

Senate Bill 881

Farmer to Food Bank Tax Credit

Senator Jerry McNerney (SD 5)

THIS BILL

This bill reauthorizes California's Farmer to Food Bank Tax Credit, extending a successful program that provides farmers, growers, and food producers with a state tax credit when they donate excess, safe-to-eat food to California food banks. Specifically, the bill extends the existing 15 percent tax credit for qualified food donations through 2032, helping ensure that surplus agricultural products are not wasted and instead help feed Californians in need.

SB 881 also extends the Emergency Food for Families Voluntary Tax Contribution Fund, ensuring Californians can continue to voluntarily contribute to food banks through their tax returns. Together, these provisions strengthen California's food safety net at a time when many Californians are struggling to put food on the table.

ISSUE

Hunger remains a persistent and growing problem across California. Today, more than [one in five California households – and a quarter of households with children – experience food insecurity](#). Rising grocery prices and stagnant wages have made it even harder for families to afford basic nutrition.

Federal actions are expected to further exacerbate hunger issues. While food costs continue to climb, recent federal actions are projected to cut CalFresh benefits for nearly [800,000 California households](#).

As a result, food banks in California are facing increasing demand from struggling families. Food banks are a critical lifeline for families experiencing food insecurity. Across the state, food banks serve as trusted community hubs that distribute fresh fruits and vegetables, protein, dairy, and other staples to millions of Californians each year.

Meanwhile, California is the nation's leading agricultural producer, growing nearly half of all

vegetables and more than three-quarters of the country's fruits and nuts. Tariffs and dynamic market conditions mean that sometimes these farmers have excess crops which they cannot sell into the regular market.

The California Farmer to Food Bank Tax Credit provides a win-win for food producers and hungry Californians, allowing producers to be paid through a modest tax incentive for donating excess food to food banks. This program has been in place since 2011 and in that time farmers have donated over \$81 million worth of food to food banks and nearly 4000 donations have been claimed.

Additionally, the Emergency Food for Families Fund provides a tax checkoff box on all Californians' tax returns which allows them to voluntarily donate all or part of their tax reimbursements to support food banks.

Both the California Farmer to Food Bank Tax Credit and the Emergency Food for Families Fund are scheduled to expire by 2027, unless extended by the legislature. Without these vital programs, nutritious food will go to waste just as families and food banks need it most.

SOLUTION

This bill extends the Farmer to Food Bank Tax Credit through 2032 and the Emergency Food for Families Voluntary Tax Contribution Fund through 2037.

SUPPORT

California Association of Food Banks (Sponsor)
Californian's Against Waste (Sponsor)
350 Humboldt
Alena's Lab Kitchen
Bayview Senior Services/D10 Community Market
Berkeley Food Network
Careit
Center for Ecoliteracy
Central California Food Bank
City of Woodland

CleanEarth4Kids.org
Climate Action California
Community Action Partnership of San Bernardino County
Crop Swap LA
Dr. Bronner's
Elders Climate Action, SoCal
Families Advocating for Chemical and Toxics Safety
Farm Bureau
Farm Habit
Farm2People
Food for People, the food bank for Humboldt County
FoodCycle
FoodRecovery.org
Franciscan Workers of Junipero Serra dba Dorothy's Place
Fullwell
GAIA
G.R.A.C.E. SOCIAL AND MEDICAL SERVICES
Hunger Action Los Angeles Inc
Loaves & Fishes Family Kitchen
Los Angeles Climate Reality Project
Los Angeles Food Policy Council
Lutheran Office of Public Policy- California
Mojave Desert and Mountain Recycling Authority
No Time To Waste
NRDC
Replate
Resource Renewal Institute
Sacramento Food Bank & Family Services
San Diego Food System Alliance
San Francisco Bay Physicians for Social Responsibility
San Francisco-Marin Food Bank
Santa Cruz Climate Action Network
Second Harvest Food Bank Santa Cruz County
Second Harvest Food Bank of Orange County
Second Harvest of Silicon Valley
Sierra Harvest
Sierra Orchards
SLO Food Bank
Solana Center for Environmental Innovation
StopWaste
The Los Angeles Regional Food Bank
The Resource Connection Food Bank
Yuba Sutter Food Bank

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