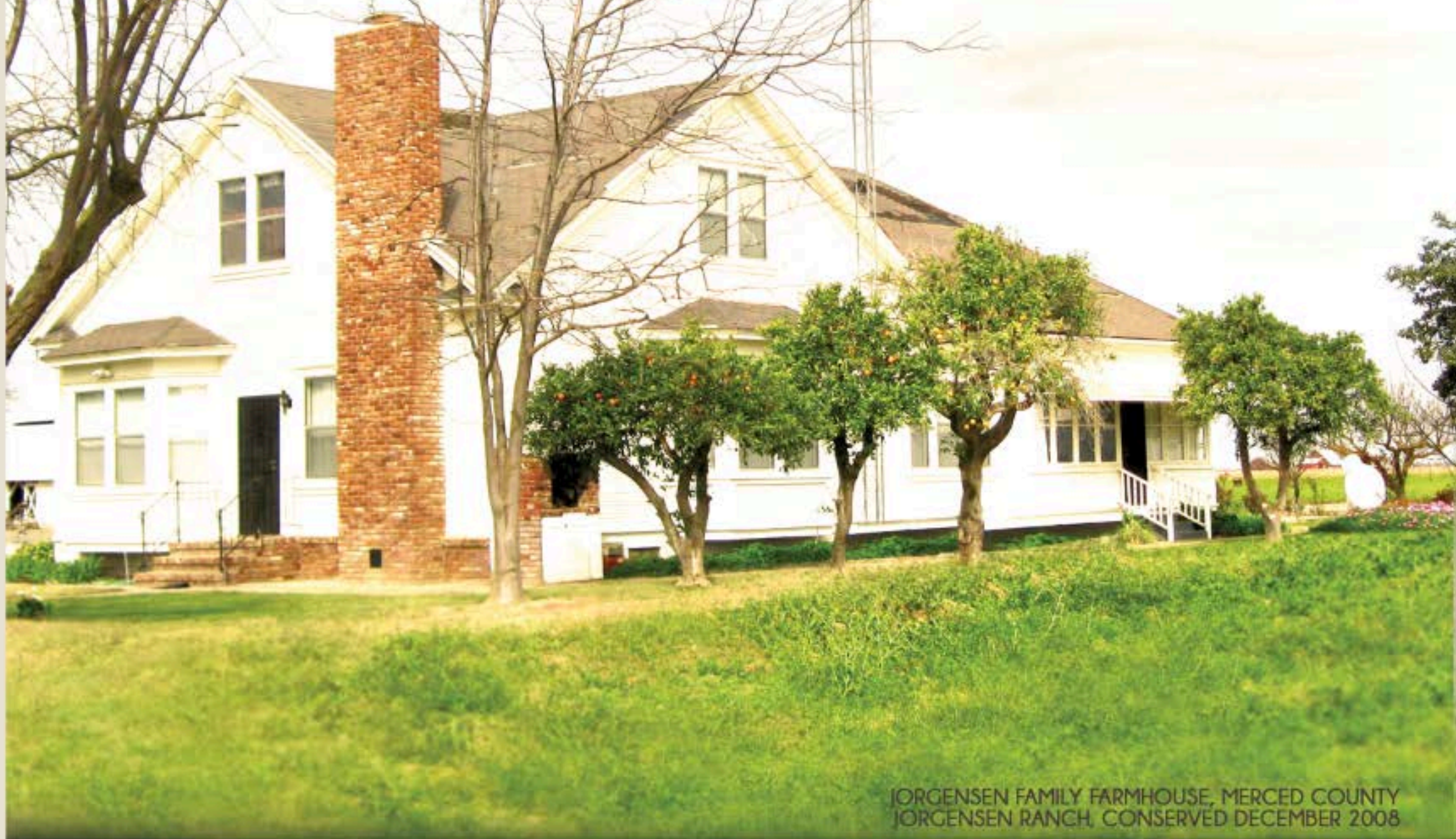


ANNUAL REPORT

2012 - 2013

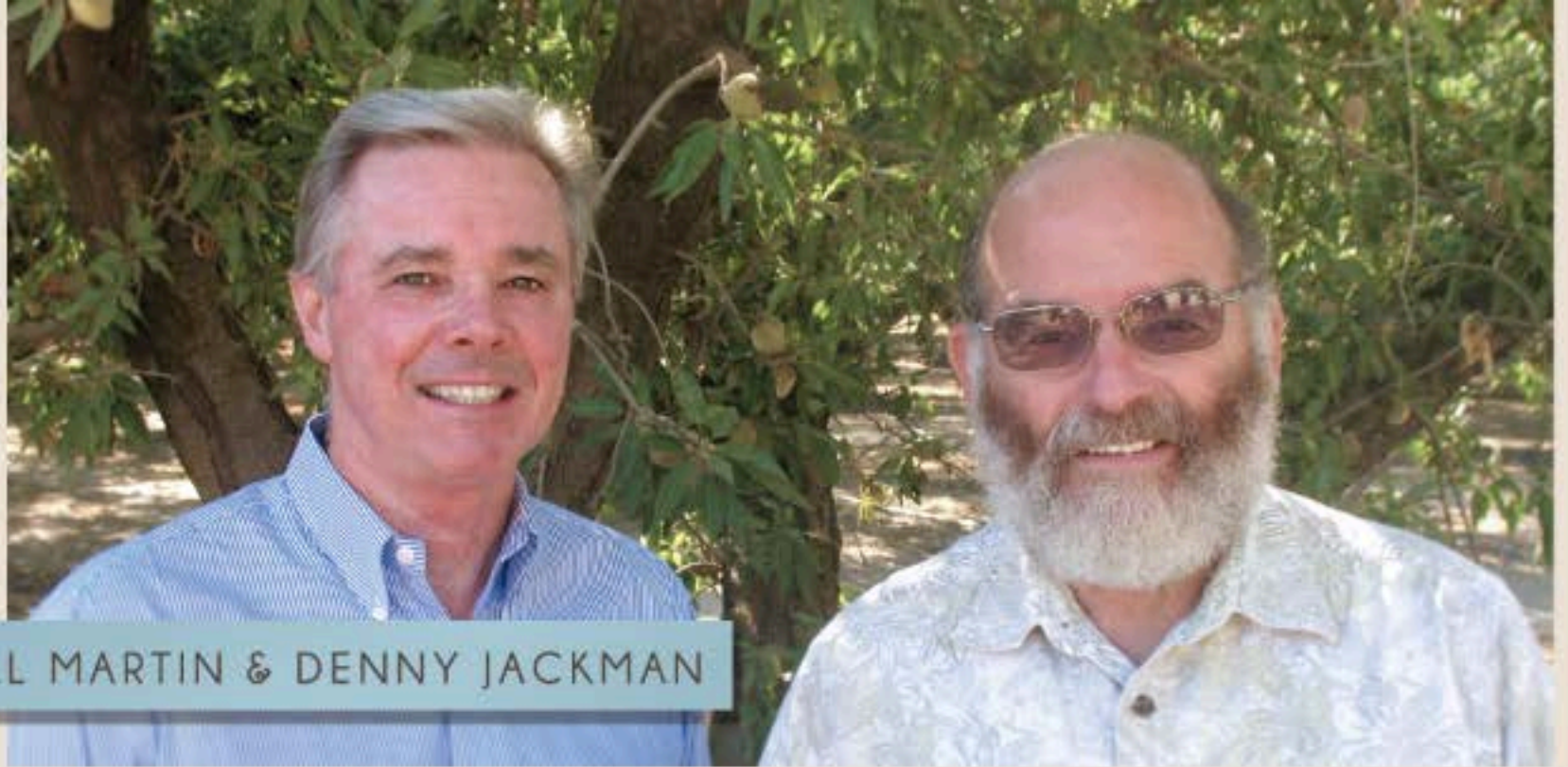


JORGENSEN FAMILY FARMHOUSE, MERCED COUNTY
JORGENSEN RANCH, CONSERVED DECEMBER 2008



CENTRAL VALLEY FARMLAND TRUST

PRESERVING FARMS THAT FEED THE WORLD



BILL MARTIN & DENNY JACKMAN

Dear Friends and Supporters:

The collective effort by all our farmland conservation partners continues to pay huge dividends. During fiscal year 2012-2013 we celebrated the closing of an agricultural conservation easement (ACE) on a 254-acre walnut farm near the community of Lockeford in San Joaquin County, bringing the total acreage conserved to 12,766 acres across four counties. Without your help this would not have been possible! Thank you!

As we look to the future many challenges loom. The California High Speed Rail Authority plans to commence construction on the first phase of the statewide project. CVFT has been requested to help facilitate the placement of ACEs to mitigate for the loss of valuable farmland in Madera County. Certain counties are requiring solar facility projects to mitigate for the loss of farmland and look to CVFT for assistance. San Joaquin County has settled discussions with a private landowner in the Delta which will result in several thousand acres of ACEs to be placed and ultimately held by CVFT. As development escalates in certain jurisdictions where farmland mitigation policies have been place, CVFT will utilize prospective funding, via the payment of fees, to strategically acquire ACEs.

In addition, to all this we decided to throw in a complete revamp of our communications infrastructure. The overhaul includes enhancing the quality and delivery of our communications collateral, renovating our website, and actively engaging in multiple levels of electronic media. Additionally, we are working on An Evening at the Carnegie scheduled for October 26, and putting plans in place for three events next year, including our 10th Anniversary Celebration. And let's not ignore the fact we are also in the middle of the re-accreditation process with the Land Trust Accreditation Commission.

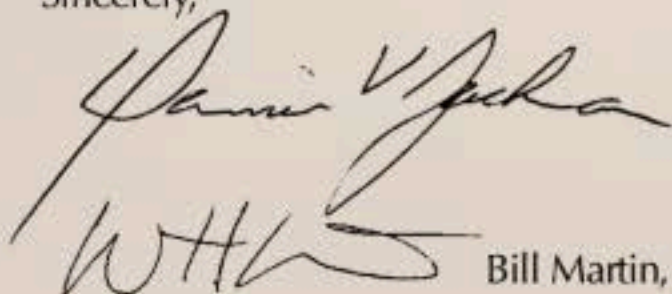
I suppose we should consider all the above as job security for CVFT staff. But the practical side of this is how we leverage resources to accomplish everything in a timely and effective manner.

CVFT prides itself on doing what it said it would do and getting things done. This will not change but we are proactively considering necessary staffing levels and outside resources and will look to our partners for input and assistance as we move forward. Thank you in advance!

All things considered we are about as proud as a land trust can be at where we have come over the last nine years and very excited about the future. Your ongoing and valuable support will assure CVFT accomplishes great success as we "preserve farms that feed the world".

Our motto is our message – We are "Preserving farms that feed the world."

Sincerely,



Denny Jackman, President



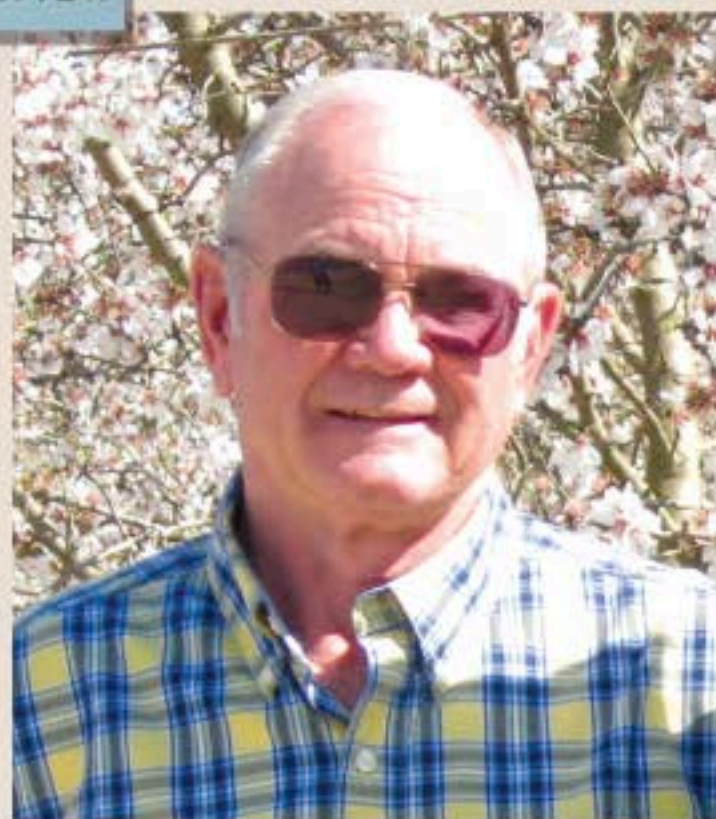
Bill Martin, Executive Director



SUPPORTER SPOTLIGHT WITH MIKE TANNER

Every day, the Central Valley Farmland Trust has staff, board members and volunteers working to ensure our programs and services reach landowners and constituents, and provide for the next generation. Mike Tanner is one volunteer who continues to give in many ways throughout the year, and every year.

Tanner is a founding board member since 2004 and has served on the Transaction, Stewardship, and Monitoring Committee since that time. Each year he and a team of several other volunteers go out and monitor the projects in Merced County to ensure that easement restrictions are adhered to. They meet with landowners and maintain a critical relationship for the organization.



You will always see Tanner at CVFT annual events like the Evening at the Carnegie and Friends of Farmland. He regularly attends CVFT meetings and long range planning sessions. Bill Martin, executive director, said, "Mike is not just a friend to our organization; he brings experience from his life-long career as ag commissioner, insight from early days growing up on a farm, and passion to see our farmland resources protected."

"I strongly believe in what the Trust is doing and what they stand for," said Tanner. "They have a strong business model, excellent leadership, trust among the community, and a great board of directors."



The Central Valley Farmland Trust recently enhanced our sponsorship program by providing corporate sponsors opportunities throughout the year to engage with us, support our mission, and interact with our members. A long-time sponsor, American AgCredit, took advantage of this new program and joined us at the Farmland Visionary sponsor level for those who give \$7,500 or more in the calendar year.

"As a service provider to the agriculture industry for over 90 years, American AgCredit is pleased to support Central Valley Farmland Trust in the perpetual protection of our valley's most precious resource – our farmland," said Bud Bensley, senior vice president of credit, valley region, American AgCredit.

"American AgCredit has their finger on the pulse of farmers and their needs," said Bill Martin, CVFT executive director. "We are grateful for their partnership in ensuring that current and future farmers have land to farm and their own legacy to leave."



STRATEGIC EFFORTS

The effort to conserve our valley farmlands takes a 'conservation machine' of moving parts with continuous forward progression to achieve success. Each arm of our business needs to work in concert with one another and its end goal must always be the furtherance of our mission. This year, to ensure a forward trajectory we used the following strategic program areas to guide objectives, events, staff, volunteers, and projects.

CVFT CONSERVATION EASEMENT MAP

Outreach and Education

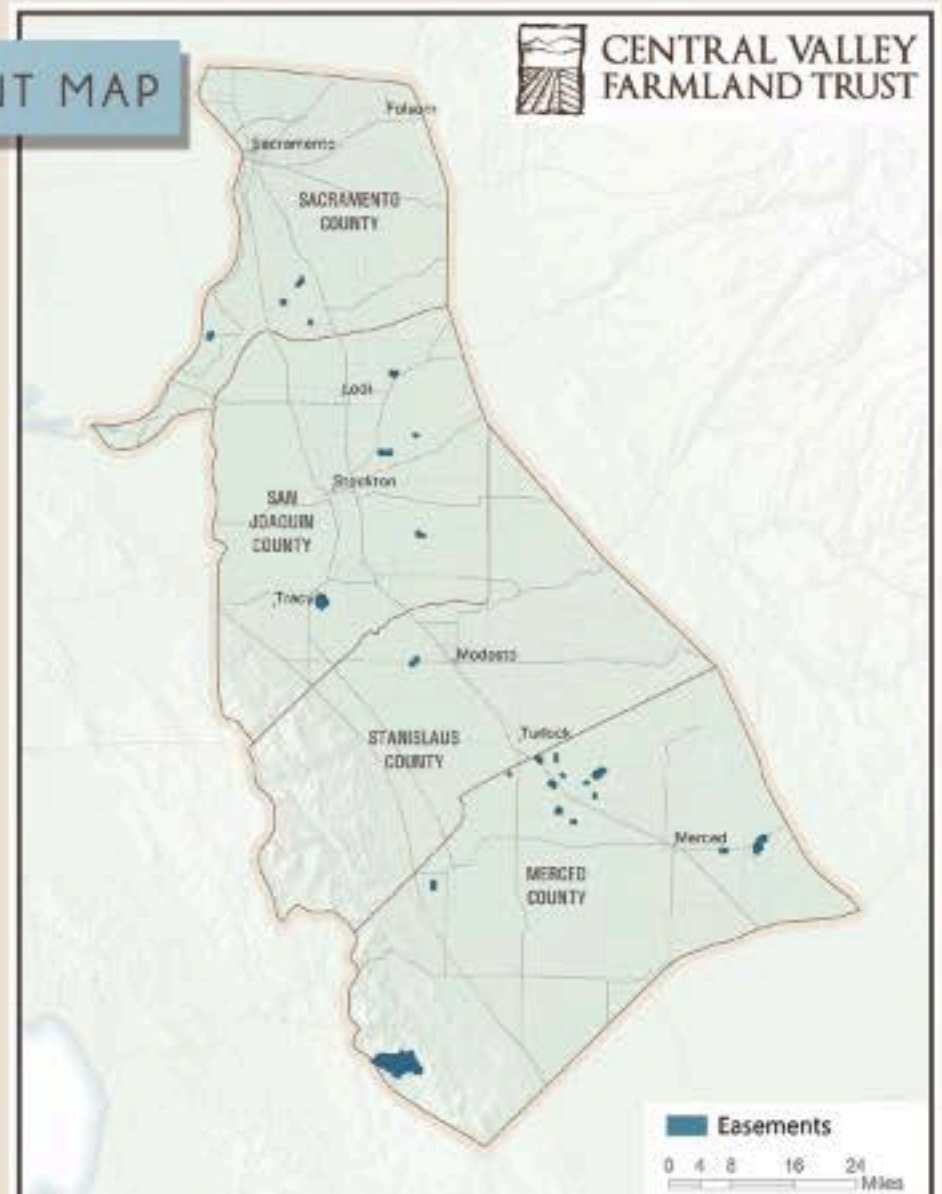
- Broad based outreach and education regarding value of farmland conservation throughout the San Joaquin Valley.
- Elected leader education on how CVFT can help sculpt language and facilitate farmland mitigation policy.

Partnerships

- Policy level group collaboration (i.e., California Council of Land Trusts, American Farmland Trust, Farm Bureau, etc.) to assist their efforts in sculpting farmland conservation policy.

Fundraising

- Easement acquisition funding opportunity identification (i.e., Agencies, mitigation, private donors, etc.)
- Enhance and maximize fundraising programs and initiatives to achieve long term sustainability.



Galeazzi Family Farm Forever Protected

The 254-acre walnut farm owned by the Galeazzi family located near Lockeford, CA was recently conserved with an agricultural conservation easement between the family and Central Valley Farmland Trust. "This conservation easement preserves our life-long dedication to farming," said John Galeazzi. "All my children could see the connection between farming and conservation and we wanted to integrate the conservation part into our business, this easement allowed us to do that."

"The Galeazzi property is a beautiful example of farming, family, conservation, and a legacy realized," said Martin. "We are proud to see this farm protected for future generations and know that the Galeazzi family will remain there as stewards of the land."

Leveraging Funds

"The key to our success with this project was our ability to leverage funds to see the most farmland conserved" said Bill Martin, Executive Director. The Galeazzi project was funded by the Department of Conservation's California Farmland Conservancy Program, Natural Resources Conservation Service's Farm and Ranchland Protection Program, and the City of Stockton's mitigation fees. Martin continued, "In the beginning I advised all municipalities, including the City of Stockton, I would seek other funding sources so as to leverage the mitigation fees and increase the foot print of the total acres conserved. This strategy has been very successful and greatly appreciated by the municipalities."

GALEAZZI WALNUT ORCHARD



Conservation Pipeline

It takes months, at times years, from the start of an agricultural conservation easement project until its closing date. So, if we close a project in one year, the work it took to get there most certainly began in the year prior. This work entails: landowner meetings, site visits, project applications, grant applications, fundraising, agency meetings, more site visits, and more fundraising. This year we closed 254 acres of farmland and our work on a number of other projects will ensure nearly 3,500 acres close this next fiscal year. We call these projects our 'pipeline projects.'

THE PIPELINE PROJECTS

- Six active projects at various stages representing approximately 3,500 acres
- Two projects for 317 acres – San Joaquin County
- One project for 166 acres – Sacramento County (closed escrow 9/6/13)
- Three projects for 3,014 acres – Merced County

CVFT FINANCIALS 2012/13

For fiscal year 2012-2013 we are very pleased to report that our conservation easement program activities resulted in the closing of a 254-acre conservation easement in northeast San Joaquin County. During the 2012-2013 fiscal year CVFT embarked on a new commitment to enhance the quality and delivery of our constituent informational materials. This increased our operating capital outlay, but was a necessary endeavor, which resulted in a slight decrease in net assets from \$1,061,630 to \$1,034,651.

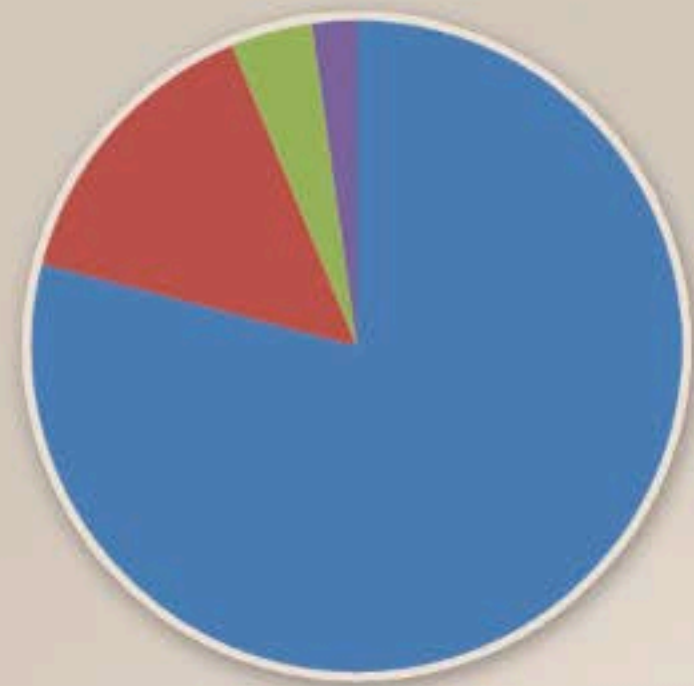
From the prior fiscal year operating expenses increased slightly from \$327,464 to \$337,758. At fiscal year-end we held approximately \$3.1 million in mitigation fees generated from various municipalities where we have agreements to facilitate their respective farmland mitigation programs. These funds are combined with other funding sources to complete the conservation easement acquisitions (*See "Reallocation of Mitigation Fees" in the chart) and cover certain program transactional costs.



SUPPORT & REVENUE

Acquisition / Transaction Grants	\$981,731
Landowner Contributions	\$63,750
Reallocation of Mitigation Fees	\$383,209*
Investment Income & Interest	\$14,521
Unrestricted Mitigation Fees	\$33,407
Program & Service Fees	\$82,463
Fundraising & Special Events	\$31,876
Unrealized Gain On Investments	-\$488

Total **\$1,590,469**



CAPITAL OUTLAY & EXPENSES

Conservation Easement Acquisitions	\$1,275,000
Program Services	\$236,531
Administration & General	\$65,498
Fundraising & Outreach	\$35,729

Total **\$1,612,758**

Assets

Cash and Cash Equivalents	\$447,874
Certificates of Deposit	\$506,258
Marketable Securities	\$3,196,464
Accounts Receivable & Escrow Accounts	\$13,051
Property & Equipment	\$1,837

Total Assets **\$4,165,484**

Liabilities & Net Assets

Accounts Payable & Accrued Liabilities	\$15,731
Deferred Income	\$3,115,102
Unrestricted Net Assets	\$50,159
Monitoring & Stewardship Fund	\$984,492

Total Liabilities & Net Assets **\$4,165,484**

Conservator (Gifts \$5,000 and above)

American AgCredit
E. & J. Gallo Winery
John and Carolyn Galeazzi
Vance Kennedy, Ph.D.

Steward (Gifts between \$1,500 and \$4,999)

Jon and Christine Brandstad
Jeanne Gobalet and Garth Norton
Scott and Pamela Magnuson
Mid Valley Ag Services
Diane Norton Insurance Agency/Maxwell Norton

Supporter (Gifts between \$500 and \$1,499)

Bank of the West
Bokisch Ranches, Inc.
California Farm Bureau Federation
Robert Chad
Ron and Getta Dolinsek
Sunburst Plant Disease Clinic, Inc.
Ron and Nonine Freitas
Garton Tractor, Inc.
Raymond and Maria Giampaoli
Thomas and Barbara Job
Craig Ledbetter
Peter and Kathleen Menghetti
Montpelier Farming Corporation
Glenn Navarro and Ursula Boesch
Ken and Florrie Oneto
Thomas Scharffenberger
Mark and Marsha Seivert
Barbara and Duncan Smith
Stanislaus County Farm Bureau
Mike Tanner
Vista Livestock Company

Guardian (Gifts between \$100 and \$499)

Amistad Ranches
Carol and Steven Berkenkamp
Monica and Ed Bianchi
Eric and Loraine Bocks
Mary Lea Bradford
Ward and Rose Marie Burroughs
Tim and Suzanne Byrd
Jeff Cederlind
Jondy Cohen
Chris and Janice Costa
Thomas Coultas, Ph.D.
Robert Curtis
Gary and Kelly Darpinian
David Doll
John and Jeani Ferrari
Robin Flournoy
Dan and Donna Forster
Mary Furey
Dario and Josephine Giampaoli
George Gomes
Lonnie and Lola Hendricks
Tim and Susan Hooper
Denny and Patricia Jackman
Jim and Dianne Jorgensen
Jon and Deidre Kelsey
Robert King
Peter and Rochelle Koch
Robert and Jennifer Kolberg
Sandra Kruthoff
Robert and Lynn Lamoure
Living Farm Systems
Charles and Sally Magnuson
Richard and Susan Mahacek
Edward Maring
Bill and Carol Martin
Les and Elizabeth McCabe, Jr.
Joanne and Peter Mills
Julie and Bryan Minabe
Galen and Melba Miyamoto
Berj and DeeDee Moosekian
Edward and Frances Nishio
Jerry O'Banion
Jean Okuye
Pacific Southwest Irrigation
Doug and Lu Ann Parson
Tim Pellissier
Petersen Electric
Jessie Roseman
Larry Ruhstaller
Ezio and Eleanor Sansoni

DONOR RECOGNITION*

*given between 4/1/12 and 3/31/13

Bill and Carol Martin
Les and Elizabeth McCabe, Jr.
Joanne and Peter Mills
Julie and Bryan Minabe
Galen and Melba Miyamoto
Berj and DeeDee Moosekian
Edward and Frances Nishio
Jerry O'Banion
Jean Okuye
Pacific Southwest Irrigation
Doug and Lu Ann Parson
Tim Pellissier
Petersen Electric
Jessie Roseman
Larry Ruhstaller
Ezio and Eleanor Sansoni
Dale Sartor and Judy Winzeler
Serrano Farms, Inc.
Randolph and Susan Siefkin
Don and Lynn Skinner
Walter and Kathy Soensen
Alvin and Sandra Sokolow
Soluri Meserve, A Law Corporation
Clifford Starn
Jeffrey Swanson
Bob and Joelle Tribsch
Robert Tyler
Marilyn Ulm
Mike and Denise Van Horn
Vino Farms, LLC
Vern and Mary Wickstrom
Roger and ChiChi Wood
Charles Woods
Thomas Yamashita
Yosemite Farm Credit
Dave and Katherine Zollinger

Friend (Gifts up to \$99)

Lee and Ann Anderson
Maria Azevedo
Louie Bandoni
Garrett and Renee Becker
Don and Kenra Bragonier
Kathleen Crookham
Theresa Diener
Richard and Michelle Dodson
F.M. Upton & Sons
Favier Farms
Hugh and Norma Flanagan
Bob and Jeanne Giampaoli
Greenleaf Farms, Inc.
Joan and William Halpin
Carl Haney
Holman Accountancy Corporation
Marilyn Hoobler
Patricia and James King
Kenneth Leap
Sarah Lim and Vincent Andrade
Joe and Julie Marchini
Merced Fruit Barn
Kevin Olds
James Peterson
Frances Prudhel
Robert Randolph
Richard and Joan Regalo
David and Laurie Robinson
Robert and Kim Rogina
Saint Martin Vineyards
Robert Scheuerman
Eugene Silveira
Scott Skidmore
Scott and Andrea Stoddard
Arlan Thomas
David Transue
V.C. Concrete
Carel and Linda Van Loben Sels
Les and Dorothy Van Someren
Paul and Teresa Ward
Catherine Weber
Bill and Carol Weir
Paul and Deborah Wenger
Shirlene Young



CENTRAL VALLEY FARMLAND TRUST

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916-685-1041 fax
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THE MISSION OF THE CENTRAL VALLEY FARMLAND TRUST IS TO WORK WITH LANDOWNERS AND CONSERVATION PARTNERS TO PRESERVE AGRICULTURAL LANDS IN THE CALIFORNIA CENTRAL VALLEY FOR FUTURE GENERATIONS.

BOARD OFFICERS

Denny Jackman, Modesto
President

Ken Oneto, Elk Grove
Vice President

Ron Dolinsek, Rocklin
Secretary

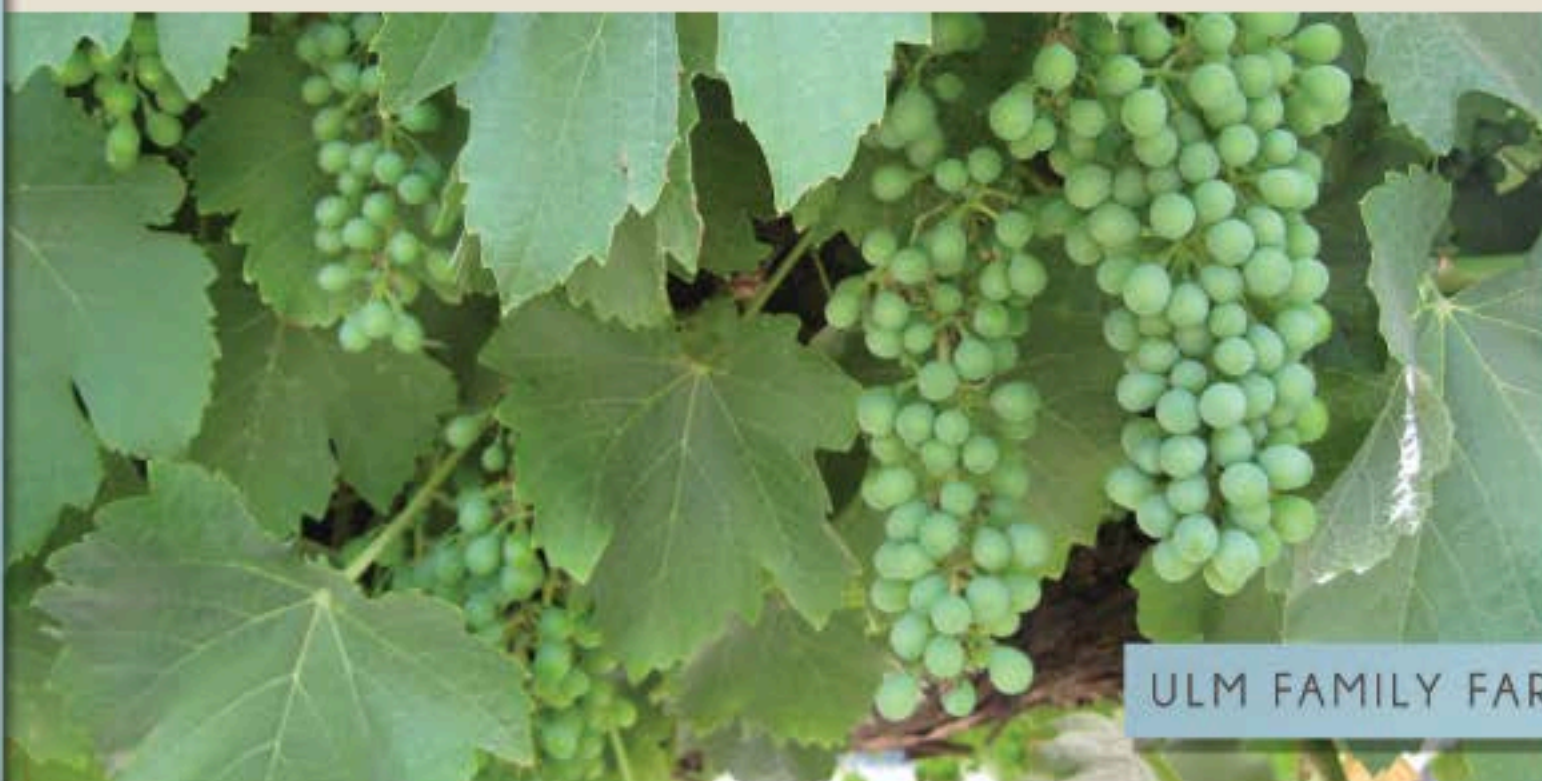
Barbara Smith, Courtland
Treasurer

DIRECTORS

Monica Bianchi, Linden
Ron Freitas, Modesto
Maxwell Norton, Atwater

STAFF

William Martin, Executive Director
Susan Hooper, Associate Director



ULM FAMILY FARM GRAPES

We are called to be good stewards of the land. When we preserve farmland, we are doing something that will benefit generations to come, and that is being a good steward of the land.

*-Don Bo
Founding Board Member*