

2022 Annual Report



CALIFORNIA
FARMLINK

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Greetings from our CEO and Board President

Dear friends,

Thank you for your support! In 2022, California FarmLink continued to grow, adapt and learn. We also grew our appreciation for the need, and strength, of an interdependent agricultural community. With this community, we rose together to support farm business resilience in the face of each new challenge - from shifting markets and rising input costs to extreme weather.

FarmLink's ability to adapt and help farmers meet these challenges is directly proportional to the support, encouragement, experience and understanding of the partners with whom we work. Without the network of funders, donors and impact investors, the non-profit ecosystem of farm support services and policy coalitions, and the daily flow of on-the-ground information received from farmers, FarmLink would not continue to thrive. We appreciate your work, your thought partnership and analysis, and your love and shared vision of healthy food, farms and communities.

During the pandemic we deployed federal forgivable loans and started making 0% loans, and in 2022, the need for economic relief continued to grow. With support from partners and funders, we carved out a pool of capital for 0% loans which has now served 27 farmers and fishers with over \$1.4 million, 90% of which helped farmers of color.

Though both farmers and lenders are wary of taking on larger loans in times of economic uncertainty, we continued to prepare businesses with pathways to ownership for long-term land tenure, and completed five land loans in 2022. We have made a total of 47 land loans throughout California.

Last year our three innovative educational programs were fully up and running, receiving national attention and requests for training and delivery from across the country: *El Resilerador* and *The Resilerator*, our Spanish- and English-language business resilience courses, and *The Regenerator: A Year of Farm Succession Planning*. We appreciate the deep support of partner organizations and farm business consultants, and farmer peer educators

who are integral to the courses as guest speakers.

We're also developing a curriculum on farm employee management thanks to a new partnership with the Aspen Institute. Our team, along with an experienced farmer-consultant, are compiling practices and strategies from farmers and others who are leaders in providing high-quality jobs. Topics include safe and respectful workplaces, conflict management,

“With support from partners and funders, we carved out a pool of capital for 0% loans which has now served 27 farmers and fishers with over \$1.4 million, 90% of which helped farmers of color.

recruiting and onboarding, compensation and benefits.

By year end, with your generous support, we reached a staff of 25. With our courses, business assistance and lending going full tilt, we increased our efforts in trusted policy coalitions focused on systemic change at both the state and federal levels. As a member of the three-year-old California Coalition for Community Investment, we helped pass legislation to secure \$50 million in state funding for a California Innovation and Investment Fund to support Community Development Financial Institutions (CDFIs) like FarmLink.

We engaged with the National Sustainable Agriculture Coalition to review USDA credit programs and craft proposals for the Farm Bill for more flexible lending options to meet the needs of the farmers we serve. The Biden Administration's leadership at USDA has been very interested in our experience as one of the only CDFIs nationwide focused on serving farmers of color and immigrant farmers. As a result, options to assist these farmers are expanding.

We appreciate the political savvy and success of our colleagues at the California Climate and Agriculture Network. As a member of the coalition's leadership team, we are helping to sustain a suite of state climate-smart farm grants, demonstration projects and assistance programs supporting soil building, irrigation efficiency, manure management and composting.

We are also growing a national knowledge network of CDFI lenders interested in learning and sharing ideas about serving agriculture and food systems, and how to combine USDA and U.S. Treasury programs with private capital to center small

and beginning farmers and farmers of color.

The extent to which our clients, partners, funders and investors create an interdependent network is clear - without all of you we would not have been able to expand our support to farmers, ranchers and fishers throughout California. Thank you again for your partnership to make this work possible!

Warmly,



Chris Mittelstaedt
Board President



Reggie Knox
CEO

2022 Lending Snapshot

During 2022 California FarmLink's lending continued to generate just and affordable loans for farmers, ranchers and fishers. The year also included a milestone of FarmLink having made \$50 million in loans since starting its loan program just over a decade ago. FarmLink's certification as a Community Development Financial Institution (CDFI), which makes that lending possible, includes both privileges and obligations. The core requirement is that 60% of loans benefit low-income and/or Latine farmers, ranchers and fishers, a threshold that FarmLink has always maintained. As a CDFI, FarmLink enjoys considerable flexibility in how it designs loans, such as interest-only payments prior to farmers' harvests or 0% loans designed to help clients recover from pandemic- and inflation-related business challenges.

At its core, FarmLink's lending is about deploying capital to farmers, ranchers, and fishers who would not otherwise have access to fair and affordable loans. In 2022 a total of \$5.6 million was disbursed in 50 loans. Similar to other small-busi-

ness lenders, FarmLink found that many businesses were able to access grants and loans that didn't have to be repaid, resulting in less demand for debt capital. Despite this dynamic, many people found affordable, right-sized solutions in FarmLink's lending, including 28 microloans, which are less than \$50,000, for a total of \$822,643. FarmLink continued to create pathways to land ownership with five land loans totaling \$1,493,750. Since the first land loan in 2015, FarmLink has made a total of 43 land loans, totalling \$16.9 million, with more than half of the loans deployed to farmers of color.

Together with our supporters, FarmLink values patient capital and debt relief designed as reparative strategies in support of farmers and ranchers of color who have not had equitable access to federal resources. Solutions during 2022 came in the form of federal payments to farmers as well as FarmLink's own innovations in its 0% loan products and developmental capital. Low-interest development loans are a useful new option, which provide working capital, often extending general operating loans beyond a single growing season and integrating with knowledge-building and technical assistance. Many of those loans are at 0% interest, and 90% have been deployed for farmers of

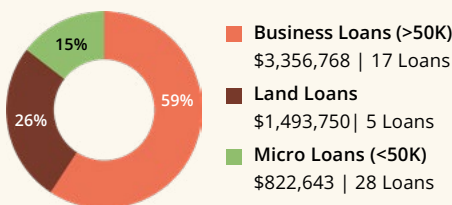
2022 Total Loan Volume

\$5.67M

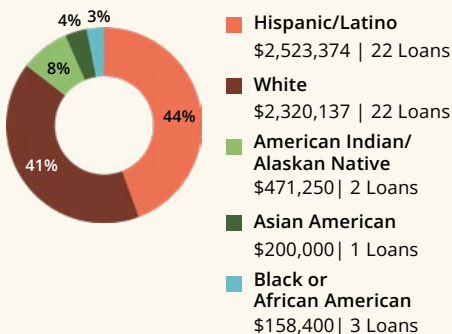
2022 Total Loans Issued

50

2022 Loan Volume by Type



Loan Volume by Ethnicity



color. We look forward to delivering more solutions for more farmers, ranchers and fishers in the months and years ahead.



Adelio Coronel

LENDING

Coronel Produce Organic Farm

Going Back to the Roots

Since childhood, Adelio Coronel has had a strong connection to the land. Originally from Mexico, Adelio comes from a farming family with significant experience producing organic crops. Upon arriving in the United States, Adelio worked an office job but always contemplated the career transition back into farming, sharing, “...I had that feeling of what if. What if I go back to my roots? What if I start working in farming like I used to in Mexico?”

Adelio Coronel first learned about California FarmLink while participating in the Farmer Education

Course in 2022 at Salinas-based partner Agriculture and Land-Based Training Association (ALBA). His business, Coronel Produce Organic Farms, currently grows broccolini, lettuce, snap peas, and radishes for Coke Farm, an organic grower, shipper, and handler supporting small-medium-sized growers along the Central Coast.

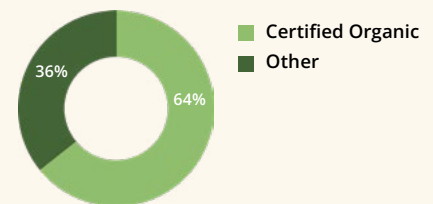
When considering the goals he has for his business and family, Adelio reflects, “I feel like farming is a lifestyle and encompasses everything we do. However, I would like to put my kids through college. I would like for them to become leaders in the future.” Before FarmLink, Adelio believed that accessing financing for his business would be complicated. However, FarmLink’s approachable staff and his completion of the Resilerador course, gaining knowledge to navigate California

agriculture’s complexities, helped ease his concerns.

Serving small-scale farmers with the capital access and business technical assistance necessary for long-term success is a vital part of FarmLink’s mission to support healthy and resilient food systems. In his first year of production, Adelio received a small loan from FarmLink to help alleviate strain on the business’s cash flow caused by the economic shocks of the pandemic and inflation.

In 2022, Adelio received an equipment loan from FarmLink to support the purchase of a new transplanter, “I believe [it] took me from point A to point B. It took me to that next production level, making me feel at peace.” When reflecting on that time, Adelio shares, “I don’t know what would have happened had I not gotten that initial loan from FarmLink, because I was facing that obstacle, and it truly helped me to continue my business.”

Percentage of Loans to Certified Organic Farmers



Resilience and Wealth Building

Knowledge and skills are at the core of FarmLink's investments in the prosperity and well-being of farmers, ranchers, and fishers. The Resilience and Wealth Building (RWB) program's primary offerings are the English-language *Resilicator* and the Spanish-language *Resilador* courses. They run for 10 weeks and cover business structure, labor, land tenure, accounting, taxation, credit, insurance, and regulatory compliance. During 2022 we had a total of 38 farmers, ranchers, and fishers complete the courses as part of a wrap-around client experience.

Prior to entering the courses, clients complete the FarmLink Business Resilience Self-Assessment which helps to identify priority learning objectives. With that foundation established, they enter group education, with a course conducted in English via zoom or in person for the Spanish-language course. Both create learning spaces that are designed to build connections, awareness, empowerment, and motivation to grow successful businesses.

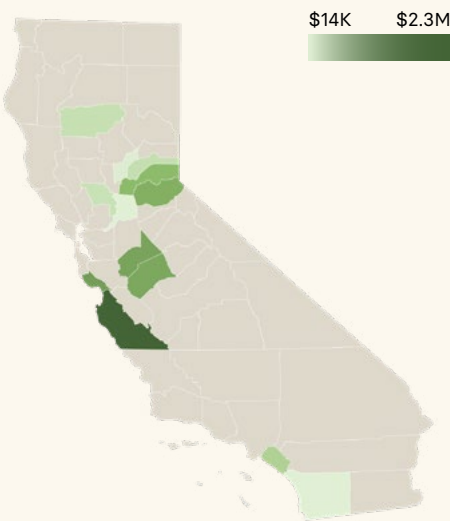
FarmLink staff create a sense of community in the course, resulting in safe spaces for farmers, fishers,

and ranchers to voice their ideas, challenges, and goals. People who have completed the course in prior years serve as guest speakers on topics that were most impactful for them, which builds solidarity and knowledge that they are not alone in facing unique business challenges.

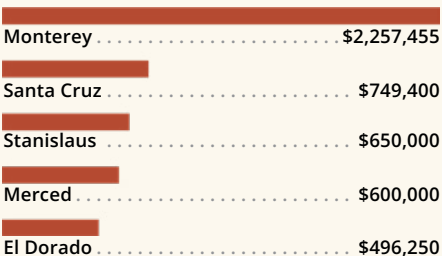
Based on the self-assessment and learning throughout the course, graduates are guided into a network of internal and external sources of one-on-one technical assistance, which can range from improving a land lease to establishing or recreating a bookkeeping system. As a whole, the process leads to personal and business growth, confidence, and motivation to keep making improvements. During 2022, nearly 40 hours of individualized technical assistance was provided to the year's graduates, starting them on a client journey within FarmLink and its network of partners devoted to strengthening.

One common refrain we hear from clients is that they wish they had taken the courses sooner; and that they come to know what changes and improvements need to be made. Each year the courses and follow-up assistance become more integrated into the overall client journey at FarmLink, including land, financing and other areas of assistance. Our newest offering,

2022 Loan Volume (\$) by County



Top 5 Counties



The *Employment Resilicator* course will host its inaugural learning cohort in 2023, covering all aspects of how to be a great employer and create high-quality jobs.

Queen of Vegetables

*Investing in Resilience with
El Resilerador*

Yadira Mendiola, a first-generation farmer and graduate of the *Resilerador* course, has embarked on a transformative journey in agriculture. Introduced to farming in 2007, Yadira now owns and operates Queen of Vegetables, an organic farm near Salinas. Through the Agriculture and Land-Based Training Association (ALBA), a nonprofit organization supporting new growers, she gained access to land, equipment, and expertise that helped bring her dream of owning a farm business to life. Despite facing challenges such as floods and wildfires, Yadira has expanded her farm from one-half acre to eight acres.

To enhance her business skills, Yadira enrolled in the ten-week course specifically designed to build farmers' business resilience with risk management and responsible practices. She honed her leadership abilities, expanded her network, and learned risk management and financial strategies. She commented, "Being in the *Resilerador* class helped us connect with others that



Yadira Mendiola

were not from our same generation...It opened up the world."

El Resilerador provided Yadira with personalized technical assistance, allowing her to tailor her learnings to the specific needs of her farm. She was able to improve on her bookkeeping and tax knowledge through 1-on-1 meetings with Farm-Link staff, as she identified these as professional areas of growth in the self-assessment during the course's first week.

The *Resilerador* program aims to empower farmers to contribute to a resilient and equitable food system.

The program not only intends to equip farmers with the necessary tools but also fosters a network of like-minded individuals passionate about agriculture.

Looking ahead, Yadira dreams of owning a home where she can continue farming, aligning her business and passion to make a living while staying connected with nature. Her journey as a first-generation farmer, driven by perseverance and a commitment to social and environmental responsibility, serves as an inspiration to others in the farming community and beyond.



Liya Schwartzman discussing land tenure at the CA Small Farm Conference

Equity and Conservation on Working Lands

Land access and good land tenure have always been prominent in FarmLink's work, and in the past three years the Equity and Conservation on Working Lands (ECWL, pronounced 'equal') program area has grown its staffing, programs and services to serve those goals.

ECWL's work facilitates secure and equitable land tenure agreements and other critical business transactions, incentivizes conservation practices, and supports business succession planning. In November 2022 a new educational course, *The Regenerator: A Year of Farm Succession Planning*, completed its pilot with a cohort of families working together in a deliberate, step-by-step process. We knew that to solve the

challenges of business succession, a yearlong process would be ideal to position the families within reach of final plans. The participants agreed and they appreciated its deliberate pace and camaraderie.

In addition to creating tools for farmers trying to access land, ECWL's work supports landholders in ensuring that their land remains in agricultural production. A new Landholder Toolshed resource was launched on FarmLink's website in 2022, along with a new publication, the *Guide to Regenerative Grazing Leases: Opportunities for Resilience*.

California FarmLink deepened its expertise and capacity with a new ECWL senior associate joining the team in 2022, with another ECWL team member being hired in 2023. Throughout FarmLink's growth there's a deliberate approach to integrating the work into a seamless client journey that includes access to education, one-on-one assistance,

and affordable financing. During 2022, FarmLink supported 20 farm businesses in purchasing land or transitioning their farm business to new owners or operators. Of the \$1.5 million FarmLink deployed in land loans, 75% supported farmers with low incomes or farmers of color.

New aspects of ECWL's work include deepening partnerships with land trusts and conservation organizations, and designing a new conservation loan product. In 2022 the ECWL team piloted technical assistance partnerships with resource conservation districts to support access to affordable loans for conservation practices. FarmLink also invested in its Land Portal, an online forum connecting landseekers and landholders, by making its functions accessible to Spanish-speaking clients, including translating messages among Land Portal members. In 2023 and beyond FarmLink will continue to facilitate connections to support good land tenure for people seeking to establish and grow farm and ranch businesses.

As an agricultural CDFI, FarmLink supports a variety of long-term business investments: establishing secure land tenure, farm and ranch succession planning, and creating conservation initiatives to protect and improve soil health, water quality and biodiversity.

Good Humus Produce

Transitioning a Life's Work

Since 1976, Jeff and Annie Main have been farming in Yolo County as Good Humus Produce. Like many small-scale farms in California, they cobbled it all together in the early years. They started on $\frac{3}{4}$ acre near Woodland and in the beginning they rented various small parcels in the area. In 1983 they were able to get a lease on a 20-acre farm they now call home. Their landlord wanted them to be successful building the farm, and after ten years they were able to purchase the property, concluding a 17-year period as tenants.

One day the farm will be in the hands of three children: Daughters Alison and Claire are both involved in its day-to-day operations, marketing,

and business management, and son Zach is a local firefighter who regularly works on the farm. The Mains enrolled in FarmLink's yearlong course, *The Regenerator: A Year of Farm Succession Planning*, not knowing all that they would experience. The course starts with family communications and builds from there to establish consensus on how each family can shape its business succession and estate planning to suit their particular circumstances.

"They started talking about retirement and how that works for them,"

reflected Alison, "which inevitably puts Claire and I in a mindset of, 'We're taking it over.' Nothing that we didn't already know, but it just [started] shifting our head space with the whole relationship and responsibility."

"We don't have room to make the mistakes that they did," Claire added, "We can't learn as we go because there are people and businesses relying on us, as our parents have had for the last 40 years... It's hard to be at that level without a lot of help." *The Regenerator* became a safe place where their family and business relationships

could evolve. "It elevated my sister, brother and I from a parent-child relationship to a partnership relationship," Alison reported in an EcoFarm Conference workshop in January.

Throughout the course, the Mains along with the other families, received a cash stipend for attorneys' or other professional fees to assemble the documents and implement their plans. Speaking to farmers and others at the conference, Annie Main concluded by telling the audience, "Wherever you are on this path, I wouldn't wait."



Annie Main and her children at *The Regenerator* course

New Projects and Initiatives in 2022

The most important new projects and initiatives in 2022 were focused on strengthening our depth of understanding and strategic direction as a Community Development Financial Institution serving farmers, ranchers, and fishers. During the crisis days of the pandemic, FarmLink quickly adapted by adopting the Paycheck Protection Program (PPP) and its forgivable loans, and subsequently FarmLink embraced the opportunity to deliver 0% loans to qualifying businesses.

During 2022, FarmLink mobilized new ways to ensure that we are understanding clients' needs and priorities. The organization launched its Farmer Advisory Council (FAC), whose charge is to advise the board and staff on topics impacting the Council members' communities. The members provide advice, including program effectiveness, service improvements, identifying new topics and areas of focus, and understanding emerging needs. We are grateful to the farmers who have chosen to become Council members:

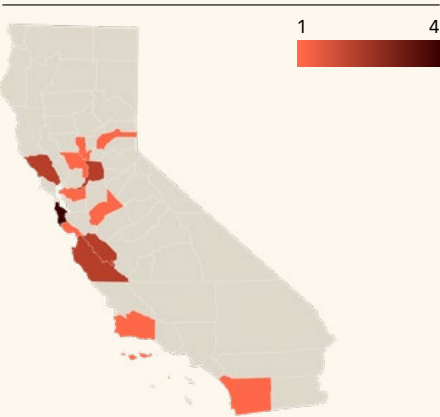
- Chanowk Yisrael, Yisrael Family Farms, Sacramento

- Cristina and David Robles, Robles Transplanting, Aromas
- Janet Nagamine, Hikari Farms, Watsonville
- Roberto Rodriguez, Rodriguez Brothers Ranch, Watsonville
- Teresita and Maria Diaz, Rancho Las Palmas, Davenport
- Veronica Mazariegos-Anastassiou, Brisa Ranch, Pescadero

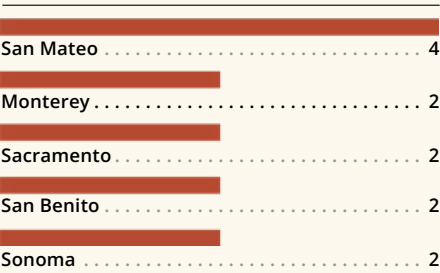
In order to create a meaningful common understanding among council members and the organization's leadership and governance, council meetings take place in conjunction with one of the board's committees. One board member, Marsha Habib, farmer-owner-operator at Oya Organics in Hollister, has been involved in that process, and said, "The FAC member farmers can express their current experiences and challenges they face on the ground in their communities. The candid insight they provide is valuable for FarmLink board and staff so we can focus programs and services to effectively address the needs of up-and-coming small farmers, immigrant farmers, and farmers of color and their communities."

Other milestones in 2022 included concluding FarmLink's first yearlong course, *The Regenerator: A Year of Farm Succession Planning* course. It works on the same model of other courses by ensuring that graduates are able to access benefits such as

Land Links by County 2021-22



Top 5 Counties



professional services and technical assistance from FarmLink and its partners. Another course that started to take shape in 2022 is *The Employment Resiliator*, which will launch in 2023 as a new course offered by the Resilience and Wealth Building program area. Additionally, a new program area created in 2022, Business & Innovation, will incubate new projects, advance policy advocacy, and facilitate a supportive client journey for people accessing FarmLink's programs and services.

2022 Grantors and Social Impact Investors

1st Capital Bank*	Opportunity Finance Network - Finance Justice Fund**
11 th Hour Project of the Schmidt Family Foundation**	Opportunity Finance Network - Grow with Google**
Aspen Institute	Resources Legacy Fund
Bank of the West	RSF Social Finance
California Governor's Office of Business and Economic Development	Seed Fund**
California Ocean Protection Council / Environmental Defense Fund*	Sachs Family Foundation*
Campbell Foundation	Sacramento Region Community Foundation*
Ceres Trust*	SBA Microloan Program**
Cienega Capital*	SBA Program for Investment in Micro-Entrepreneurs (PRIME)
Clients of Align Impact*	Silicon Valley Community Foundation**
Clients of NorthStar Asset Management*	John and Timi Sobrato Charitable Fund at Community Foundation Santa Cruz County**
Clients of Tiedemann Advisors*	Swift Foundation**
Comerica Bank*	US Bank
CommonSpirit Health*	USDA Beginning Farmer and Rancher Development Program
Community Development Financial Institutions Fund**	USDA Rural Development**
Community Foundation for Monterey County**	USDA Rural Microentrepreneur Assistance Program**
Community Foundation Santa Cruz County*	USDA Farm Service Agency
Farm Credit	Wells Fargo Foundation
Clarence E. Heller Charitable Foundation	Wells Fargo Open for Business Fund**
Highlands Associates*	Western Extension Risk Management Education
ImpactAssets COVID Response Fund*	Western Sustainable Agriculture Research and Education Program (SARE)
Jewish Community Federation and Endowment*	Anonymous (2)
Johnson Ohana Foundation*	
Justice Justice Foundation*	
W.K. Kellogg Foundation	
Mechanics Bank*	
Mighty Arrow Family Foundation**	
Monterey Peninsula Foundation	
#NoRegrets Initiative	

* = Farm & Ranch Prosperity Fund (impact investors)

** = Grantor and Impact Investor

2022 Financials

REVENUE

Grants—operating funds	\$1,879,602
Grants—loan fund equity	0
Donations	493,754
In-kind contributions	0
Interest, fees & program revenues . .	1,107,831
Total revenue	\$ 3,481,187

EXPENSES

Program Services

Farm & Ranch Prosperity	
Loan Program	\$1,723,095
Land Access & Farm	
Business Education	983,304

Supporting Services

Management and general	842,184
Fundraising	363,532

Total expenses \$3,912,106

Change in net assets \$(430,909)

2023 Team

Reggie Knox
CEO

Sherlin Benjamin
Communications Assistant

Flor Blancas
Loan Officer

Emily Buczko
Communications &
Development Associate

Anna Doerner
Grant Writer

Sharon Evans
Staff Accountant

Francisco Yanez Espinoza
Impact Analyst Assistant

Alejandro Fregoso
Loan Operations Associate

Jane Garcia
Credit Officer

Jeremy Ginsberg
Data & Impact Manager

Alfredo Gonzalez
Loan Officer

Mario Graciano
Senior Associate, Loan
Operations

Asia Hampton
Business Skills Advisor

Tamela Hudson
Director of Loan Operations

Phillip Lee
Finance & Operations
Manager

Andrea Levy
Senior Program Manager,
Resilience & Wealth Building

Brett Melone
Chief Business Strategies
Officer

Tito Ortega
Loan Officer

Gary Peterson
Director of Communications
& Philanthropy

**Montserrat "Montse"
Plascencia**
Senior Associate, Resilience &
Wealth Building

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, Resilience
& Wealth Building

Noah Strouse
Loan Officer & Strategic
Initiatives Manager

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

David Mancera
Business Skills Advisor

Juli Obudzinski
Policy Advisor



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FARMLINK**

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2023 Board of Directors

Chris Mittelstaedt, President
The Fruit Guys

Rob Hurlbut, Treasurer
Agriculture Capital

Meredith Storton, Secretary
RSF Social Finance

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

Robin Bot-Miller
EOS Investors

Mariela Cedeño
Manzanita Capital Collective

Larry Cretan
Banking Consultant

Marsha Habib
Oya Organics

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

Jennifer Kuyper
Pinnacle Bank

Ali Robinson
RSF Social Finance

Pablo Solares
Mission Economic
Development Agency (MEDA)

Wesley Van Camp
Tanimura & Antle

Thank you to recent board
members **Kristyn Leach** and
Natalie Solares