



Be Californian Buy California GrownSM

FOR IMMEDIATE RELEASE

CONTACT:

Julie Berge
Fleishman-Hillard, Inc.
(916) 492.5339
julie.berge@fleishman.com

NEW REPORT FINDS 15 BILLION REASONS TO BUY 'CALIFORNIA GROWN' SPECIALTY CROPS

A Cross Section of California's Specialty Crops Generate \$15.9 Billion in Annual Economic Impact, Creating Substantial Revenue, Taxes and Job Growth for the Golden State

SACRAMENTO, Calif. (August 9, 2010) – California's specialty crop industries have a significant impact on the state's economy yielding nearly \$15.9 billion annually, or \$43.5 million each day of the year, in "ripple effect" business activity as a result of collective industry spending, according to new research commissioned by the Buy California Marketing Agreement (BCMA), administrators of the "California Grown" program.

"The research clearly indicates that California's specialty crops touch every aspect of California life and positively impact the economic vitality of our state," said Maile Shanahan Geis, BCMA Executive Director. "Despite the challenges facing California agriculture – from intense global competition to the growing water crisis – the state's specialty crops prove that the industry continues to be a world leader in agriculture production, which is a title Californians should be proud to protect."

The "California Grown" campaign is an initiative to educate Californians about the importance of choosing California-grown products whenever they shop. The study examined the financial impact of fifteen California specialty crops including, the dairy and wine sectors, as well as asparagus, avocados, cherries, cut flowers, figs, kiwifruit, nectarines, olives, peaches, pears, plums, raisins and table grapes.

The study, conducted by Dennis H. Tootelian, Ph.D., Director of the Center for Small Business at California State University, Sacramento, indicates the expenditures by the state's specialty crop growers create a ripple effect spurring the growth of more than 137,435 jobs. When it comes to labor income, more than \$5.2 billion is generated as a result of industry spending, which is more than \$14.3 million each day of the year. These dollars go to wages and salaries for new employment, as well as increasing incomes for those already in the labor force – a portion of which is reinvested throughout California's economy to pay for an array of goods and services.

Additionally, nearly \$567.7 million in indirect business taxes, such as property taxes, excise taxes, fees, licenses and sales taxes, not including income taxes, are generated by these specialty crop industries. The research extrapolates that, depending on how these funds are used, this funding pays for many state and local programs that further benefit California's communities where specialty crop growers live and work. For example, the business tax dollars they create could be used to help pay for the entire budget of the California Department of Fish and Game's 2008-2009 fiscal budget – nearly two times over.

-more-

Page Two/California Grown Specialty Crop Industry Economic Impact

“The goal of the study was to demonstrate the overall impact of the specialty crop industry under the ‘Californian Grown’ umbrella and its ability to generate business activity, employment, personal income and taxes for other industries and the state overall,” said Tootelian. “Even though we took a conservative approach to measuring the data, the results showed a very sizeable impact to the financial health of California.”

The report demonstrates the impact these specialty crops have on the state’s economy annually, based on averages during a three year time span from 2005-2007. Because agricultural revenues and expenditures can fluctuate significantly from year-to-year depending on climate, pest, market and other conditions, an “average year” was created based on historical and industry operating statistics.

The study was implemented by using industry statistics, facilitating grower surveys and interviews and analyzing the data through the IMPLAN model, which examines economic relationships between businesses and between businesses and consumers. This impact analysis then measures changes in economic variables on an entire economy.

Data provided through IMPLAN mainly comes from federal government sources. These include the U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Bureau of the Census. Cash income by commodity groups for 2005-2007 was obtained from the Agriculture Statistical Review, published in the California Agricultural Resource Directory 2008-2009.

The full economic impact report and related fact sheets can be found at www.californiagrown.org.

About the Buy California Marketing Agreement and the “California Grown” Program

The Buy California Marketing Agreement (BCMA) is a joint effort of agricultural industry groups representing the products of California’s farms and ranches. Working as an advisory board to the California Department of Food and Agriculture, BCMA brings together industry and government resources to increase the awareness, consumption and value of California agricultural products, helping the state’s consumers enjoy the best of the California lifestyle.

The following California agricultural organizations took part in the study:

- California Asparagus Commission
- California Avocado Commission
- California Cherry Advisory Board
- California Cut Flower Commission
- California Fig Advisory Board
- California Kiwifruit Commission
- California Nectarine Administrative Committee
- California Milk Advisory Board
- California Olive Committee
- California Peach Commodity Committee
- California Pear Advisory Board
- California Plum Marketing Board
- California Raisin Marketing Board
- California Table Grape Commission
- The Wine Institute

For more information, visit www.californiagrown.org.

###