

Fact Sheet: AB2606 – Proposed California Agave Commission

Link of the bill: <https://legiscan.com/CA/text/AB2606/id/3023498>

By Dr. Samuel Sandoval Solis, email: samsandoval@ucdavis.edu
Professor and Cooperative Extension Specialist. University of California, Davis

What is AB2606?

AB 2606 sets in motion the process to enlist growers and conduct a vote for the establishment of the California Agave Commission, an agency authorized to regulate the agave industry in California. There are two potential outcomes:

- If voted in favor, the commission will have the authority to levy assessments and impose penalties on growers and processors to fund activities of research, education and marketing, provide regulatory oversight and enforcement, establish bureaucracy and administration, and marketing promotion (Article 1 – 79915), with a specific focus on agave cultivation for alcoholic beverages (Article 2 – 79922(a)). All current and future agave growers and processors will be required to register and pay assessment fees as determined by the commission's regulations (Article 6 – 79971).
- If voted against, the California Agave Commission will not be established (Article 5 – 79966), meaning no regulation or assessment fees will be imposed on agave growers or processors.

Who is Affected by AB 2606?

Directly Affected:

- **All Agave Growers and Processors:** Both small and large-scale producers will be subject to mandatory fees and regulatory oversight.
- **Distilleries and Agave-Based Beverage Producers:** Those involved in alcohol production will also face assessments, mandatory fees and regulatory changes, likely impacting their business models.

Indirectly Affected:

- **Diversified and Small-Scale Farmers:** Particularly those who grow agave for non-alcoholic purposes, such as fiber, biofuels, nutritional products, or culinary uses, may see ripple effects from the commission's focus on alcohol production.
- **Farmers from marginalized lands.** Farmers have chosen to grow agave due to the scarcity and high cost of water, or because the soil on their land is unsuitable for other crops. Agave has become a strategy for restoring and utilizing ecologically marginalized land.
- **Indigenous and Latin-American Communities:** The bill overlooks the cultural significance of agave, impacting those who view the plant as part of their cultural heritage.



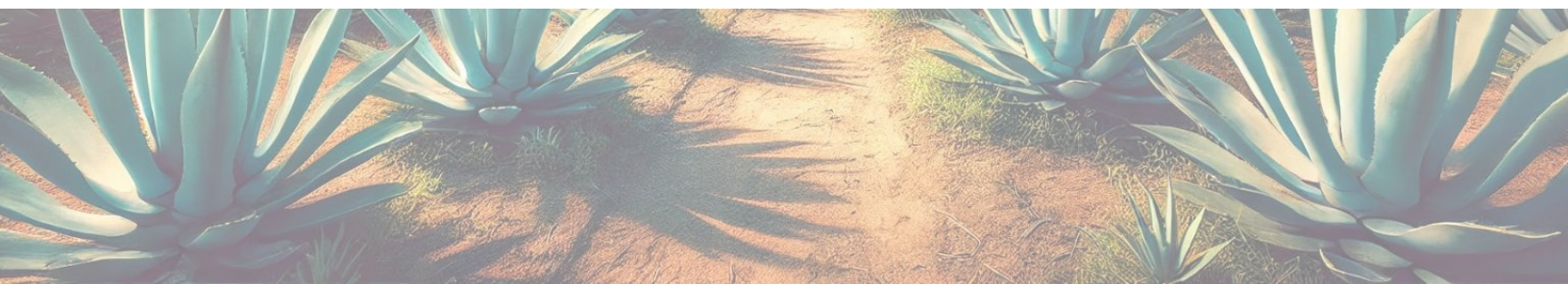
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If approved, what are the main activities of the California Agave Commission?

- **Levying Assessments.** The commission will have the authority to determine and impose fees on agave growers and processors on criteria such as acreage or tonnage (Article 6 – 79971). These assessments will be used to fund the commission’s operations and activities, including bureaucracy and administration, regulatory oversight and enforcement, research, education and marketing. Growers and processors who do not register or pay their fees will face penalties (Article 7 – 79981 & 79982).
- **Regulatory Oversight and Enforcement.** The commission will have broad powers to enforce all aspects of AB 2606 (Article 4 – 79956(b)). This includes registering and keeping records of every agave grower and processor in California (Name, address, acreage and production) (Article 4 – 79956(h)), and prosecute civil violations to agave growers and producers if needed (Article 4 – 79956(p)).
- **Bureaucracy and Administration.** With the fees collected from growers and producer, the commission will have the authority to hire a chief executive officer (CEO), compensate employees, establish offices, and set policies that guide the industry’s development (Article 4 – 79956(a)(d)(e)(g)). Also, the commission will have the authority to appoint members of the commission board of directors (Article 4 – 79956(c)).
- **Research, education and outreach.** The commission will be to promote research, education and outreach on agave cultivation and production, that may include research on best practices for agave farming, pest control, environmental impacts, and agave processing techniques (Article 4 – §79956(k), (l) (s)).
- **Marketing and Promotion.** The commission will conduct activities of marketing to promote agave and agave products (Article 4 – §79956(s)).



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What is the timeline?

The bill will come into effect on January 1st, 2025. From this date, the proponents of the bill (The California Agave Council) can request at any time to the California Secretary of Food and Agriculture to start the process to establish the California Agave Commission (Article 5 - 79961).

Enlisting process

The enlisting process will start on the date when the proponents request the enforcement of AB 2606 (still unknown) and will last up to 90 days (Article 5 - 79961).

The California Secretary of Food and Agriculture will send a public announcement to request:

- *Agave growers* to enlist by submitting their name, mailing address, planted acreage; and
- *Agave producers* to enlist by submitting their name, mailing address, names and addresses from whom agave has been received for processing, the paid weight to the agave growers in the previous growing season.

Referendum Voting Process

Once the enlisting process has ended, the California Secretary of Food and Agriculture will determine the period for the referendum voting process. The California Secretary of Food and Agriculture will use the information collected in the list to send ballots for voting in favor or against the creation of the California Agave Commission. The agave growers will receive their ballots and execute their formal vote to create or not the commission (Article 5 – §79961 to §79966). The voting process cannot be less than 10 days and longer than 60 days. (Article 5 - 79963).

Counting process

The California Secretary of Food and Agriculture will count the votes and determine if the California Agave Commission was approved by the growers and producers to be established or not, according to the voting rules (Article 5 - 79962)

- If voted against, the process will end, and no commission will be established, meaning growers and processors will not be required to pay assessments or adhere to the proposed regulations (Article 5 – §79966)
- If voted in favor, the commission will be established (Article 5 – §79965), and all growers and processors will be required to register and pay assessments (Article 6 – §79971). The commission will likely begin operating and collecting fees sometime after the voting verdict, once the formalities of establishing the commission are completed.