

Managing Groundwater with Small Farms in Mind:

Risks, Barriers, and Opportunities of the Sustainable Groundwater Management Act

Based on three years of statewide outreach, surveys, and document review conducted with small-scale farmers across California's priority basins by UC ANR and CAFF.

This summary document contains key takeaways for State Agencies from the report Managing Groundwater with Small Farms in Mind. There are also summaries written for GSAs and California communities. Review [the full report linked here](#). Contact sgma@caff.org and sgma@ucanr.edu to get in touch with us about this report and ongoing groundwater work.

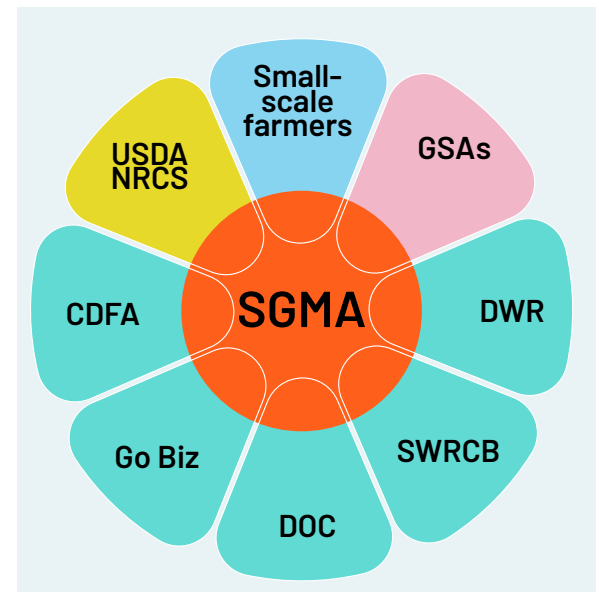


[Read the full report here](#)

The Role of State Agencies

Summary

Since 2014, California has taken important steps to protect its groundwater for the future, and these changes are reshaping agriculture across the state. Small farms in some regions use only a small share of groundwater, but they must navigate the same rules as larger users. It is critical to evaluate the role of small farms because these businesses support rural economies, provide local produce to California communities, produce culturally important food crops, and tend to care for land with a long-term perspective. This report highlights a growing concern that small farms face disproportionate challenges in understanding and adapting to new groundwater regulations. In an already difficult farming environment, these challenges could unintentionally put many small farms at risk of going out of business. This report outlines opportunities to address this risk by recognizing the vulnerability of small farms and providing targeted support. By taking action, California can protect its groundwater while sustaining the communities that depend on it.



Each entity has distinct roles and priorities, but they share an interest in groundwater sustainability, agricultural viability, and community resilience that converge around SGMA. This common interest highlights a need for intentional coordination and alignment for sustainable and equitable groundwater management.

California Dept. of Water Resources (DWR), State Water Resources Control Board (SWRCB), Dept. of Conservation (DOC), Dept. of Food and Agriculture (CDFA), United States Dept. of Agriculture Natural Resources Conservation Service (USDA NRCS), and Governor's Office of Business and Economic Development (Go Biz)

DWR's Distinct Role

DWR establishes the regulatory framework, provides oversight, and allocates funding for SGMA implementation statewide. This gives DWR a critical lever: **ensuring that state guidance, resources, and policy signals actively prevent the disproportionate displacement of small farms** – a group that contributes minimally to overdraft but can face outsized harm from how groundwater management is implemented.



GRUB CSA Farm, Butte County

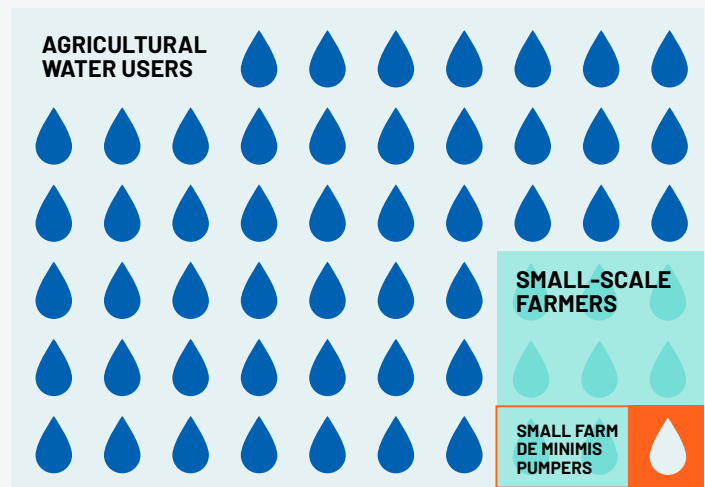
Funding Framework

Recommendations from UC ANR and CAFF on key investments for state agencies to make to support equitable SGMA implementation.

1	Continue & Sustain Technical Assistance Maintain ongoing investment in the URCTA Program to deliver localized, multilingual support to small farms navigating SGMA requirements.	• Fund Outreach Specialists embedded in farming communities • Ensure ongoing coordination between GSAs and small farms • Enable technical assistance to support small farms adapting to SGMA, including tailored workshops, on-farm support, and one-on-one technical assistance
2	Enable GSA-Level Equity Reforms Direct resources to GSAs to implement inclusive practices that protect small farms, reducing the need to pass costs on to groundwater users via fees.	• Fund regional small farm liaison positions (modeled on UC Cooperative Extension) • Subsidize flow meters and irrigation retrofits for small-scale farmers • Incentivize GSAs to hire and train local outreach staff • Fund independent studies comparing ET and meter-based monitoring on small farms
3	Fund an “Equitable Transition Initiative” To be jointly developed with Dept. of Water Resources, Dept. of Conservation, Dept. of Food & Agriculture, Go-Biz, and USDA NRCS, this initiative will align SGMA implementation with rural economic development, land stewardship, and existing conservation programs.	• A joint interagency initiative should align existing programs into a coordinated framework that includes small farm-specific transition pathways, farmworker retraining, and strategic land repurposing for recharge, habitat, or renewable energy • Coordinated technical assistance for land repurposing that creates opportunities for small-scale farmers and low-water-use cropping systems • Strategic transitions of land out of irrigated production while mitigating broader economic, social, and environmental impacts

Acknowledge A ‘Small Farm De Minimis’ Agricultural Category In State Guidance

DWR should acknowledge and support GSAs as they establish a formal category for small-scale farmers whose groundwater use is so limited that their impact on basin conditions is effectively negligible. This approach builds on recent exemptions for probationary fines in the critically overdrafted Tule and Tulare Lake subbasins, where 40% of pumpers account for only 1% of total water use. These farmers would otherwise face the same compliance burdens as major agricultural operators — a structural inequity that state guidance can and should address.



Conceptual subsets of beneficial groundwater users.

Current Gaps & Priority Actions

Topic	Current Gap	Priority Action
Accessibility	Small-scale farmers lack time to participate in governance and often lack access to information, especially as tenants	Fund GSAs to establish small-scale farmer liaisons conducting targeted outreach, translation, and flexible engagement opportunities
Technical Assistance	Limited local capacity to support efficient water management (e.g., conjunctive use, flow meter calibration, irrigation scheduling)	Invest in dedicated small farm technical assistance programs focused on efficient water management along with participation in SGMA implementation
Local Capacity	Missed opportunities to leverage local organizations and trusted partners for program delivery	Incentivize local hiring, training, and partnerships with community-based organizations
Groundwater Markets	Lack of transparency, safeguards, and consistency in groundwater market development	Require state oversight and establish clear rules to ensure transparency, equity, and protection for small-scale farmers
Water Use Monitoring	Remotely sensed estimates of ET can be inaccurate for small or diversified farms	Provide free or subsidized flow meters and technical support to improve measurement accuracy

Topic	Current Gap	Priority Action
Groundwater Allocations	Inconsistent approaches across GSAs due to lack of clear statewide guidance on allocation methods	Issue statewide best practice guidance on allocation models, including considerations for small farms
Groundwater Use Fees	Fee structures may disproportionately burden small-scale farmers and lack standardized exemptions	Support GSAs in establishing a “small farm de minimis pumpers” category with tiered fees or exemptions



Highlights from URCTA Program

Launched by DWR in 2021, the URCTA Program provides localized, community-connected support to those most at risk under SGMA. Across outreach conducted in priority basins, more than half of small-scale farmers had not heard of SGMA before they met a SGMA Outreach Specialist. They have since made significant progress in raising awareness, connecting these farmers to their local GSAs, and explaining upcoming requirements. Continued investment in this program is essential to building on this momentum to advance equitable implementation.

Highlights from 2025-2026

34

farmer-focused workshops held

55

regional SGMA guides created

62

GSAs engaged

800+

small-scale farmers across California receiving tailored one-on-one support

Vision for the Future: Small Farms as Part of the SGMA Solution



Groundwater basins are sustainable and small farms are thriving with access to reliable water supplies; local food remains accessible, and rural drinking water is protected.



GSAs are funded through tiered fee structures ensuring that the costs of groundwater management do not fall disproportionately on those who pump the least.



Large-scale acreage currently in water-intensive crops slated for fallowing is transitioned to lower water use, diversified crops preserving working lands and economic opportunity rather than leaving land bare, and opening doors for small-scale farmers to expand access to affordable farmland.



Retention ponds across dozens of small farms allow conjunctive use of pond water with groundwater to irrigate and passively recharge the aquifer during the winter - turning small farms into active partners in basin sustainability.



Farmer liaison staff work collaboratively with local small farms ensuring they understand demand management actions and are able to actively adapt to and participate in SGMA implementation.

Conclusion

State leadership will determine whether SGMA implementation reinforces or reduces structural inequities in California agriculture. Through targeted funding, clear guidance, and coordinated interagency action, DWR and partner agencies can ensure that small farms are not unintentionally displaced by policies meant to protect groundwater resources. Investing in technical assistance, enabling GSA-level accommodations, and supporting specific transition pathways are essential to achieving

equitable SGMA implementation. **The future success of SGMA will be measured not only by hydrologic indicators, but by whether California's agricultural communities remain viable, diverse, and resilient.**

You can learn more about our programs at ucanr.edu/program/uc-small-farms-network and caff.org.