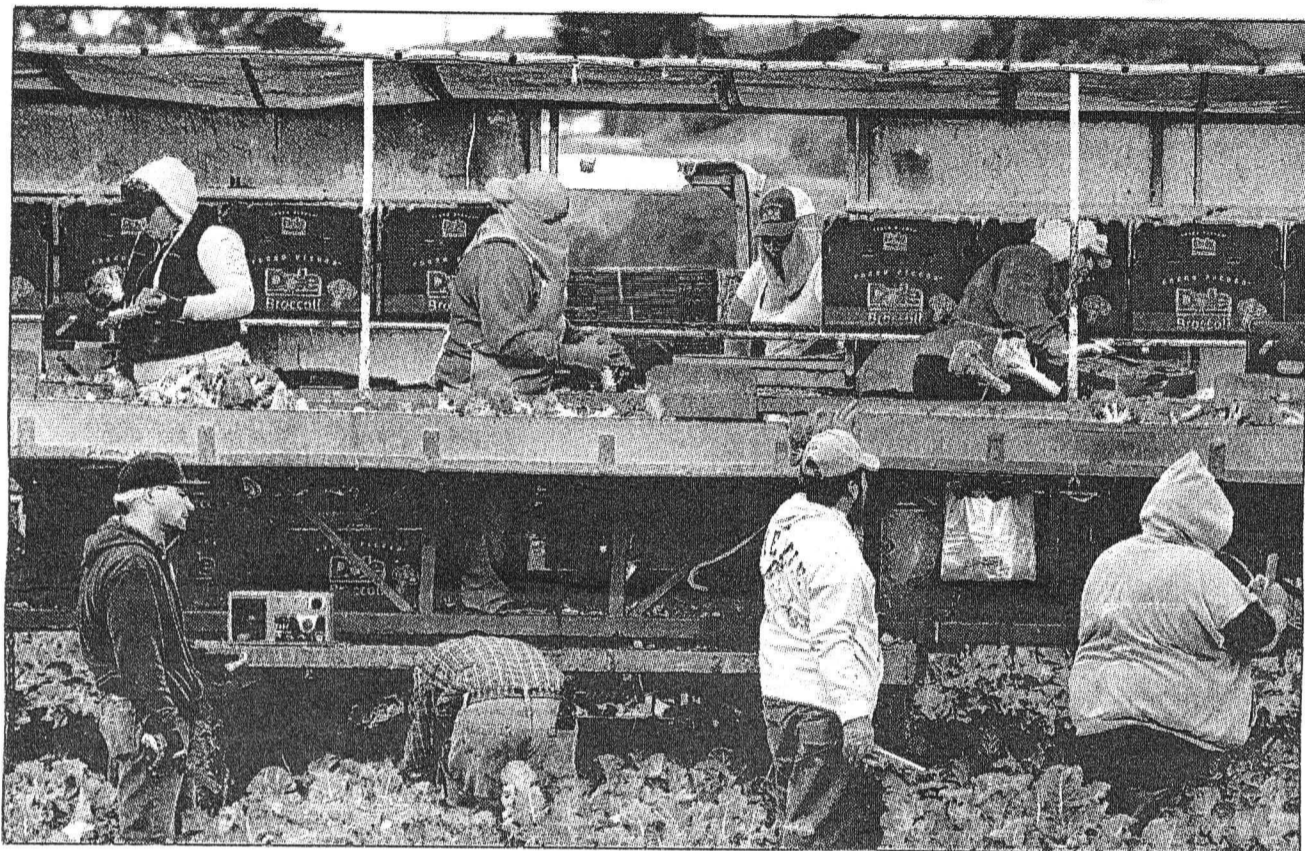


Study: Ag brings \$1.5B benefit to economy



The broccoli harvest is in full swing Monday along West Beach Street near Pajaro Dunes.

SHMUEL THALER/SENTINEL PHOTOS

More than 11,000 jobs tied to farming, food processing
Agriculture

By DONNA JONES

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WATSONVILLE — Agriculture contributed nearly \$1.5 billion and more than 11,000 jobs to the Santa Cruz County economy in 2011.

The figures, contained in a study released Monday by county Agricultural Commissioner Mary Lou Nicoletti, reflect both the direct and indirect economic contributions from farm production and food processing.

The study, the first of its kind in the county, found that despite two major economic recessions in the past decade, the sector grew 28 percent. The study also concluded a diversity of crops helped maintain stability, although that diversity is slipping as berries account

ON THE NET

■ To view the Economic Contributions of Santa Cruz County Agriculture report, go to www.santacruzsentinel.com and click on this story.

for more and more of the total value.

In addition, agricultural companies paid \$7.7 million in government fees and property, sales and excise taxes.

While the study looked only at the benefits, not the costs to produce them, it's a start, said Jeff Langholz, who co-authored the report with colleague Fernando DePaolis.

"Ideally, we would have both sides of the coin," said Langholz, who, like DePaolis, is a

professor at the Monterey Institute of International Studies and a principal in Agricultural Impact Associates. "We've just scratched the surface with this report."

The study was based on the county's 2011 crop report; the 2012 report is still a month or so away from release, according to Nicoletti. In 2011, county crops were valued a record-setting \$565.7 million, with nearly \$200 million coming from strawberries alone.

Those dollars rippled through the county's economy, multiplying their effect, the researchers said. When farmers purchase fertilizer, have work done on their tractors, borrow money from banks — they create indirect benefits to the economy.

SEE AG ON A3



**Agriculture
accounts for
nearly \$1.5
billion annually
in Santa Cruz
County.**

SHMUEL THALER/
SENTINEL



AG

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While directly hiring 5,378 people in 2011, their business spending indirectly created another 1,154 jobs.

• When those people used their paychecks to buy food, pay rent, enjoy dinner and a movie out, their spending prompted the creation another 2,546 jobs through what economists call an “induced” effect. The food processing sector produced another 2,007 jobs in direct hires and indirect economic activity.

The 11,085 jobs produced by all the activity represented 4.5 percent of all county jobs, the report said.

COMMUNITY IMPACT

Cynthia Mathiesen, president of the Santa Cruz County Farm Bureau and intellectual property manager at Driscoll’s, said in her job she buys office supplies from local vendors, puts up out-of-town visitors in local hotels and uses local travel agencies to book trips. Growers, she said, buy everything from pesticides to pickups in the community.

It was always clear that agriculture’s impact went beyond the fields, but it was never quantified before, she said.

“This report brings that all to the forefront,” Mathiesen said.

Watsonville Mayor Lowell Hurst said he was impressed

with the numbers, but questioned the impact of the “wealth and bounty,” when so many who work in agriculture live in poverty and create burdens on social services.

“I see a huge paradox here,” he said. “These people feed the world but they line up at the food bank to feed themselves.”

Rep. Sam Farr, D-Carmel, and County Supervisors Bruce McPherson, Greg Caput and Zach Friend also attended a briefing on the report at the University of California Cooperative Extension office on Freedom Boulevard.

Every economic activity has costs, Friend said. The technology industry, for example, uses large amounts of water.

“The history of this county is agriculture and tourism going back 100-plus years,”

Friend said. “You predicate your economy on that baseline.”

Nicoletti said her office spent \$15,000 on the report, money cobbled together from salary savings and slightly higher funding from the state than projected. She said Monterey County prepared a similar report last year, and she wanted to provide that type of information to decision-makers.

But she said it wasn’t in her purview to extend the study to the cost side. It would be up to others to fund that research.

“This report truly emphasizes the importance of Santa Cruz County agriculture to the region, as an employer and economic engine,” she said.

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AT A GLANCE

CROP PRODUCTION

DIRECT VALUE: \$565.7 million; 5,378 jobs
MULTIPLIER EFFECT*: \$414.1 million; 3,700 jobs
TOTAL: \$979.8 million; 9,078 jobs

FOOD PROCESSING**

DIRECT VALUE: \$332.4 million; 773 jobs
MULTIPLIER EFFECT: \$148.5 million; 1,234 jobs
TOTAL: \$480.9 million; 2,007 jobs

*Created through spending by businesses and individuals involved in agricultural production.

**Includes frozen food manufacturing; canning, drying and pickling, and wine-making.

SOURCE: Economic Contributions of Santa Cruz County Agriculture