Agriculture's Economic Role
California farm production is closely linked to many other industries: the production of farm inputs, the processing of food and beverages, the textile industry, transportation and financial services. It is also large on a global scale.

Depending on the exchange rates used to measure the value of agriculture here and elsewhere, California ranks 16th in the world, ahead of such countries as Germany, Korea and the United Kingdom. The United States ranks 3rd.

California agriculture generated 12.3% of the nation's agricultural cash receipts in 2009, more than any other state. Dairy, greenhouse/nursery products and grapes have been the state's leading farm products for many years, with a combined 33% of total receipts in 2009.

About 36%, or $12.4 billion, of the state's agricultural production is exported, mainly to the European Union, Canada and East Asia.

Top California commodities, by cash receipts, 2009

California Farms and Farmers
In 2007 there were about 81 thousand farms in California.

Of the 25.4 million acres of agricultural land in California, just over half is pasture and rangeland and about 37% is cropland. About 639,479 net acres of agricultural land was converted to residential, industrial and commercial uses between 1992 and 2008. Twenty-eight percent was formerly cropland and 34 percent was grazing land or farmland of local importance.

About 31 percent of principal farm operators in California were 65 years or older.

Demand and Supply
U.S. consumers spent about 10% of their income on food in 2009, compared with 14% in 1970. Meals away from home represented 41% of food expenditures in 2009, up from 26% in 1970. Over the past thirty-seven years, per capita consumption has grown 26% for fresh fruits, 27% for fresh vegetables and 84% for tree nuts—commodity groups that generate over half of California's agricultural income.

Gross sales of organic agricultural farm products increased five-fold (in nominal terms) in the last decade, led by sales of organic vegetables, fruits and tree nuts.

Multiplier Effects
Employment multipliers represent the total number of jobs created in the state economy by the direct, indirect and induced effects of every one job created in the agricultural industry. 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.

California agriculture production and processing accounts for $147 billion in direct output and about 590 thousand jobs. Farming alone contributes about $45 billion in direct output and 195 thousand jobs, with another 190 thousand jobs in ag support, such as farm worker contracting.

Direct and indirect economic impact of California agriculture, 2009

Government Policies, Pests and Other Risks
Concerns about the spread of non-native agricultural pests and diseases naturally follow from interaction with other regions, through trade, travel or migration of wildlife. Roughly $450 million, including emergency funds, were spent by the state and federal government on the control of exotic pests and diseases of plants and animals in California during 2003.

Government also provides direct farm subsidies to deal with financial and other risks. California received 4.6 percent of direct government payments to agriculture in 2009.