically for technical assistance grants, including 25% set-aside for socially disadvantaged farmers.

State Programs

In 2019, CDFA implemented several new practices. These changes are important steps to encourage SDFRs to apply for the programs and to increase support for organizations that serve SDFRs. A change to prioritized funding in the Climate Smart Agriculture programs for SDFRS and female farmers resulted in increased grants to impacted farmers. Climate Smart Agriculture programs include the Health Soils Program and the State Water Efficiency and Enhancement Program.

Small Farms Research and Extension

Small farms research and extension efforts at the University of California are focused on the challenges and opportunities of California's small-scale farm operators. The program develops field and marketing research aimed at the needs of small- and moderate-scale farmers, and provides that information to farmers who are often not reached by traditional extension programs. Their clients include farmers of many different cultures who operate a wide variety of farming operations, often with limited resources.

Small farms research and extension are part of the University of California's division of Agriculture and Natural Resources (UCANR). The Small Farm Program was created in 1979 by an act of the California legislature and operated as a statewide program of UCANR until 2009.

Research and extension for small farms are supported by the following:

Small Farm Advisors: Located in various California counties as part of UC Cooperative Extension, advisors conduct research and interact with farmers directly

Small Farm Workgroup: Advisors, faculty, specialists, and interested professionals meet regularly to collaborate and to broaden the scope of research, education, and economic development efforts

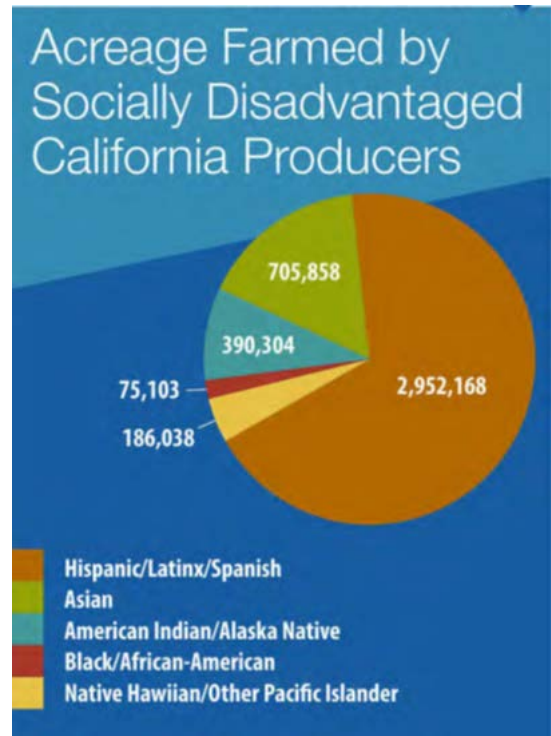
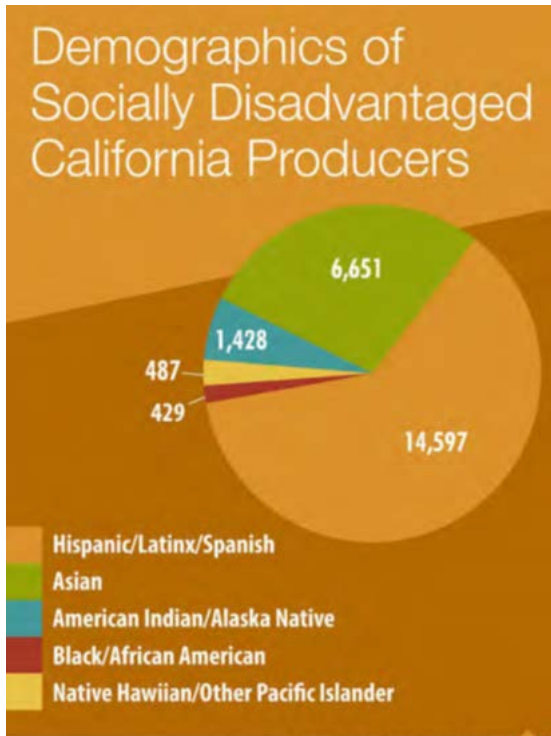
Federal Programs

Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program (The 2501 Program): The USDA’s 2501 Program, is managed by the USDA’s Office of Partnerships and Public Engagement (OPPE). The 1990 Farm Bill established the program to provide outreach and technical assistance for underserved farmers, ranchers, and foresters, in owning and operating sustainable farms and ranches while increasing their participation in USDA programs and services. The 2014 Farm Bill expanded the program’s reach to veterans. The 2018 Farm Bill boosts mandatory funding for the program through FY 2023. Since 1994, the 2501 Program has awarded 533 grants totaling more than \$138 million. This funding has helped reach socially disadvantaged agricultural producers – farmers and ranchers who have experienced barriers to service due to racial or ethnic prejudice.

USDA Loans for SDFRs: The USDA’s Farm Service Agency (FSA) makes and guarantees loans to eligible socially disadvantaged (SDA) farmers to buy and operate family-sized farms and ranches. Each fiscal year, FSA targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to SDA farmers. Non-reserved funds can also be used by SDA individuals. An SDA farmer or rancher is a group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of American Indians or Alaskan Natives, Asians, Blacks or African-Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

Beginning Farmer and Rancher Development Program (BFRDP): BFRDP provides grants to organizations for education, mentoring, and technical assistance initiatives for beginning farmers or ranchers. According to the USDA’s National Agricultural Statistics Service’s most recent Ag Census data, the number of young people entering farming continues to decline, but the number of new farmers and ranchers over the age of 35 as well as the number of smaller farms and ranches nationwide continue to rise. Ensuring there will be a “new generation” of beginning farmers and ranchers — regardless of age or production choice — is especially important to the continuation of agricultural production in the United States. At least 5 percent of the funds will support programs and services that address the needs of beginning farmers or ranchers with limited resources; socially disadvantaged beginning farmers or ranchers; and farm workers desiring to become farmers or ranchers.

###



From CDFA's 2020 Report to the California Legislature on the Farmer Equity Act