State Water Resources Control Board

AND

Central Valley Regional Board

Public Workshop

ON

Salinity Issues in the Central Valley

January 31, 2006

Economic Impact Review

BY

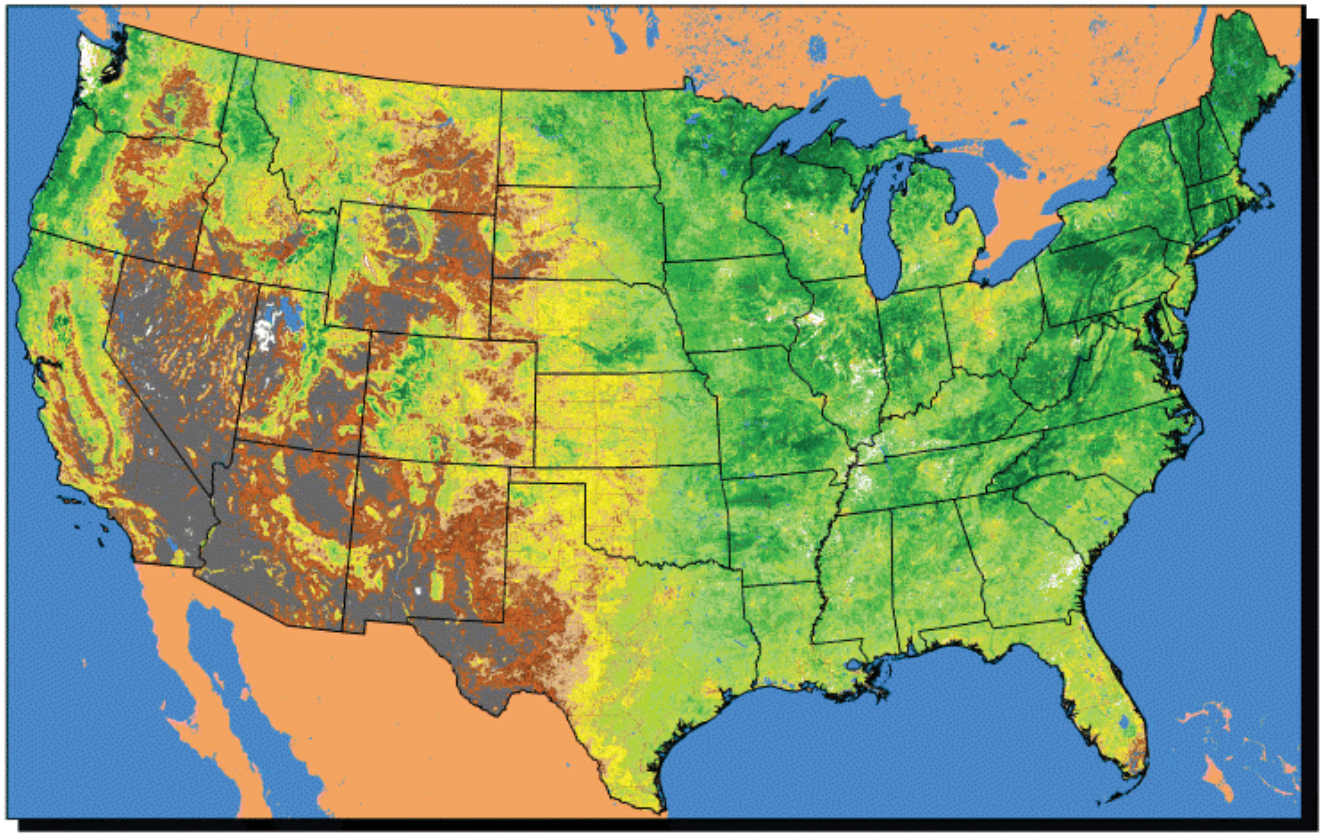
Corny Gallagher, Chair

California Bankers Association

Agricultural Lending Committee

Conterminous U.S. Vegetation Condition - 2004
Period 28 (7/1 - 7/14)

No Water Vapor Correction Applied



Vegetation Index

- .66 < High
- .60 - .66
- .53 - .59
- .48 - .52
- .41 - .47
- .34 - .40
- .26 - .33
- .16 - .25
- .11 - .15
- .05 - .10
- < .05 Low
- Water
- Clouds/Snow

Agricultural Statistics Districts

1:15,000,000

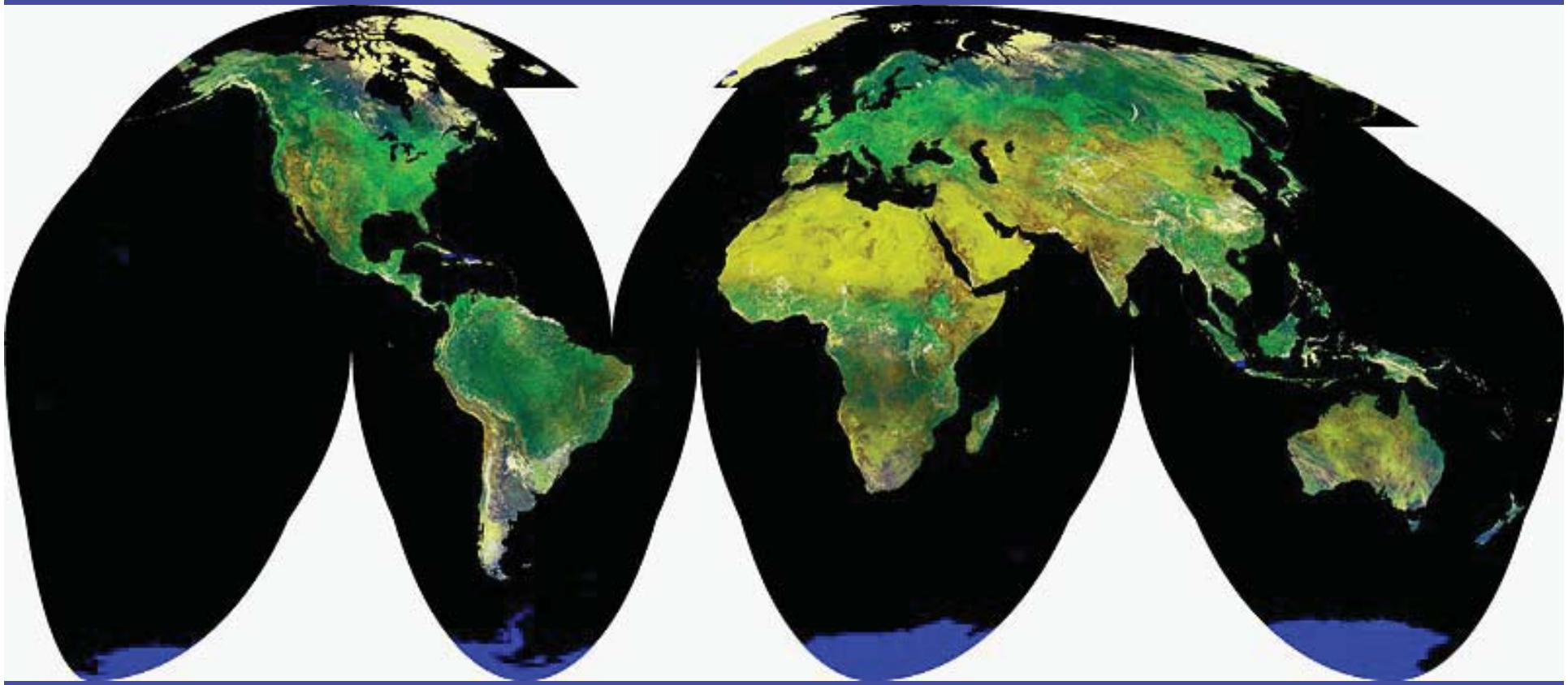
Original Imagery: NOAA-17 AVHRR
Resolution: 1 Kilometer
Composite Imagery: USGS EROS Data Center
Questions or Comments Call (703)235-5218

For Additional Images Please See:
http://www.nass.usda.gov/research

0 100 200 300 400 500 Miles

USDA National Agricultural Statistics Service NASS Agricultural Research Service

Global Competitiveness



Global and National Competitiveness

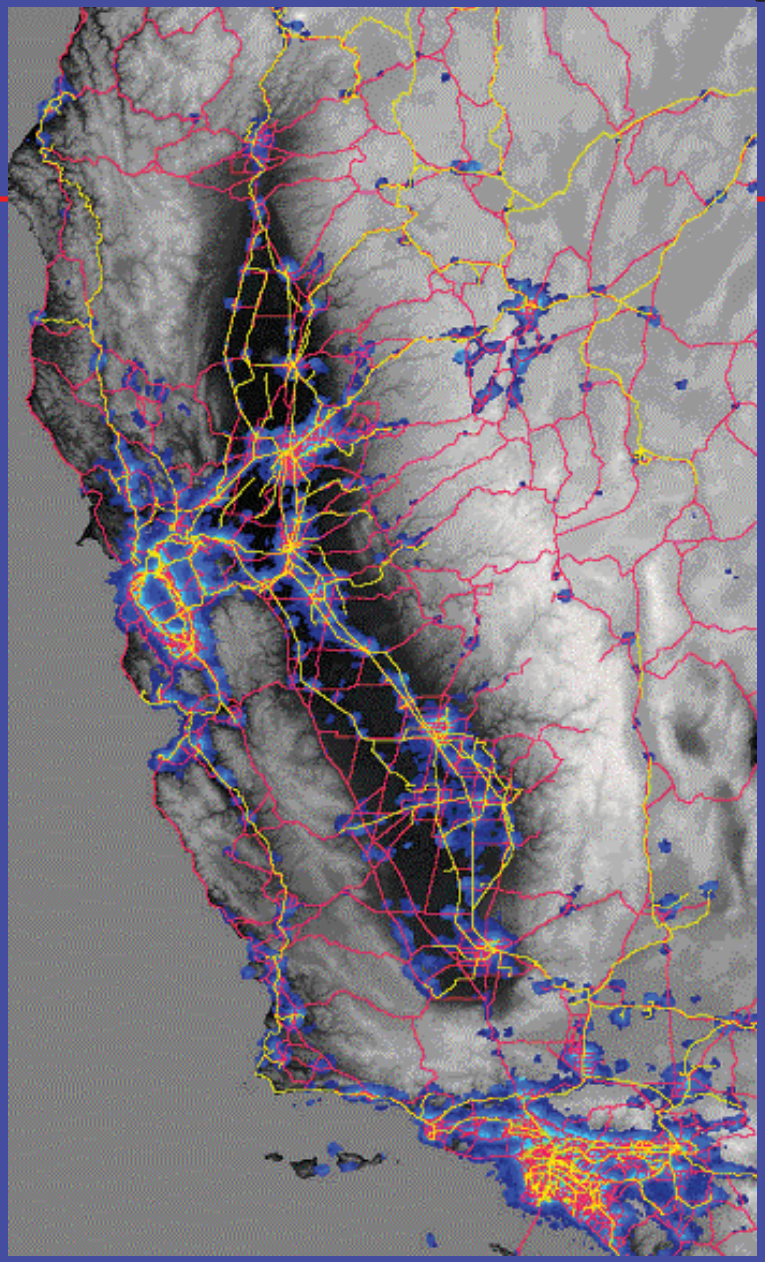
- California is nearly 19 percent of the US Ag GDP.
- California Ag is one of top 6 ag economies in World.
- California is losing the battle to be the low cost producer of many commodities.

Significant Cost Increases in CA Agriculture

- Fuel
- Labor
- Electricity
- Water
- Regulatory Compliance

California Central Valley

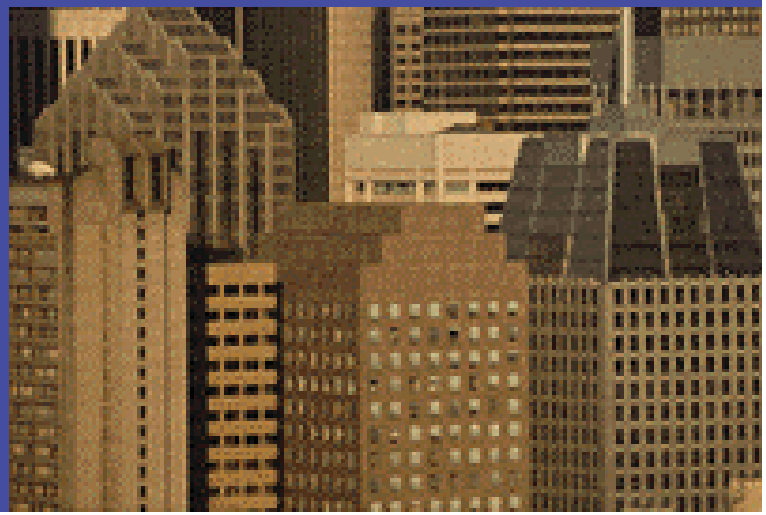
California Central Valley at Night



Farming in an Urban State

We're not the only ones growing ... competing for natural resources

- 36 million (550-600,000/year)
- 55 million by 2050
- Need: 7 million homes; 10 million jobs; 12 million more motor vehicles



Economic Impact of Ag Production and Processing

Region (%)	California	Central Valley	San Joaquin Valley
Jobs	7.3	24.1	37.8
Labor Income	5.6	18.5	29.9
Value Added	6.5	22.2	34.1

California dominates Specialty Crop Agriculture

- Almonds: 100%
- Pistachios: 100%
- Walnuts: 100%
- Processing Tomatoes: 95%
- Figs, Dates, Olives, Kiwi: 100%
- Apricots: 95%
- Plums/Prunes: 97%
- Grapes: 87%
- Vegetables: Very high percentage

California Food System Challenges

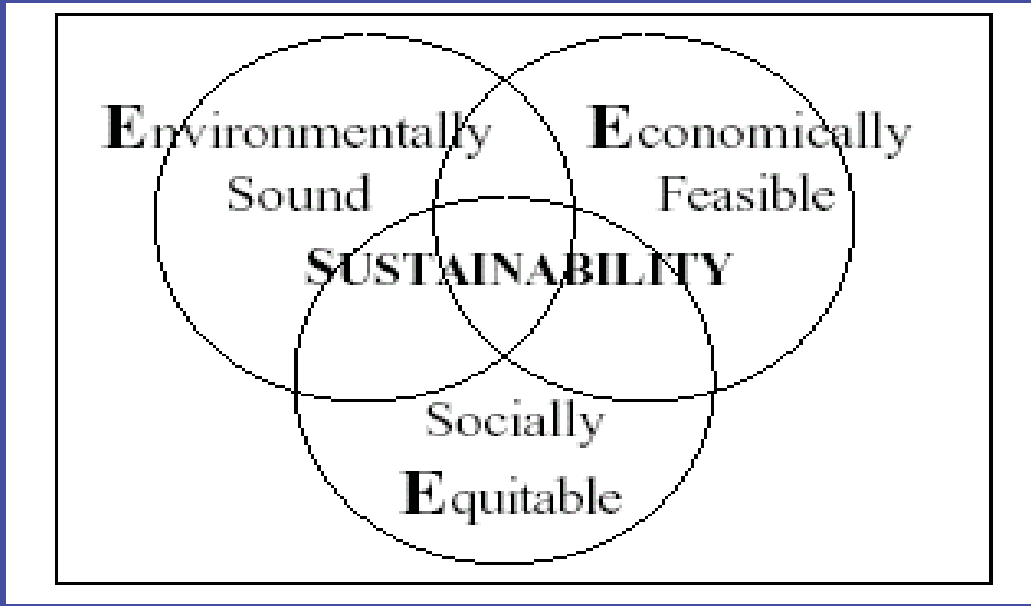
- Air and water regulations.
- Ag Markets and Trade – Global Competitiveness.
- US 2007 Farm Bill revisions.
- Land Value pressures and trends.
- Food Nutrition needs and shifts.
- Infrastructure issues in truck and rail.
- Immigration reform and availability of labor force.
- Political shift - increased urban and minority population – 600,000 per year.

California Food System Opportunities

- Innovations in Sustainability and Specialty Crops.
- Health benefits of ag products and parts.
- Changing demographics = New products.
- Food Service Chefs driving menu ideas.
- Drive for local and fresh products for food service.
- Environmental solutions and improvements.
- It’s not waste … it is …..potential new revenue.

SUSTAINABILITY

- The **Code** is conceived around the three "E"'s



California Wine Community

Continued Growth – Deeply Rooted in Communities:

- $45.4 billion – 40% growth from ’98-’02
- 207,550 jobs; 1,049 wineries; 4,805 growers
- 14.8 million visitors
- 92% of U.S. wine production
- Fourth largest in the world

Sustainable Wine Growing Guiding Values

- Produce the best quality wine and/or grapes possible
- Provide leadership in protecting the environment and conserving natural resources

- Maintain the long-term viability of agricultural lands
- Support the economic and social well-being of farm and winery employees through training and competitive compensation
- Respect and communicate with neighbors and community members; respond to their concerns in a considerate manner.

- Honor the California wine community's entrepreneurial spirit
- Support research and education as well as monitor and evaluate existing practices to expedite continual improvement.

Preserving for ALL our Tomorrow's……