

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1731 (Wilson) – As Amended March 19, 2026

Policy Committee: Agriculture

Vote: 8 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Office of Farm to Fork (Office) within the California Department of Food and Agriculture (CDFA) to establish the California Healthy Food Procurement Fund Program (procurement program).

Specifically, this bill, among other things:

- 1) Requires the Office, by January 1, 2028, to establish the procurement program to cultivate equity, nurture students, build climate resilience, support California agriculture, and create scalable and sustainable changes in the school food system and requires the procurement program to increase the procurement of healthy foods, including for institutions serving pupils in kindergarten and grades one to 12, inclusive (K-12 schools).
- 2) Requires the Office, to the extent funding is available, to implement initiatives under the procurement program, including to:
 - a) Provide funding to approved vendors to procure foods that are whole or minimally processed and grown or produced in California using climate-smart agriculture practices and climate-smart agriculture production systems, so that the approved vendors can contract with institutions serving pupils in K-12 schools to deliver procured foods at no cost.
 - b) Establish an application process to approve vendors that meet numerous specified requirements, publish the list of approved vendors on CDFA's website, conduct outreach to K-12 schools to promote contracting with approved vendors, and ensure vendors throughout the state are selected.
- 3) Creates the California Healthy Food Procurement Account (Account) in the CDFA Fund consisting of moneys from federal, state, industry, philanthropic, and private sources and makes moneys in the account available to CDFA, upon appropriation by the Legislature, for the procurement program.
- 4) Requires the Office, by January 1, 2029, and every three years thereafter, to submit a report to the Legislature on the status of the procurement program and requires the report to include specified information on the progress of the program.

FISCAL EFFECT:

- 1) One-time and ongoing costs of an unknown amount, possibly in the low- to mid-hundreds of thousands of dollars (General Fund, special fund, or future bonds) for CDFA to establish and administer the procurement program. CDFA notes its exact resource needs are unknown at this time and will depend on the level of appropriation provided for the procurement program, the scope and complexity of the program, the level of interest and number of applications received, and other factors.
- 2) Ongoing cost pressures of an unknown but potentially significant amount (General Fund, special fund, or future bond funds), likely in the millions of dollars, for CDFA to provide funding to approved vendors to contract with institutions serving pupils in K-12 schools to deliver procured foods at no cost. For the 2024–25 academic year, there were approximately 9,985 public schools (including charter schools) in California.

The Legislative Analyst’s Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year (FY) and ongoing.

The author has submitted a budget request for FY 2026-27 for \$15 million in one-time funding for implementation of this bill.

COMMENTS:

- 1) **Purpose.** According to the author:

Supporting our farmers as they face stability challenges, while ensuring our state’s children have access to nutritious foods, is not just important, it’s essential. AB 1731 is a powerful step forward, empowering California’s farmers to give back to their communities with healthier food options, and ensuring our children thrive with the nourishment they deserve.

- 2) **Background. *Office of Farm to Fork.*** The Office administers food access and farm-to-school grant programs, connects school districts and community members directly with California's farmers and ranchers, and provides information and other resources. The FY 2020-21 budget approved \$1.5 million in ongoing funding (General Fund) to the Office to hire four permanent staff. The FY 2022-23 budget approved an additional \$2.9 million in ongoing funding for the Office to hire eight regional network leads and eight producer engagement specialists to further support local planning and implementation. As part of the Governor’s budget for FY 2026-27, CDFA has proposed trailer bill language codifying its Farm to School Program.

Farm to School Incubator Grant Program. The Office received funding in the 2020, 2021 and 2022 budgets to establish and administer the California Farm to School Incubator Grant Program. Between 2021 and 2024, CDFA awarded almost \$90 million in grant funding to about 375 farm-to-school projects across the state. As part of the Governor’s budget for FY 2026-27, CDFA has a budget change proposal (BCP) requesting about \$25 million (General Fund) in ongoing funding (which includes 10 permanent positions) for the incubator grant program to “improve health outcomes for California’s children, ensure access to institutional markets for sustainably grown foods, and develop infrastructure for robust local food systems, particularly for small farmers.” CDFA notes this program provides flexible funding to schools, farms, food hubs, and technical assistance organizations to increase local food

procurement and hands-on food education opportunities for students. While the incubator grant program funds schools to purchase local food, this bill proposes funding vendors to then provide food to schools at no cost.

In light of the state's difficult budget condition, the Legislative Analyst's Office (LAO) recommends the Legislature reject the aforementioned BCP, arguing it does not meet a critical health and safety concern or a pressing time-sensitive objective. The LAO further contends that the state and federal governments provide nearly \$5 billion annually for school nutrition programs, and that over the past few years, the state has allocated supplemental funds to schools to improve their ability to provide more healthy meals, procure California-grown foods, and incorporate more freshly prepared foods.

The Farm to Community Food Hubs Program. This program, also administered by the Office, received one-time funding of \$13.75 million to award competitive grants for organizations developing and expanding community food hubs in California. CDFA awarded projects in 2025.

Federal Funding. Previously, the U.S. Department of Agriculture (USDA) had allocated \$23 million in Local Food for Schools funding to the California Department of Education to help increase local food purchases in schools and build and expand economic opportunity for local and regional, small and socially disadvantaged farmers and ranchers. Unfortunately, the Trump administration terminated this funding.

Support. Writing in support, a large coalition of organizations argues this bill responds to a pivotal moment for California's food system, "which faces two urgent and interconnected challenges: the rapid loss of California's small and mid-sized farms and the need for schools to transition away from ultra-processed foods." As described by the coalition, under the program proposed in the bill, local suppliers, such as food hubs, farms with their own distribution capacity, and regional food distributors, will receive funding to provide K-12 schools with healthy food. Approved vendors must source foods that are California-grown, whole or minimally processed, and produced using verified climate-smart practices, including certified organic and transitioning to organic. The coalition states that for California's farmers and food distribution businesses, the approved vendor program creates a pathway to sell into the school market that has traditionally been served by large national suppliers.

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