

AMENDED IN ASSEMBLY MAY 31, 2001

AMENDED IN ASSEMBLY APRIL 23, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1242**

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

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 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~~ \$250,000 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



1 family farm transfers, the Department of Food and Agriculture  
2 should act on the issue of intergenerational family farm transfers.

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

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7 Article 11. The Farm Futures Act of 2001-

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9 600.5. The Department of Food and Agriculture shall take  
10 primary responsibility for:

11 (a) Researching trends in farm transfers.

12 (b) Developing training materials to promote intergenerational  
13 farm transfers.

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

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

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

22 (a) Outreach to the agricultural community through seminars,  
23 workshops, and grassroots ~~meeting~~ *meetings*.

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

27 (c) Sponsoring mentorship program activities.

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

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

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

37 SEC. 3. The sum of ~~one million dollars (\$1,000,000)~~ *two*  
38 *hundred fifty thousand dollars (\$250,000)* is hereby appropriated  
39 from the General Fund to the Department of Food and Agriculture  
40 to implement the provisions of this article. ~~That sum shall be~~



1 ~~allocated annually for five years in installments of two hundred~~  
2 ~~thousand dollars (\$200,000).~~ Of this sum, one full-time equivalent  
3 (up to fifty thousand dollars (\$50,000)), may be spent on  
4 Department of Food and Agriculture personnel ~~per year~~; the  
5 remainder shall be allocated through contracts to qualified  
6 nonprofit organizations.

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