



AB 986 –REEAL Act of 2019

SUMMARY

California loses 50,000 acres of farmland and rangeland each year, threatening our food production and agricultural economy. This challenge is compounded for socially disadvantaged farmers who face additional barriers as members of historically underserved communities. While the number of socially disadvantaged farmers and ranchers attempting to farm in urban and rural areas is increasing. Many of these farmers do not receive essential support from federal or state assistance programs, making it nearly impossible to acquire land, the most basic necessity to farm.

AB 986 establishes the Regional Economies and Equity in Agricultural Land (REEAL) Program, which provides funds to socially disadvantaged farmers and ranchers in order to secure agriculture lands for the preservation of farming.

BACKGROUND

The federal government’s Food, Agriculture, Conservation and Trade Act of 1990 defines “Socially Disadvantaged Farmer or Rancher” as a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities. Historically, members of socially disadvantaged groups have been subject to discriminatory practices in denial of land ownership in the 19th and 20th centuries and more recently with disproportionate denials to government loans.

In 1994 US Department of Agriculture (USDA) commissioned a consulting firm to conduct a study that revealed the principal loans the USDA issued went predominantly to white male farmers and corporations. The loans that were granted to farmers who were African American were on average 25% less than those given to white farmers. Meanwhile 97% of disaster payments went to white farmers, with less than 1% granted to African American farmers.

According to the 2012 USDA National Agriculture Statistics Survey, diversity of farmers continues to increase annually. California has the largest population of Asian-American farmers and has the third most Hispanic farmers in the nation. However, farmers of color tend to have smaller farms, earn less money, and receive 36% less in government funding than their white counterparts.

In 2017, AB 1348 (Aguiar-Curry) passed the Farmer Equity Act of 2017 which requires the California Department of

Food and Agriculture to ensure the inclusion of socially disadvantaged farmers and ranchers in state food and agriculture policy making.

In order to establish parity within assistance programs providing aid to farmers and ranchers, the Legislature must continue to enact policies that ensure funds are provided to support socially disadvantaged farmers.

SOLUTION

AB 986 establishes (within the Department of Conservation) the Regional Economies and Equity in Agricultural Land (REEAL) Program to provide financial resources through grants and loans to support socially disadvantaged farmers and ranchers in accessing farmland and rangeland. This Program will provide grants to protect agricultural lands and ensure that such lands are accessible to socially disadvantaged farmers and ranchers either through ownership or long-term leases. The grants shall be provided to cities, counties, nonprofit organizations, cooperative corporations, resource conservation districts, regional park or open space districts and authorities, and California Native American tribes, all of which must have the conservation of land among the entities’ governing policies.

This legislation establishes in the State Treasury the Regional Economies and Equity in Agricultural Lands Loan Fund. The Fund will support the Department of Conservation in administering a program that provides capital to community-based financial institutions to provide forgivable, deferred, low-interest or no-interest loans, and reduced down payments for socially disadvantaged farmers and ranchers. The REEAL program also creates an important technical assistance grant to prepare farmers and ranchers for loan readiness.

The program seeks to create new opportunities for socially disadvantaged farmers and ranchers to access land through ownership or long-term leasing of farmland via agricultural easements in order to ensure the sustainability of farmland in California.

SUPPORT

California Farmer Justice Collaborative (**Sponsor**)
California Food & Farming Network

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