



AB 778 – CALIFORNIA GROWN: STATE INSTITUTIONS

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ISSUE

Since 2007, California’s agricultural industry has generated the highest agricultural gross revenues ever recorded in the nation. Simultaneously, farming costs have increased as much as 88% in part due to new and expanding regulations imposed by the State. This has stifled further economic growth in an otherwise booming industry and placed domestic producers at a competitive disadvantage.

The farming industry in California generates over 1 million jobs and over \$200 billion in state revenue each year. Due to the COVID-19 pandemic, California farmers have experienced a sudden loss of up-to 50 percent of their markets.

Over a third of the country's vegetables and two-thirds of the country's fruits and nuts are grown in California. California’s economy benefits when state institutions direct purchasing power towards California grown products and growers reinvest this money back into the economy and their local communities.

California spends nearly \$300 million annually on food purchasing and California’s schools are estimated to spend between \$500 and nearly \$700 million annually on direct food purchases. That is nearly \$1 billion that the state could be directing towards supporting California farmers and their employees by purchasing California grown food.

California laws require growers to follow some of the strictest environmental regulations in the country. Therefore, we should be giving our farmers the benefit of the doubt that our state’s agricultural products are the best in the nation by committing to a Buy California program.

BACKGROUND

AB 822 (Caballero/E. Garcia, 2017) required state institutions, except public schools, to give bid preference to California-grown agricultural products, as long as the California product does not exceed the lowest bid by more than 5% and the quality is comparable to the out-of-state products.

Similarly, those institutions were required to give bid preference to California vendors that pack or process out-of-state agricultural products.

BILL SUMMARY

This bill would require all state institutions, including public schools, that purchase agricultural products to only purchase products grown in California unless that product is not available from an in-state source or is not grown in the state.

This bill would delete the 5% bid preference for vendors that pack or process agricultural products inside the state over ones that pack or process these products outside the state.

This bill would give an exemption to public schools that partake in the National School Lunch Program.

For More Information:

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