

**ASSEMBLY BILL**

**No. 937**

---

**Introduced by Assembly Member Connolly**

February 19, 2025

---

An act to add Section 571 to the Food and Agricultural Code, relating to agriculture.

LEGISLATIVE COUNSEL'S DIGEST

AB 937, as introduced, Connolly. The Cannella Environmental Farming Act of 1995: Organic Transition Program.

The Cannella Environmental Farming Act of 1995 requires the Department of Food and Agriculture to establish and oversee an environmental farming program to provide incentives to farmers whose practices promote the well-being of ecosystems, air quality, and wildlife and their habitat. The act also requires the department to establish the Healthy Soils Program and a technical assistance grant program, as specified.

This bill would require the department, as part of the Cannella Environmental Farming Act of 1995, to establish and oversee the Organic Transition Program on or before July 1, 2026. The bill would require the department, under the program, to award grants to eligible organizations to provide incentives to farmers and ranchers to transition land to certified organic production, as specified, and to make available 25% of moneys appropriated to the department for the program to support certain activities at organic technical assistance provider organizations. The bill would also authorize the department to provide funding for the preparation and implementation of conservation management plans for organic transition

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1     SECTION 1. Section 571 is added to the Food and Agricultural  
2     Code, to read:  
3     571. (a) For purposes of this section, the following definitions  
4     apply:  
5         (1) “Eligible organization” means an organization that is eligible  
6         to participate in the Organic Transition Pilot Program established  
7         by the department.  
8         (2) “Program” means the Organic Transition Program  
9         established pursuant to subdivision (b).  
10        (3) “Socially disadvantaged farmer or rancher” has the same  
11        meaning as defined in Section 512.  
12        (b) On or before July 1, 2026, the department shall establish  
13        and oversee the Organic Transition Program.  
14        (c) Under the program, the department shall do both of the  
15        following:  
16            (1) Award grants to eligible organizations to provide incentives,  
17            including, but not limited to, grants, technical assistance, and  
18            educational materials and outreach, to farmers and ranchers, with  
19            at least a 50-percent priority for socially disadvantaged farmers  
20            and ranchers, to transition land to certified organic production in  
21            accordance with the federal Organic Foods Production Act of 1990  
22            (7 U.S.C. Sec. 6501 et seq.). The University of California and  
23            California State University may claim the indirect cost rate  
24            established with the department under the Organic Transition Pilot  
25            Program for any grant awarded pursuant to this paragraph. All  
26            other eligible organizations may claim an indirect cost rate of up  
27            to 35 percent of total direct costs for a grant awarded pursuant to  
28            this paragraph. An eligible organization shall not use more than  
29            25 percent of a grant awarded pursuant to this paragraph on  
30            administrative costs.  
31            (2) Make available 25 percent of moneys appropriated to the  
32            department for the program to support training, capacity building,  
33            and ongoing organic transition services at organic technical  
34            assistance provider organizations. These activities shall include,  
35            but are not limited to, staff professional training, administration

1 of organic transition services, continuing education in organic  
2 farming, and coordination between organizations that provide  
3 organic technical assistance. The moneys made available under  
4 this paragraph are not limited to organizations that apply for  
5 funding under the program.

6 (d) Under the program, the department may provide funding  
7 for the preparation and implementation of conservation  
8 management plans for organic transition.

O