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Grant awarded for risk management education

The USDA Risk Management Agency has awarded \$498,000 to the AIC to develop a set of new risk management educational programs for California's cow-calf and hay ranchers, small and beginning farmers, and fruit and tree nut producers.

The AIC will work in partnership with the Center for Agricultural Business at CSU, Fresno; a Davis-based firm, Farm and Agriculture Collaborative Training Systems (FACTS); and USDA-RMA to develop curricula and supporting materials on production, price and financial risks. AIC Director Dan Sumner will head the project.

Project goal is to ensure that producers in the three target groups will be better able to use financial management, crop insurance, and other emerging risk management tools. The project targets 1) cow-calf and hay producers in the Tahoe Basin, Susanville and Alturas along the northeastern Sierra Nevada slope, 2) small and beginning farmers and ranchers, including those concentrated on the urban fringe who often lack the scale and expertise to access traditional risk management tools and agriculture-specific business education, and 3) fruit and tree nut producers in the Sacramento and San Joaquin Valley.

A mix of educational opportunities will be used to best reach each group, including multi-session courses, single-day workshops, web-based courses, and distance learning courses. Series of 10-week business planning and management skill courses for ranchers, led by David Visher and Marcie Rosenzweig of FACTS, were recently presented in Alturas, Susanville, and Reno.

New titles added to AIC Issues Brief series

California's International Agricultural Exports in 2002. Number 23, November 2003.

The value of California's agricultural exports in 2002 remained unchanged from 2001 at about \$6.5 billion. The data reported in this *AIC Issues Brief* describe international agricultural exports for 2002 and revisions for 2000 and 2001. They are the product of a six-year collaborative effort between the AIC and the California Department of Food and Agriculture to develop accurate estimates of the value of California agricultural products shipped to international markets.

The export estimates are based on various sources, mainly the U.S. International Trade Commission database (which contains official U.S. Department of Commerce data), Canadian official statistics, and industry sources. The data from each source

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was checked and analyzed with particular emphasis on formal and informal reports from California industry experts.

California's share of U.S. agricultural exports remained almost unchanged at 12.2 percent. As a group, the top 10 export products have not changed in the last three years, although oranges moved into fifth place ahead of dairy in 2002.

The *Issues Brief* authors are José E. Bervejillo and Daniel A. Sumner. Copies are available through the AIC or online at www.aic.ucdavis.edu.

Obstacles in the Agritourism Regulatory Process: Perspectives of Operators and Officials in Ten California Counties. Number 22, September 2003.

This *AIC Issues Brief* examines local regulatory obstacles facing California farmers and ranchers interested in agritourism operations, from the perspectives of the operator and county officials responsible for regulating the businesses. It also looks at what county governments are doing to facilitate the development of agritourism. The study upon which the brief is based involved interviews with 29 individuals (16 county officials and 13 agritourism operators) in 10 counties: El Dorado, Marin, Mendocino, Placer, Plumas, San Diego, San Luis Obispo, Santa Cruz, Sonoma, and Stanislaus.

Operators generally found regulations and rules guiding their businesses as unclear, overwhelming and, sometimes, unnecessary. They viewed the permitting process as being chaotic, confusing, misleading, frustrating, time-consuming and costly. They thought county officials needed a better understanding of the problems facing small farms and the benefits associated with agritourism.

Officials viewed the regulations as essential for protecting the environment, neighbors and customers, but empathized with operators about the cost and confusion associated with such regulations. Processes varied considerably among counties.

A streamlined permitting process, fewer and more flexible regulations, improved understanding of the economic benefits of agritourism, and cooperative marketing efforts between the agritourism industry and county government were some of the suggestions for helping agritourism.

The *AIC Issues Brief* authors are community development specialist Diana Keith and UC Cooperative Extension advisors Ellen Rilla, Holly George, Ramiro Lobo, Laura Tourte and Roger Ingram. Copies are available through the AIC or online at aic.ucdavis.edu.

AIC moves to new location



The AIC staff is now located in Hunt Hall on the UC Davis campus. The main office (Laurie Treacher) is Room 161. Phone numbers remain the same.

The new location allows all AIC staff members to be located together, although space remains constrained for associated researchers.

Study broadens knowledge of farm conservation easements

A new study on agricultural easement programs finds that use of this land conservation tool is most prevalent in suburban and semi-rural parts of major metropolitan areas—counties with populations of more than 100,000 that have been experiencing rapid population growth for years.

A National View of Agricultural Easement Programs is the first in a series of reports on the most in-depth and comprehensive analysis of agricultural easement programs undertaken in the United States. The study provides detailed profiles of 46 agricultural easement programs in 15 states—nearly half of all publicly funded farmland protection programs in the nation. The 46 programs studied have spent a total of \$1.8 billion to protect 887,000 acres on 5,800 farms.

The study, directed by human and community development specialist and AIC associate director for rural-urban issues Al Sokolow, reveals a diversity of ways that farm conservation easement programs are conceived, managed and funded. What all of the programs have in common, however, is that they were launched by a show of strong public support for farmland protection. This common conviction supported the bond issues, revenue measures and public deliberations needed to establish and maintain the programs.

Agricultural easements allow landowners to sell the development rights on their farms to government or nonprofit organizations in exchange for agreeing to keep the land permanently available for agriculture. The use of farm easements has grown exponentially since the 1970s; today 26 states have at least one publicly funded easement program at the state or local level.

The cost of agricultural easements—generally the difference between the market and agricultural values of the land—varied from a few hundred dollars in rural areas to more than \$100,000 in large metropolitan areas. The average price of easements studied was \$2,000 per acre.

Other key findings from the study are that agricultural easements:

- Are primarily funded by state and local governments, but federal matching funds are expected to increase sharply due to funding provided in the 2002 Farm Bill.
- Have potential to complement local planning and land use policies to protect farmland, but have not yet fulfilled their promise due to lack of coordination and limited planning policies in some communities.

American Farmland Trust and the AIC researched and prepared *A National View of Agricultural Easement Programs* with funding from the Farm Foundation. The report, along with maps of land protected through most of the 46 programs studied, is available at www.farmland.org and www.farmfoundation.org. Additional reports from the study will address acquisition strategies, land use planning and the impacts and effectiveness of easement programs.



Mendes joins AIC Advisory Board

Michael Mendes, president and chief executive officer for Diamond of California since 1997, is the newest member of the AIC Advisory Board.

Before joining Diamond, Mendes managed the international marketing and sales division of Dole Food Company, where he introduced Dole dried fruit and nuts to the European and Asian markets. Prior to working with Dole, he was a consultant to several California food companies, developing international marketing plans for the produce and packaged food industry and implementing trade activities, primarily in the Pacific basin.

Mendes received a master's degree in business administration from the University of California, Los Angeles. He serves on the President's Advisory Council of the Grocery Manufacturers of America (GMA) and the Executive Council of the National Council of Farmer Cooperatives (NCFC), and was appointed in 2003 to the board of directors of the California Chamber of Commerce. He has been a member of the NorCal Young Presidents' Organization chapter since 1998.

Diamond of California has 1200 full-time and seasonal employees with six production facilities in California, Illinois, and Alabama. Its worldwide reach has expanded dramatically, and today Diamond products are marketed in 100 countries, with international sales comprising approximately 35 percent of the company's business.

Caplan joins bank board

Karen Caplan, president and CEO of Los Angeles-based Frieda's Inc. and member of the AIC Advisory Board, has been named to a three-year term, effective in January, as a director of the Federal Reserve Bank Board in San Francisco. She joins four other business people and two bank members on the seven-person board.



The San Francisco Federal Reserve Bank is headquarters for the Twelfth Federal Reserve District, which includes the nine western states—Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington—plus American Samoa, Guam, and the Northern Mariana Islands. Branch offices are located in Los Angeles, Portland, Salt Lake City, and Seattle.

Frieda's Inc., known nationally for introducing exciting new and exotic foods to American produce departments and consumers, is the nation's leading marketer and distributor of specialty produce. Kaplan is also president of the board of directors for the United Fresh Fruit and Vegetable Association.

New books cover pest management, China trade, and farm labor

Returns to University of California Pest Management Research and Extension

John D. Mullen, Julian M. Alston, Daniel A. Sumner, Marcia T. Kreith, Nicolai V. Kuminoff

Published by the AIC and the UC Division of Agriculture and Natural Resources, this book assesses benefits to industry, consumers, and the community resulting from UC's investment in research and extension programs in pest management since 1950. The book discusses significant advances in pest management, the use and regulation of pesticides in California, a review of the economic theory and empirical analyses of pest management issues, as well as detailed case studies for almonds, cotton, oranges, processing tomatoes, and lettuce. The authors suggest that, overall, UC pest management research and extension programs have had a cost-benefit ratio of 6:1.

The 285-page book sells for \$15 and can be ordered either through the AIC or ANR Publications. Ask for ANR Publication #3482. More details about the book are available online at aic.ucdavis.edu.

Agricultural Trade and Policy in China

Scott D. Rozelle and Daniel A. Sumner, Eds.

Leading international scholars explore China's agricultural and trade policies and their implications for the rest of the world, including sections analyzing China's role in the World Trade Organization, China's commodity markets and commodity policy, and agricultural productivity in China.

Part I reviews China's trade patterns generally and agricultural trade patterns and policies in specific.

Part II examines how WTO membership will affect openness and how China's agricultural consumers and producers will respond. Part III considers major commodity markets and reforms in the domestic economy that affect domestic supply and demand and, therefore, trade. Part IV deals with policies to improve long term agricultural income and productivity growth.

AIC Director Dan Sumner, associate director for China programs Scott Rozelle, and associate director for international trade Colin Carter contributed to several chapters in the 314-page book.

Part of Ashgate Publishing's Chinese Economy Series, the 314-page book sells for \$89.95. For ordering information visit www.ashgate.com.

Labor Management in Agriculture

(2nd edition)

Gregory Encina Billikopf

Billikopf draws upon his extensive research and experience in farm labor management to offer sound theory and practices designed to increase understanding of worker performance and output.

The book emphasizes management principles over legal requirements in farmer and worker relationships. Chapters cover basic management principles, employee selection, performance appraisal, wage structures, skill development, creative negotiation, and myriad other topics.

Available in both English and Spanish, hard copies sell for \$12.50, plus tax and shipping. Ordering information, as well as free online versions of the book, are available at www.cnr.berkeley.edu/ucce50/ag-labor/7labor/001.htm

AIC leaders address commodity promotion strategies

A Research Committee on Commodity Promotion (NEC-63) conference in October on Evaluation of Non-Advertising Promotion Strategies featured research by AIC Director Dan Sumner, associate director for international trade Colin Carter, and research economist Joe Balagtas. Associate director Julian Alston also participated in the meeting.

Balagtas presented joint work with Sumner, "R&D for New Uses of Milk and Dairy Products: Evaluating Returns to Check-off Fund Investment in Research." Sandeep Mohapatra presented "Private Sales and Public Information: Using the USDA Berry Report to Understand Pre-Commitment Sales in Fresh Strawberries," based on research with Carter and fellow economists James Chalfant and Rachael Goodue.

NEC-63 consists of academic, government and industry representatives interested in research on the economics of advertising and promotion programs.

Rozelle wins Quality of Research Discovery Award

Scott Rozelle, AIC associate director for China programs and professor of agricultural and resource economics, received the Quality of Research Discovery Award from the American Agricultural Economics Association. The award went to Rozelle and co-authors Hanan Jacoby and Guo Li for their paper, "Hazards of Expropriation: Tenure Insecurity and Investment in Rural China," published in the *American Economic Review*.

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