



Successful summit first step to adding value to agriculture

Telling you that agriculture is important in Solano and Yolo counties is not news to any of us. But if we told you that agriculture is the engine behind a \$2.5 billion sector of our economies, you might be interested. When we add that agriculture is our region's brightest promise to increase jobs and prosperity, we know that we now have your full attention.

That's exactly what happened when a study on this subject came out last year. It got the attention of farmers, processors, bankers, government and academia. They all wanted to know how they could be a part of growing this broad, yet integrated sector known as the food chain industry cluster, which makes up 10 percent of our shared economy. That interest resulted in a tremendous turnout for the Solano and Yolo Counties Joint Economic Summit in December.

"The Food Chain Cluster: Integrating the Food Chain in Solano and Yolo Counties to Create Economic Opportunities and Jobs" report describes the food chain as the full spectrum of economic activity related to agriculture – from seed to the table – from before the crops get into the fields, to the goods and services used in farming, to the value-added processing that converts crops into consumer goods.

The report highlights some opportunities and challenges to adding more value to agriculture. The opportunities range from increasing demand for high-value products that we grow, such as almonds and walnuts, to the fact that seven out of the top 10 seed producers in the world are located here. While having established food processing facilities is one of our strengths, the need for additional slaughtering facilities and other essential processors was identified as a weakness. Regulatory issues, costs of operations and the lack of a chilling capacity are some of the other challenges to overcome.

The purpose of the summit was to engage participants in building strategies that will preserve, promote and expand our agricultural industry and all of the value it brings to our communities. A key message we heard was the need for the urban public, the business community and economic development staffs to have a better understanding of the importance of bringing processing facilities to the region. This will bring growers much-needed contracts for their commodities – an economic incentive to keep agricultural production local. New processing facilities will also generate a wave of other job-producing companies that will spur retail purchases, home sales and other positive drivers for our local economy.

The summit reinforced this region's capacity to continue to grow our food chain cluster. One speaker suggested we could make our Agricultural Valley the next Silicon Valley. For this to be possible, we need to capitalize on our competitive advantages – highly productive lands, plentiful water, top-notch research at the UC Davis, an entrepreneurial spirit, and an unwavering passion to preserve and promote agriculture.

In addition, the summit underscored how agriculture – farming and ranching – has evolved to remain competitive. Agriculture is more mechanized and less people-intensive than it once was. The vast majority of the jobs along the agriculture food chain – 77 percent – are in processing, distribution and support services. On average, the future growth in these sectors represents jobs paying around \$24 per hour. These jobs will more than likely be in our cities, but some – in the best interests of both agriculture and the cities – will be located in unincorporated areas. Both counties have already set aside areas for this type of growth.



Summit participants discussed obstacles, such as ready access to capital and competing regulatory interests of federal, state and local governments. Overcoming these obstacles will require a new kind of collaboration. Bankers and government need to rethink their roles to become even better partners in growing the food chain.

In the coming weeks and months, you will see more results from this joint economic effort. Our respective Boards of Supervisors received presentations on Jan. 24 on the basic road map of the most promising actions we can take together. You have our commitment to finding the funds for a public-private partnership for an agriculture ombudsman program to serve Solano and Yolo counties. We need an ombudsman to help agriculture-related entrepreneurs turn their ideas into reality and create better partnerships between our businesses and regulators.

In many ways, what we have in front of us is an old-fashioned barn-raising. Our challenge is how each of us can commit to adding more value to agriculture. This cannot be about what the "other guy" should be doing. In a barn-raising, everybody pitches in because that's what communities do to meet the need. Our communities are in need right now and agriculture is at the heart of the solution.

Sincerely,

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