

## Four is for (Small) Farmers

This year [voters passed](#) Proposition Four, Senate Bill 867, Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

One thing is clear: Proposition Four benefits small farmers.

Of the ten billion dollars proposed in the bond measure, three hundred million dollars (3 percent) is dedicated to “improving climate resilience and sustainability of agricultural lands.”<sup>1</sup>

Of the three hundred million dollars, ninety million dollars are allocated to the Department of Food and Agriculture for grants that benefit **small- and medium-sized** farms, **socially disadvantaged** farmers, **beginning** farmers or ranchers, and **veteran** farmers or ranchers.<sup>2</sup>

Of the ninety million dollars:

- Twenty million dollars are made available for infrastructure related to mobile farmers’ markets, including vehicles, refrigeration, and other equipment.<sup>3</sup>
- Twenty million dollars are made available for infrastructure related to certified farmers’ markets, including food preparation and wireless electronic benefits transfer (EBT) point-of-sale terminals for producers to accept government benefits from consumers.<sup>4</sup>
- Twenty million dollars are made available for urban agricultural projects.<sup>5</sup>
- Fifteen million dollars are made available for regional farm equipment sharing. Priority is given to projects that benefit small- and medium-sized farms and socially disadvantaged farmers and ranchers.<sup>6</sup>
- Fifteen million dollars are made available to develop food sovereignty for tribal producers and vendors.<sup>7</sup>

Of the three hundred million dollars, thirty million dollars are made available to the Department of Conservation to distribute loans to organizations who acquire agricultural lands for the purpose of supplying that land to socially disadvantaged farmers or ranchers and beginning farmers and ranchers through transfers or long-term leases.<sup>8</sup>

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<sup>1</sup> S.B. 867 (Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024), Chapter 83, Statutes of 2024, Pub. Res. Code, §§ 90500, subd. (b)(6), 93500, subd. (a).

<sup>2</sup> *Id.* Pub. Res. Code, § 93540.

<sup>3</sup> *Id.* Pub. Res. Code, § 93540, subd. (a).

<sup>4</sup> *Id.* Pub. Res. Code, § 93540, subd. (b).

<sup>5</sup> *Id.* Pub. Res. Code, § 93540, subd. (c).

<sup>6</sup> *Id.* Pub. Res. Code, § 93540, subd. (d).

<sup>7</sup> *Id.* Pub. Res. Code, § 93540, subd. (e).

<sup>8</sup> *Id.* Pub. Res. Code, § 93550.

“**Socially disadvantaged farmer or rancher**” means a farmer or rancher who is a member of a socially disadvantaged group.<sup>9</sup> “Socially disadvantaged group” means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.<sup>10</sup>

“**Beginning farmer or rancher**” means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than five crop years.<sup>11</sup>

“**Veteran farmer or rancher**” means a farmer or rancher who has served in the US Armed Forces who first obtained veteran status within the past five years and has not operated a farm or ranch for more than five years.<sup>12</sup>

Interestingly, “**small- and medium-sized farm**” is not defined by Proposition Four or elsewhere in statute.

During the 2023-24 legislative session, two other separate bond proposals that died in committee defined “small- and medium-sized farm” as farms and ranches of 500 acres or less.<sup>13</sup> However, this is likely not indicative of what this bond measure defines as a “small- and medium-sized farm.”

The grants for “small and medium sized farms” will be administered by the Department of Food and Agriculture. The department has experience distributing grants to small farmers through their [California Underserved and Small Producer Program \(CUSP\)](#). CUSP defines a small and medium sized farm as farms that generate a minimum of \$10 thousand and a maximum of \$400 thousand in gross sales annually. There is some flexibility for this criteria for new farmers or farmers with other limitations. At least 50% of CUSP grant funds are awarded to socially disadvantaged farmers.<sup>14</sup> In a separate grant program, the [Farm to Community Food Hubs Program](#), the department is required by statute to prioritize food producers that operate 500 acres or less.<sup>15</sup>

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<sup>9</sup> Food and Agric. Code, § 512, subd. (b).

<sup>10</sup> Food and Agric. Code, § 512, subd. (c).

<sup>11</sup> S.B. 867, Pub. Res. Code, § 93590, subd. (a), *supra* note 1.

<sup>12</sup> *Id.* Pub. Res. Code, § 93590, subd. (b).

<sup>13</sup> A.B. 408 (Wilson) Pub. Res. Code § 8072(n); A.B. 1567 (Garcia) Pub. Res. Code § 80503(t).

<sup>14</sup>

<https://caff.org/cusp-drought/#:~:text=General%20Information%20and%20Timeline.of%20supporting%20documentation%20demonstrating%20losses>

<https://www.californiafarmlink.org/resource-library/economic-support#:~:text=Farmers%20must%20make%20at%20least,that%20will%20draw%20more%20water>

<sup>15</sup> Food and Agric. Code, § 592, subd. (a)(1).

In 2023, the department formed the [“small-scale producer advisory committee.”](#) A goal of the committee is to recommend definitions related to small farmers to the department. If you are interested in providing your thoughts on what you think a “small- and medium- sized farm” should be defined as, you can attend a meeting and give an oral comment.

During a previous meeting on August 29, 2024, the committee heard from the Department of Water Resources (DWR) about the Underrepresented Communities, California Tribes, and Small Farmers Groundwater Technical Assistance (URCTA) Program. DWR worked with the [Community Alliance with Family Farmers](#) and the [University of California Agriculture and Natural Resources](#) to develop the following criteria for who qualifies as a “small farmer” for the purposes of the URCTA Program:

1. A rancher that is socially disadvantaged, grazes livestock on rangelands, and has gross meat sales of less than \$1 million.
2. A farmer or rancher operating on **80 acres or less** that meets **one or more** of the following criteria:
  - a. Is socially disadvantaged;
  - b. Sells 50% or more of products to direct markets;
  - c. Cultivates crops for California and is not represented by commodity boards or trade organizations;
  - d. Has undergone a transformation from conventional agricultural processes to regenerative agricultural processes within the last 10 years.
3. A farmer or rancher operating on **200 acres or less** that meets **two or more** of the following criteria:
  - a. Is socially disadvantaged;
  - b. Cultivates a diverse crop mix of four or more crop types;
  - c. Sells 75% or more of products to direct markets;
  - d. Cultivates crops for California and is not represented by commodity boards or trade organizations;
  - e. Has undergone a transformation from conventional agricultural processes to regenerative agricultural processes within the last 10 years.

The United States Department of Agriculture takes a different approach by organizing farm size strictly by gross cash farm income (GCFI). “Small farms” are those with a GCFI of less than \$350 thousand; “mid-size farms” are those with a GCFI of \$350 thousand to \$999 thousand; and “large scale farms” are those with a GCFI of \$1 million or more. A “family farm” can be of any size so long as the majority of the business is owned by the operator and individuals related to the operator.<sup>16</sup>

Of the three hundred million dollars for climate resilience and sustainability of agricultural lands:

- One hundred five million dollars are allocated to the Department of Food and Agriculture's Office of Environmental Farming and Innovation for projects including soil health, carbon sequestration, and on-farm water use efficiency.<sup>17</sup>
- Twenty million dollars are deposited in the Invasive Species Account to fund invasive species projects and activities recommended by the Invasive Species Council of California, including projects that pose a risk to crops.<sup>18</sup>
- Fifteen million dollars are allocated to the Department of Conservation for projects for the restoration, conservation, and enhancement of farmland and rangeland.
- Fifteen million dollars are allocated to the Department of Education to provide grants to public institutions that are designed as Agricultural Experiment Stations or Agricultural Research Institutes to develop research farms to improve climate resiliency.<sup>19</sup>
- Twenty-five million dollars are allocated towards transportation<sup>20</sup> and housing improvement programs<sup>21</sup> for farmworkers.

### *Water*

Of the one billion eight hundred eighty five million dollars for water supply and water quality:

- Three hundred eighty six million two hundred fifty thousand dollars are allocated to the Department of Water Resources for groundwater storage, banking, and recharge projects. Projects can also include instream flow projects that support the joint use of groundwater and surface water.<sup>22</sup>
- Two hundred million dollars are allocated to the Department of Conservation's Multibenefit Land Repurposing Program for groundwater projects, including projects to reduce groundwater use or support implementation of the Sustainable Groundwater Management Act.<sup>23</sup>
- Three hundred eighty-six million two hundred fifty thousand dollars are allocated to the State Water Resources Control Board for grants and projects related to water reuse and

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<sup>17</sup> S.B. 867, Pub. Res. Code, § 93510, *supra* note 1.

<sup>18</sup> *Id.* Pub. Res. Code, § 93520.

<sup>19</sup> *Id.* Pub. Res. Code, § 93570.

<sup>20</sup> *Id.* Pub. Res. Code, § 93560.

<sup>21</sup> *Id.* Pub. Res. Code, § 93580.

<sup>22</sup> *Id.* Pub. Res. Code, § 91012.

<sup>23</sup> *Id.* Pub. Res. Code, § 91013.

recycling, including dedicated distribution infrastructure to serve agricultural end user retrofit projects to allow use of recycled water.<sup>24</sup>

- Seventy-five million dollars are allocated to the Department of Water Resources for projects that increase water conservation, including in agricultural areas.<sup>25</sup>

### *Wildfire*

A portion of the one hundred thirty-five million dollars dedicated to the Office of Emergency Services for a wildfire mitigation grant program are required to be distributed to socially disadvantaged farmers or ranchers.<sup>26</sup>

### *Biodiverse Habitat*

Of the one billion two hundred million dollars dedicated to the Wildlife Conservation Board to achieve climate change goals, eight hundred seventy million are required to be spent on wildlife resources and habitat programs, including ecosystem restoration on agricultural lands.<sup>27</sup>

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<sup>24</sup> *Id.* Pub. Res. Code, § 91014, subd. (a)(2).

<sup>25</sup> *Id.* Pub. Res. Code, § 91019.

<sup>26</sup> *Id.* Pub. Res. Code, § 91510, subd. (c). See also *Id.* Pub. Res., Code § 90100, subd. (k).

<sup>27</sup> *Id.* Pub. Res. Code, § 93010, subd. (a)(5).