

California state programs available to alternative protein producers and investors

These California state grants, loan programs, and tax credits are likely relevant to the alternative protein industry. Companies should assess their eligibility for programs of interest.

Grant programs

Food Production Investment Program (FPIP)

September 12, 2025 | [Website](#)

The California Food Production Investment Program (FPIP) provides funds for food manufacturers to install equipment that will reduce facility greenhouse gas emissions.

- **Eligibility:** Applicants must have an existing food processing facility located in California, and proposed projects must reduce greenhouse gas emissions, enhance and benefit the electrical grid, or both.
- **Project requirements:** The solicitation will fund projects that install and implement industrial heat pump technologies or other eligible technologies (microgrids, mechanical dewatering, advanced motors and controls, refrigeration system optimization, process equipment insulation, waste heat to power, onsite wastewater treatment, or fuel switching), described on pages 21-22 of the solicitation manual.
- **Available funding:** Awards will be between **\$1 million** and **\$2.5 million** with a 25% required cost share. The total funding pool is \$10 million.

Prospective applicants are encouraged to join the [Pre-Application Workshop](#) on Thursday, June 19 at 10am PT.

Loan programs

California Capital Access Programs (CalCAP)

Applications available through participating financial institutions | [Website](#)

The CalCAP programs offer incentives to participating financial institutions (PFIs) to provide loans to small businesses with underwriting challenges for financing and capital needs. Loan programs include:

- **CalCAP for Small Businesses:** This credit enhancement program is part of the State Small Business Credit Initiative (SSBCI 2.0) and offers up to **\$5 million** in financing for the purchase of equipment and capital projects, purchase of inventory and working capital, start-up costs, the purchase of commercial real estate for occupancy by owner, and ownership purchase of the business by an Employee Stock Ownership Plan or worker co-op.
- **CalCAP for Collateral Support:** This credit enhancement program is for small businesses who exhibit strong potential for credit yet have little collateral. The State provides participating financial institutions risk management options to offer these small businesses **\$25,000 to \$20 million** in loans for a variety of business needs.

Small business eligibility: (1) most business sectors, as defined by the North American Industry Classification System, are eligible*; (2) must be a “California business”: business activities must be “created and retained in California” (business “must have their ‘Primary Economic Effect’ in California where one of the following conditions exists: at least 51% of the total revenues of the business activity are generated in California; or at least 51% of the total jobs of the business are created or retained in California”); (3) and must have between 1 to 500 employees.

*Prohibited business activities include, but are not limited to: adult entertainment, the sale and use of firearms, the sale and use of tobacco and tobacco products, bars and liquor stores, the sale of medicinal and recreational cannabis, and gambling.

California Infrastructure Development and Economic Bank (IBank) Loan Guarantee Program

Applications are available
through participating
lenders | [Website](#)

This program helps small businesses secure financing by working with lenders and nonprofit Financial Development Corporations (FDCs) to offer loan guarantees covering up to 80 percent of a loan. IBank will guarantee loans of up to **\$5 million**, and the guarantee terms can last up to seven years. Eligible small businesses in California will have one to 750 employees and must be an industry listed in the North American Industry Classification System codes [list](#). Participating lenders set the criteria for qualification. The funds can be used for:

- Startup costs
- Working capital
- Business expansion
- Construction
- Inventory
- Lines of credit
- Agriculture
- Export financing

Greenhouse Gas Reduction (GHG) Loan Program

Rolling deadline | [Website](#)

This program offers loans to recycling manufacturers (preprocessors and finished product producers) in California for machinery, equipment, and costs for construction, renovation, or the expansion of current facilities to process California-generated organic materials (green waste and food waste) into new products in order to reduce greenhouse gas emissions. For organic projects, California-generated green or food materials waste should be composted or digested into compost, soil amendments, biofuels, or bioenergy. The maximum loan amount is **\$2 million** and there is a 25 percent match requirement.

If your company utilizes California-generated organic or recyclable materials—such as food waste or agricultural byproducts—as feedstock for producing alternative proteins, and your project involves establishing or expanding processing facilities in California, the project may qualify.

Tax credit and incentive programs

Research and Development Tax Credit

Interested applicants must file California Franchise Tax Board Form 3523 with their income tax return | [Website](#)

This business incentive offers companies in California a 15 percent tax credit for qualified research and development activities, such as in-house research expenses and contract research expenses, per IRS Section 41.

Sales and Use Tax Exclusion (STE)

June 27, 2025 through July 11, 2025 and September 26, 2025 through October 10, 2025.

Please see the [Notice of Application Periods \(2025\)](#) | [Website](#)

This program provides a full sales and tax exclusion to California manufacturers involved in alternative energy, advanced transportation, advanced manufacturing, or recycling technologies. This incentive reduces the cost of manufacturing equipment purchases, encouraging sustainable and innovative production in emerging strategic industries, such as lithium, geothermal energy, energy storage, semiconductors, and nanotechnology.

Eligible manufacturers include:

- Producers of alternative energy products or green components, which means these components improve energy efficiency, enable alternative energy production, or reduce pollution.
- Manufacturers of advanced transportation technologies.
- **Advanced manufacturers using high-tech processes and sustainable practices.**
- Companies using or processing recycled feedstock.

Alternative protein companies can likely qualify as “advanced manufacturing companies.” Advanced manufacturing is defined as:

- Use of advanced science and engineering tools (for example, nanotechnology, semiconductors, additive manufacturing).
- Creation or improvement of materials or processes.
- Sustainable, resource-efficient operations.
- Meaningful innovation beyond current industry standards.

Bonds

IBANK Industrial Development Bonds (IDBs)

[Website](#)

This program provides tax-exempt securities with low interest rates of up to **\$10 million** to California manufacturing and processing companies for acquiring, building, or improving facilities and equipment. To qualify, at least 75% of the funding must go toward manufacturing or processing operations, while only up to 25% can be used for office or storage space. Projects must also deliver public benefits, which “include the creation or retention of jobs, participation in welfare-to-work programs, average hourly wage paid to workers, and the energy efficiency characteristics of the project.” Projects must secure a tax-exempt allocation from the California Debt Limit Allocation Commission. The approval process generally takes four to five months.

Programs with closed application periods

California State Trade Expansion Program (STEP) Grant

May 30, 2025 | [Website](#)

This grant program provides financial support to California small businesses aiming to grow their international presence. The program offers funding through participation in STEP events and the use of export vouchers.

Small businesses must:

- Have significant business operations in California through a substantial workforce presence, facilities, or economic impact within the State
- Have been in business for at least one year at the time the approved export promotion activity takes place
- Be registered to do business in the State of California and have a good standing with regulatory agencies
- Have resources to cover certain costs, such as packing, shipping, customs brokerage costs, and freight
- Be exporting goods or services of U.S. origin or that have at least 51% U.S. content.

Small businesses may participate in up to two STEP events per federal fiscal year, with the possibility of additional participation depending on space and available funding. Export vouchers offer reimbursement of up to 75% of pre-approved export-related expenses, with a maximum reimbursement of **\$10,000** for the federal fiscal year running from October 1, 2024, to September 28, 2025.

Award amounts range from **\$500** to **\$10,000** and require a 25% matching contribution from the small business. All funds are provided on a reimbursement basis after expenses are approved and documented. Detailed guidelines can be found [here](#).

The California Competes Tax Credit (CCTC)

Three application periods per year. Final application period for 2024-2025 closed March 10, 2025 | [Website](#)

CCTC was an income tax incentive offered to businesses looking to expand, relocate, or remain in California while creating full-time jobs. The program was open to businesses of all sizes and industries, with no geographic restrictions within the state. Businesses are evaluated on fourteen different criteria, found [here](#).

Tax credit agreements are negotiated by GO-Biz (Governor's Office of Business and Economic Development) and approved by a five-member California Competes Tax Credit Committee, which includes top state finance and legislative representatives.

The program offered about \$644.7 million in total tax credits over three application periods and tax incentive amounts ranged from **\$85,000** to **\$30 million** per [past awardee lists](#).

Expanding Venture Capital Access Program

February 18, 2025 | [Website](#)

This program is part of California's allocation under the State Small Business Credit Initiative (SSBCI), funded by the American Rescue Plan Act of 2021. The program aims to make the venture capital ecosystem more inclusive and equitable. The program invests in venture capital funds through loans in the form of a hybrid debt instrument and invests directly in venture-backed companies that have already secured a lead investor in a current financing round. Commitment amounts average between **\$5 million** and **\$10 million**. Financing terms and program guidelines can be found [here](#). The program is focused on supporting:

- Underrepresented VC managers.
 - Underserved entrepreneurs and business owners.
 - Geographically disadvantaged communities with limited VC access.
 - Climate equity and justice initiatives.
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Resources

- [California Grants Portal](#)
- Governor's Office of Business & Economic Development (GO-Biz) - [California Business and Economic Development Investment Guide \(September 2024\)](#)
- [California Infrastructure and Development and Economic Development Bank \(iBank\)](#)
- [California Office of the Small Business Advocate - Grants and Financing Opportunities for Small Businesses and Non-Profits and Business Incentives by Industry](#)
- [California Energy Commission's Solicitations and Funding Opportunities](#)

About GFI

The Good Food Institute is a 501(c)(3) nonprofit working internationally to make alternative proteins like plant-based and cultivated meat delicious, affordable, and accessible. GFI advances open-access research, mobilizes resources and talent, and empowers partners across the food system to create a sustainable, secure, and just protein supply. GFI is funded entirely by private philanthropic support.



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