

2021 Annual Report



CALIFORNIA
FARMLINK

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Greetings from our CEO and Board President

California FarmLink is one of only a handful of Community Development Financial Institutions in the country serving agricultural producers. Our model of patient and flexible capital, coupled with business education, technical assistance, and deep community knowledge, proved especially

to focusing on forgivable PPP loans and other relief lending, we strengthened our educational curriculum, provided new financial incentives for farmers to pursue business education, and we switched to online courses which increased access. Our business resilience courses

“Our ability to leverage new resources and be flexible with lending terms played an important role in economic recovery and rebuilding.”

relevant over the last two years. During the pandemic, many of the farmers we served lost markets and were forced to shift business models, as sales to restaurants, food service, wholesale accounts and farmers’ markets were disrupted. FarmLink and other CDFIs across the country were able to move quickly to get relief funds where they were most needed, to low-income communities and small businesses suffering from the effects of the pandemic. Our ability to leverage new resources and be flexible with lending terms played an important role in economic recovery and rebuilding.

Our lending and education programs went through big changes during the pandemic. In addition

in English and Spanish, *The Resilerator* and *El Resilerador*, offer farmers a legal and financial framework to support long term sustainability and wealth building activities. The curricula for the two courses address the distinct realities of inequitable access to legal and financial information scaled to small farming, ranching, and fishing operations. Upon completing one of the Resilience courses and establishing goals related to the curriculum participants are eligible for a number of additional benefits including one-on-one technical assistance and loan discounts.

The year 2021 was devoted to recovery and resilience. It also marked a year of significant

impact. We reached more farmers than ever before deploying \$8 million in loans to 119 farms, and helping 30 farms to secure leases, often with provisions for a pathway to ownership. Seven loans last year were for land purchases, including three women farmers and four farmers of color. Land acquisition is the greatest driver of wealth for farmers and ranchers, allowing for long term investment in soil health, climate adaptation and mitigation, and farm infrastructure.

We continue to deepen investments in serving those who face systemic barriers to achieving their entrepreneurial vision, and we approach this work as an opportunity to learn from those we serve. More than 50% of FarmLink loans went to farmers of color and 25% to women-owned farms.

In 2021 we began a fisheries lending program, receiving approval from the state Ocean Protection Council to acquire 13 loans from the original California Fisheries Fund. We have begun making new loans with an eye to diversifying the portfolio and supporting new entrants who are buying their first boat or taking over from a retiring fishery business owner.

Our new *Farm Recovery and Resilience Fund*, a \$2 million 0% lend-

ing program, is now being rolled out. With this fund, made possible by Wells Fargo, we will provide multi-year operating loans as well as a ten-year down payment assistance loan of up to \$100,000 for land purchase. These loans are available to limited-resource farmers who participate in one of our ten-week business resilience courses. Special preference is given to farmers who are actively engaged in conservation and climate planning, have an NRCS conservation plan, or have received state or federal awards to implement conservation practices.

Looking ahead, we will continue to build on our conservation work in two ways. First, we will provide incentives and dedicated funds for farmers to implement climate-smart conservation practices. Second, we will help small and underserved farmers to afford the upfront investment required to use USDA- and state-funded conservation programs.

We are also strengthening internal systems, focusing deeply on our organizational structure, governance and approaches to recruiting, retention and compensation. This year we will seat an eight-member Farmer Advisory Council to strengthen FarmLink's governance process. We are striving to continually increase social and racial equity in all aspects of FarmLink's

work. We are onboarding new technology to better track and analyze the impacts FarmLink has on farm business health, wealth building and conservation. We are sharing our unique agricultural CDFI business model with groups in other states who want to support the development of sustainable and equitable food systems.

Please reach out with your thoughts and ideas for collaboration and development of our initiatives and programs. Thank you.



Marisa Alcorta
Board President



Reggie Knox
CEO

2021 Lending Snapshot

California FarmLink's mission-based lending proved to be agile and responsive to people impacted by the pandemic. In 2021, we connected underserved farmers and ranchers with 80 forgivable Paycheck Protection Program loans averaging \$27,000 per loan. With deliberate planning and teamwork, we created low-cost lending options for low-income clients participating in our educational programs. We moved beyond the \$500 rebate on interest and fees to now offer loans at 0% interest with no fees. During 2022 we're exploring more ways to meet people's needs with the tools available to FarmLink as a Community Development Financial Institution.

The loan team maintains a wide variety of options to meet our clients' needs, with some loans as small as \$5,000. Farmers and ranchers are covering seasonal start-up costs with operating loans, equipment and conservation practices with term loans, and smoothing seasonal cash flow challenges with lines of credit which are sometimes secured or discounted through partnerships with retail food co-ops and food hubs. Land loans remain an important element of the options available from FarmLink, and for the second year in a row

we made seven land loans, which totaled \$3.74 million in 2021.

Purchasing land for farmers is a strategic undertaking, driven by a dual focus on addressing the elemental need for secure tenure on productive land, and building family wealth through the acquisition of an appreciable asset. The path to purchasing land involves significant preparation and research, and the support of a farmer's network. FarmLink's approach to supporting farmers in this effort spans our business resilience group education program, which focuses on the long game and critical business management skills, to the individual technical assistance our staff provide on land tenure and financing, as well as the network of partner organizations and professionals who can provide support.

One major development in 2021 was FarmLink's entry into lending for California's small-scale commercial fishers, who have many parallels with farmers: producing highly seasonal and perishable products often sold on the commodity market giving them little control over price, while alternative, higher-premium markets pose significant logistical challenges. Fishers also depend on healthy natural resources and are impacted by climate change, evolving regulations, and all of the challenges shared by small

2021 Total Loan Volume

\$7.94M

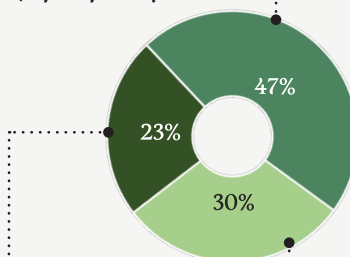
2021 Total Loans Issued

126

2021 Loan Volume by Type

Land Loans

\$3,737,726 | 7 loans



Micro Loans (<\$50K)

\$1,861,682 | 102 loans

Business Loans (>\$50K)

\$2,234,5248 | 17 loans

owner-operator businesses. After more than two years of exploring, learning, and building partnerships, in the fall of 2021 we received the \$2.7 million California Fisheries Fund loan portfolio from California Ocean Protection Council and we're now accepting applications for fisheries loans.

Through 2022 and beyond, FarmLink will continue to innovate, supporting healthy food systems in which farmers, ranchers and fishers have equitable opportunities to build wealth and conserve natural resources.



Photos: @annasorganicfarms

LENDING

Anna's Organic Farms

Growing a Family Business

Nestled among almond orchards, Anna's Organic Farms is one of two organic farms in Chowchilla. After starting the business in 2015 with five acres, Anna Maria Villanueva and her family have expanded to include 60 more acres. Anna's long-term goals focus on the farm's sustainability. She would like the farm to remain in the family for generations. "In the whole family, we were the first ones to start something like this," Anna said, "and [we are] proud of the family's

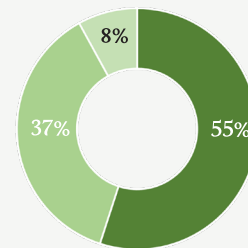
success, having an organic farm."

Referred to FarmLink by our partners at Kitchen Table Advisors, the Villanueva family was struggling with an old truck when they received a FarmLink loan, enabling them to purchase a new truck. "We are able to transport more products," Anna Maria reports. "That helps with our sales... to transport the product without worry. We do have to drive two hours to our buyers." The truck has allowed them to travel further, expanding their market options.

They are now looking to attend farmers' markets in San Francisco and deliver to wholesalers in Watsonville.

Anna's Organic serves a larger purpose: Knowledge about the land and agriculture comes from Anna's father, she explained. "It was my dad who grew up in the farm business in Mexico. We all have different roles, but mostly, my dad, he takes from what he grew up doing." His experience informs the family business, while the family learns together as they grow. Anna details how the farm functions as part of the family "My parents, my brother and I, [spend] basically all day together. It's very meaningful, not just in the work, but just personally to be able to grow together."

Clients' Organic* Farming Status



- Certified Organic
- Organic Practices, not certified
- In process to get certified

*69% of clients surveyed indicate they practice organic farming.

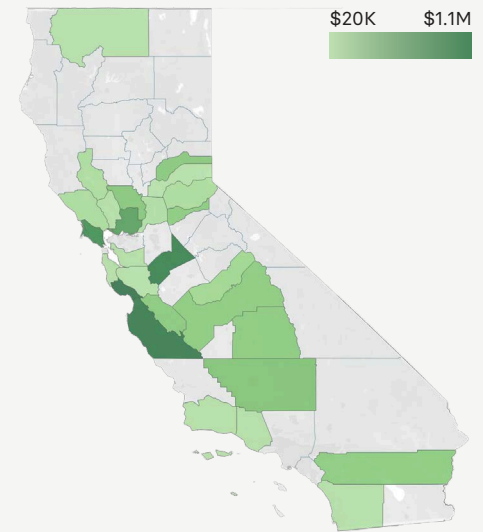
Land Access & Farm Business Education

Throughout 2021 our Land Access and Farm Business Education (LAFBE) Program continued to make major impacts on our client and partner communities. Our unique 10-week business resilience courses, *The Resilerator* and *El Resilerador*, served a total of 34 farmers as well as 14 farm educators from partner organizations. The courses are similar to business accelerators, and emphasize long-term resilience, wealth building and sound business practices rather than a sprint toward short-term profit. They begin with each participant completing our *Resilience Self-Assessment* to help clients determine their focus for learning. Farmers, ranchers, and now fishers are able to enroll in our resilience courses and benefit with loan rebates, and for low-income clients, access to loans at 0% interest and no fees.

Throughout *The Resilerator/El Resilerador* we cover vital topics including business structure, labor, land tenure, accounting, taxation, credit, insurance, and regulatory compliance. The courses include peer-to-peer learning with graduates (aka *Resilerators*) serving as co-teachers, just one of many ways the course helps people to gain knowledge and exchange ideas and experiences with other farmers. Asked what they will do with their newly gained knowledge, one participant wrote, “getting a better structural foundation before I invest more money and time,” which speaks to the important questions our clients face as they develop their businesses.

More than 100 clients from throughout California have completed our resilience programs in the past three years, and demand is growing. By December our *Resilerator 2022* was filled to capacity and we created a waiting list for applicants looking to start in 2023. Another benefit is that staff and consultants offer follow-up technical assistance, which is a critical part of the experience. In addition, after one year *Resilerators* are encouraged to fill out another self-assessment to track their progress.

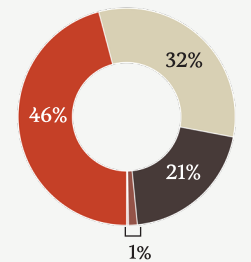
2021 Loan Volume (\$) by County



Top 5 Counties by Loan Volume

Santa Cruz	\$1,124,570
Monterey	\$1,092,629
Stanislaus	\$1,017,000
Marin	\$881,425
Solano	\$708,528

2021 Loan Volume by Ethnicity



- White
- Hispanic or Latino
- Asian American
- Black or African American
- Middle Eastern
- Not Reported

- White**
\$3,643,384 | 60 loans
- Hispanic or Latine**
\$2,553,453 | 40 loans
- Asian American**
\$1,621,596 | 23 loans
- Black or African American**
\$104,200 | 1 loan
- Middle Eastern**
\$16,792 | 1 loan
- Not Reported**
\$5,230 | 1 loan

Eco-Family Farms

On finding community and empowerment through *The Resilerator*

We recently connected with *Resilerator* alum Vicky Garcia-Moya of Eco-Family Farms to hear how her experience with our business resilience course has impacted her farm business.

Vicky worked in sales and retail management for over 20 years, prior to transitioning to farming on a full-time basis. In 2002, Vicky and her husband purchased their property in Chowchilla. Eight years later in 2010, the family planted 29 acres of almonds on their property marking the beginning of Eco-Family Farms. Vicky operates the farm alongside her husband and daughter, who both contribute on a part-time basis. With a commitment to land stewardship, they have implemented a number of conservation practices like planting native hedgerows, winter

cover crops, and improving the irrigation system.

Vicky's transition into operating Eco-Family Farms on a full-time basis began with a question: How do I maximize revenue with the land we already have? This can be an important question for farm businesses to answer. She turned to her local SBDC where she received a referral to attend *The Resilerator*. Vicky reported, "As the course went on, the assessment was really helpful. It really helped me identify our weaknesses and strengths and really prioritize and come up with action plans."

Through the *Resilerator*, including additional resources to engage a bookkeeper, Vicky is equipped with new tools to handle the obstacles that come along with owning a small-scale farm, adding to her business



Vicky Garcia-Moya and family

experience. Vicky also found community with her fellow *Resilerators*. "It's great to hear that you're not the only one," she said, "That this is not just me. And then just getting ideas, 'Well, how do you do this? And what have you done?' It's a good community because sometimes you feel... isolated in a way. Having that community is great."

Another farmer participating in the course shared their knowledge about USDA Value-Added Pro-

ducers Grants, which also inspired Vicky to apply for the program. Eco-Family Farms has primarily focused on wholesale distribution, but in 2022, they have begun to sell at farmers' markets. Now with a new plan in place, and support from a USDA grant award, they sell at two farmers' markets and are enjoying the benefits of selling directly to customers and growing her own community around Eco-Family Farms.



Mountain Bounty Farm, Nevada County

Equity and Conservation on Working Lands

One crucial element of the LAFBE program is our Equity and Conservation on Working Lands initiative. We call it ECWL — pronounced equal. It serves as a framework to deploy tools and activities that support farmers' successful land tenure, resource conservation, and adaptation to climate change. With a focus on partnering with underserved growers and farmers of color, we aim to help grow their long-term resilience and permanence in California agriculture. The ECWL framework uses access to fair and affordable credit, education, one-on-one assistance and

networking, to facilitate conservation on working lands in both public and private ownership.

ECWL focuses on long-term investments: establishing good land tenure, farm succession planning to maintain farm businesses, and creating conservation initiatives to protect and improve natural resources, soil health, water quality and biodiversity. Important aspects of the work include deepening partnerships with land trusts and conservation organizations, and making loans designed to support regenerative farming practices. We believe that farmers and ranchers and their production practices can

serve as solutions to the climate crisis, and we aim to reduce farmers' barriers to accessing public conservation program funds.

FarmLink deepened its land access and land tenure work in 2021 by supporting 32 land links with five agreements in negotiation as of year-end. Almost all of the linking work includes one-on-one technical assistance to create win-win lease agreements and establish a secure foundation based on mutual expectations. In 2022 we are excited to expand our footprint across California's working lands. We're using new tools and resources to apply proven strategies to help landholders work with small farmers, promote a new publication to support the development of regenerative grazing leases, and invite more landholders to be part of ECWL. All of this work aims to maximize opportunities for growers, and elevate access to land and land tenure as crucial elements of local food and farming systems.

In 2021 the resilience education programs were generously sponsored by:

Lead Sponsor



Rainmaker Sponsor



EQUITY & CONSERVATION

Land Tenure

Mountain Bounty Farm and Bear Yuba Land Trust

Securing and maintaining good land tenure can be a challenge for growers at all levels of experience. While most of our land tenure technical assistance supports beginning farmers with less than 10 years of experience, our solutions are becoming as varied and unique as the challenges farmers face across California.

In the Sierra Foothills, FarmLink worked with Mountain Bounty Farm and the Bear Yuba Land Trust to help realize the land trust's pioneering *Forever Farms* program. Rooted in long-term collaboration, *Forever Farms* identifies and purchases farmland at risk and works with local farmers to create good land tenure, including long-



Erin Tarr, Bear Yuba Land Trust, Liya Schwartzman, California FarmLink & John Tecklin, Mountain Bounty Farm

term evergreen leases. During 2021 FarmLink helped create a lease for the land trust and Mountain Bounty, a valued local farm with more than 800 CSA subscribers and strong farmers' market and retail-direct sales. When signing the lease, the farm's founder John Tecklin said, "This is a total game changer. We've been doing this for 26 years now and had tremendous land insecurity. We've been kicked off numerous parcels and... farming takes investment.

You have to build the soil, you have to build infrastructure, and this [lease] allows us to take that to another level."

We greatly appreciate Bear Yuba Land Trust for preserving working lands while creating more stable land tenure for local farmers. Erin Tarr, executive director at the land trust, said, "We couldn't have done it without the help of FarmLink and all of their expertise, and really appreciate their ability to support both the landowner and the tenant

throughout this process to create the best outcome that we could have imagined."

Our ECWL framework enables FarmLink to assist partners with land tenure expertise while creating and supporting innovative solutions in concert with partners. We look forward to sharing more of these solutions that leverage our role as a Community Development Financial Institution supporting sustainable agriculture and local food systems.

LOOKING AHEAD

New Initiatives

Acting & learning with clients

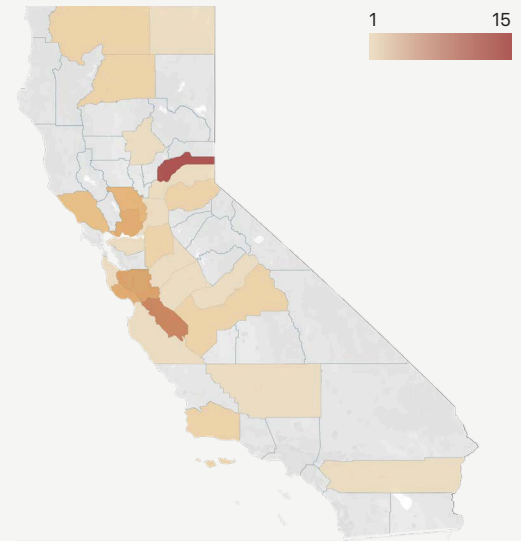
With a focus on recovery, resilience and equity, FarmLink launched new initiatives, like helping underserved farmers to access the USDA's Pandemic Response and Safety Grants. When USDA released the program guidelines for grants to farmers who incurred pandemic-related costs, our team immediately went into action. We partnered with a Spanish-speaking attorney to help farmers register their businesses and assured that staff and consultants used the same framework to help farmers illustrate their financial losses and thus qualify for grants. In about two weeks we helped more than 35 people apply for more than \$283,000.

We co-created a small grants program in partnership with the Sacramento Natural Foods Co-op to support business resilience with a focus on beginning farmers and farmers of color. By supporting this new grants program, the Sacramento Co-op joins our long-time loan

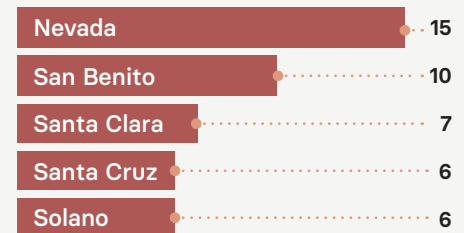
guarantee partner, BriarPatch Food Co-op, based in Grass Valley, as a lead innovator supporting local food systems with cooperative principles and collaborative business practices.

Another major development was the start of FarmLink's new Annual Impact Survey to help us learn from clients and expand our knowledge about their businesses, including their approaches to conservation. For example, 79% of respondents reported that they implemented conservation practices in 2021, but only 21% accessed support from state and federal conservation programs. In total, we received 137 detailed responses, a 10% response rate, and 93% of respondents would recommend our services to other farmers and ranchers. As a core part of our Diversity, Equity and Inclusion Principles, the ongoing surveys are one way FarmLink is growing community input and influence to guide its work.

Land Links by County 2020-21



Top 5 Counties by Land Link



Land Portal Membership

408

Total members

20%

Landholders

80%

Landseekers



2021 Grantors and Social Impact Investors

Anonymous (2)	Mighty Arrow Family Foundation**
11th Hour Project of the Schmidt Family Foundation**	Monterey Peninsula Foundation
Bank of the West	#NoRegrets Initiative
California Governor's Office of Business and Economic Development	Opportunity Finance Network - Finance Justice Fund**
California Ocean Protection Council/Environmental Defense Fund	Opportunity Finance Network - Grow with Google**
Campbell Foundation	Resources Legacy Fund
Ceres Trust*	RSF Social Finance
Cienega Capital*	Seed Fund**
Clients of Align Impact*	Sachs Family Foundation*
Clients of NorthStar Asset Management*	Sacramento Region Community Foundation*
Clients of Tiedemann Advisors*	SBA Microloan Program**
Comerica Bank*	SBA Program for Investment in Micro-Entrepreneurs (PRIME)
CommonSpirit Health*	Silicon Valley Community Foundation**
Community Development Financial Institutions Fund**	John & Timi Sobrato Charitable Fund at Community Foundation Santa Cruz County**
Community Foundation for Monterey County**	Swift Foundation**
Community Foundation Santa Cruz County*	US Bank
Farm Credit	USDA Beginning Farmer and Rancher Development Program
Clarence E. Heller Charitable Foundation	USDA Rural Development**
Highlands Associates*	USDA Rural Microentrepreneur Assistance Program**
ImpactAssets COVID Response Fund*	USDA Farm Service Agency
Jewish Community Federation and Endowment*	Wells Fargo Foundation
Johnson Ohana Foundation*	Wells Fargo Open for Business Fund**
Justice Justice Foundation*	Western Extension Risk Management Education
W.K. Kellogg Foundation	
Mechanics Bank*	

2021 Financials

REVENUE

Grant funds – operating	\$4,640,927
Grant funds – loan fund equity	3,028,386
Donations	114,930
In-kind contributions	68,601
Interest, fees and program revenues . .	1,140,013
Total revenue	\$8,992,857

EXPENSES

Program Services	
Farm & ranch prosperity loan program	\$1,085,680
Land access & business education	981,414
Supporting Services	
Management and general	615,982
Fundraising	261,922
Total expenses	\$2,944,998
Change in net assets	\$6,047,859

GIFTS IN MEMORY OF Stan & Alice Webb Sharon Lebherz

* = Farm & Ranch Prosperity Fund (impact investors)

** = Grantor and Impact Investor

2021 Team

Reggie Knox
CEO

Flor Blancas
Loan Officer

Emily Buczko
Communications & Development Associate

Sharon Evans
Staff Accountant

Jane Garcia
Credit Officer

Jeremy Ginsberg
Data & Impact Manager

Mario Graciano
Senior Associate, Loan Operations

Tamela Hudson
Director of Loan Operations

Phillip Lee
Finance & Operations Manager

Andrea Levy
Senior Program Manager, Wealth Building & Resilience

Brett Melone
Chief Business Strategies Officer

Adriana Murguia
Senior Associate, Land Access & Farm Business Education

Tito Ortega
Loan Officer

Gary Peterson
Director of Communications & Philanthropy

Lola Quasebarth
Grants Manager

Margaret Rossano
Senior Associate, Equity & Conservation on Working Lands

Liya Schwartzman
Senior Program Manager, Equity & Conservation on Working Lands

Stephanie Stevens
Program Manager, Land Access & Farm Business Education

Noah Strouse
Loan Officer & Strategic Initiatives Manager

Shivani Tambi
Communications Assistant

Nathan Weller
Director of Development & Impact

Rachel Williams
Executive Assistant

CONSULTANTS

Herb Aarons
Loan Program Advisor

Poppy Davis
Program Advisor

Winona Dorris
Business Skills Advisor

Jonathan Harrison
Chief Financial Officer

Kendra Johnson
Working Lands Conservation

David Mancera
Business Skills Advisor



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2021 Board of Directors

Marisa Alcorta, President
Center for Land-Based Learning & Terra Firma Farm

Rob Hurlbut, Treasurer
Agriculture Capital

Meredith Storton, Secretary
RSF Social Finance

Robin Bot-Miller
Real Estate Investor

Mariela Cedeño
Manzanita Capital Collective

Larry Cretan
Banking Consultant & Craft Brewery Owner

Marsha Habib
Farmer, Oya Organics

Shyam Kamath, Ph.D.
Dean (retired), CSUMB College of Business

Kristyn Leach
Farmer, Namu Farm

Chris Mittelstaedt
The Fruit Guys

Wesley Van Camp
VP, Legal & General Counsel, Tanimura & Antle

Thank you to recent board members, Keir Johnson and Jennifer Sowerwine