

# Westlands Agriculture:

## Fueling our Local Economies. Buoying the Statewide Economy.



**The San Joaquin Valley ranks as one of the highest agricultural producers in the world. As the largest agricultural region in the state, Westlands growers produce a wide variety of crops. These agricultural contributions significantly impact the economies of local communities, the San Joaquin Valley, the State of California, and the nation.**

- Westlands growers produce an average of more than \$1 billion worth of food and fiber every year, generating approximately \$3.5 billion in farm-related economic activities for surrounding communities. More than 50,000 people live and work in the communities dependent on Westlands' agricultural economy.
- Growers in the fertile Westlands district produce more than sixty high-quality food and fiber crops, including row crops, grapes and nut crops. Westlands farms lead the state in the production of six of California's top ten valued commodities.
- Over a third of the country's vegetables and two-thirds of the country's fruits and nuts are grown in California, and millions of dollars of agricultural products produced in the Westlands district are exported to more than 150 countries around the world. In 2014, the most recent year for which data is available, California's agricultural exports amounted to \$21.59 billion in value, representing 14.3 percent of total U.S. agricultural exports.
- Agriculture positively supports a broad cross section of California's business economy. A column in the *Los Angeles Times*<sup>1</sup> recently addressed the ripple effect and multipliers of agriculture to the state economy. In addition to contributing 2.1 percent of California's gross domestic product, agriculture impacts virtually every other industry sector in the state, including utilities, real estate, wholesale trade/retail trade, transportation and warehousing, and finance and insurance.
- A 2015 study from researchers at UC Davis, *The Economic Impact of Food and Beverage Processing in California*<sup>2</sup>, found that the food and beverage processing sector is the third largest manufacturing sector in California, comprising 9.2% of the state's manufacturing value added and directly accounting for total-value added of \$82 billion and over 760,000 positions in direct jobs and employment impacts in 2012.

### A DARKER LOOK AT THE ECONOMICS OF WATER LIMITATIONS:

- Adverse events in agriculture result in multiple adverse effects in the region's economy, impacting employment, population migration, and wage levels and even food prices, which disproportionately impact vulnerable communities. One of the most devastating of these adverse events is water limitation, both due to environmental limitations and the impact of California's multiyear drought on state water deliveries.
- A 2008 study from Berkeley Economic Consulting projected the impact of a proposed 40% reduction in water allocation in the Westlands Water District in 2009. The study suggested that limitations could result in tens of thousands of acres of fallowed farmland, farm income in the tens of millions of dollars, and hundreds of lost jobs. In reality, the 2009 impact was far worse. The California drought in 2009 resulted in an estimated 269,000 acres of cropland idled, \$368 million in lost farm revenues and total reduced economic output of \$796 million, according to a study from the University of California at Davis. Nearly 10,000 jobs were lost.
- A 2015 study by researchers at the UC Davis Center for Watershed Sciences and funded by the California Department of Food and Agriculture found that the drought was associated with \$1.84 billion in agricultural losses and up to 10,100 jobs in 2015. Limitations from the drought caused about 30 percent more losses in the workforce and out-of-production cropland.

1. Karen Ross and Daniel Sumner, "California agriculture: It's worth the water," *Los Angeles Times*, June 2, 2015.

2. Richard J. Sexton, Josué Medellín-Azuara, and Tina L. Saitone, "The Economic Impact of Food and Beverage Processing in California and Its Cities and Counties," Prepared for the California League of Food Processors, January 2015.