

2020 Annual Report

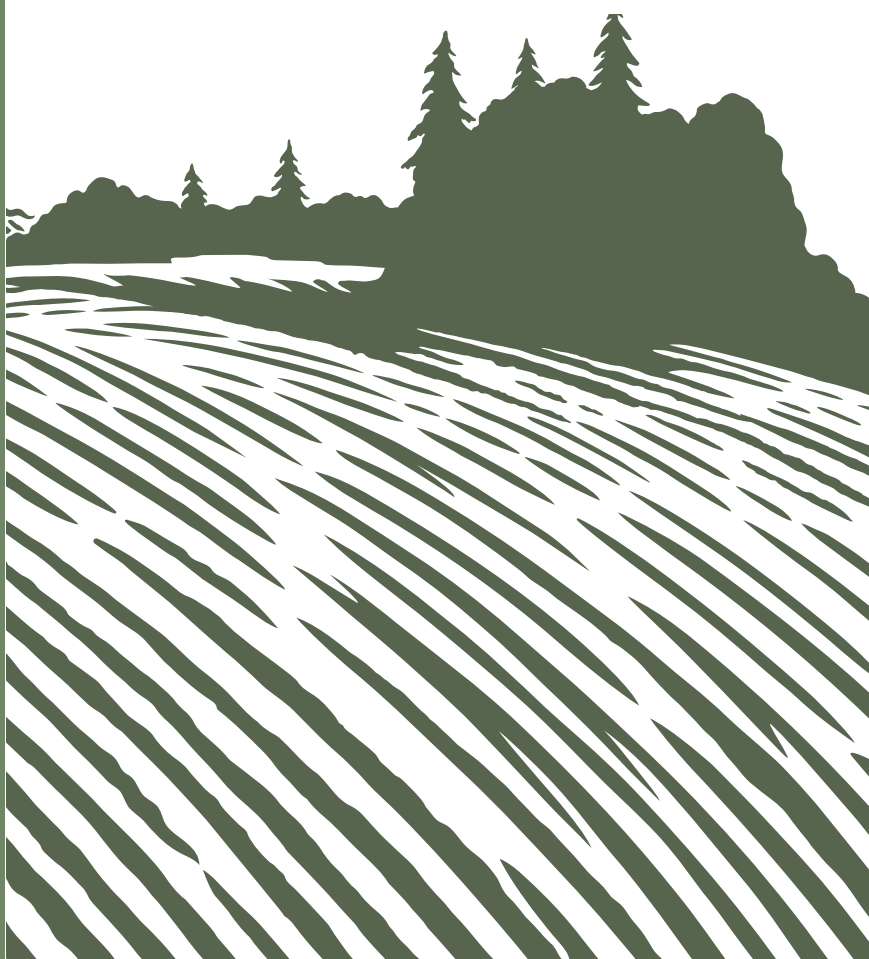


CALIFORNIA  
**FARMLINK**

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# Introduction

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In 2020, both California FarmLink and the farmers we served, demonstrated remarkable resilience. This report describes how we rapidly adapted our lending and farmer support programs, providing \$10 million in loan capital to 195 farmers. The challenges of 2020 brought new understanding along with opportunities to innovate and bring lasting systemic change to our food systems. The pandemic and growing calls for racial justice have deeply impacted our work. We responded by growing new partnerships to serve farmers of color, deploying low-cost and forgivable loans, and creating new approaches to business education. Our Equity and Conservation on Working Lands initiative is developing new approaches to help low-income, low-wealth farmers participate in climate change adaptation and regenerative practices. We are poised and excited to grow our impact and build new pathways for business success and wealth generation for the diverse, small farmers who are the future for food security in our communities.

– Reggie Knox  
*Executive Director*





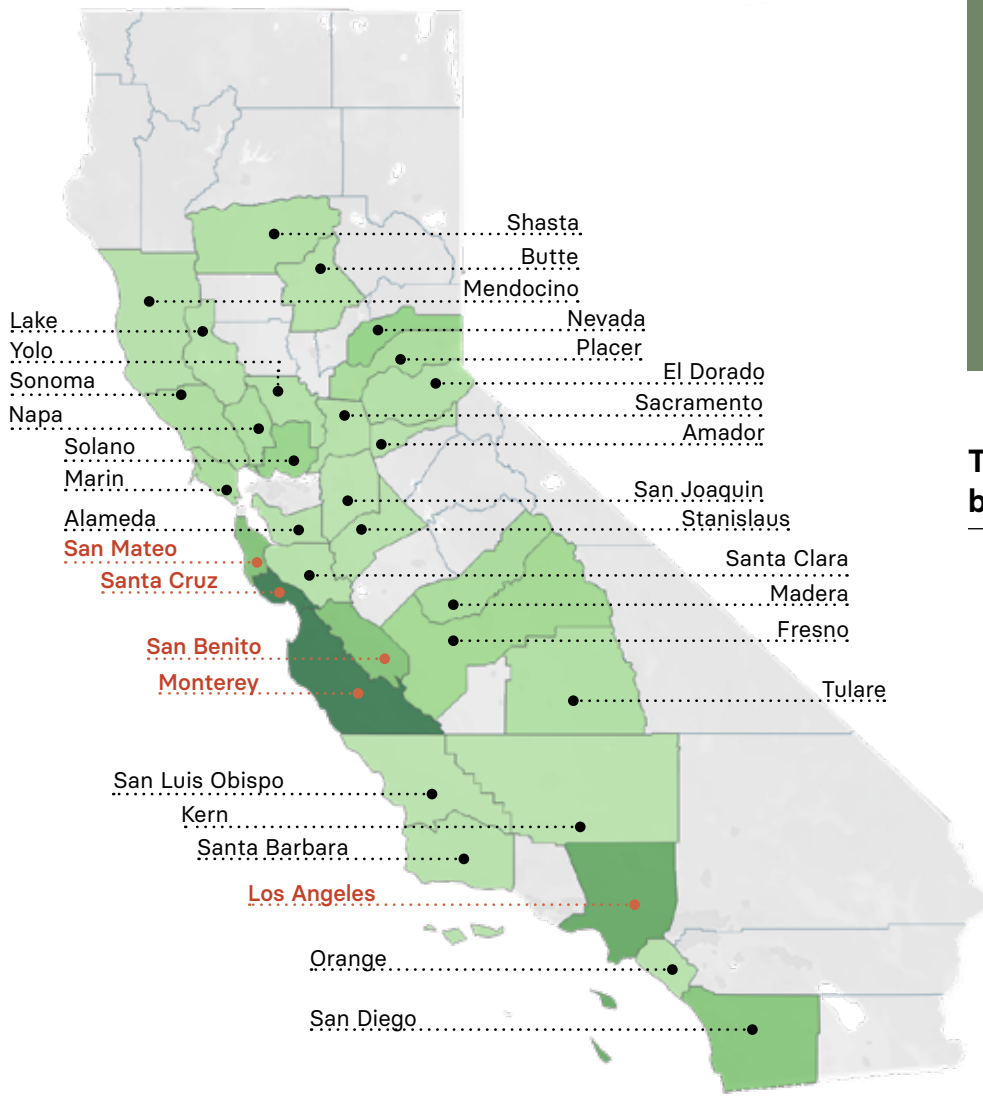
# Lending

Despite the profound challenges that 2020 has brought, California FarmLink, and most importantly the farmers we serve, have demonstrated remarkable resilience. The pandemic and growing calls for racial justice have deeply impacted our work. We responded by growing new partnerships to serve farmers of color, deploying low-cost and forgivable loans, and creating new approaches to business education. All this work is rooted in our values: equitable access to opportunity, resilient working landscapes, fairness and accountability, and learning from diverse farmers and ranchers.



# 2020 Lending Snapshot

## 2020 Loans by County



## 2020 Lending Snapshot

**\$9.97M**

Total loan volume

**196**

Total loans issued

## Top 5 Counties by Loan Volume

- 1 **Monterey**  
\$3,521,448
- 2 **Santa Cruz**  
\$2,341,043
- 3 **Los Angeles**  
\$864,655
- 4 **San Mateo**  
\$514,628
- 5 **San Benito**  
\$495,435





## LENDING STORIES

# Avalos Farms

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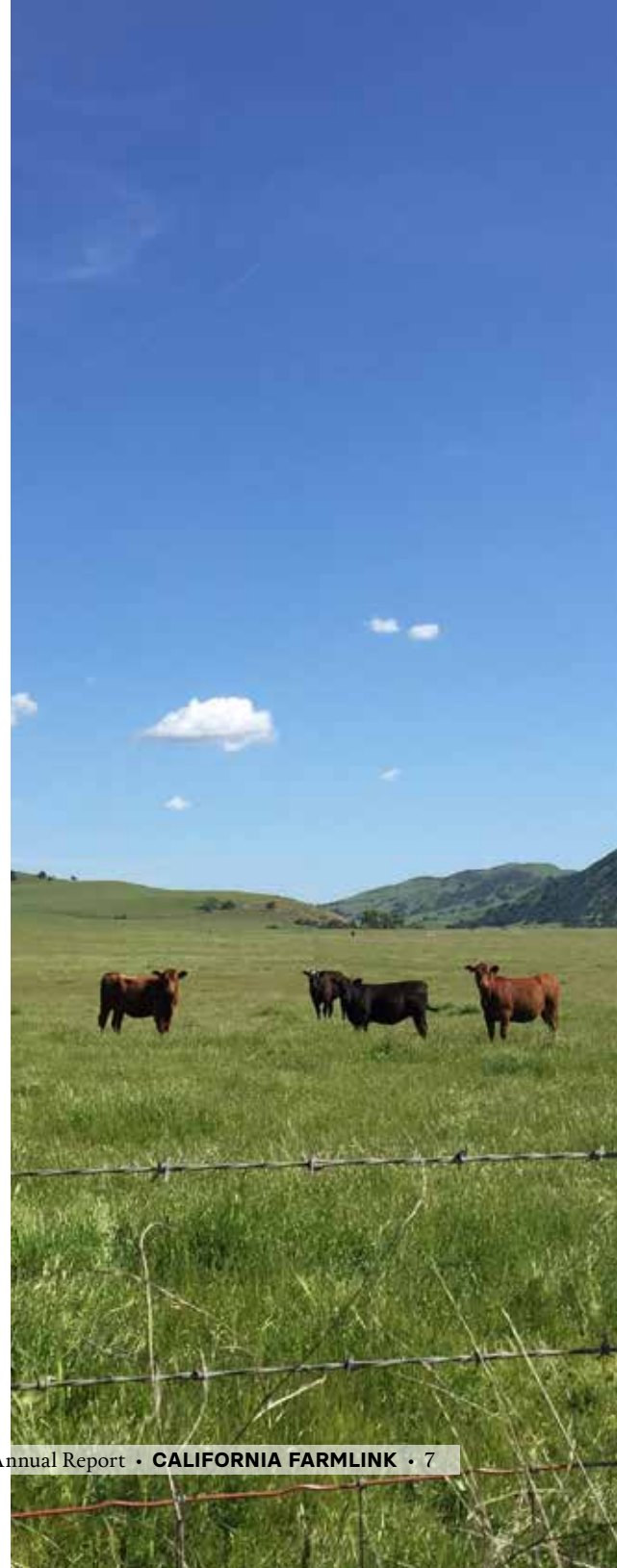
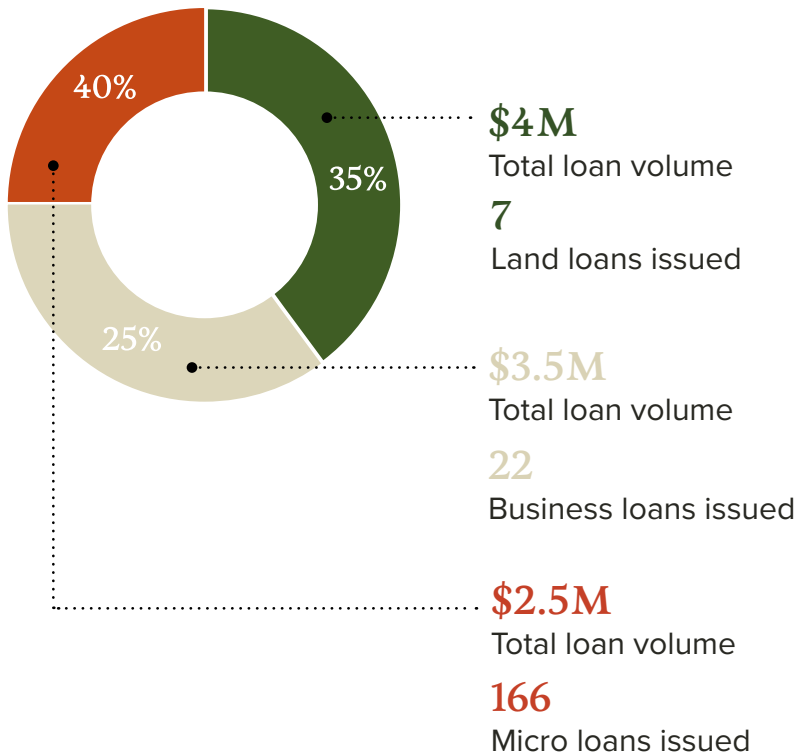
Like many farmers, Efren Avalos often has limited cash on hand in winter to establish spring and summer crops. To meet that challenge, he accesses FarmLink loans through a partnership between FarmLink and his purchaser, Mandela Partners. A risk-sharing arrangement and forward-purchasing contract pays Efren at the beginning of the season for anticipated sales to Mandela. This partnership enables farmers to access low-interest loans based on the security of their sales contract, and assures that Mandela has a consistent supply of organic produce to provide to low-income families from farmers like Efren.



# 2020 Lending Snapshot

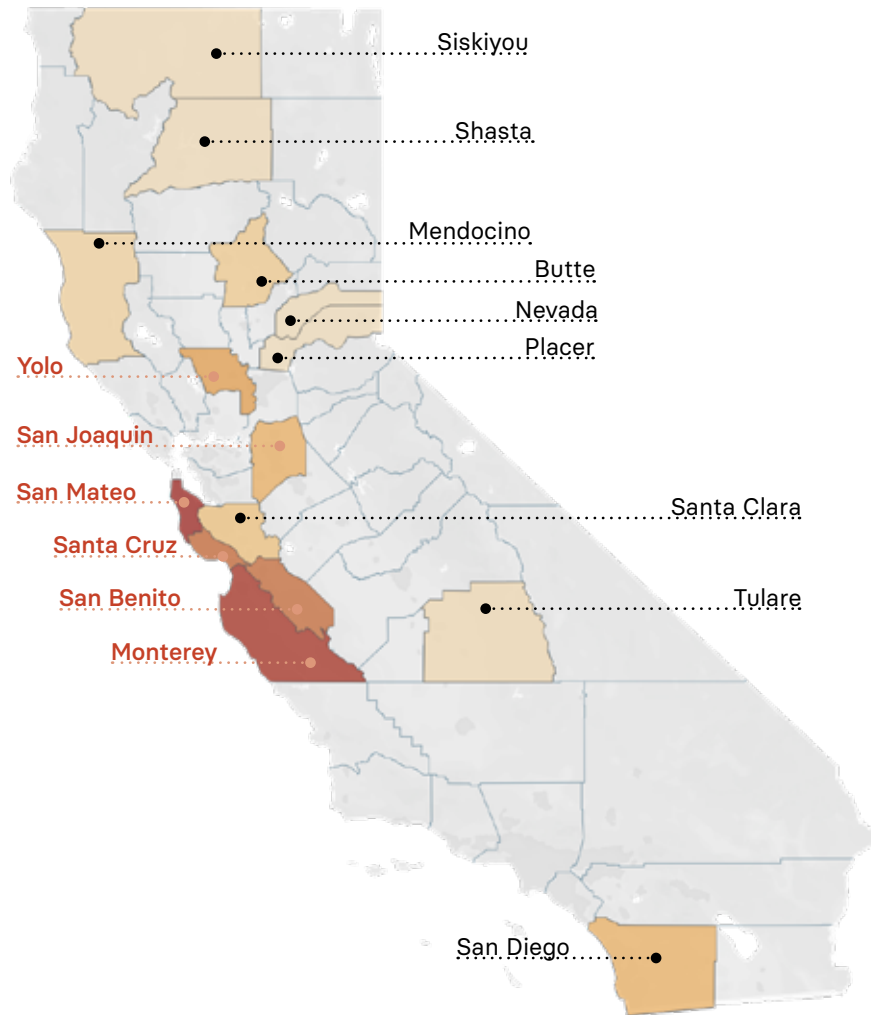
## 2020 Loan Volume by Type

- Land loans
- Business loans (>50K)
- Micro loans (<50K)



# Land Loans: Farm Ownership for the Next Generation

## Land Loans by County 2015–2020



23

Number of farmers to receive land loans

\$448K

Median loan amount

## Top 6 Counties by Land Loan Volume

1	San Mateo	\$3,241,215	4	San Benito	\$2,105,214
2	Monterey	\$3,075,000	5	Yolo	\$1,225,000
3	Santa Cruz	\$2,155,000	6	San Joaquin	\$900,000





## LENDING STORIES

# Flying V Farm

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When Flying V Farm started in 2017, FarmLink provided timely assistance to help establish its land lease. Three years on, the farm is growing apples from an existing orchard along with table grapes, blueberries, strawberries, pumpkins, and squash. In 2019 and 2020, the farm received operating loans from FarmLink in collaboration with BriarPatch Co-op, sharing the risk and thus offering a lower interest rate. Flying V is an LLC with worker-owner values, and in 2020 the farm took a crucial step by hiring its first two full-time employees.





# COVID-19 Response

The pandemic generated unprecedented demand for FarmLink loans, as many farmers navigated an urgent need to re-align sales channels and maintain payrolls while, in some cases, sales began to plummet. As lockdowns began in March, FarmLink’s team sprang into action by establishing a 0% emergency loan product and assessing how we could deliver the SBA’s Paycheck Protection Program loans for small- and mid-scale farmers. Throughout the spring and summer, loan inquiries from farmers increased tenfold over the prior year, and by the end of the year, FarmLink’s loan team worked through an unprecedented 195 loans, including 127 COVID-related loans.

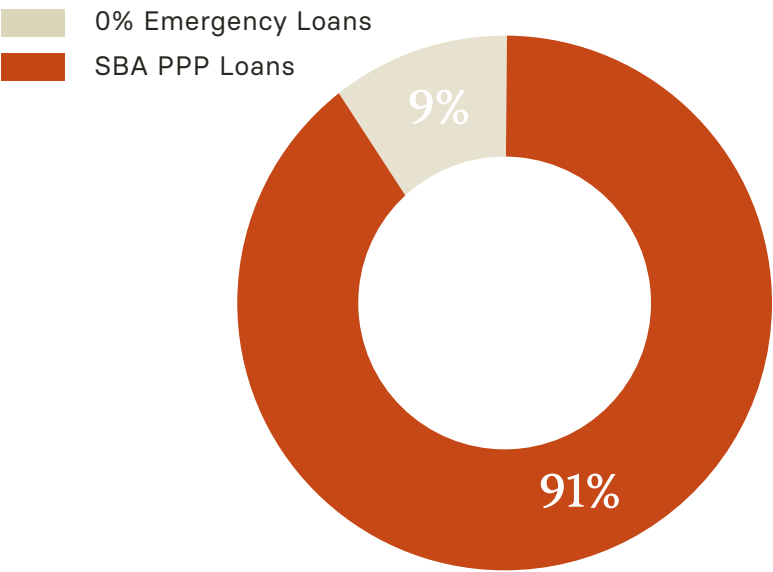
**\$2.7**

Total volume of COVID-19 relief loans

**127**

Total number of COVID-19 relief loans

## COVID-19 Relief Loan Volume by Type



### SBA PPP Loans

<b>\$2,484,203</b>	<b>112</b>
Loan volume	Loans

### 0% Emergency Loans

<b>\$245,000</b>	<b>15</b>
Loan volume	Loans



# Education

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During 2020 California FarmLink continued to grow and hone its unique business education focused on resilience and succession. We launched another cohort of farmers and ranchers participating in a five-week Business Resilience Intensive to help them assess their business structures, make tax-wise decisions, and establish solid bookkeeping practices. In 2021 FarmLink launched its Resilicator, with past farmer-graduates serving as co-teachers during what is now a six-week course. Our distance learning strategy resulted in farmers from Siskiyou to Los Angeles enrolling with us. When they complete the course they'll receive discounted loans as well as intensive one-on-one follow-up.

After in-depth planning with staff learning from ag business advisors and farmers, in 2021 FarmLink will launch its Spanish-language Wealth Building program and its course, La Resiliencia y la Prosperidad. Designed specifically for immigrant farmers, the course will focus on cash flow planning, managing credit, and using the balance sheet to manage business equity and ultimately, family wealth.

## One-on-One Support for Farmers in 2020

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**293**

Farmers engaged

**1200+**

Hours of technical  
assistance

## Tara Firma Farms

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In 2019 Isabel Squire transitioned from a management role with a global coffee company to become the business manager at Tara Firma Farms, which includes row crops and rangeland near Petaluma. While Isabel had solid management and training experience, she found that the small-farm business was uniquely complex. In early 2020 she joined FarmLink's business resilience course, now known as The Resilicator, which helped her see the business through the prism of people, land, and activities. The farm's activities include ranching, the CSA, and educational programs. "The course built enough understanding to dig into our finances and make vital choices about the business model," Isabel says. Tara Firma Farm had its own cattle herd, but it was difficult to raise them with the regenerative practices they value. They decided to sell the herd to a local rancher focused on regenerative practices. Along with the sale, they decided to lease 230 acres of rangeland to the buyer, and asked FarmLink to help. Isabel reports that it was "a very smooth process." With the course and lease assistance, Isabel and her team are honing their business strategies for long-term success.





## Access to Land

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From its start in 1999, California FarmLink has been networking and catalyzing access to land for beginning, immigrant, and farmers of color. During 2020 our staff provided one-on-one technical assistance to help establish 38 land tenure agreements, relying in part on our well-honed lease template and more than 70 specialized clauses to establish agreements on topics ranging from soil management to on-farm direct marketing. FarmLink continued to improve its online Land Portal which helps farmers and landholders to connect with each other, and farmers seeking land to meet other farmers for collaboration and partnership.





Michael Shapiro  
AM Ranch | Nevada County

## Land Portal Membership Status

501

Total members



20%

Landholders

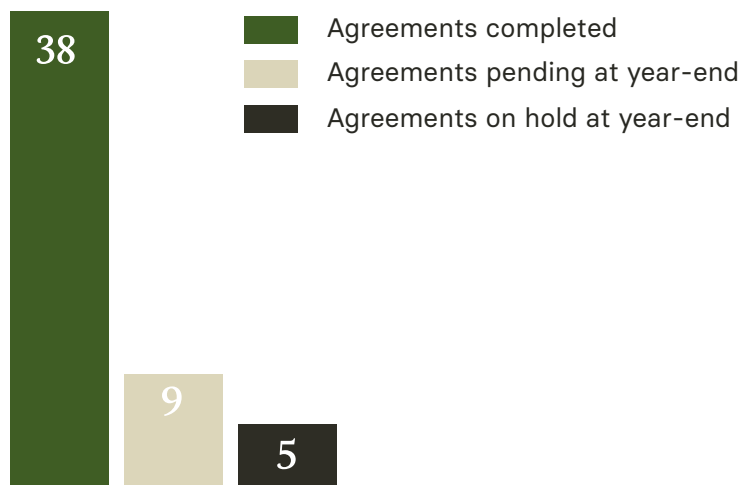


80%

Landseekers



## Land Tenure Assistance in 2020



# Equity

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California FarmLink has long sought to improve how we support immigrant farmers and farmers of color. In 2020 the nation's reckoning with violence, trauma, and health disparities in communities of color impacted us deeply. Reggie Knox wrote, "We recognize the stark, painful realities that the pandemic is killing Black people at disproportionate rates across the country, and that unemployment and economic harm is disproportionately impacting communities of color. We recognize how much work needs to be done to create a society that is grounded in racial equity and social justice."

# Looking Ahead

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One of the core organization-wide activities planned for 2021 is to activate our Diversity, Equity, and Inclusion Principles by creating a set of DEI Practices to guide every aspect of the organization's growth and development, from program design to communications to governance. We plan to establish a farmer peer advisory group to advance farmers' perspectives and impacts on the ways the organization conducts its business. And FarmLink will continue to grow its program impact with deliberate focus on supporting next-generation farmers and farmers of color.







## Mission and Vision

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California FarmLink's mission is to invest in the prosperity of farmers and ranchers through lending, education, and access to land. We envision a healthy food system where farmers and ranchers have equitable opportunities to build wealth and conserve natural resources. We value equitable access to opportunity, resilient working landscapes, fairness and accountability, and learning from diverse farmers and ranchers.

# Grantors & Social Impact Investors 2020

Bank of the West  
 The Campbell Foundation  
 Ceres Trust\*  
 Cienega Capital\*  
 Comerica Bank\*\*  
 Community Development Financial Institutions Fund\*\*  
 Community Foundation for Monterey County\*\*  
 Community Foundation Santa Cruz County\*  
 Dignity Health\*  
 Farm Aid  
 Farm Credit  
 Federal Home Loan Bank San Francisco  
 Clarence E. Heller Charitable Foundation  
 Highlands Associates\*  
 Johnson Ohana Foundation\*  
 W.K. Kellogg Foundation  
 Mechanics Bank\*  
 Mighty Arrow Family Foundation\*\*  
 Monterey Peninsula Foundation  
 #NoRegrets Initiative\*\*  
 Resources Legacy Fund  
 RSF Social Finance  
 Sachs Family Foundation\*  
 SBA Microloan Program\*  
 SBA Program for Investment in Micro-Entrepreneurs (PRIME)  
 John and Timi Sobrato Charitable Fund at Community Foundation Santa Cruz County\*\*  
 Swift Foundation\*\*  
 The 11th Hour Project of the Schmidt Family Foundation\*\*  
 The Seed Fund\*\*  
 TomKat Ranch Educational Foundation  
 UNFI Foundation  
 US Bank  
 USDA Beginning Farmer and Rancher Development Program  
 USDA Risk Management Agency  
 USDA Rural Microentrepreneur Assistance Program\*\*  
 Wells Fargo\*\*  
 Western Extension Risk Management Education Center

# 2020 Financials

## REVENUE

Grant funds - operating . . . . . \$2,093,377  
 Grant funds - loan fund equity . . . . . 657,000  
 Donations . . . . . 70,933  
 Interest income . . . . . 322,187  
 Program revenue . . . . . 423,330  
 Forgiveness PPP loan . . . . . 230,722  
**Total revenue . . . . . \$3,797,549**

## EXPENSES

Program Services  
     Farm & ranch prosperity loan program . . . \$1,072,439  
     Land access & business education . . . . . 770,059  
 Supporting Services  
     Management and general . . . . . 488,269  
     Fundraising . . . . . 242,411  
**Total expenses . . . . . \$2,573,178**  
**Change in net assets . . . . . \$1,224,371**

## RAINMAKER SPONSOR OF THE FARM FINANCE FORUM:



\* = Farm & Ranch Prosperity Fund (impact investors)

\*\* = Grantor and Impact Investor

## 2020 Team

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**Reggie Knox**

*Executive Director*

**Flor Blancas**

*Lending Associate*

**Emily Buczko**

*Communications & Development Associate*

**Ellen DeSimone**

*Finance & Operations Manager*

**Sharon Evans**

*Staff Accountant*

**Jane Garcia**

*Credit Analyst*

**Mario Graciano**

*Lending & Loan Services Associate*

**Tamela Hudson**

*Loan Portfolio Manager*

**Phil Lee**

*Finance & Operations Manager*

**Andrea Levy**

*Senior Associate: Land Access & Farm Business Education*

**Kerry McGrath**

*Program Manager*

**Brett Melone**

*Director of Lending*

**Blanca Mendoza**

*Loan Operations Associate*

**Iris Nolasco**

*Central Coast Program Coordinator*

**Gary Peterson**

*Director of Communications & Philanthropy*

**Lola Quasebarth**

*Senior Associate*

**Liya Schwartzman**

*Program Manager*

**Stephanie Stevens**

*Program Manager*

**Catherine Van Dyke**

*Loan Officer*

**Nathan Weller**

*Director of Development & Impact*

**CONSULTANTS**

**Herb Aarons**

*Loan Program Consultant*

**Poppy Davis**

*Programs Consultant*

**Jonathan Harrison**

*Chief Financial Officer*

**Kendra Johnson**

*Working Lands Conservation*



**CALIFORNIA  
FARMLINK**

335 Spreckels Drive, Suite F  
Aptos, CA 95003

[info@cafarmlink.org](mailto:info@cafarmlink.org)

831.425.0303

[www.californiafarmlink.org](http://www.californiafarmlink.org)

## 2020 Board of Directors

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**Marisa Alcorta, President**

*Center for Land-Based Learning & Terra Firma Farm*

**Rob Hurlbut, Treasurer**

*Agriculture Capital*

**Jennifer Sowerwine, Secretary**

*Cooperative Extension Specialist, UC Berkeley*

**Robin Bot-Miller**

*Real Estate Investor*

**Larry Cretan**

*Banking Consultant & Craft Brewery Owner*

**Kate Danaher**

*RSF Social Finance*

**Marsha Habib**

*Farmer, Oya Organics*

**Kristyn Leach**

*Farmer, Namu Farm*

**Chris Mittelstaedt**

*The Fruit Guys*