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Mission

The University of California Agricultural Issues Center is a forum for the identification and analysis of important issues affecting California agriculture. AIC provides broadly based, objective analysis and research on a range of critical agricultural issues and their significance for the economy and natural resources.

We study topics such as commodity markets, invasive pests and diseases, the value of agricultural R&D, agricultural policy, food issues 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.

www.aic.ucdavis.edu

The Measure of California Agriculture Highlights



University of California Agricultural Issues Center

California agriculture is large, diverse, complex and dynamic. It generated nearly \$37.5 billion in cash receipts in 2010. 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 about 12 percent in 2010.



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Broad Economic Impacts

Including multiplier effects, California farms and closely related processing industries generate 6.7 percent of the state's private sector labor force (including part-time workers), 1.3 percent of the Gross State Product (GSP) and 6.1 percent of the state labor income (2009). California agriculture is the largest among the 50 states and ranks sixteenth globally.

A \$1 billion increase of the value added from agricultural production and processing results in a total of \$2.63 billion of GSP (2009).

Including multiplier effects, each job in agricultural production and processing accounts for 2.2 jobs in the California economy as a whole, and each farming job generates 2.2 total jobs (2009).

Agricultural production and processing are especially significant to the economy of California's Central Valley where, including ripple effects, they generate 22 percent of the private sector employment and 20.1 percent of the private sector labor income. Excluding ripple effects, agriculture directly accounts for 10.2 percent of jobs and 9.2 percent of labor income (2009).

Resources and Farm Productivity

In 2003 California farm assets totaled \$96.7 billion—nearly \$1.2 million per farm. The average value of machinery and equipment per farm is approximately \$150,000 (2007).

In a normal precipitation year (e.g. 2000), 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.

Surface supplies provide 68 percent of the water for agriculture and urban consumption in a normal year (e.g. 2000). The remainder comes from groundwater.

Average yield has increased significantly for important California crops in the past three decades. For example, almond yields grew by 122 percent, processing tomato yields by 69 percent, and cotton yields by 41 percent. Broccoli and cauliflower increased by 65 and 82 percent. Milk production per cow increased by 44 percent (2009).

California accounts for about 11.9 percent of national cash receipts from agriculture, but receives only about 2.9 percent of direct government payments to agriculture (2010).

Land and People

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 37.3 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 639,479 net acres of the state's total agricultural and riparian land was converted to urban and built-up uses between 1992 and 2008. Twenty-eight percent was formerly cropland and 34 percent was grazing land or farmland of local importance (2011).

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 farms, while 47 percent have sales at less than \$10,000. The 8,580 with \$500,000 or more in sales account for 90 percent of California's agricultural sales (2007).

Roughly 14 percent of the state's principal farm operators are less than 45 years old. About 31 percent are 65 years or older (2007).

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

About 11 percent of California principal farm operators are of Hispanic origin while about 4.8 percent have Asian or Pacific Islander origins (2007).

The hired farm labor workforce in California is mainly (90%) foreign born (2011). About 57% of all hired farm workers in the state were hired for less than 150 days (2007).

Demand and Supply

Export markets typically account for between one-third and two-thirds of California's annual production of almonds, walnuts, rice, pistachios, oranges and products, and dried plums (2010).

In 2010, international exports were valued at about \$14.7 billion. Together, the top six, almonds, dairy and products, wine, walnuts, rice and pistachios accounted for about 47 percent of exports. The other 53 percent was spread across dozens of commodities.

The top export destinations, in terms of value, in 2010 were Canada (23%), the European Union (18%), China/Hong Kong (11%), Japan (10%) and Mexico (6%).

Americans spent about 9.5 percent of their income on food in 2009, compared with 14 percent in 1970. Meals away from home represented 41 percent of expenditures on food in 2009, compared to 26 percent in 1970 (2010).

Between 1971 and 2008 U.S. per capita consumption grew 26 percent for fresh fruits, 27 percent for fresh vegetables and 83 percent for tree nuts. More than half of California agricultural cash receipts in 2009 are from fruits, vegetables, and tree nuts.

Dairy is the top agricultural commodity in California, with more than \$5.9 billion in cash receipts. California is the nation's largest dairy producer, with 19 percent of national production value (2010).

Greenhouse and nursery products are the second most valuable group of commodities, with sales of about \$3.8 billion (2010).

Grapes (all types combined) produced \$3.2 billion in cash receipts (2010). Winegrape acreage increased dramatically, from 330,000 acres in the early 1990s to 497,000 acres in 2010.

The most important market for California agricultural production is the United States. The domestic market accounts for 76 percent of California farm output. The remaining 24 percent is exported (2010).

In 2009, 2,330 organic growers registered in California reported \$920.6 million in gross sales, produced from 486,169 acres. Organic sales represented about 2.6 percent of the state's total agricultural sales, up from 0.8 percent of sales in 2000.

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