

# Challenges Facing California Agriculture's Role in California's Economy

Maxwell Norton  
University of California Cooperative Extension

California's great Central Valley is a large place with an extremely diverse amount of land uses and ecosystems. The number and variety of crops produced is probably greater than any other region of the world. This is made possible by the rare combination of productive soils, Mediterranean climate and the availability of irrigation water during the growing season. There are only five regions in the world that have this unique combination: areas around the Mediterranean Sea, parts of south-east Australia, the Punjab province of India, and the San Joaquin Valley. Unfortunately this finite and unique resource is being converted to other uses at increasing rates.

This problem is not unique to California. Prime farmland is being converted to other uses at very high rates in many areas of the U.S. and world. On a global scale highly productive soils for farming are relatively rare. Unfortunately some of the world's largest population growth is occurring on or near those soils. Combine this trend with the projected population growth rates, and food availability in third world countries will become a permanent problem (more information can be found at [www.farmland.org](http://www.farmland.org)).

California's population is growing faster than many third world countries. Because of high costs in the coastal areas, housing is being forced onto the floor of the Central Valley. Unless the state requires that new jobs and industry be sited near where people live, most of the state's population will be commuting more than fifty miles to work. Farmland is lost by both urban expansion and the splitting of farms into ranchettes or hobby farms.

The Department of Conservation ([www.cnsrv.ca.gov](http://www.cnsrv.ca.gov)) classifies farmland as prime, statewide important, unique, local important, or grazing. This is based on the capability of the land to produce crops. Most of our intensive farming and high value crops are produced on soils classified as prime or statewide important. Unfortunately most of the Central Valley's fastest growing cities are located on these soils. Efforts to divert urban growth onto the least productive soils are often complicated by vernal pool and endangered species issues.

Farmland can offer environmental benefits. As open space, farmland contributes to the quality of life of California. Crops scrub large amounts of CO<sub>2</sub> out of the air. It has been estimated that roughly 520 million agricultural trees and grapevines are growing in the state. Crop lands and rangelands provide significant wildlife habitat and food for wildlife. The conversion from traditional pest control programs to integrated pest management and biological control makes croplands even more hospitable to both people and animals. The loss of farmland thus results in the loss of wildlife habitat and open space.

## FARMLAND AS A SOURCE OF JOBS AND NATIONAL WEALTH

When you think of people employed in agriculture you immediately think of the farmers, their families, farm workers and other on-farm employees. We must also consider the many people and businesses that supply farms with **goods and supplies**. Examples include but are not limited to:

- All terrain cycles
- Office equipment
- Computers & software
- Hand tools
- Feeds and supplements
- Farm equipment
- Animal handling equipment
- Animal health products
- Propane and electricity
- Tires and equipment parts
- Pesticides
- Fertilizers
- Irrigation equipment
- Ladders, buckets, pruning shears
- Gas, diesel & oil
- Shop equipment
- Pickups, tires & parts

There are many business that provide **services** like:

- Harvesting
- Consulting
- Irrigation system design and installation
- Engineering
- Construction
- Labor contracting
- Custom pruning
- Breeding
- Veterinarian
- Bookkeeping and accounting
- On-line data services
- Banking
- Insurance
- Real estate & Legal

Many trucking firms specialize in **transporting** crops from the farms to the processors.

The ag **processing** sector is a major employer in California. Businesses such as:

- Canneries
- Almond hullers
- Nut processors
- Cheese manufacturers
- Wineries
- Meat processors
- Cotton gins
- Tomato processors
- Dairy product manufacturers
- Frozen foods
- Containers

One must also consider all the industries that supply the equipment and supplies to the above ag processors.

After the crops are processed into consumer products they must be transported to the many distribution centers around the state which then re-distribute them to grocery stores and the institutional food industries.

There is a clear linkage between the soils, water and climate and jobs in the state. The soils, water and climate attracted farmers. The ag processors came to be close to the farms and their source of raw product. The distribution centers needed to be close to the processors and packers. The trucking companies came to serve all of them. If you include the ag processing industries agriculture is the state's largest employer.

A large portion of California's agricultural output is exported to countries all over the world. Even Mexico, a third world nation, purchases roughly \$1 billion worth of ag products from us each year. California is the nation's number one ag export state and accounts for 17% of the nation's exports. For every \$ billion in ag exports, 27,000 jobs are created. Every dollar of exports generates about \$1.70 in economic activity.

Unfortunately our export markets are being threatened by the importation of exotic pests and diseases. The presence of these invasive pests provide other countries with excuses to close their markets to California products. Finding a single quarantine insect in a shipment can completely shut down an export market for months or years. Improved detection and exclusion efforts along with increased border inspections are the most cost-effective method of protecting those markets.

An essential element to all of this is a reliable supply of water. Water is not only essential to producing the raw product but most of our food processing industries are very water intensive and cannot be sited where there is not sufficient water and sewer capacity. Many cities have discovered that on-farm irrigation plays a critical role in recharging the groundwater aquifers that they use. In some areas, farmers have been discouraged from converting to drip irrigation because surface irrigation is need to replenish the ground water that is being over-drafted by urban growth. The lack of a reliable or affordable water supply can hasten the conversion of farmlands to other uses.

California agriculture faces some very serious challenges and its survival will depend on decisive action on the part of state and federal policy makers. Policies to slow the rate of farmland conversion must include the following:

Increase housing densities in all urban zoning categories.

Resolve water availability issues.

Discourage the splitting of farms into small, uneconomical units.

Require Mitigation for the loss of prime and statewide important farmlands.

Permanently protect the most productive farmlands with conservation easements.

For more information about the role that agriculture plays in the state's economy please visit the following University of California website <http://aic.ucdavis.edu> and see the following documents:

The Measure of California Agriculture, 2000

California's Year 2000 International Agricultural Exports