

AMENDED IN ASSEMBLY APRIL 23, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1242

Introduced by Assembly Member Wiggins
*(Coauthors: Assembly Members Aroner, Florez, Maldonado,
Matthews, and Wyman)*

February 23, 2001

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 amended, 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: ²/₃. 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:

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

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

18 (c) Beginning farmers face challenges which include:

- 19 (1) Identifying viable farm entry opportunities.
- 20 (2) Lack of access to technical assistance and information
21 about available loan programs.
- 22 (3) Learning about financing techniques.
- 23 (4) Learning about business planning for appropriate
24 capitalization.

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

- 27 (1) Finding a qualified aspiring farmer interested in taking over
28 the farm business.
- 29 (2) Lack of information about techniques and tools for
30 effective management of tax burdens due to capital gains estate
31 taxes which may include using conservation easements and other
32 long-term farmland protection tools.

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



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

4
5 Article 11. The Farm Futures Act of 2001.

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7 600.5. The Department of Food and Agriculture shall take
8 primary responsibility for:

9 (a) Researching trends in farm transfers.

10 (b) Developing training materials to promote intergenerational
11 farm transfers.

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

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

15 600.6. The Department of Food and Agriculture shall contract
16 with ~~an one or more~~ appropriate nonprofit ~~organization~~
17 *organizations* with capacity and experience in promoting
18 intergenerational farm transfers throughout California through
19 strategies which include, but are not limited to:

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

22 (b) Technical assistance provided in an one-on-one format
23 addressing business planning, family lands mediation, estate
24 planning, and other *farm succession* planning.

25 (c) Sponsoring mentorship program activities.

26 (d) Promoting innovative techniques to facilitate farm
27 transfers, which may combine estate planning strategies with land
28 conservation strategies and similar techniques.

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

31 (f) Serving as a clearinghouse of professional services,
32 business planners, financial planners, succession planners, real
33 estate agents, and others experienced with or committed to
34 facilitating family farm transfers.

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



1 be spent on Department of Food and Agriculture personnel per
2 year; the remainder shall be allocated through contracts to
3 qualified nonprofit organizations.

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5 **CORRECTIONS**

6 **Heading — Line 2.**

7 **Text — Pages 2 and 3.**

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