
SENATE COMMITTEE ON AGRICULTURE

Senator Melissa Hurtado, Chair

2025 - 2026 Regular

Bill No:	SB 18	Hearing Date:	4/29/25
Author:	Rubio		
Version:	3/3/25		
Urgency:	No	Fiscal:	Yes
Consultant:	Reichel Everhart		

Subject: Food Desert Elimination Grant Program

SUMMARY:

This bill creates the Food Desert Elimination Grant Program under the California Department of Food and Agriculture (CDFA) for grocery store operators seeking to locate grocery stores in food deserts and to award grants to grocery store operators seeking to locate in food deserts. The grants also provides grocery store operators funding for equipment upgrades for grocery stores located in food deserts to expand or provide healthy foods for sale.

BACKGROUND AND EXISTING LAW:

Federal law:

Defining Low Access to Healthy Food

The United States Department of Agriculture's (USDA) Food Access Research Atlas defines low access to healthy food as "...being far from a supermarket, supercenter, or large grocery store." It further clarifies, "A census tract is considered to have low access if a significant number or share of individuals in the tract is far from a supermarket¹."

Healthy Food Financing Initiative

The United States' Healthy Food Financing Initiative (HFFI) is a public-private partnership administered by Reinvestment Fund, a national mission-driven community development financial institution, on behalf of USDA Rural Development. HFFI was established by the 2014 Farm Bill and reauthorized in 2018.

State law:

¹ <https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation#:~:text=Low%2Daccess%20census%20tracts,is%20far%20from%20a%20supermarket.>

Office of Farm to Fork

Establishes within CDFA, the Office of Farm to Fork collaborates with various entities to increase the availability of agricultural products in underserved communities and schools. The office identifies distribution barriers affecting food access and works to overcome them, aiming to improve the nutritional profile of foods provided in schools.

Food Desert Elimination Grant Program

The Food Desert Elimination Grant Program expands access to healthy foods in food deserts and areas at risk of becoming food deserts. Administered by CDFA, the program provides grants to grocery store operators seeking to establish stores in these areas or to upgrade equipment to offer healthier food options. The program also allows the department to collect non-state, federal, and private funds to support its initiatives.

CalFresh and California Food Assistance Program (CFAP)

CalFresh, known federally as the Supplemental Nutrition Assistance Program (SNAP) provides monthly food benefits to individuals and families with low-income and provides economic benefits to communities. CalFresh is the largest food program in California and provides an essential hunger safety net. CalFresh is federally mandated and in California, is state-supervised and county-operated².

Electronic Benefits Transfer (EBT)

The EBT system is used in California for the delivery, redemption, and reconciliation of issued public assistance benefits, such as CalFresh, CalWORKs, and other food and cash aid benefits. EBT is accessible in California, the other 49 states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. Recipients of public assistance in California access their issued benefits with the Golden State Advantage EBT card.

Certified Farmers' Markets

California has over 700 certified farmers' markets, serving approximately 26,000 households each week. Approximately half of these farmers' markets accept CalFresh/SNAP, despite having the ability to accept electronic benefit transfer (EBT) cards.

California Nutrition Incentive Program

The California Nutrition Incentive Program (CNIP) encourages the purchase and consumption of healthy, California-grown fresh fruits, vegetables, and nuts by nutrition benefit clients. Housed within the Office of Farm to Fork, the program

² <https://www.cdss.ca.gov/inforesources/calfresh>

provides monetary incentives for the purchase of California grown fruits and vegetables at Certified Farmers Markets and small businesses.

PROPOSED LAW:

This bill:

- 1) Establishes the Food Affordability Act within CDFA.
- 2) Defines the following:
 - a. “Department” to mean the Department of Food and Agriculture.
 - b. “Food desert” to mean a food desert as determined by the Economic Research Service within USDA.
 - c. “Grocery store” to mean a retail store in this state of over 15,000 square feet that is a retail seller of groceries, as described in Code 445110 of the North American Industry Classification System published by the United States Office of Management and Budget, 2022 edition.
 - d. “Program” to mean the Food Desert Elimination Grant Program pursuant to Section 49040 of the Food and Agricultural Code.
- 3) States the Food Desert Elimination Grant Program is created within CDFA to provide grants for one or more of the following purposes to a grocery store operator seeking to locate a grocery store in a food desert:
 - a. A market and feasibility study.
 - b. Salaries and benefits to grocery store employees.
 - c. Rents or down payments to acquire a facility located in a food desert.
 - d. Capital improvements, planning, renovations, land acquisition, demolition, and durable and nondurable equipment purchases.
 - e. Other costs as determined eligible by the department, including costs specified in federal funding program requirements.
- 4) States the department may award a grant to a grocery store operator for equipment upgrades for a grocery store located in a food desert for the purpose of expanding the grocery store or providing healthy foods for sale. The department shall not use more than 20% of the total program funding for this purpose.
- 5) At its discretion, allows the department to award a grant to a small scale grocery store.
- 6) Allows the department to use up to 10% of the total program funding for technical assistance.
- 7) Requires the department to report the number of grants awarded under the program and the location of grant recipients to the relevant policy committees of the legislature on or before January 1, 2028.
- 8) Allows the department to adopt guidelines to implement this article.

- 9) States the implementation of this article is contingent upon an appropriation for its purposes by the legislature in the annual Budget Act or another act.
- 10) Sunsets this article on December 31, 2030 and, as of that date, is repealed.

ARGUMENTS IN SUPPORT: According to the author:

There are so many families in my district and across California that do not have the ability to easily access affordable and nutritious food because they live in food deserts. The state declares that every human being has the right to access sufficient, affordable, and healthy food, but residents of underserved communities must either travel long distances to access grocery stores with healthy food selections or get their meals from less healthy sources nearby. SB 18 will help California families struggling with accessing affordable food by establishing the Food Desert Elimination Grant Program under the Department of Food and Agriculture and authorize the department to award grants that encourage and support grocery store operators seeking to locate a grocery store in a food desert community. As an educator, I have witnessed children suffering from malnourishment and know the impact it has on their studies. We must do more to reduce food deserts and help struggling families.

The California Grocers Association, the bill's sponsor, writes in support stating the bill provides a "...promising solution by incentivizing the establishment and continuation of grocery stores in food desert areas. This builds upon successful models in California and other states and sets communities up to capitalize on current opportunities. By providing grants to cover startup costs, this legislation encourages grocery operators to invest in underserved areas, thereby increasing access to nutritious food options."

ARGUMENTS IN OPPOSITION:

None received.

COMMENTS:

A food desert is defined by USDA as "an area where residents have limited access to affordable and nutritious food, often due to a lack of grocery stores, farmers' markets, or other healthy food providers."

There are several key factors that contribute to food deserts in California. These include, but are not limited to economic disparities, geographic barriers, high cost

of living, urban planning and zoning, and lack of programs like CalFresh. Low-income communities often lack supermarkets that sell fresh produce, while convenience stores and fast food chains dominate, offering mostly processed and unhealthy foods.

While there are many socio-economic factors contributing to food deserts, such as price/affordability of food and poverty, this bill focuses on the lack of availability of these foods as a result of being too far from a grocery store that provides fresh produce. According to CDFA, “The distance residents have to travel to reach outlets that sell healthy foods can impact the amount of healthy food they purchase. Travel costs (including both the time spent traveling and the cost of driving a private vehicle or taking public transportation) can increase the real cost of healthy food and keep people from purchasing it³.”

While there are findings that suggest increasing the number of grocery stores in food deserts is important, it is not the only way to ensure communities have access to healthy food choices. Rather, it should be considered a “tool in the nutritional toolbox.” Addressing other factors such as transportation and community education will also promote healthier eating behaviors.

Suggested Amendment: Section 49041 authorizes the department to award grants to grocery store operators seeking to establish locations within designated food deserts. Section 49042 permits existing grocery stores in these areas to apply for grants to upgrade equipment for expansion or to offer healthy food options, but limits such funding to 20% of total program resources. The author may wish to consider amending the bill by removing Section 49042, thereby allowing existing stores to apply for grants under the broader purposes outlined in Section 49041.

Last year, the Governor vetoed SB 1419 (Rubio) which would have established the Food Desert Elimination Grant Program to provide grants to grocery store operators that open stores in areas defined as a food desert. His veto statement reads:

To the Members of the California State Senate:

I am returning Senate Bill 1419 without my signature.

This bill would create, upon appropriation, the Food Desert Elimination Grant Program to provide grants to large and small-scale grocery store operators in food deserts.

³ https://www.cdfa.ca.gov/exec/public_affairs/pdf/ImprovingFoodAccessInCalifornia.pdf

While I support the author's goal to increase access to healthy foods in underserved communities, this bill creates a new, unfunded grant program and should be considered in the annual budget process.

In partnership with the Legislature this year, my Administration has enacted a balanced budget that avoids deep program cuts to vital services and protected investments in education, health care, climate, public safety, housing, and social service programs that millions of Californians rely on. It is important to remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For this reason, I cannot sign this bill.

RELATED LEGISLATION:

AB 1321 (Ting, Chapter 442, Statutes of 2015): This bill established the Nutrition Incentive Matching Grant Program in the Office of Farm to Fork within CDFA to encourage the consumption and purchase of fresh fruits, nuts, and vegetables by connecting farmers with food assistance recipients.

SB 1419 (Rubio) of 2024: This bill would have established the Food Desert Elimination Grant Program which would have provided grants to grocery store operators that open stores in areas defined as a food desert. The bill was vetoed by the Governor.

SUPPORT:

California Grocers Association (Sponsor)
A Voice for Choice Advocacy
American Academy of Pediatrics, California
California Pan - Ethnic Health Network
California WIC Association
Center for Environmental Health

OPPOSITION:

None received

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