

## Advisory board 2008

### Charles D. Ahlem

Charles Ahlem Ranch founding partner  
Hilmar Cheese Company

### Karen Caplan

President and CEO, Frieda's Inc.

### Cornelius L. (Corny) Gallagher

Senior vice president, Bank of America

### Betsy Marchand

Tribal Gaming Commissioner  
Rumsey Rancheria

### Milenda Meders

Owner/operator, Madera County farm  
Friends of Extension

### Steven D. Rystrom

Rice producer, Butte County

### Peter K. Thor

President of Bellissimo Foods

### Joe C. Zanger

President, Casa de Fruta, Hollister

California agriculture is large, diverse, complex and dynamic. It generated nearly \$36.6 billion in cash receipts in 2007. California has been the nation's top agricultural state in cash receipts every year since 1948 and has gradually increased its share of U.S. farm cash receipts from 9.5 percent in 1960 to 12.8 percent in 2007.

## Associate directors

### Science and Technology

#### Julian M. Alston

Professor, Agricultural and Resource Economics, UC Davis

### International Trade

#### Colin A. Carter

Professor, Agricultural and Resource Economics, UC Davis

### Agricultural Environmental Management

#### Karen M. Klonsky

Extension Specialist  
Agricultural and Resource Economics  
UC Davis

### Resources and the Environment

#### Keith Knapp

Professor, Environmental Sciences  
UC Riverside

### China Programs

#### Scott D. Rozelle

Helen F. Farnsworth Senior Fellow in the Freeman Spogli Institute for International Studies, Stanford University and Adjunct Professor, Agricultural and Resource Economics, UC Davis

### Agribusiness Issues

#### Jerome B. Siebert

Extension specialist emeritus  
Agricultural and Resource Economics  
UC Berkeley

### Rural/Urban Interactions

#### Alvin D. Sokolow

Extension specialist emeritus  
Human and Community Development  
UC Davis

## Mission

The UC Agricultural Issues Center is a forum for the identification and analysis of important issues affecting the agricultural sector. AIC provides broadly based, objective information on a range of critical, emerging agricultural issues and their significance for the economy and natural resources through studies, conferences and publications.

We study topics such as international markets, invasive pests and diseases, the value of agricultural research and development, agricultural policy and the rural environment among others. The issues are often global, but we emphasize implications for agriculture and natural resources in California.

The audience for AIC research and outreach includes decision makers in agriculture and government, scholars and students, journalists and the general public.

## Agricultural Issues Center

University of California

One Shields Avenue,

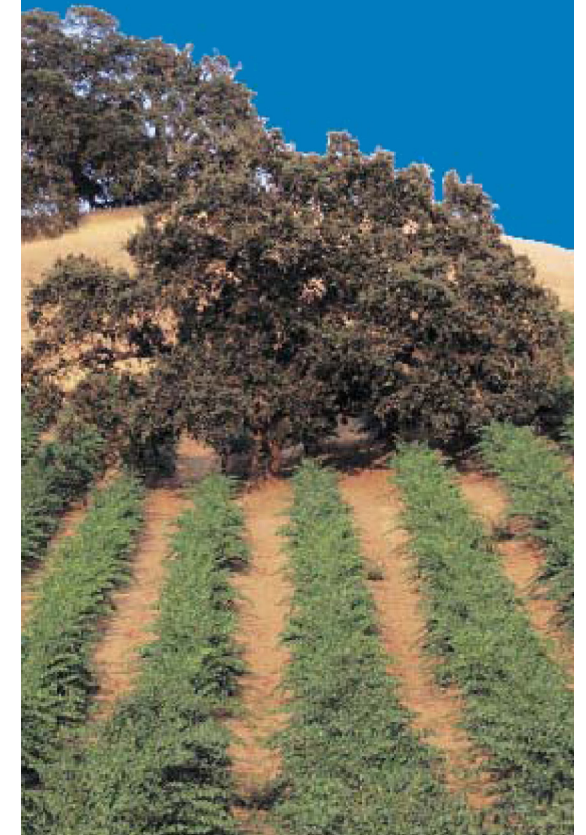
Davis, CA 95616

phone 530 752 2320 fax 530 752 5451  
agissues@ucdavis.edu www.aic.ucdavis.edu

## Daniel A. Sumner, director

Jonathan Barker, computer resource specialist  
Karen M. Jetter, research economist  
Marcia Kreith, program analyst  
William A. Matthews, postdoctoral scholar  
Tom Rosen-Molina, economic analyst  
Laurie A. Treacher, administrative assistant  
Calanit Bar-Am, graduate research assistant  
Antoine Champetier de Ribes, graduate research assistant  
Christopher Gustafson, graduate research assistant  
Sanggon Jeon, graduate research assistant  
Sébastien Pouliot, graduate research assistant

# The Measure of California Agriculture Highlights



## Agricultural Issues Center



University of California  
AGRICULTURE AND NATURAL RESOURCES



## Broad Economic Impacts

Including multiplier effects, California farms and closely related processing industries generate 7.3 percent of the state's private sector labor force (including part-time workers) and account for 5.6 percent of the state labor income (2002).

A \$1 billion increase of the value added from agricultural production results in a total of \$1.9 billion of Gross State Product (2002).

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 in other industries.

Agricultural production and processing are especially significant to the economy of California's Central Valley where, including ripple effects, they generate 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 (2002).

## Resources and Farm Productivity

2003 California farm assets totaled \$97 billion (more than \$1 million per farm). The average value of machinery and equipment per farm is approximately \$58,000.

In a normal precipitation year, agriculture accounts for about 41 percent of the total annual applied surface and groundwater use in California. Environmental uses account for 48 percent and urban areas use 11 percent in a normal year (2000).

Surface supplies provide 70 percent of the water for agriculture and urban consumption in a normal year. The remainder comes from groundwater (2004).

Average yield has increased significantly for important California crops in the past two decades. For example, almond yields grew by 64 percent, processing tomato yields by 30 percent, and cotton yields by 22 percent. Broccoli and cauliflower increased by over 50 percent. Milk production per cow increased by 33 percent (2007).

California accounts for about 13 percent of national cash receipts from agriculture, but receives only about 4 percent of direct government payments to agriculture depending on the year (2007).

## Land and People

More than one-quarter of California's landmass is used for agriculture—about 25.4 million acres. Just over half of this total is pasture and range, and 37.4 percent is cropland (2007).

Harvested cropland covers about 7.6 million acres. About 37 percent of California's harvested cropland is planted to orchards and vineyards, 23 percent to hay, and 15 percent to vegetables (2007).

Roughly 844,500 acres, or 2.9 percent of the state's total agricultural land available was converted to urban uses between 1988 and 2004.

In 2007 there were 81,033 farms in California, with an average size of 313 acres.

Farms that have annual sales of more than \$500,000 accounted for 10.6 percent of the total, while 47 percent have sales at less than \$10,000. The 5,642 largest farms (those with over \$1 million in sales) account for 84 percent of California's agricultural sales (2007).

Roughly 18 percent of the state's farm operators are less than 45 years old. About 26 percent are older than 65 (2007).

Women accounted for more than 18 percent of total principal farm operators in the state in 2007, up from 16 percent in 2002 and 11 percent in 1987.

About 11 percent of California principal farm operators are of Hispanic origin while about 4.5 percent have Asian or Pacific Islander origins (2007).

The hired farm labor workforce in California is mainly foreign born (70%) and largely young, with an average age of 33 years. Three-quarters of the labor force is male (2006).

About 57% of all hired farm workers in the state were hired for less than 150 days (2002).

## Demand and Supply

The most important market for California agricultural production is the United States. The domestic market accounts for about 70 percent of California farm cash receipts. The remaining 30 percent was exported (2007).

Export markets typically take between one-third and two-thirds of California almonds, cotton, walnuts, rice, dried plums and pistachios.

In 2007, international exports were valued at about \$10.9 billion. Together, the top six, almonds, wine, dairy products, cotton, table grapes and walnuts accounted for close to 50 percent of exports. The other 50 percent was spread across dozens of commodities.

The top export destinations in 2007 were Canada (24%), the European Union (23%), Japan (10%), Mexico (7%), China/Hong Kong (7%), and South Korea (4%).

Americans spent about 12 percent of their income on food in 2007, compared with 23 percent in 1947. Meals away from home represented 43 percent of expenditures on food, compared to 26 percent in 1970.

Over the past three decades per capita consumption has grown rapidly for fresh fruits (26%), fresh vegetables (36%), and tree nuts (90%). These are important categories for California as more than half of California agricultural cash receipts are from fruits, vegetables, and tree nuts (2007).

Dairy is the top agricultural commodity in California, with more than \$7.0 billion in cash receipts. California is the nation's largest dairy producer, with 21 percent of national production value (2007).

Greenhouse and nursery products are the second most valuable group of commodities, with sales of about \$4 billion (2007).

Grapes (all types combined) produced \$3.1 billion in cash receipts (2007). Winegrape acreage increased dramatically, from 300,000 acres in the early 1990s to 480,000 in 2007.

In 2007, registered organic growers in California reported almost \$840 million in gross sales on about 402,333 acres. Organic sales more than doubled since 1997, but still represent only about 1 percent of the state's agriculture.

July, 2006, revised March 2009