

SGMA and Small-scale Farmers

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California Agricultural Land Equity Task Force Meeting



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Outline

- Sustainable Groundwater Management Act (SGMA) Overview
- SGMA Impacts on small-scale farmers

SGMA Overview & Timeline

- 2014 - State legislature signed the Sustainable Groundwater Management Act into law.
- 2017 – Deadline for forming Groundwater Sustainability Agencies (GSAs) for **local** groundwater basin management
- 2020 & 2022 – Deadline to submit Groundwater Sustainability Plans (GSPs)
- 2025 – Deadlines to report interim milestones (repeat every 5 years)
- 2040 & 2042 – Achieve sustainability



SGMA

Signed by Governor on September 16, 2014

- AB 1739 (Dickinson)
- SB 1168 (Pavley)
- SB 1319 (Pavley)
- Effective January 1, 2015

"A central feature of these bills is the recognition that groundwater management in California is best accomplished locally."

- Governor Edmund G. Brown Jr., in signing statement accompanying SGMA groundwater legislation

Sustainability Indicators

Avoiding the Six Undesirable Results:



Lowering
GW Levels



Reduction
of Storage



Seawater
Intrusion



Degraded
Quality



Land
Subsidence



Surface Water
Depletion

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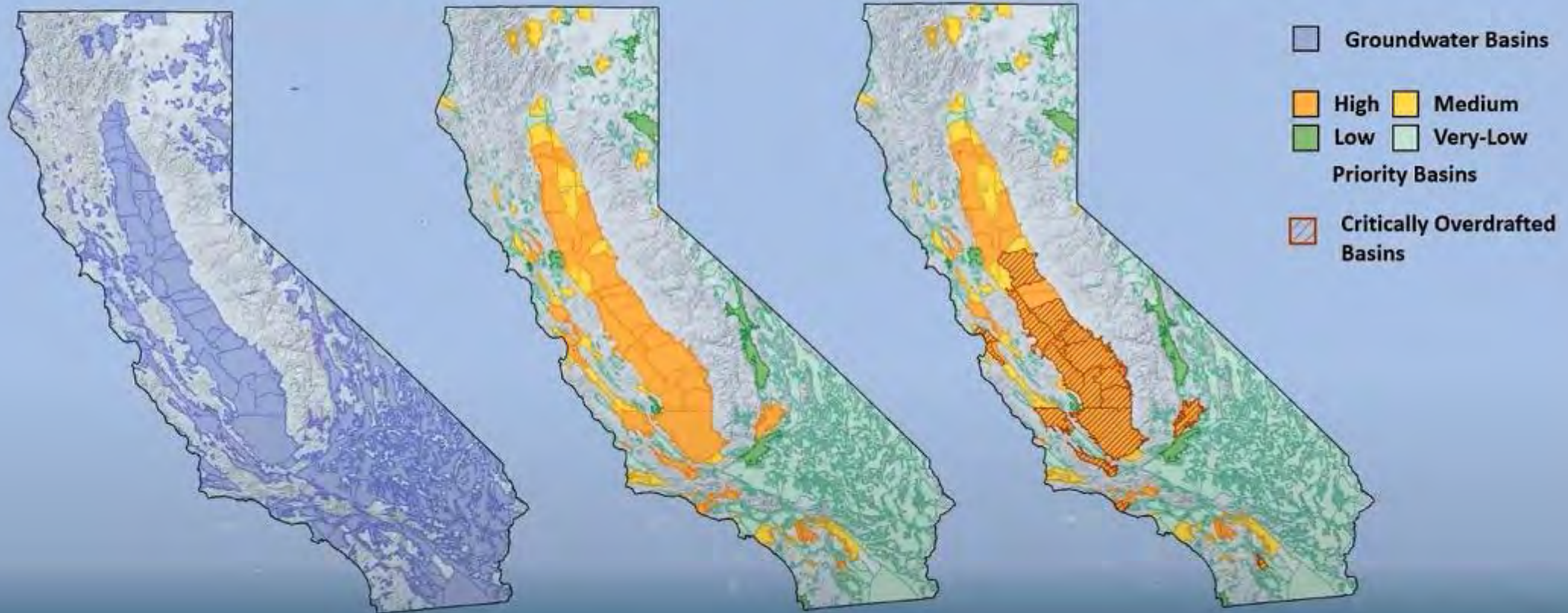
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Where Does SGMA Apply?

515 Basins

94 SGMA Required Basins

21 Critically Overdrafted Basins



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Inadequate Basins – Probationary Groundwater Basins

Basin
Tulare Lake Subbasin
Tule Subbasin
Kaweah Subbasin
Kern County Subbasin
Delta-Mendota Subbasin
Chowchilla Subbasin



Figure 1: Map of six groundwater basins potentially subject to new state reporting rules



Probationary groundwater BASIN



Board identifies deficiencies



GSAs have time to address issues
& continue to implement their plans



Extractors begin reporting



Board may require meters



Board recovers costs via fees



Probationary Extraction Reporting Fees

If the Board places the basin on probation



Late reporting fee: 25% per month late

*Fee waivers available for DACs, public schools, and those with low income



SGMA and Underrepresented Farmers

Impact of Groundwater Sustainability Plans on Underrepresented Farmers



May 2022

CLEAN WATER ACTION
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Key challenges outlined in white paper

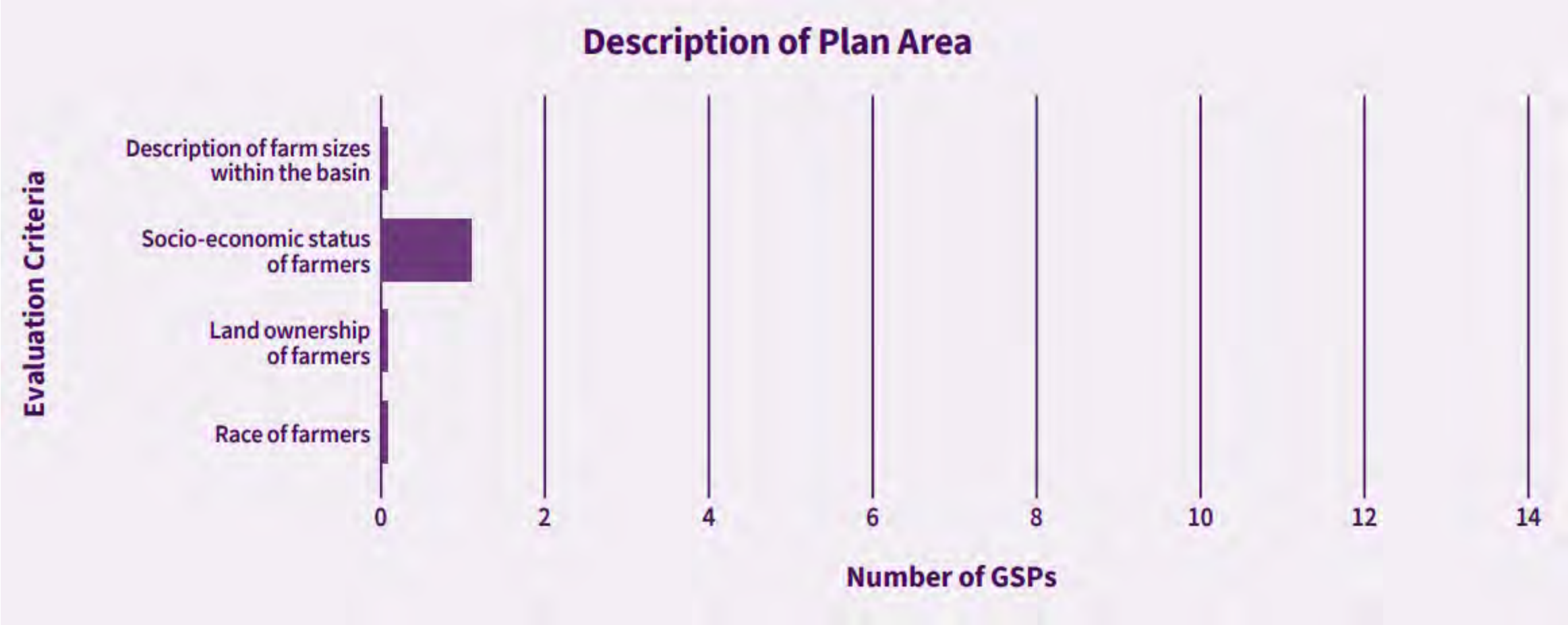
- Drought Impacts
- Groundwater pumping fees
- Water Allocations
- Water Trading and Markets
- Land Fallowing



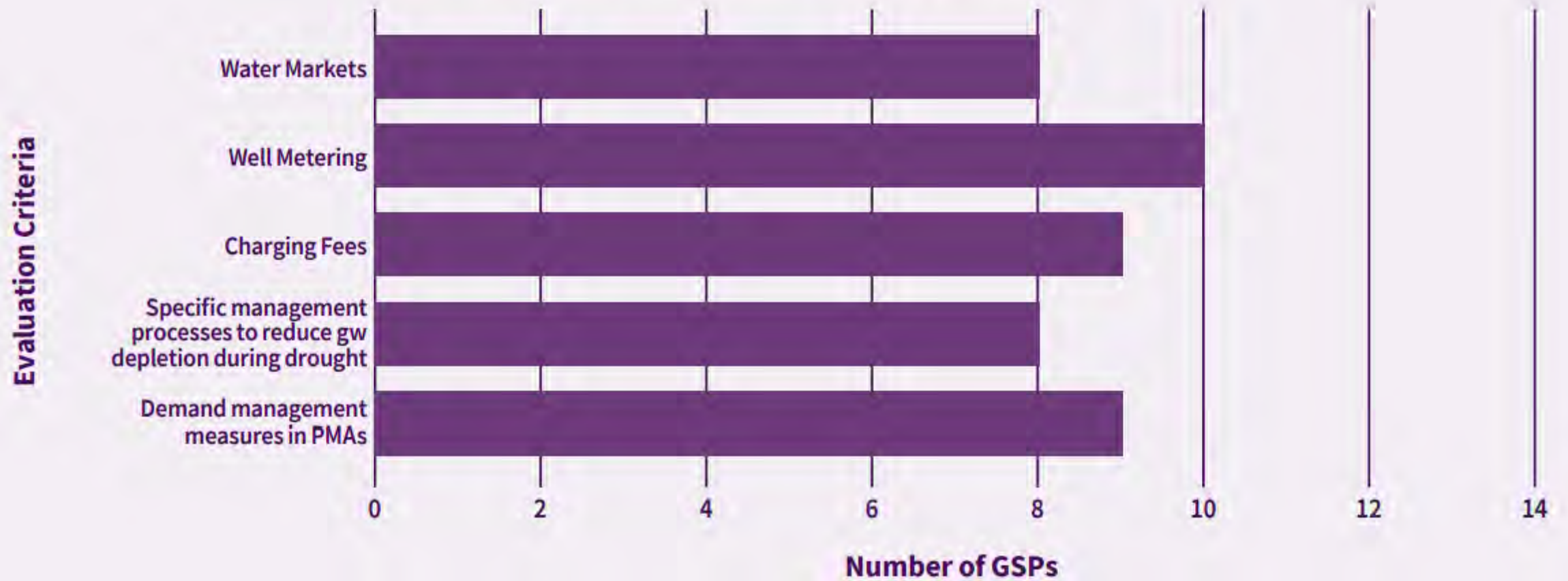
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Identification of Underrepresented farmers in Description of Groundwater Basin Plan Area



Projects and Management Actions



Consideration of Underrepresented farmers in Projects and Management Actions



Groundwater Extraction Allocations

- GSAs has the authority establish groundwater extraction allocations; to limit extractions from groundwater wells.
- Allocations are parcel or land based (per-acre).
 - Sustainable yield (native groundwater) – seepage and percolation
 - Transitional water – continued overdraft
- Type of demand management
- Groundwater Accounting platforms
- Allocation Penalty: Penalty for pumping above allocations for the land; small-scale farmers are vulnerable
- More land/acres, more groundwater allocation



Groundwater Extraction Allocations

- **Land Value:** As SGMA shrinks water allocations, land value reduces specifically for small-scale farmers
- Land Revenue reduces
- Non- transferable allocations
- Water markets and trading frameworks are based on allocations

Madera County GSA: Madera Subbasin	Inches of ETAW		
Year	Sustainable Yield *	Transitional Water	Total
2021	12.7	15.6	28.3
2022	12.7	15.3	28
2023	12.7	15	27.7
2024	12.7	14.7	27.4
2025	12.7	14.4	27.1
* Often rounded to 13			



Land Fallowing and Land Repurposing

- Transition land from irrigated to non-irrigated
- Land fallowing incentive programs more likely to benefit larger farms - flexibility to take land out of production.
 - Credit programs to incentivize temporary or permanent land fallowing
- Reduction in land revenue
- Reduction in household food and livelihood
- Change of land use (multi benefit projects)
 - Community parks
 - Recharge sites
 - Solar
 - Habitat



Alternative path: multibenefit land repurposing





DWR Awards \$17 Million in LandFlex Grants to Protect Drinking Water Supplies

Published: Jul 24, 2023



California Department of Fish and Wildlife (CDFW), in partnership with California Department of Water Resources (DWR), begins to plow, fertilize, and spread seeds in the Oroville Wildlife Area (OWA) along the Feather River and Thermalito Afterbay in Oroville, California. Photo taken April 1, 2021.

SACRAMENTO, Calif. – Moving to help preserve groundwater supplies for Central Valley communities, the Department of Water Resources (DWR) has awarded nearly \$17 million to three groundwater sustainability agencies (GSAs) through the [LandFlex Program](#). The awarded funding will be available to local growers to transition to sustainable groundwater use and protect drinking water supplies for vulnerable communities.

[LandFlex](#) was launched earlier this year with a total of \$25 million in grants awarded to GSAs to work directly with interested growers to temporarily idle agricultural lands to provide immediate benefits for vulnerable domestic wells. The funding also can be used to help permanently eliminate groundwater overpumping on each enrolled acre of land.

GSAs that received grant awards earlier this year were unable to utilize all the funding, so DWR is now awarding a second phase of grants with the unused funds.

Due to the significant rainfall this year, all growers enrolled in [LandFlex](#) will also have the opportunity to use their lands for groundwater recharge in lieu of planting crops that cover the soil.

The [LandFlex Program](#) incentivizes participation of small- and mid-sized farms in areas where reduction in agricultural pumping would help keep household and small community water system wells from going dry and simultaneously transition to sustainable groundwater use. To ensure the program is accessed by small- and mid-sized farms, a \$2.5 million annual gross income cap was placed for growers to be eligible.

Groundwater Recharge

- **Land ownership:** Incentive to conduct on farm recharge when farmers own their land
- Credits for groundwater recharge
- Transferred to gain groundwater allocations
- \$450,000 for the removal of agricultural plantings on up 200 acres for the development new groundwater recharge basins.



Recommendations for the taskforce

- Improve equity in groundwater allocations models to preserve land value
- Avoid disproportionate landowner fees for groundwater use; tiered fees
- Evaluate land fallowing and land repurposing impacts on small farmers
- Improve land access and ownership
 - Tenant farmers



Thank you!

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