



CENTRAL VALLEY FARMLAND TRUST

ANNUAL REPORT

2013 - 2014





It has been 10 years since the Central Valley Farmland Trust commenced operations out of its modest office in Elk Grove. From this humble yet determined beginning, the organization has blossomed over the years. Through the collective efforts of its numerous volunteers, board of directors, and staff, CVFT now boasts over 13,000 acres of valuable farmland protected in the central San Joaquin Valley. During this most recent fiscal year an additional two farms totaling approximately 325 acres in Sacramento and San Joaquin counties were protected with agricultural conservation easements.

To the untrained eye, what CVFT does may appear simple. Find a landowner who is voluntarily willing to place an ag conservation easement (ACE) on his or her farm, agree to pay them to do so, and close the deal. To put it in perspective, CVFT has averaged 2.6 ACEs per year over the last 10 years. By anybody's gauge that may not seem like much productivity. Now let's add additional metrics to the mix:

1. Finding a willing landowner can take 1-2 years or longer in some areas.
2. Determining the land meets CVFT selection criteria guidelines can eliminate up to 50% of prospective projects.
3. Meetings with the landowner(s) are necessary to ensure a full understanding of the implications of something (e.g., ACE) which impacts the land in perpetuity.
4. The necessary legal documentation is complicated and CVFT strongly suggests the landowner(s) retain qualified legal and tax counsel.
5. Title, mineral rights, and or mortgage debt issues may negatively impact the ability to close a project.
6. Funding to pay for ACEs is dynamic depending on the county and is non-existent in some areas.
7. If agency funding is involved (e.g., which is typical) add an additional 6-9 months to the process.
8. Given all the above, the process once started in earnest can take up to 18-24 months to close.

While a lot of ongoing effort goes into the ACE process, CVFT is also ever vigilant in managing the administrative side of the business. Let's not forget that CVFT is a non-profit public benefit entity and is beholden to everyone who generously donates time and resources to assist in the farmland conservation effort. Without their collective support CVFT would not be what it has become.

CVFT must adhere to the highest professional standards in everything it does. During the fiscal year CVFT went through the onerous process of applying for renewal of its accreditation status, which was granted on February 21, 2014. To ensure adherence to the highest financial fiduciary responsibility, the board made the conscious decision to move to a new investment advisor. Most importantly, CVFT ended the year in its strongest financial condition since inception.

CVFT's board and staff are very proud of where this organization has come from and where it is headed. But it can never be overemphasized that without the generous support of our volunteers, corporate sponsors, and members, CVFT may not have been in existence today. Please continue your support to ensure we protect "20,000 by 2020."

Ron Dolinsek
RON DOLINSEK

Bill Martin
BILL MARTIN





ACRES FOREVER FARMS

KNEPPEL FARM

Alfalfa hay and small grains will have the forever possibility to grow and be harvested on the Kneppel Farm near Elk Grove in Sacramento County. This 166-acre farm was owned by a generational farming family of six siblings who have lived on and farmed the property for many years.

It was important to them that it remained in agriculture always.

It was important to them that it remained in agriculture always. This project was fully funded by the City of Elk Grove and was the first project of its kind between CVFT and Elk Grove. A working agreement was created between CVFT and Elk Grove which will facilitate funding for future ag conservation easements (ACE) as well as the pending transfer of an existing ACE to CVFT, currently held by Elk Grove.



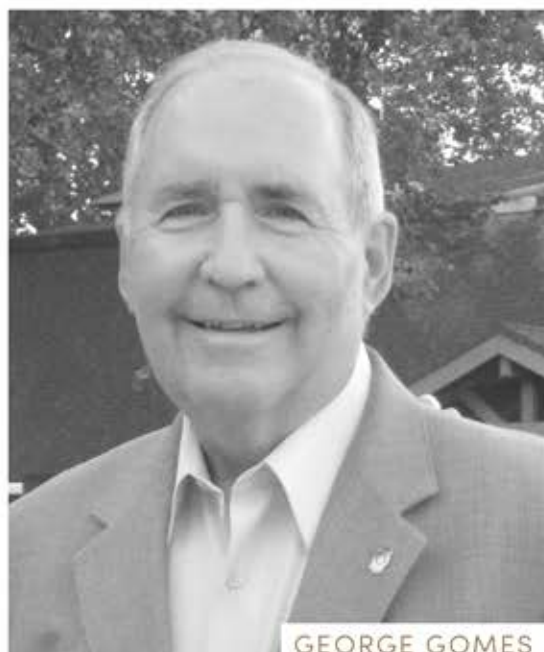
BRANDSTAD BROTHERS FARM

This 155-acre property sits about five miles northeast of Stockton where this multi-generational farming family grows walnuts and cherries. This spectacular family farm lies within CVFT's strategic ag conservation easement priority area and is within one mile of another easement on this family's property.

...creates a critical mass of 332 acres of conserved farmland.

Combined with the existing easement this creates a critical mass of 332 acres of conserved farmland. This project was funded by the Natural Resources Conservation Service's Farm and Ranchland Protection Program, by the Department of Conservation's California Farmland Conservancy Program and other mitigation funds.

MEET OUR TRUSTEE COUNCIL MEMBERS



GEORGE GOMES



ED NISHIO



PAUL WENGER

There is a saying, "If the person is right, then the world is right." The right people were in place when our founding members and charter board members exhibited great vision for the development of the Central Valley Farmland Trust and hired an excellent management team. With their exemplary leadership combined with having a high level of board governance, the organization now enjoys the status as California's premier farmland trust. Our organization's vision to preserve prime Central Valley farmlands signals our intent to lead the effort to ensure preservation of a most precious resource, farmlands that feed our communities and the world.

Despite our successes, our visionary leaders recognized that the increase in conservation activity is inevitable. Coupled with the challenges and complexities inherent in what we do, our business model now includes organizational governance which geometrically enhances our effectiveness. As a result, the concept of a Trustee Council was born and in 2011, the Trustee Council was established. This year we are honored to have the commitment of three new members.

Trustee Council members are comprised of esteemed industry leaders who advise and support CVFT management and the board of directors as well as serving as ambassadors to the public in the communities in which we operate. All members have farm roots and two are recent California State Fair Board "Agriculturalist of the Year" award recipients.

George Gomes, Agriculturalist of the Year in 2005, was a former under secretary for the California Department of Food and Agriculture. George states that he remains passionate about the need to protect California's most valuable farmland, especially in the San Joaquin Valley.

Ed Nishio, Agriculturalist of the Year 2013, was vice president in CoBank's Regional Agribusiness Banking Group. Ed says, "There are still a lot of farms in this area of the state and I want to see it preserved as ag land and not go the way of L.A. Central Valley Farmland Trust's mission is worthy of support and my service on the Trustee Council is my first step in that direction."

Paul Wenger is president of the California Farm Bureau. Paul was instrumental in the development of the Stanislaus Farmland Trust, which merged with two other land trusts to form CVFT. Paul states that he will do all he can to support, protect and promote this great industry.

CVFT is fortunate to have these statewide leaders in such advisory roles to further enhance our visibility, progressive posture, and ensure our long-term effectiveness. We thank them for their services and ask that you let them know how much you appreciate their leadership and support. As an organization we have accomplished many things over the last 10 years. But it is the efforts of people like George, Ed, and Paul which solidifies our integrity and exemplifies our overall effectiveness.

-Ron Dolinsek | CVFT President

WE HAVE BEEN BUSY THIS YEAR



- Annual Membership Program Launch: regular members- 90 and milestone members (\$500+) - 29
- Celebrating 10th Anniversary: 13,000 acres conserved!
- Renewed Accreditation
- Our First Video Launch: "The Legacy of the Land"
- New Goal: 20,000 acres conserved by 2020



- #Giving Tuesday: This online event raised \$100's to help continue our ongoing public outreach program.
- Events: Over 300 friends and supporters joined us to GIVE to farmland conservation at these events!
 - An Evening at the Carnegie (Oct)
 - Friends of Farmland (Nov)
 - Crab Feed (Feb)



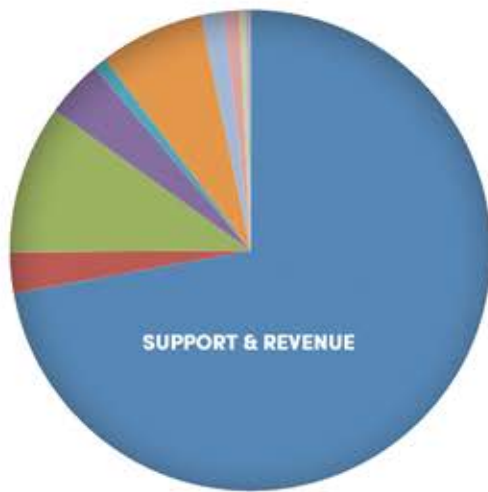
- 2013-2014 Sponsors:
 - Farmland Visionary: American AgCredit and E. & J. Gallo Winery
 - Elite Farmer Sponsor: Sunburst Plant Disease Clinic, Inc.
 - Premier Preservationist Sponsor: CoBank and Farm Management, Inc./Ferrari Family
 - Conservationist Sponsors: Bokisch Ranches, Inc., Diane Norton Insurance, Greenleaf Farms, Inc., Mid Valley Agricultural Services, Inc., Ron and Nonine Freitas and the Sacramento County Farm Bureau



NUMBERS AND SENSE FINANCIALS

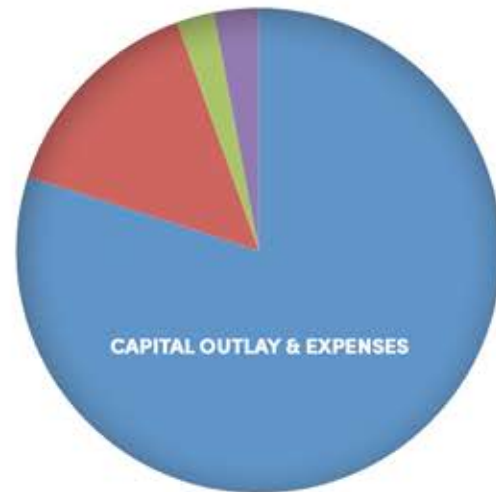
For fiscal year 2013/14 we are very pleased to report that our conservation easement program activities resulted in the closing of two agricultural conservation easements (ACEs) totaling 324 acres in Sacramento & San Joaquin counties. Our net assets increased from \$1,034,651 to \$1,149,712. Operating expenses increased from \$337,758 to \$437,225. This was due mainly to the increase in program costs to close two ACEs, versus one ACE in the prior year. Additionally, there was an increase in the ongoing cost of delivering higher quality communications and outreach. However, operating income exceeded expenses by \$27,851. At fiscal year-end we held approximately \$3.0 million in mitigation fees received from various municipalities where we have agreements to facilitate their respective farmland mitigation programs. These funds are combined with other funding sources to complete conservation easement acquisitions (*See "Reallocation of Mitigation Fees" below) and cover certain program transactional costs. Of the total \$1,744,200 conservation easement acquisition amount, \$1,578,900 was from acquisition grants from the US Natural Resources Conservation Service, California Department of Conservation, and the City of Elk Grove.

We take the fiduciary administration of our financial records very seriously. If you wish to review our annual audit or Form 990 please contact our office and we will gladly provide you with this information.



SUPPORT & REVENUE

ACQUISITION / TRANSACTION GRANTS:	\$1,638,950	PROGRAM & SERVICE FEES:	\$159,509
LANDOWNER CONTRIBUTIONS:	\$62,280	SPONSORSHIPS:	\$34,500
REALLOCATION OF MITIGATION FEES*:	\$227,545	MEMBERSHIP FEES:	\$23,670
INVESTMENT INCOME & INTEREST:	\$87,964	FUNDRAISING & SPECIAL EVENTS:	\$10,303
UNRESTRICTED MITIGATION FEES:	\$20,136	UNREALIZED GAIN ON INVESTMENTS:	\$6,934
TOTAL: \$2,271,791			



CAPITAL OUTLAY & EXPENSES

CONSERVATION EASEMENT ACQUISITIONS:	\$1,744,200
PROGRAM SERVICES:	\$317,727
ADMINISTRATION & GENERAL:	\$54,349
FUNDRAISING & OUTREACH:	\$65,149
TOTAL: \$2,181,425	

BALANCE SHEET

ASSETS		LIABILITIES & NET ASSETS	
CASH AND CASH EQUIVALENTS	\$543,783	ACCOUNTS PAYABLE & ACCRUED LIABILITIES	\$32,156
CERTIFICATES OF DEPOSIT	\$506,931	DEFERRED INCOME	\$3,029,300
MARKETABLE SECURITIES	\$3,119,709	UNRESTRICTED NET ASSETS	\$78,010
ACCOUNTS RECEIVABLE & ESCROW ACCOUNTS	\$37,593	MONITORING & STEWARDSHIP FUND	\$1,071,702
PROPERTY & EQUIPMENT	\$3,152		
TOTAL ASSETS:	\$4,211,168	TOTAL LIABILITIES & NET ASSETS:	\$4,211,168

COMMITTED TO CONSERVATION DONORS LISTING

Donor Recognition

People who have given between April 1, 2013 and March 31, 2014

CONSERVATOR (GIFTS \$5,000 AND ABOVE)

American AgCredit
Jon and Christine Brandstad
Richard Brandstad
E. & J. Gallo Winery
John and Carolyn Galeazzi
Sunburst Plant Disease Clinic, Inc.

STEWARD (GIFTS BETWEEN \$1,500 AND \$4,999)

Markus and Liz Bokisch/Bokisch Ranches, Inc.
CoBank
Fred Fagundes/Fagundes Dairy
Ron and Nonine Freitas
Jeanne Gobalet and Garth Norton
Greenleaf Farms, Inc.
Mid Valley Agricultural Services, Inc.
Barbara and Duncan Smith

SUPPORTER (GIFTS BETWEEN \$500 AND \$1,499)

Tim and Suzanne Byrd
Richard Clauss/Clauss Dairy Farming
Ron and Getta Dolinsek
Farmers & Merchants Bank
Bill Garton/Garton Tractor, Inc.
Raymond and Maria Giampaoli
Lonnie and Lola Hendricks
Hilmar Cheese Company
Thomas and Barbara Job
Vance Kennedy, Ph.D.
Stanton Lange Vineyard Management
Bill and Carol Martin
Montpelier Farming Corporation
Berj and DeeDee Moosekian
Glenn Navarro and Ursula Boesch
Pacific Southwest Irrigation
Rabobank
Sacramento County Farm Bureau
Thomas Scharffenberger and Vicky Simonds
Mike Tanner
Tom and Irene Ulm
Dave and Kathleen Zollinger

GUARDIAN (GIFTS BETWEEN \$100 AND \$499)

Claudio Abreu
Caitlin Albritton
Almond Board of California
Matt Beekman
Paul Bianchi
Dennis Cederlind/Cederlind Farms
Jeff Cederlind/Cederlind Farms
Robert Chad and Patti Kishi
Thomas and Karen Coultas
Denae de Graaf
Del Monte Foods
E.F. Kludt & Sons
Mark Edwards/Iron Poppy, Inc.
John Eilers
Frank Fagundes/Fagundes Farms
Favier Farms
Mary and Rick Furey
Bob and Jeanne Giampaoli
Dario and Josephine Giampaoli
George and Ella Gomes
John and Janet Herlihy
Brent Holtz
Susan and Tim Hooper
Denny and Patricia Jackman
James Jorgensen/Jorgensen Ranch

Theresa and Ryan Kiehn
Peter and Rochelle Koch
Sandra Kruthoff
Elizabeth Lawson
John Ledbetter/Vino Farms
Charlie and Sally Magneson
Scott and Pamela Magneson
Joe and Julie Marchini
Edward and Mimi Maring
Peter and Kathleen Menghetti
Osha Meserve
Joanne and Peter Mills
Monte Vista Farming Company
Ed and Fran Nishio
Jerry O'Banion
Jean Okuye
Ken and Florie Oneto
Doug Parson
Petersen Electric
Ron Ramont
Saint Martin Vineyards
Dale Sartor and Judy Winzeler
Randolph and Susan Siefkin
Alvin Sokolow
Stanislaus Farm Supply
Clifford Starn/R.C. Starn and Sons II
Joyce Thorgrimson
Evelyn Tolbert
Robert Tyler
Marilyn Ulm
Umpqua Bank
Carel Van Loben Sels
Vista Livestock Company
Paul and Deborah Wenger
Vern Wickstrom
Terry and Christen Withrow
Yosemite Farm Credit

FRIEND (GIFTS UP TO \$99)

Allied Grape Growers
John Aud
Monica and Ed Bianchi
Vito Chiesa
Michael Darnell
Chad and Erin Davis
Daniel de Graaf
Richard Dodson
Kaycie Edwards
Jean Gonsalves
Marilyn Hoobler
Janice Jorgensen
Edward King
Robert and Lynn Lamoure
John and Eleanor Lema
Julie Marlow
Les McCabe, Jr.
Bill McHale
Maxwell and Diane Norton
Frances Prudhel
Esther Ratzlaff
David Raube
Scott Skidmore
William Skidmore
Bob Triebisch
June Vaughn
John Vollmar
Paul Ward
Elizabeth Young
Nishka Yudnich



CENTRAL VALLEY FARMLAND TRUST

8788 Elk Grove Blvd, Bldg 1, Ste 1
Elk Grove, CA 95624
916-687-3178 phone
916-685-1041 fax

www.valleyfarmland.org

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PRESERVING FARMS THAT FEED THE WORLD



THE MISSION OF THE CENTRAL VALLEY FARMLAND TRUST IS TO PRESERVE AGRICULTURAL LANDS
FOR FUTURE GENERATIONS IN CALIFORNIA'S CENTRAL VALLEY.

Board Officers: 2013-2014 Fiscal Year

Denny Jackman, Modesto | President
Ron Dolinsek, Rocklin | Vice President
Ron Fietas, Modesto | Secretary
Barbara Smith, Courtland | Treasurer

Directors:

Tim Byrd, Modesto
Maxwell Norton, Atwater
Ken Oneto, Elk Grove

Staff:

William (Bill) Martin | Executive Director
Susan Hooper | Associate Director