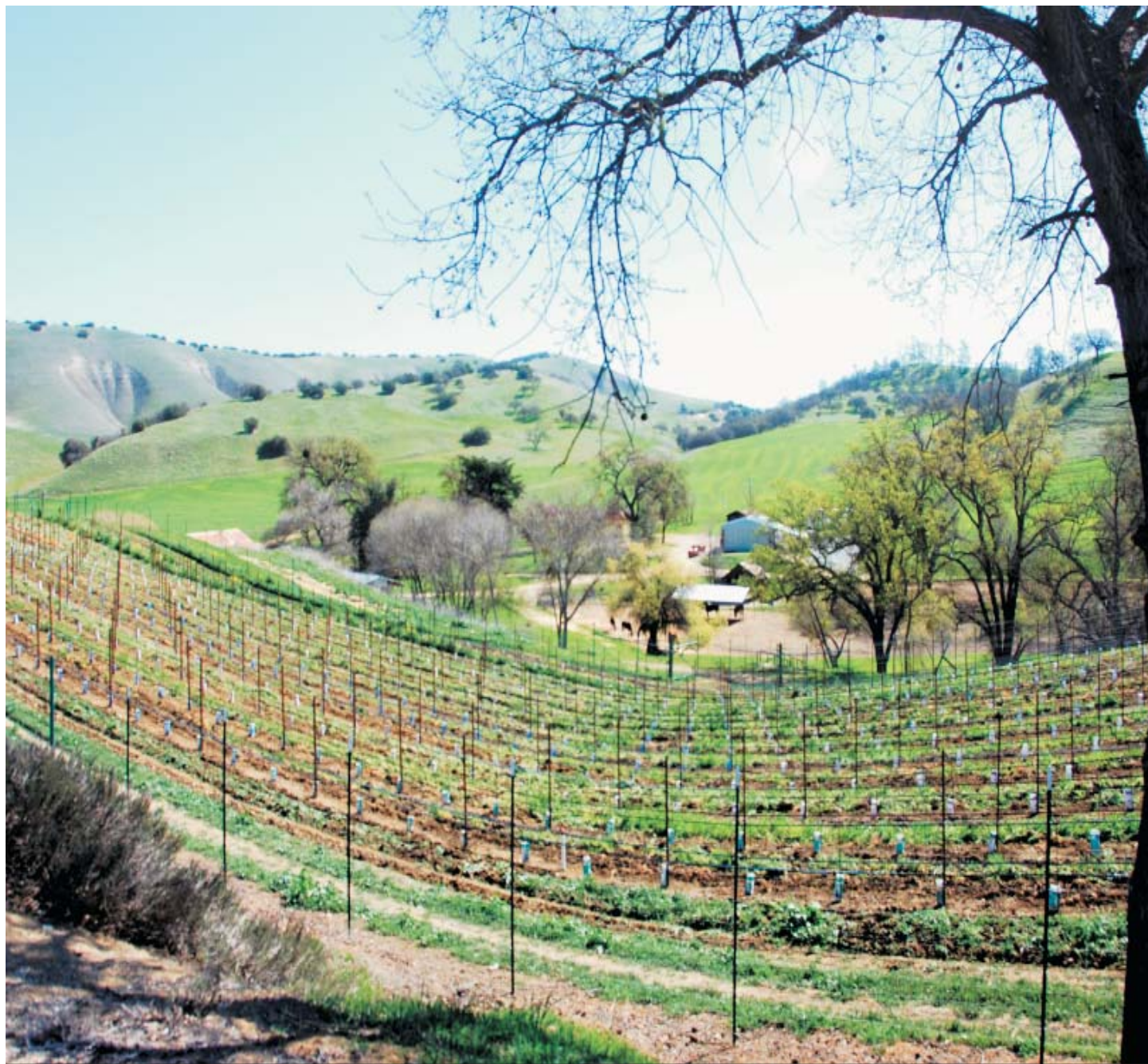


The Measure of California Agriculture



University of California Agricultural Issues Center

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Table of Contents

Introductory Material

Table of Contents, List of Figures, List of Tables	iii
Preface	ix
Introduction	x

Chapter 1 California Farms and Farmers

1-3.....	Land use
1-12.....	Farmland conversion
1-14.....	Land in farms and land ownership
1-17.....	Size distribution by total sales
1-19.....	Legal organization
1-20.....	Farmer demographics

Chapter 2 Demand and Supply

2-3.....	Commodity demand
2-6.....	Leading commodities and cash receipts
2-11.....	Production by principal commodity group
2-15.....	Regional and county-level production
2-25.....	Organic agriculture

Chapter 3 Inputs to Farm Production

3-3.....	Farm expenditures
3-5.....	Capital
3-11.....	Labor
3-15.....	Pesticides
3-21.....	Energy
3-24.....	Water
3-33.....	Productivity growth
3-36.....	Research and development

Chapter 4 Marketing, Trade, Policy and Risk Management

4-3.....	Cooperatives
4-7.....	Marketing channels
4-9.....	International exports
4-14.....	Exotic pests and diseases
4-20.....	Government support
4-24.....	Risk management

Chapter 5 Agriculture's role in the economy

5-3.....	The contribution of agriculture to the California gross state product
5-7.....	The direct plus indirect effects of agriculture
5-8.....	Agriculture and the state economy
5-12.....	Agriculture and regional economies
5-12.....	Central Valley
5-15.....	San Joaquin Valley
5-18.....	Sacramento Valley
5-21.....	Central Coast
5-24.....	California agriculture in the global context
5-27.....	Conclusion

List of Figures

	Page
Chapter 1 California Farms and Farmers	
1.1 Federal and nonfederal land use in California, 1997	1-3
1.2 Nonfederal land use in California, 1997	1-4
1.3 Federal and nonfederal land use, 48 contiguous states, 2002	1-4
1.4 Nonfederal land use, 48 contiguous states, 2002	1-5
1.5 Agricultural land use, California, 2002	1-6
1.6 Agricultural land use, United States, 2002	1-6
1.7 California harvested cropland, 1964, 1982, 2002	1-9
1.8 California production regions	1-10
1.9 Total land and land in farms by region, California, 2002	1-11
1.10 Total agricultural land use by region, California, 2002	1-11
1.11 California farms by acres per farm, 2002	1-15
1.12 Land ownership and farm operators, California and United States, 2002	1-16
1.13 Percent of farms and sales value by total sales class, California, 2002	1-18
1.14 Females as a percent of principal farm operators, United States and California, 1987-2002	1-22
Chapter 2 Demand and Supply	
2.1 United States food expenditures as a share of disposable income, 1945–2004	2-4
2.2 United States food expenditures, at home and away from home, 1945–2004, in inflation-adjusted year-2000 dollars	2-4
2.3 United States retail food and fruit and vegetable price indices relative to price indices of all consumer goods, 1945–2005	2-5
2.4 Value of leading California commodities, 2003–2004	2-7
2.5 Cash receipts by commodity group, California, 2004	2-8
2.6 Top 10 states by cash receipts from farm marketings, 2004	2-9
2.7 Top 10 states by net farm cash income, 2004	2-10
2.8 Farms according to sales per farm by principal commodity group, CA, 2002	2-12
2.9 Average production value per farm by county	2-14
2.10 Gross agricultural production value by county, California 2004	2-17
2.11 Dairy production value by county, 2004	2-19
2.12 Field crops production value by county, 2004	2-20
2.13 Vegetable and melon production value by county, 2004	2-21
2.14 Tree nut production value by county, 2004	2-22
2.15 Grape production value by county, 2004	2-23
2.16 Greenhouse, nursery and forestry production value by county, 2004	2-24
2.17 California organic acres by commodity group, 2003	2-26
2.18 California organic sales by commodity group, 2003	2-26
Chapter 3 Inputs to Farm Production	
3.1 California farm expenditures, grouped items, 1994 - 2007 in year-2000 inflation adjusted dollars	3-4
3.2 Farm debt to assets ratio, California and United States, 1960-2003	3-6

3.3	Farm debt to equity ratio, California and United States, 1960-2003	3-6
3.4	Farms by value of land and buildings, California, 2002	3-7
3.5	California farms by value of machinery and equipment, 2002	3-10
3.6	Hired farm workers by month, California, 2002- 2007	3-12
3.7	Commercial pesticide application, California 1992-2003	3-16
3.8	Fuel, oil and electricity expenditures for California agriculture, 1971-2007, in year-2000 inflation adjusted dollars	3-21
3.9	California farm energy cost as percentage of total input cost, 1971-2007	3-22
3.10	California water distribution infrastructure, 2005	3-26
3.11	Applied water and evapotranspiration of applied water, by crop, California, 1995	3-27
3.12	Share of California production value and water use by major commodities, 2000	3-29
3.13	Production value per acre-foot of irrigation water for California commodities in 2000	3-30
3.14	Agricultural cash receipts per acre-foot of applied water, California 1960-2002, in inflation adjusted year-2000 dollars	3-35
3.15	Annual Expenditures for California Cooperative Extension and Agricultural Experiment Station in year-2000 inflation adjusted dollars, 1993-2007	3-39
3.16	Distribution of University of California Division of Agriculture and Natural Resources expenditures, fiscal year 2006-2007	3-40
3.17	University of California Division of Agriculture and Natural Resources expenditure sources, fiscal year 2006-2007	3-41

Chapter 4 Marketing, Trade, Policy and Risk Management

4.1	California Farmer Cooperatives by Share of Net Business Revenue, 2001	4-6
4.2	Vegetable crop marketing channels	4-7
4.3	Grape marketing channels	4-8
4.4	Tree nut marketing channels	4-8
4.5	Marketing channels for fruits and tree crops other than nuts and grapes	4-9
4.6	California's agricultural exports, 1995 – 2004	4-10
4.7	Share of California agricultural exports by value of main commodity groups, 2004	4-13
4.8	Pest control expenditures in California by government level and activity, 2003	4-17
4.9	Animal pest and disease control activities in California by the state and federal government, 2003 expenditures	4-18
4.10	Plant pest and disease control activities in California by the state and federal government, 2003 expenditures	4-19
4.11	Ratio of producer support estimate (PSE) to value of production plus government payments, by commodity or commodity group, 1999-2001	4-22
4.12	Share of agricultural support by commodity, California, 1999-2001	4-23
4.13	Share of agricultural support by program, California, 1999-2001	4-23
4.14	Percent of California harvested fruit, tree nut, and vegetable acreage with buy-up insurance, 1999 and 2003	4-25
4.15	Percent of California harvested field crop acreage with buy-up insurance, 1999 and 2003.	4-26

List of Tables

Chapter I California Farms and Farmers	Page
1.1 Agricultural land use, California and United States, 1964-2002	1-7
1.2 Agricultural land use, California and United States, 1964-2002	1-8
1.3 California harvested cropland, 1964-2002	1-9
1.4 Acres converted to urban and built-up areas, 1988-2002	1-13
1.5 Number of farms and land in farms, California and United States, 1945-2002	1-14
1.6 Farms by number of operators per farm, California and United States, 2002	1-17
1.7 Number of farms and market value of sales by total sales class, 2002	1-18
1.8 Legal organization of farms, California and United States, 2002	1-19
1.9 Farm operators by age group, California and United States, 1987-2002	1-20
1.10 Reported number of farm operators by number of days employed off the farm, California and United States, 1987-2002	1-21
1.11 Principal farm operators by race, California and United States, 2002	1-23
 Chapter 2 Demand and Supply	
2.1 United States per capita consumption of major foods, 1971-2003	2-3
2.2 Leading California commodities by cash receipts, 2004	2-6
2.3 Crops for which California is the sole or major U.S. producer: California's share of national cash receipts, 2004	2-8
2.4 Cash receipts from farm marketings, United States and California, selected years, year-2000 inflation-adjusted dollars	2-9
2.5 Number of farms, land and sales by principal commodity, California and United States, 2002	2-11
2.6 Agricultural production value by county, 2004	2-16
2.7 Gross production value by commodity group and production region, California, 2004	2-18
2.8 California organic agriculture, 1997 – 2003	2-25
2.9 California organic farmers' cash receipts by commodity group, 2003	2-25
2.10 Percent of registered organic growers and total sales by sales class, 1998-2003	2-27
2.11 California organic agriculture by commodity group, 1998-2003	2-28
2.12 Top 20 California organic products by sales revenue, 2003	2-29
 Chapter 3 Inputs to Farm Production	
3.1 Farm expenditures, 1994 - 2007, in year-2000 inflation adjusted dollars	3-3
3.2 Farm balance sheets, California and United States, 2003	3-5
3.3 Value of land and buildings, California and United States, 1982-2007	3-7
3.4 Value of land and buildings in highest valued counties compared to value of production, California, 2002	3-8
3.5 Average value of California farm land and buildings, 10 highest-valued counties, 2002	3-9
3.6 Machinery and equipment, California, 1997 and 2002	3-11
3.7 Top 10 California counties ranked by value of machinery, 2002	3-11

3.8	Hired farm workers and payroll by region, California, 2002	3-12
3.9	Annual salaries of private workers by industry, California, 2001-2003	3-13
3.10	Average hourly earnings, California agriculture, selected years	3-13
3.11	Number of farm workers in California, Texas and Iowa, 2002	3-13
3.12	Characteristics of California's Central Valley farm workers, 2001	3-14
3.13	Quantity of pesticides applied to top pesticide using crops in California as measured by weight, 1999-2003	3-17
3.14	Top pesticide using crops, cumulative acres treated 1999-2003	3-18
3.15	Top 10 counties by quantity of reported applied pesticides, 2003	3-18
3.16	Commercial pesticide use in California categorized by hazard: quantity applied and acres treated, 1994 – 2003	3-19
3.17	Reported annual use of methyl bromide and metam-sodium, California, 1997-2007	3-20
3.18	Fuel costs for production of selected commodities as percentage of operating Costs	3-23
3.19	California surface water balance for wet, normal and dry years	3-24
3.20	Applied use of dedicated surface and groundwater supplies, California	3-25
3.21	Applied water use and distribution (includes reuse) of dedicated surface and groundwater supplies, California	3-25
3.22	Per acre evapotranspiration rate of applied water (ETAW), California, 1998, 2000, 2001 average	3-28
3.23	Range of rates paid by farmers for surface water deliveries, by DWR hydrologic region, 2000	3-31
3.24	Percentage of irrigated land (excluding rice) under different irrigation systems, 1972-2001	3-31
3.25	California irrigated acreage, average 1998, 2000 and 2001	3-32
3.26	Three-year average yields for representative commodities, California and other states, 1981-83 and 2001-03	3-33
3.27	Average yield and average annual yield growth rates of California winegrape production, 1920 – 2005	3-34
3.28	Annual Expenditures for California Cooperative Extension and Agricultural Experiment Station, 1993-2007 (nominal dollars)	3-37
3.29	Annual Expenditures for California Cooperative Extension and Agricultural Experiment Station in year-2000 inflation adjusted dollars, 1993-2007	3-38
3.30	University of California Division of Agriculture and Natural Resources funding sources, 2002-2007, in year-2000 inflation adjusted dollars	3-42

Chapter 4 Marketing, Trade, Policy and Risk Management

4.1	Memberships in farmer cooperatives, California and United States, 1965-2002	4-3
4.2	Location and revenue of farmer cooperatives, California and United States, 1965-2002	4-4
4.3	Types of farmer cooperatives, California and United States, 2001	4-5
4.4	California agricultural commodity export values and rankings, 2003-2004	4-11
4.5	Percent of California export value shipped to major markets, by commodity group, 2004	4-13

4.6	Vehicles monitored by CDFA at California border agricultural inspection stations, 1989-2003	4-15
4.7	Incoming commercial shipments of plants and animals recorded at California interstate pest exclusion border stations, 1997-2003	4-16
4.8	Direct federal government payments to farmers, 1960-2004	4-20
4.9	Producer support estimate (PSE) by commodity	4-21
4.10	Use of federal crop insurance by California farmers, 1998-2003	4-24

Chapter 5 Agriculture's role in the economy

5.1	California gross state product by industry, 2003	5-4
5.2	California's agriculture-related industries, 2002	5-5
5.3	California food, beverage and tobacco manufacturing industry, 2002	5-6
5.4	California share of the U.S. food, beverage and tobacco manufacturing industry, 2002	5-6
5.5	Economic impact of California's agricultural production and processing, 2002	
	A. California: Direct and total effects	5-10
	B. California: Direct and total effects as share of state economy	5-11
	C. California: Industry multipliers	5-11
5.6	Economic impact of Central Valley agricultural production and processing, 2002	
	A. Central Valley: Direct and total effects in the region	5-13
	B. Central Valley: Direct and total effects as share of regional economy	5-14
	C. Central Valley: Industry multipliers	5-14
5.7	Economic impact of San Joaquin Valley agricultural production and processing, 2002	
	A. San Joaquin Valley: Direct and total effects in the region	5-16
	B. San Joaquin Valley: Direct and total effects as share of regional economy	5-17
	C. San Joaquin Valley: Industry multipliers	5-17
5.8	Economic impact of Sacramento Valley agricultural production and processing, 2002	
	A. Sacramento Valley: Direct and total effects in the region	5-19
	B. Sacramento Valley: Direct & total effects as share of regional economy	5-20
	C. Sacramento Valley: Industry multipliers	5-20
5.9	Economic impact of Central Coast agricultural production and processing, 2002	
	A. Central Coast: Direct and total effects in the region	5-22
	B. Central Coast: Direct and total effects as share of regional economy	5-23
	C. Central Coast: Industry multipliers	5-23
5.10	Gross domestic product (GDP) of the top-15 economies of the world, 2004	5-24
5.11	Top-15 countries by agricultural value added, average 2001-2003	5-25
5.12	Agriculture's contribution to GDP, selected countries and California, average, 2001-2003	5-26
5.13	Value of agricultural production, selected countries and California, average, 2001-2003	5-26

Preface

The Measure of California Agriculture (MOCA) has been an important periodic publication of the University of California Agricultural Issues Center (AIC) for two decades. We hope that *MOCA* is useful for growers, policy makers, agribusiness, environmental interests, consumers, academics, students and others interested in California agriculture and its role in the economy and the broader physical and social environment.

For *MOCA*, the AIC staff assembles the most pertinent data from a variety of sources to describe agriculture in California and to place agricultural issues in perspective. Although principally an outreach document, *MOCA* draws on recent research including that conducted by AIC and our university colleagues.

MOCA is an ongoing project and we frequently update the summary data for publication in our *MOCA Highlights* that is made available on the AIC home page <aic.ucdavis.edu> and in a convenient brochure format that includes information about AIC. In addition to frequent updates to the *MOCA Highlights*, we expect a substantial update of many of the tables and charts presented here to be available in 2010.

The AIC staff primarily involved in assembling data, writing and editing for the latest *MOCA* include Jonathan Barker, Gary Beall, Jose Bervejillo, Hayley Boriss, Henrich Brunke, Antoine Champetier de Ribes, Marcia Kreith, William Matthews, Kurt Richter, John Thomas Rosen-Molina, Omid Rowhani, Daniel Sumner and Laurie Treacher.

Introduction

The Measure of California Agriculture (MOCA) documents the breadth and complexity of California agriculture and its links with the physical, economic and social environment in California and beyond. *MOCA* compiles information from many sources including our own research and provides interpretation of complex patterns in the data. *MOCA* yields insights into the circumstances faced by producers and consumers, and it illuminates forces shaping California agriculture. Highlights are described below.

Chapter 1 deals with the land and people that comprise California agriculture. It provides an overview of land use patterns including conversion of farmland to urban uses, land ownership, and size distributions of farms in California. It also describes the legal organization of agricultural production and the demographics of agricultural producers in the state.

Of the state's roughly 100 million acres, agriculture uses slightly more than one-quarter of which about 40 percent is cropland. The average size of a farm in California is about 350 acres. Most farms are much smaller. The largest operations in terms of land area are livestock operations that concentrate on livestock grazing. Relatively few large farms occupy large acreage. Large crop farms and dairies generate a large share of farm sales, with the top ten percent of farms accounting for about 86 percent of total sales value. Farm operators are predominantly middle aged or older and U.S. natives. Only 18 percent of operators are less than 45 years old and about a quarter more than 65 years old.

Chapter 2 concerns demand for and supply of California farm output. After detailing aspects of demand for California's agricultural output, the chapter describes agricultural production of leading farm commodities. The geographic distribution of production is described for regions and counties. Chapter 2 includes an overview of California organic agriculture based on data reported and analyzed in AIC publications.

U.S. food expenditures away-from-home continue to grow and account for about 43 percent of total food expenditures. Consistent with principles of comparative advantage, California ships most of its production to other states and to foreign destinations, while much of the demand for food consumed in California, especially for meats and grains, is met through shipments into the state from other parts of the United States and from abroad.

California is a large producer of many fruit, vegetable and tree nut products and accounts for more than 70 percent of U.S. sales for at least 25 crops. The leading five commodities by cash receipts are dairy products, nursery products, grapes, almonds and cattle, which together account for almost half of the state's total 2007 cash receipts of nearly \$32 billion. Organic agriculture continues to grow and registered nearly \$330 million in gross sales, which was about one percent of the state's total agricultural sales.

Chapter 3 gives an account of the inputs used by farmers including capital, labor, pesticides, energy and water. The chapter describes productivity growth and investments in agricultural research and development.

California farms average more than \$2 million in assets per farm, mostly in the form of real estate. Average value of machinery and equipment is only about \$87 thousand per farm. The hired farm work force is predominantly foreign born (70 percent) and young, with an average age of 33 years.

Undocumented immigrants supply more than half of the hired labor for California agriculture. Relatively low wages, seasonal and inconsistent employment mean that many of these workers are very poor by California standards.

Agricultural usage of pesticides represents only about one-quarter of all pesticides sold in California, with the rest accounted for by residential, and other urban and rural non-farm use. Grapes (wine, table and raisin), almonds and processing tomatoes use the most pesticides by weight. Energy expenditures in recent years have risen considerably for California farmers, driven by higher petroleum prices.

In a normal water year, agriculture accounts for about 41 percent of applied water usage in California and surface supplies account for 68 percent of the total use by agriculture, the urban sector, and instream environmental flows combined.

Advances in technology and research and development have contributed to significant productivity gains. Productivity growth has occurred for many crops and livestock products. Increases in milk per cow, bales of cotton per acre and tons of almonds per acre are leading examples. For some commodities, improvements in farm practices and technology are not reflected in higher yields but in improved product quality (wine grapes), more output per unit of water or smaller environmental consequences.

Chapter 4 covers cooperatives, marketing channels, international trade, exotic pests and diseases, government support policy and risk management. Cooperatives play a role in marketing for California producers, especially for fruits and tree nuts. For other commodities, farmers establish contracts with or without predetermined prices with processors.

California exports to almost 150 countries and accounts for more than 90 percent of U.S. exports for some commodities such as wine, almonds and walnuts. Agricultural exports were valued at more than \$8 billion in 2004, or about 24 percent of the state's total agricultural output. California farm export value expanded rapidly in the past few years and accounted for about 30 percent of farm sales in 2007. Top export destinations include Canada and the European Union, but Mexico and the Asian Pacific Rim are also important destinations. Almonds, wine and dairy products are the top three export products.

About \$450 million, including \$161.6 million in federal emergency funds, was spent by the state and federal governments to control invasive agricultural pests and diseases in California during 2003, including an outbreak of Exotic Newcastle Disease on poultry farms.

Since most important California commodities are not subject to regular government subsidies, California receives a small share of direct payments from the federal government relative to farm sales. Government subsidy is also provided through input subsidies and trade barriers. Because of its protection from imports and its size, the California dairy industry accounts for about half of all farm subsidy equivalent received by California agriculture.

Results of analysis presented in **Chapter 5** show that California farms and closely related processing industries account for 7.3 percent of the state's private sector labor force (including part-time workers) and generate 5.6 percent of the state labor income.

We find that a \$1 billion increase in the value added from agricultural production results in a total increase of \$1.9 billion to the Gross State Product. For every \$1 billion in farm sales, there are 18,000 jobs created in the state, about 11,000 in the farm sector itself plus about 7,000 among other employers. Farming, processing and closely related activities are especially significant to the economy of the Central Valley where, including ripple effects, agriculture generates 24.2 percent of the private sector employment and 18.5 percent of the private sector labor income. Excluding ripple effects, agriculture directly accounts for 12.6 percent of jobs and 8.4 percent of labor income in the Central Valley.

MOCA provides the reader with an objective overview of California agriculture. However, the complexity of California agriculture is difficult to summarize with only a few statistics. For more depth the reader is encouraged to consult the original sources for further information on the subject. We have provided complete citations for all tables and figures and additional citations to documents used in discussion of the data.