

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Agricultural Commissioner	(2) MEETING DATE 4/14/2015	(3) CONTACT/PHONE Martin Settevendemie 805.781.5910	
(4) SUBJECT Presentation of the 2014 Annual Agricultural Statistics for San Luis Obispo County. All Districts.			
(5) RECOMMENDED ACTION It is recommended that your Board receive and file the 2014 Annual Agricultural Statistics for San Luis Obispo County.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent    { } Presentation    { } Hearing (Time Est. ___)    { X } Board Business (Time Est. <u>15 mins</u> )			
(11) EXECUTED DOCUMENTS { } Resolutions    { } Contracts    { } Ordinances    { X } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required    { X } N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { X } N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Agricultural Commissioner / Martin Settevendemie  
805.781.5910

DATE: 4/14/2015

SUBJECT: Presentation of the 2014 Annual Agricultural Statistics for San Luis Obispo County. All Districts.

## **Recommendation**

It is recommended that your Board receive and file the 2014 Annual Agricultural Statistics for San Luis Obispo County.

## **Discussion:**

The Agricultural Commissioner/Sealer will present your Board a summary of crop and livestock statistics for the calendar year of 2014. The summary includes industry trends, production levels and gross values.

The agricultural industry in San Luis Obispo County continues to be a major contributor to the county's prosperous economy. With severe drought conditions persisting for a third consecutive year, agricultural production levels and values were impacted. Overall crop values were \$902,991,000, a decrease of nearly 2.0% compared to 2013 revised figures. These values reflect the negative impacts and challenges producers faced due to the severe, ongoing drought throughout California and the western United States. This figure represents only commodity gross values, and does not include costs that affect profit margins or any overall economic benefit resulting from the contributions of a strong local agricultural industry.

The top ten commodities by value in 2014 were:

1. Strawberries
2. Wine Grapes
3. Cattle and Calves
4. Broccoli
5. Vegetable Transplants
6. Cut Flowers
7. Avocados
8. Head Lettuce
9. Lemons
10. Napa Cabbage

## **Fruit Crops:**

The strawberry industry remained strong in 2014 and was ranked the number one crop in value, reaching over \$205 million. Over 3,400 acres were harvested in 2014, an increase of 157.0 acres over 2013. Mild weather conditions and limited rainfall resulted in good production levels, low disease pressure and high quality fruit.

Wine grapes were the number two ranked commodity in value in 2014. The warm winter temperatures provided for a good start to the growing season. Early spring bud break resulted in an unusually early harvest. Overall, total production decreased 13% compared to the record breaking yields of 2013. Yields for 2014 were closer to normal production levels. The drought continued to present challenges to producers. However, the lack of water and warmer growing conditions led

to smaller clusters of fruit. While yields were down, the quality of the fruit was exceptionally high. The value for all varieties combined was over \$203 million, a decrease of 8% over 2013.

The most dramatic and visible sign of the drought effects in 2014 was the severely pruned and stumped orchards of avocado trees throughout the county. Growers were forced to take this drastic action to reduce the leaf canopy to save the tree in response to reduced or no irrigation. Salt build up in the soil from lack of leaching rains also took its toll on trees. Prices were strong, but the total production yield decreased by 50% over 2013. It will take several years for avocado trees to return to normal production levels once drought conditions improve. For severely damaged trees, growers may be faced with replanting entire orchards or shifting to different crops.

Demand for lemons was high in 2014 due to shortages around the state, resulting in strong prices and an increase in value of 27% over 2013. Valencia orange production increased 18% and prices were strong resulting in a 47% increase in value over 2013.

#### Animal Industry:

During 2014, cattle sales peaked to record numbers and prices. The continued drought, lack of available grass for grazing, and the high cost of supplemental feed forced cattle ranchers to make difficult decisions about what to keep or what to sell from their already depleted herds. Strong prices and a record number of cattle and calves sold brought the total value to over \$129 million, an increase of 34% compared to 2013. The total production for the animal sector was valued over \$135 million, a 34% increase from 2013.

#### Vegetable Crops:

Fairly mild winter temperatures during 2014 had a favorable effect on several vegetable crops such as head lettuce and cauliflower. However, crop damage due to increased soil salinity from the third consecutive year of drought was widely reported. Many vegetable crops also suffered significant yield losses from the Bagrada Bug, (*Bagrada hilaris*), commonly called the painted stink bug. Native to Africa, this highly destructive pest arrived in California in 2008 and has since grown to population levels that cannot be eradicated. Growers also experienced labor shortages of harvesters. Overall, the value for all vegetables combined was over \$195 million, a decrease of 18% compared to 2013.

#### Nursery Products:

Nursery stock producers were challenged by the uncertainty retailers faced predicting customer demand in light of voluntary or mandated water conservation measures related to the drought. As a result of this market uncertainty and the shift to production of drought tolerant plants, the nursery industry experienced a transitional phase in 2014. This led to an overall decline in value of 14% compared to 2013. The demand for vegetable transplants remained relatively stable with more acres planted and a 2% increase in value compared to 2013.

#### Field Crops:

Drought conditions in 2014 resulted in 6,000 fewer acres (23% less acreage compared to 2013) of field crops planted compared to 2013. Coastal plantings produced well but crops yields got progressively lower moving towards the eastern portions of the county. Prices for alfalfa and barley were strong leading to a 3% increase in value of field crops overall compared to 2013. Many producers diversified by selling hay by the bale directly to customers to meet the local demand for horses and supplemental feed for cattle.

Agriculture continued to be a significant economic contributor in 2014 and represents a central component of the rural character enjoyed by the local community, and a dependable source of high quality food and products for consumers around the world. Despite challenging drought and unusual weather during 2014, agriculture in San Luis Obispo County remains strong and is well in reach of achieving, in the near future, the \$1 billion milestone in overall value.

Agriculturalists continue to develop innovative means to produce the food and fiber vital to our existence and stand ready to address the road ahead. With 2015 predicted to be another dry year, the difficulties in producing agricultural products will increase. However, with over one hundred different crops produced in the county, this diversity provides for stability when growing conditions become demanding.

The 2014 Annual Report will be released in summer, 2015. Annual Reports from 1928 through 2013 can be viewed at [www.slocounty.ca.gov/agcomm](http://www.slocounty.ca.gov/agcomm)

**Other Agency Involvement:**

None

**Financial Considerations:**

There are no fiscal impacts associated with this update.

**Results:**

The statistics will help to inform your Board and the public about production levels and the total gross value of agriculture in San Luis Obispo County for 2014.

**ATTACHMENTS**

Attachment A