

**ASSEMBLY BILL**

**No. 1242**

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**Introduced by Assembly Member Wiggins**

February 23, 2001

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An act to add Article 11 (commencing with Section 600.5) to Chapter 3 of Part 1 of Division 1 of the Food and Agricultural Code, relating to farming, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1242, as introduced, Wiggins. Farming: intergenerational farm transfers.

Existing law requires that the Legislature review the impact of actions taken on specified factors relating to agriculture, including family owned farms.

This bill would make findings and declarations on the importance to the state of encouraging a new generation to enter farming. This bill would require the Department of Food and Agriculture to take primary responsibility for facilitating intergenerational family farm transfers. This bill would also permit the Department of Food and Agriculture to contract with nonprofit organizations to promote this goal, as specified.

This bill would appropriate \$1,000,000 from the General Fund to the Department of Food and Agriculture, to be allocated over 5 years, for the purposes of these provisions, to be spent as specified.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares as follows:  
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1 (a) The economic future of California's agriculture depends on  
2 the ability of a new generation to enter farming. The 1997 Census  
3 of Agriculture reported that 22,179, or approximately 30 percent  
4 of California's farmers, were over 65 years of age. This percentage  
5 has increased steadily for over a decade. California's farmers age  
6 65 and over outnumber farmers under age 25 by approximately 60  
7 to one. The census also reported that 65,000 owner operated farms  
8 can be found in California; this number decreased approximately  
9 11 percent from 1987 to 1997. During this same period, there was  
10 a 51 percent drop in the number of farm operators under 35 years  
11 of age.

12 (b) Because farming is the cornerstone of agricultural  
13 communities throughout California, the state should act to  
14 promote the future of family farming, ensure that crucial  
15 knowledge of farming is passed on to the next generation of  
16 farmers, and preserve California farmland.

17 (c) Beginning farmers face challenges which include:

18 (1) Identifying viable farm entry opportunities.

19 (2) Lack of access to technical assistance and information  
20 about available loan programs.

21 (3) Learning about financing techniques.

22 (4) Learning about business planning for appropriate  
23 capitalization.

24 (d) Retiring farmers interested in transferring a family farm  
25 face challenges which include:

26 (1) Finding a qualified aspiring farmer interested in taking over  
27 the farm business.

28 (2) Lack of information about techniques and tools for  
29 effective management of tax burdens due to capital gains estate  
30 taxes which may include using conservation easements and other  
31 long-term farmland protection tools.

32 (e) Because these issues affect states throughout the nation and  
33 laws have been enacted in at least six other states to facilitate  
34 family farm transfers, the Department of Food and Agriculture  
35 should act on the issue of intergenerational family farm transfers.

36 SEC. 2. Article 11 (commencing with Section 600.5) is added  
37 to Chapter 3 of Part 1 of Division 1 of the Food and Agricultural  
38 Code, to read:

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1 Article 11. The Farm Futures Act of 2001.

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3 600.5. The Department of Food and Agriculture shall take  
4 primary responsibility for:

5 (a) Researching trends in farm transfers.

6 (b) Developing training materials to promote intergenerational  
7 farm transfers.

8 (c) Supporting efforts of organizations providing training  
9 designed to facilitate intergenerational farm transfers.

10 (d) Researching factors for success and barriers to transfer.

11 600.6. The Department of Food and Agriculture shall contract  
12 with an appropriate nonprofit organization with capacity and  
13 experience in promoting intergenerational farm transfers  
14 throughout California through strategies which include, but are  
15 not limited to:

16 (a) Outreach to the agricultural community through seminars,  
17 workshops, and grassroots meeting.

18 (b) Technical assistance provided in an one-on-one format  
19 addressing business planning, family lands mediation, estate  
20 planning, and other planning.

21 (c) Sponsoring mentorship program activities.

22 (d) Promoting innovative techniques to facilitate farm  
23 transfers, which may combine estate planning strategies with land  
24 conservation strategies and similar techniques.

25 (e) Maintaining a data base of names of retiring and aspiring  
26 farmers and facilitating preliminary meetings between the parties.

27 (f) Serving as a clearinghouse of professional services,  
28 business planners, financial planners, succession planners, real  
29 estate agents, and others experienced with or committed to  
30 facilitating family farm transfers.

31 SEC. 3. The sum of one million dollars (\$1,000,000) is hereby  
32 appropriated from the General Fund to the Department of Food  
33 and Agriculture to implement the provisions of this article. That  
34 sum shall be allocated annually for five years in installments of  
35 two hundred thousand dollars (\$200,000). Of this sum, one full  
36 time equivalent (up to fifty thousand dollars (\$50,000)), may be  
37 spent on Department of Food and Agriculture personnel per year;

- 1 the remainder shall be allocated through contracts to qualified
- 2 nonprofit organizations.

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