



# Rancho Corralitos

Integrated  
Capital and Collaboration for Land Projects with  
Latino Farmers



## Case Study: Integrated Capital and Collaboration For Equitable Land Access in Watsonville, CA

- **Land:** Acquire 170-acre parcel of organic farmland in Watsonville in order to transfer management/ownership to 5-10 Latino immigrant organic farms in 3-7 years
- **Purchase price [2021]:** \$11.4M
- **Transfer to Latino farmers [2025-2028]:** ~ \$8M
- **Collaboration:**
  - **La Cultiva:** local knowledge, Latino farmer network, technical assistance, philanthropic and integrated capital network
  - **Dirt Capital Partners:** farmland acquisition expertise, deal structuring, equity (\$) and ability to be responsive / act quickly, investor network
  - **People's Land Fund:** supports and resources the land and infrastructure needs of Black, Indigenous, and POC farmers and land stewards.





# Latino Immigrant Farmers in the Salinas Region: Equitable Land Access Need and Opportunity

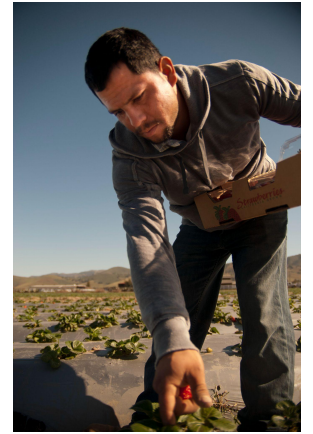


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## Challenges to long-term land stability and ownership

- **Lack of accessibility:** concentration of land ownership, especially of good farm land, in the hands of a few
- **Mismatch in parcel size/need:** many parcels that do come up for sale are hundreds of acres vs. in the 15-50 acre size that would work for small, diversified, organic farms
- **Lack of affordability:** high price of farmland, driven up by large industrial ag that may not invest as much in soil health, biodiversity, ecological land stewardship
- **Equitable access to opportunity:** language and cultural barriers, historic systemic discrimination, and other factors mean that farmers of color have been left behind



## Opportunity/benefits of investing in long-term land stability

- **Racial equity and justice:** equitable land access for farmers of color who have historically been locked out of opportunities for long term land stability and ownership
- **Ecological land stewardship:** small, diversified farms can prioritize livelihoods AND sustainable practices that promote soil health, biodiversity and climate resilience
- **Thriving regional economies:** lots of diversified, small farms (vs. a few large agri-businesses) can support local economies that work for more people



## Watsonville Land Project: Latino Farmer Need & Opportunity

### Example: Cecilia Rojas, Rojas Organic Farms

- Latina immigrant: 15 yrs experience as a farmworker, 3 yrs as farm business owner
- Currently grows on 5 acres, but limited by land available to her in the “market”
- 2020: \$283K revenue, \$110K in net income
- Supported by ecosystem of partners:
  - ALBA: farmer training + incubator
  - CA FarmLink: operating loan
  - Kitchen Table Advisors: 1-on-1 advising
- As she graduates from ALBA incubator, needs long-term land stability on 15-20 acres
- Kitchen Table Advisors business/financial assessment: can afford to take on some debt to buy land but needs access to right size parcel at affordable price that enables her to invest in soil health





## Existing Tenant Provides Stable Revenue and Runway for Planned Transition

- Investment in 177 acres of prime farmland in central coast CA, currently in organic strawberries and vegetables
- Unique agricultural land resource due to combination of climate, soils and water that allows year-round growing of high-value crops
- High quality water resource from two commercial agricultural wells
- Current lease with large-scale organic farmer allows for stable income for investors and lenders while transitioning land to Latino growers





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## Land Acquisition 2021: ~ \$11.5M Integrated Capital Stack

Capital [Ideal]	Amount	Comments	Sources
<b>Conservation Easement</b>	~ \$1M	Will help keep the land conserved in agriculture	Land Trust of Santa Cruz County with grant from CA. Likely to close in 2022 or 2023.
<b>Grants</b>	~ \$2M	Will make the land affordable and accessible for farmers of color	Individuals/foundations focused on sustainable ag + racial equity/justice, equitable land access, redistribution of wealth to farmers of color / communities of color.
<b>Loans / PRIs</b> (at 0-2% interest)	~ \$6.5M	Will provide a bridge to Latino immigrant organic farmers acquiring the property and help keep the price down for the farmers	Individuals/foundations focusing on impact first and non-extractive finance, deprioritizing financial return.
<b>Equity</b>	~ \$3M	Key anchor capital for the acquisition plus comes with Dirt Capital Partners land acquisition expertise	Dirt Capital Partners 2018 (Existing Fund)