

V.1 Multiplier Effects in California

Through multiplier effects, agricultural production and processing account for about 6% or 7% of the state's total income, value-added, and jobs. Fruits, tree-nuts, and vegetables represent about half of these totals, while dairy and poultry products, and grains are also major contributors.

- In 1998, fresh and processed fruits, tree-nuts, and vegetables had the greatest impact of any commodity group on California's economy, generating about half the direct and indirect sales, total income, value added and jobs related to agriculture. About one third of the \$33 billion in direct sales in this category was attributable to sales of alcoholic and non-alcoholic beverages. Examples of beverages linked to fruit, tree-nut and vegetable production include wine and juice. Some of the beverages included in this category (beer and spirits for example) may reflect processing of grain products rather than fruit, tree-nuts and vegetables.
- Dairy and poultry products and grains also had significant economic contributions, accounting for between 10% and 20% of the total income, value added, and jobs related to agriculture.

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Economic Impacts of California's Agricultural Production and Processing, 1998

Major Commodity Group	Direct Sales (\$1,000)	ECONOMIC IMPACTS ON CALIFORNIA			
		Sales (\$1,000)	Total Income (\$1,000)	Value Added (\$1,000)	Number of Jobs*
Dairy / Poultry Farm Products and Processing	10,086,973	24,176,605	8,596,001	9,191,304	153,385
Livestock, Processed Meats	3,479,492	7,222,525	2,223,538	2,426,778	60,531
Cotton, Fabric/Yarn/ Thread Mills	1,747,026	3,657,114	1,518,524	1,645,278	30,876
Food/Feed Grains, Hay and Flour/Grain Mill Products	11,399,212	24,118,097	9,771,929	10,569,063	192,422
Fruits, Tree-nuts, Vegetables, Processed Fruits/Vegetables, and Beverages	33,367,903	70,076,737	30,378,455	33,909,883	567,388
Sugar/Misc. Crops, and Confectionery Products	3,942,442	8,953,166	3,357,571	3,644,463	60,522
Greenhouse/Nursery Products	1,749,356	3,006,458	2,088,240	2,173,433	40,382
Other**	1,877,847	4,191,248	1,553,260	1,710,400	26,576
Total	67,650,251	145,401,951	59,487,518	65,270,601	1,132,083
California State Total (agricultural and non-agricultural)			900,900,000	1,098,962,275	15,360,600
Agriculture as a Percent of California State Total			6.60%	5.94%	7.37%

*Adjusted for inflation to 1998.

**Includes vegetable oil mills, shortening/cooking oils, roasted coffee, and manufactured ice.

Sources:

1. California Personal Income, 1998: U.S. Bureau of Economic Analysis, Released: July 27, 1999.
2. California Estimated Gross State Product, 1998: Estimated applying 1997 Ratio of Gross State Product/Personal Income to 1998 Personal Income.
3. California Employment, 1998: Labor Market Information Division, EDD, Sacramento, Website Data File.
4. 1997 Economic Census, Manufacturing, Geographic Area Series, U.S. Census Bureau.