

SAN LUIS OBISPO AND SANTA MARIA AGRICULTURE

Prepared for

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by

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Abstract

The region encompassing northwest Santa Barbara County and southwestern San Luis Obispo County is an important center of fresh market vegetable and strawberry production. In the past eighteen years both types of crops have experienced major increases of harvested acreage. In addition, wine grape production has become a significant component of agricultural production in the area. Owing to limitations of available irrigation water it is unlikely that further expansion will occur. Residential growth controls will prevent conversion of agricultural land to other uses. It is unlikely that reductions of plantings will occur in the near future.

Detailed examination of crop production in the two distinct areas of Santa Maria and San Luis Obispo shows that Santa Maria is the clear leader, by about 25%. Strawberry production has expanded very rapidly in the Santa Maria area over the past six years. Snow pea production has emerged as a major crop in the San Luis Obispo area and is now the second ranking crop for that area (ahead of broccoli but behind lettuce).

Data reported to governmental agencies for direct hire employment in the two areas indicates that farms hire about 922 persons (annual average) in San Luis Obispo and about 2,435 in the Santa Maria area. However, these data seriously understate the actual amount of hired farm work because they do not include labor contractor employment or other indirect hire.

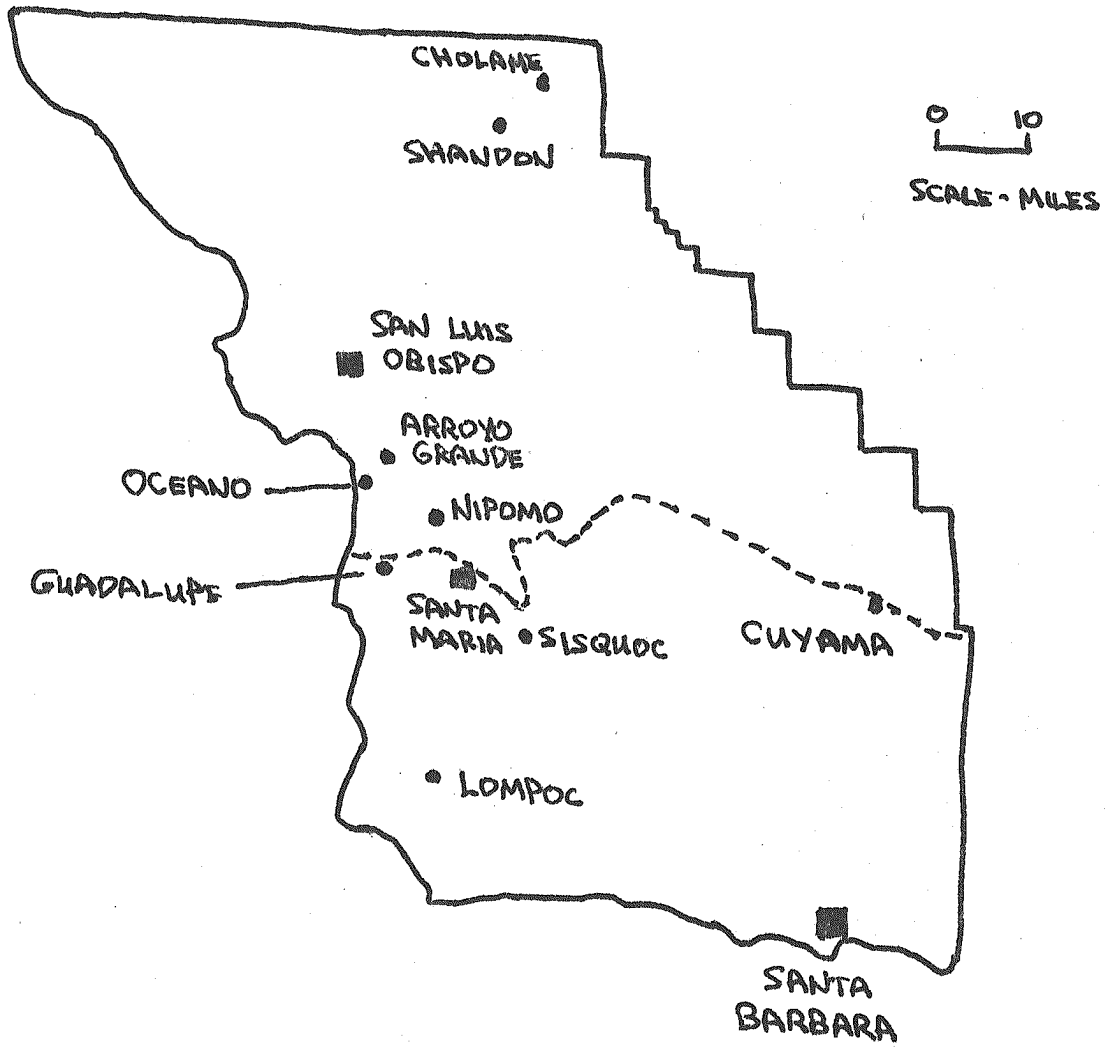
The most significant form of indirect hire in the two areas appears to be sharecropping. Individuals are hired by growers as independent contractors who share in the sales of the crop. In turn, the sharecroppers hire mostly undocumented workers who are often paid in cash. This practice is widespread in both the strawberry industry of Santa Maria and the snow pea industry of San Luis Obispo. Detailed analysis suggests that at least 1,000 additional persons (annual average) work in the strawberries beyond the number reported as direct hires. No estimate can be made at this time for the snow pea industry. It is likely that the number for that crop could be of similar size.

When account is taken of direct hire and our estimate of employment through sharecroppers the total agricultural employment is estimated to be at least 3,435 in the Santa Maria area and 1,922 in the San Luis Obispo area (annual average). Both figures do not include persons employed by labor contractors.

The number of reported employees of labor contractors in the entire counties are: San Luis Obispo, 38; Santa Barbara, 1,244. It is not possible to estimate the number attributable to the Santa Maria area alone.

Farmworkers live primarily in Santa Maria and Guadalupe in the Santa Maria area, and in Grover City, Nipomo and Oceano in the San Luis Obispo area. In addition, there are large numbers of farmworkers living in the unincorporated rural areas throughout the region. No estimate of the total number is available.

SAN LUIS OBISPO AND SANTA BARBARA COUNTIES



SAN LUIS OBISPO AND SANTA MARIA AGRICULTURE

Introduction

The Santa Maria-Oceano region has long been an important center of vegetable production. The mild climate provides ideal year-round growing conditions for a variety of crops. The average temperature in July is 78F and in January it is 62F. According to the California Department of Food and Agriculture no other region of the state has as long a growing season for lettuce as does this area. In a typical year there are 331 frost-free days. For this reason double and triple cropping are practiced extensively.

Santa Barbara and San Luis Obispo counties can be thought of as comprising roughly eight crop sub-regions. In Santa Barbara County vegetable, strawberry and about half of grape production is located in the Santa Maria plain, a region irrigated with Federal project water supplied from Twitchell reservoir.¹ This region extends from the town of Guadalupe on the coast to the small town of Sisquoc about twenty miles to the east. The natural geographic boundaries on the north are the Nipomo Mesa and, further inland, the Santa Maria River channel. Both of these boundaries also define the San Luis Obispo county line. Altogether there are about 49,000 irrigable acres in the Santa Maria sub-region.

The second major crop sub-region in Santa Barbara County is located in the Santa Barbara metropolitan area about seventy-five miles from Santa Maria. This coastal shelf is a center of citrus and nursery crop production. There is virtually no vegetable, strawberry or grape production in this area.²

There are two additional minor sub-regions in Santa Barbara County. The Cuyama area, located forty-two miles due East of Santa Maria, is a center of field crop production, such as alfalfa, and also produces minor amounts of carrots and some other truck crops. Finally, the Lompoc area, thirteen miles south of Santa Maria, is a minor center of vegetable and flower seed production.

Roughly half of Santa Barbara County wine grape production is located in small vineyards scattered through the hills between Lompoc and the Santa Barbara metropolitan area. As indicated previously the other half is located in the Santa Maria plain.

San Luis Obispo County has four main crop production areas. Just five miles north of Santa Maria is the Nipoma Mesa area. Although its soils are not as good as other areas of the county the region is a center of vegetable crop production as well as a minor center of strawberry production.

Just ten miles north of Santa Maria is the second major crop production sub-region of San Luis Obispo County: the Oceano area. Boasting the best soils in the county this area is noted for its high value vegetable production as well as artichokes and citrus. The hills adjacent to this area have been recently planted to wine grapes.

The two remaining crop sub-regions in San Luis Obispo County are the Morro Bay-San Luis Obispo sub-region and the Shandon-Cholame Hills sub-region. The former is a minor center of vegetable and citrus crop production while the latter is devoted mainly to field crops, especially barley and oats. However, in recent years significant wine grape plantings have been established in this latter area.

Over the period of the past thirty years there have been substantial changes in the cropping pattern in the coastal areas of both Santa Barbara and San Luis Obispo counties. About 24,000 acres of field crops have been replaced by some 32,000 acres of vegetables, grapes and strawberries. Thus, both the amount of cropped land and its actual use have changed considerably. High value crops have replaced lower value crops normally associated with livestock production. As a result of this changeover Santa Barbara County now ranks #15 and San Luis Obispo County ranks #18 in the state in value of agricultural production.³ Ten years earlier they ranked #17 and #25, respectively.⁴

The main factor limiting further expansion of crop production in both counties is lack of additional water supplies. Rainfall is not sufficient for crop production and so irrigation is essential. The existing Twitchell reservoir supply is being used to capacity at the present time. In fact, residential development in Santa Barbara County as a whole will be severely limited in the future owing to the lack of adequate water supplies.⁵ In March 1979 county voters overwhelmingly rejected a plan to bring water from the Central Valley to the Coast via a proposed tunnel and pipeline. Both County General Plans explicitly limit possible conversion of agricultural land in the high value crop coastal zones.⁶ Hence, it is anticipated that there will be neither expansion nor contraction of land presently used for high value crops.

Trends in Crop Production

As described above, nearly all of Santa Barbara County's vegetable and strawberry production and about half of wine grape production is located in or immediately adjacent to Santa Maria. In contrast, most of the county's citrus and nursery production is located along the southern coastal shelf of the Santa Barbara metropolitan area. Thus, county crop production data can be easily separated along crop lines for the purpose of analyzing crop patterns and trends in the Santa Maria area.

Since a majority of San Luis Obispo County vegetable and strawberry production is centered around Oceano while tree fruit and a major portion of grape production lies to the west, east and north of San Luis Obispo we will treat the whole county's vegetable and fruit production as centered about the city of San Luis Obispo.

Table 1 shows a direct comparison of vegetable and fruit production of the Santa Maria and San Luis Obispo areas for the three year period 1985-87.

Table 1
Santa Maria and San Luis Obispo Crop Production
Tons, 1985-87

<u>Crop</u>	<u>Santa Maria</u>	<u>San Luis Obispo</u>
Vegetables	1,442,822	1,121,174
Fruit	252,221	153,341
Total	1,695,043	1,274,515

Source: Annual Crop Production Report, San Luis Obispo and Santa Barbara County Departments of Agriculture.

As is evident from the data in the table, vegetable and fruit production in the Santa Maria area is about 25% larger than that in the San Luis Obispo area. The disparity is greatest in fruit production.

The leading crops in 1987 in the Santa Maria area are (value in millions): strawberries (\$60.8), broccoli (\$40.1), lettuce (\$35.0), cauliflower (\$23.0), and celery (\$15.1). In the San Luis Obispo area the leading crops are lettuce (\$41.3), snow peas (\$22.1), broccoli (\$17.9), wine grapes (\$12.7) and carrots (\$8.9).

Figure 1 compares the harvested vegetable acreage in the two regions from 1970 up to the present. Santa Maria's production developed rapidly in the early and middle 1970's, levelled off at the end of the 1970's and remained more or less unchanged throughout the 1980's. In contrast, San Luis Obispo vegetable production shows steady growth throughout most of the period but still remains somewhat smaller than that of Santa Maria.

Figure 2 compares strawberry production, measured in tons, for the two regions. Clearly, Santa Maria has substantial production while that in San Luis Obispo is quite small. Santa Maria production passed that of Watsonville (Santa Cruz County) in 1986 and now ranks as the #4 region in production of that crop behind Salinas, Ventura and Orange County.⁷

Figure 3 compares wine grape production in San Luis Obispo and Santa Barbara counties. It is not possible to separately identify Santa Maria wine grape production although roughly half of Santa Barbara County acreage is in this region. Both counties have seen a substantial increase in production over the eighteen year period with signs of levelling off now evident. San Luis Obispo has another 612 acres of new plantings that will come into bearing in the next several years, representing a potential 9% increase. Santa Barbara County has 1,149 acres of non-bearing fruit, representing a potential 13% increase. All of the wine grape plantings in both counties are premium variety such as zinfandel, cabernet sauvignon, chenin blanc, petite sirah or chardonnay. Average grower returns are substantially higher than is the case for "jug" wine grapes that are predominate in the San Joaquin Valley.⁸

In order to examine trends in major vegetable crop production we show in Table 2 the 1970 and 1987 output for three major crops in the San Luis Obispo and Santa Maria areas.

Table 2
Broccoli, Lettuce and Celery Production, 1970 and 1987
San Luis Obispo and Santa Maria Regions

Crop	San Luis Obispo		Santa Maria	
	1970	1987	1970	1987
broccoli	10,200 tons	43,401 tons	33,590 tons	108,690 tons
celery	41,010	27,701	26,700	92,413
lettuce	88,848	150,356	69,250	143,392

Source: Annual Crop Production Report, San Luis Obispo and Santa Barbara County Departments of Agriculture, 1970, 1987.

Substantial expansions of production of all three crops are evident with the single exception of celery production in San Luis Obispo.

FIGURE 1. Vegetables, Harvested Acres, by Year

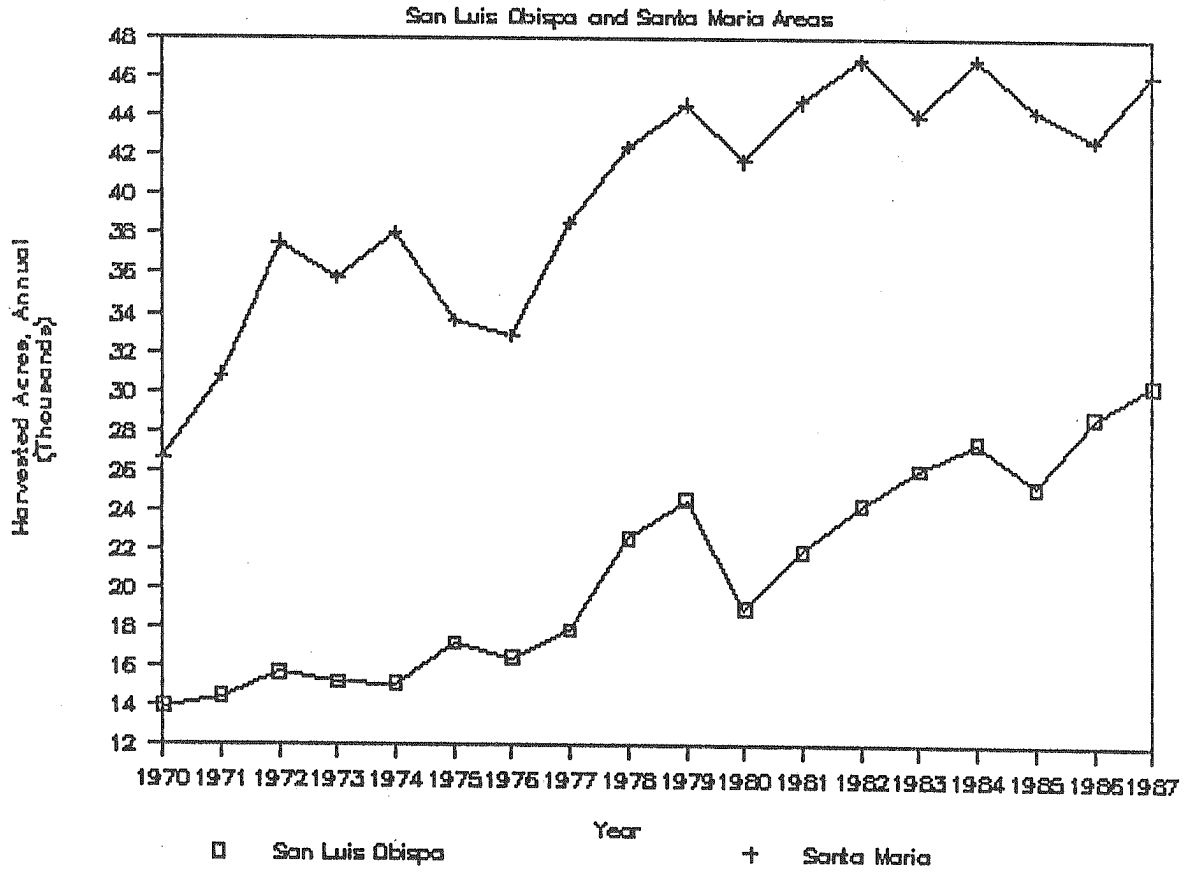


FIGURE 2. Strawberry Production, by Year

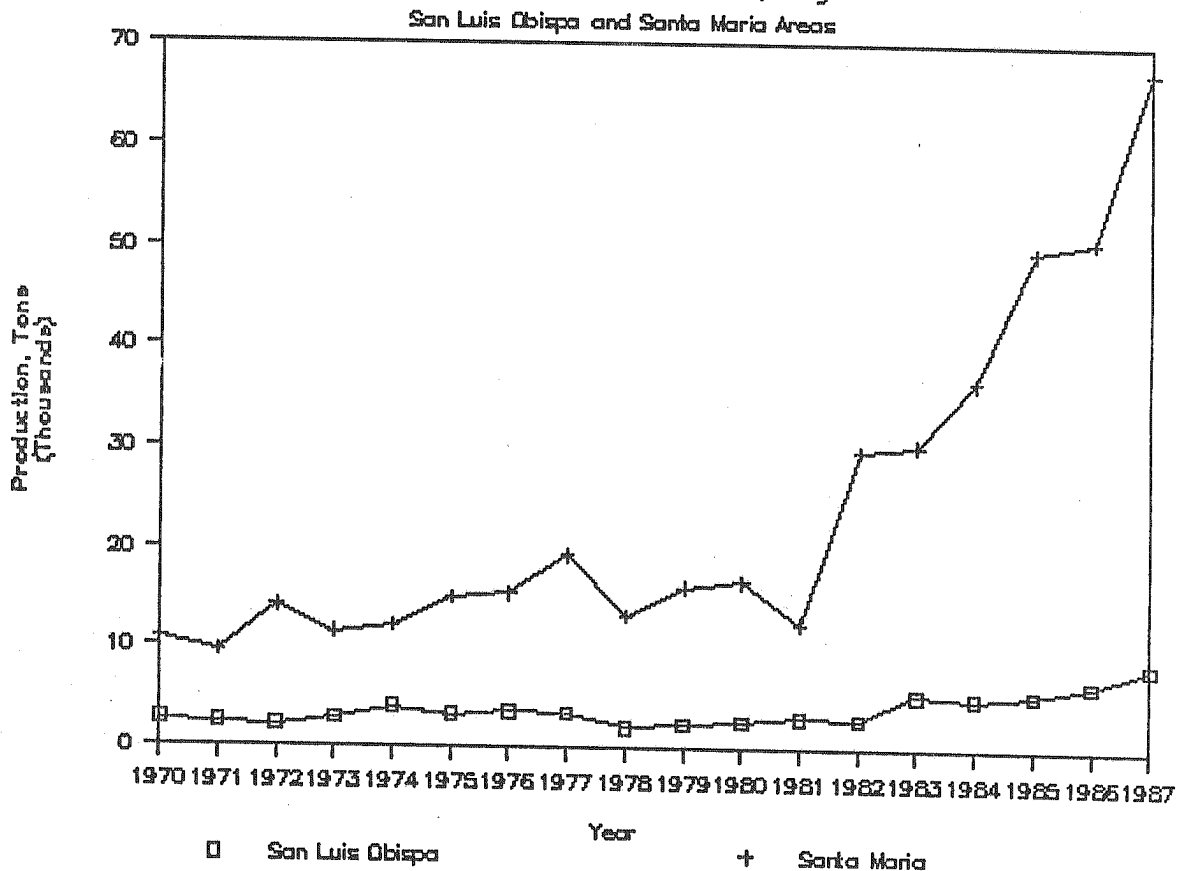
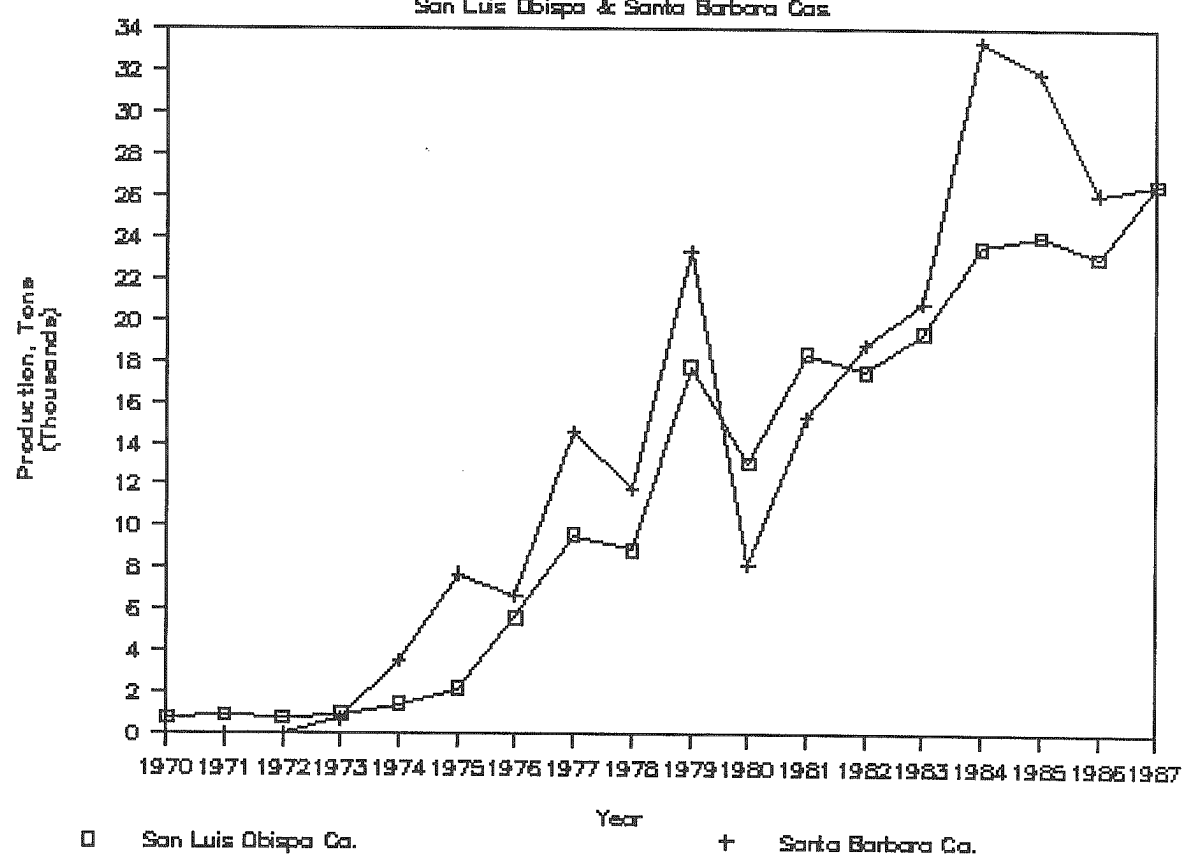


FIGURE 3. Wine Grape Production, by Year
 San Luis Obispo & Santa Barbara Cos



It is unlikely that further expansions of broccoli production will occur in either region. In fact, increased competition in the frozen broccoli industry from Mexican producers will likely lead to cutbacks in that crop.⁹ Santa Maria broccoli acreage for freezer pack was cut back from 7,906 acres in 1986 to 7,129 acres in 1987.¹⁰ Knowledgeable sources indicate that further cutbacks were made in 1988.¹¹

Statewide lettuce and celery production have been relatively stable for several years. It is unlikely that additions to production could find a market at a profitable price. However, the Ventura area is experiencing rapid conversion of agricultural land to commercial and residential use. Since that area is the major celery producing region of the state it is possible that some of that crop's plantings will re-locate to the Santa Maria or San Luis Obispo area. Ventura's lettuce production is quite small (about 1,700 acres in 1987) so that if those plantings were re-located the effect on either Santa Maria or San Luis Obispo would be relatively small.

The most important development in San Luis Obispo vegetable production has been the emergence of edible pea pods (snow peas) as a major crop. In 1987 there were 4,050 harvested acres of that crop as compared to just 110 acres twenty-five years earlier. This is a highly labor-intensive crop, comparable to strawberries in its labor requirement. It is also a high value crop and brought a grower return of \$22.1 million in 1987 (\$5,456 per acre). Among vegetable crops only strawberries and celery bring a higher return on a per acre basis.

Strawberry production has experienced rapid development in the past several years in the Santa Maria area. However, overproduction seems to have already occurred in 1988.¹² It is unlikely that further expansions of plantings will occur in the next several years and it is possible that some cutbacks from 1988 production levels may occur.

Both San Luis Obispo and Santa Barbara counties have experienced rapid growth in the production of nursery crops over the past twenty-five years. Farm cash receipts from sales of these crops in San Luis Obispo County amounted to \$42.8 million in the three year period 1985-87.¹³ This is small compared with vegetable production and amounts to only 2/3 of fruit production. The most significant segment of the San Luis Obispo County nursery products business is the production of fruit and vegetable transplants which is centered in the Nipomo area about five miles north of Santa Maria.

The Santa Barbara County nursery crop business is highly developed. Over the 1985-87 period total farm cash receipts of this component of crop production amounted to \$177.9 million. However, most of the business is centered around Carpinteria in the Santa Barbara metropolitan area. In fact, only seven of the eighty-three licensed producers of nursery crops are located in the Santa Maria-Lompoc region.¹⁴ Even though the total farm value of the county's nursery production is as large as the Santa Maria region's farm cash receipts from the sale of fruit crops it is likely that the fraction produced in the Santa Maria area is not particularly significant. Vegetable transplants are relatively unimportant, especially as compared with San Luis Obispo's production.

Farm Labor

The very great importance of vegetable and fruit production in

both the San Luis Obispo and Santa Maria regions implies a strong dependence upon hired farm labor. Data accurately reflecting this fact are not readily available. There are two reasons for this. First, county-wide summaries of wages and employment for Santa Barbara County can not be easily divided by region. This means that data for the Santa Maria region can not be separately totalled. Second, there is substantial anecdotal evidence that sharecropping has become the dominant form of strawberry farm operation in the Santa Maria area.¹⁵ Because sharecroppers are treated as "employers" by agencies measuring farm employment, and the employees of sharecroppers are most often undocumented immigrants paid in cash, there is little record of the volume of labor employed in this industry.

With these qualifications in mind we show in Figure 4 county-wide employment data for San Luis Obispo and Santa Barbara counties. Clearly, the reported data indicate that Santa Barbara County has a much larger agricultural work force than San Luis Obispo.

We next separately examine employment and wage data for just three crop groupings: vegetables, berries and grapes; we attribute the totals as approximating those for the San Luis Obispo and Santa Maria areas. This is analogous to our treatment of crop production described above. It is important to recognize that this approach ignores other types of agricultural employment, e.g., tree fruit work and, in addition, ignores employment by labor contractors. The data constructed in this fashion will, however, reflect the bulk of farm work in the two regions.

Table 3 summarizes average annual employment and wages paid in these three crop segments for the three years 1985, 1986 and 1987. These data are obtained from quarterly DE-3 reports by employers to the California Department of Employment Development and do not reflect farm labor contractors, custom harvesters or employees of sharecroppers.

Table 3
San Luis Obispo and Santa Maria Employment and Wages
Vegetable, Strawberry and Grape Production, 1985-87

<u>Employment (Annual Average)</u>			
	<u>1985</u>	<u>1986</u>	<u>1987</u>
San Luis Obispo			
Grapes	170	192	205
Strawberries	82	85	92
Vegetables	528	583	625
Santa Maria			
Grapes	380	367	264
Strawberries	834	751	766
Vegetables	1621	1469	1409
<u>Wages (millions)</u>			
San Luis Obispo	\$11.4	\$12.0	\$13.2
Santa Maria	36.5	33.9	33.4

Source: State of California, Department of Employment Development, Quarterly Summary by SIC Code and County, CIRS files.

FIGURE 4. Annual Average Agricultural Employment



These data suggest that agricultural employment is about 2.5 times greater in the Santa Maria region as compared with San Luis Obispo. Total employment (annual average) for 1987 was 2439 and 922, respectively, a ratio of 2.6. Total wages were \$33.4 million and \$13.2 million, a ratio of 2.5.

It is likely that these data do not accurately reflect total employment and wages because they do not include the extensive use of sharecroppers in both the strawberry and edible pea pod crop industries nor do they include farm labor contractor data. Nevertheless, it is likely that the majority of employment is accounted for.

When these data are compared with figures reflecting trends in total crop production one is faced with a paradox regarding the Santa Maria region. Figures 1 and 2 demonstrate that production in both strawberries and vegetables was quite a bit greater in 1987 as compared with 1985. But the data of Table 3 indicate that employment and wages actually declined in the two year period. There is no such discrepancy for San Luis Obispo employment data.

The most likely explanation for this apparent contradiction is the replacement of farm direct hire employment in these two crop industries by indirect hire: through farm labor contractors and sharecroppers. There is no data whatsoever regarding the extent of employment through the sharecropping system. County-wide employment and wage data is available for farm labor contractors in both counties.

Figure 5 shows the employment trend in farm labor contract work for the two counties. Clearly, reported labor contractor employment is not significant in San Luis Obispo County but is quite important in Santa Barbara County. Much of the reported labor contract work for the latter is in the citrus industry centered along the metropolitan area of Santa Barbara itself.¹⁶ Unfortunately, it is not possible to clearly identify the portion attributable to the Santa Maria region.

Some indirect evidence concerning the rise of sharecropping in the strawberry industry of the Santa Maria region can be constructed. This is because data is available regarding reported direct hire employment and wages for Santa Barbara County berries as a whole (SIC Code 0171). Since nearly all of the county's berries are strawberries and nearly all are grown in the Santa Maria area we attribute the full county total to this region.

Table 4 shows the trend in Santa Maria regional employment for the SIC=0171 category (berry farms) over the past three years. We also show the trend in strawberry crop production for purposes of direct comparison.

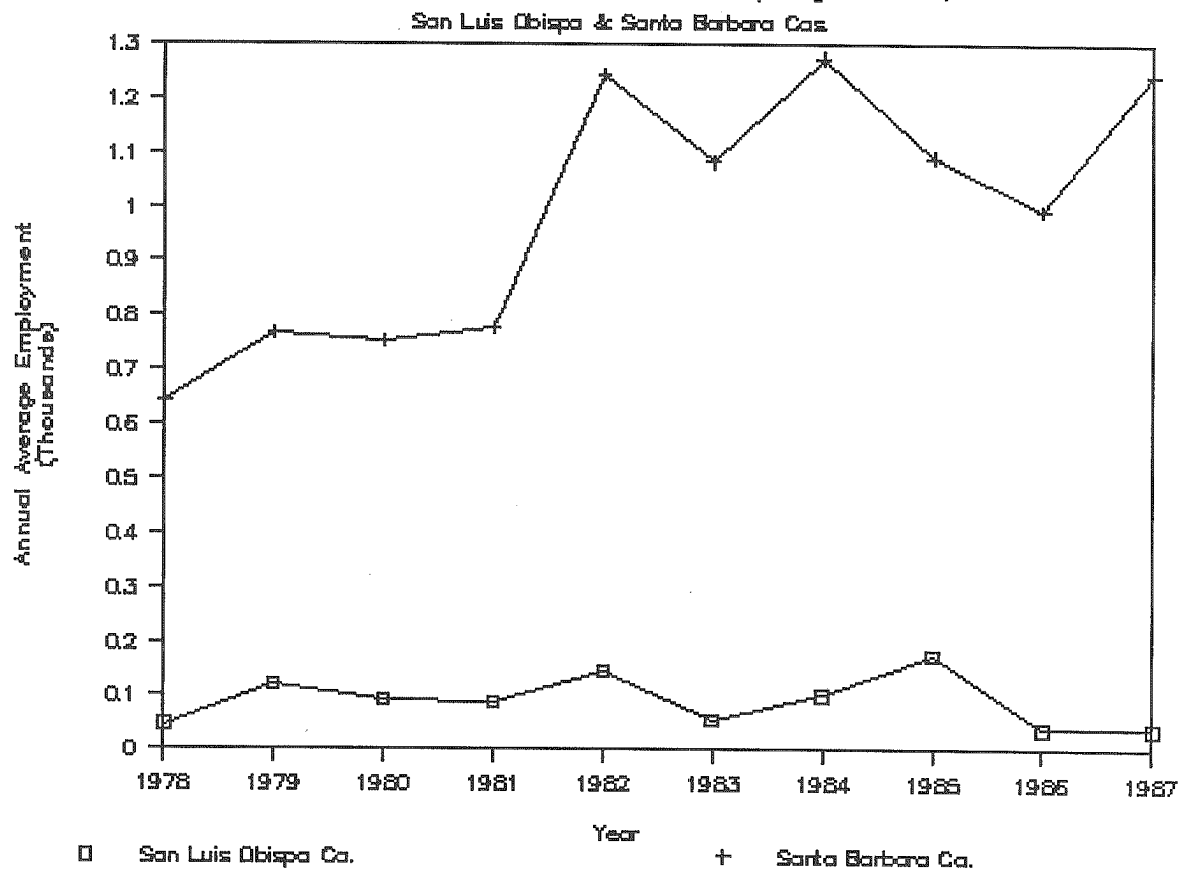
Table 4

Direct Hire Employment and Production, Strawberries
Santa Maria Area, 1985-87

	<u>1985</u>	<u>1986</u>	<u>1987</u>
Production-tons	49,542	50,678	67,345
Employment-average	834	751	766
Wages (millions)	\$7.6	\$6.2	\$6.3

Source: Annual Crop Production Report, Santa Barbara County Department of Agriculture; EDD UI Wage Reports.

FIGURE 5. Farm Labor Contractor Employment, Ave.



It is apparent that production increased substantially from 1985 to 1987 but both reported employment and wages declined. This suggests that direct farm hire employment was being replaced by indirect hire employment in this period.

Further evidence supporting this view is presented in Table 5 where we show data for strawberry production and employment in other counties with significant 1987 output.

Table 5

Direct Hire Employment and Production, Strawberries
Leading California Counties, 1987

<u>County</u>	<u>Production-tons</u>	<u>Employment-average</u>
Monterey	116,120	1,885
Orange	70,993	1,703
Santa Cruz	60,529	3,247
Ventura	99,936	2,676
Santa Maria region	67,345	766

Source: State of California, Employment Development Department, Quarterly Summary by SIC Code and County, CIRS files.

Clearly, the level of production in other Central Coast and South Coast counties corresponds to very much higher levels of direct hire employment than are reported for Santa Barbara County. Based on these data we estimate that total berry agricultural employment (annual average) in the Santa Maria region is larger than the reported direct hire figures by at least 1,000 persons. This figure represents a 41% increase in total agricultural employment in the region as compared with reported data for direct farm hire.

It is not possible to make a similar analysis for the edible pea pod crop in San Luis Obispo County where sharecropping is reported to be extensive. However, it is evident that the amount of such indirect employment is probably quite substantial. The total crop acreage is 4,050 acres in the county. Since strawberry acreage amounted to just 2,611 acres in Santa Barbara County where the employment level adjustment due to indirect hires amounts to about 1,000 persons it should be evident that an adjustment comparable to that, or possibly greater, would be required for San Luis Obispo. If this analysis is correct the effect would be to double estimated agriculture employment in the San Luis Obispo region.

Taking account of the estimated addition to total employment from this correction we arrive at totals for the two areas: Santa Maria, 3,439 persons (annual average); San Luis Obispo, 1,922 persons (annual average). No correction for other indirect employment, including labor contractors, has been made.

Social Conditions

Some limited information about social conditions in farmworker communities in the two regions is available. The major centers of farmworkers in the Santa Maria region are the cities of Guadalupe and

Santa Maria. In the San Luis Obispo region the centers are Grover City, Nipomo, Oceano and San Luis Obispo. A significant number of workers also live in rural unincorporated portions of the two regions, often in substandard housing.

The Santa Maria Valley had a reported population of 63,460 in the 1980 Census of Population. Of that number 16,430 were persons of Spanish origin (25%). Population growth since that time has raised the total to about 90,000. If the Hispanic population remained a constant share of the total this would imply about 22,500 such persons at this time. In 1980 there were 1,514 residents of Santa Maria who identified their occupation as farmworkers.

The second most important center of farmworkers in the Santa Maria Valley is Guadalupe. In 1980 the reported population was 3,629 of which 2,711 were persons of Spanish origin (75%). There has been a very substantial population growth in the past eight years, perhaps doubling the town's residents.

Reported household incomes in the 1980 Census of Population suggest that 15% of the Hispanic population of Santa Barbara County were living in households with incomes below the poverty level. In the Santa Maria urbanized area the proportion was higher, 17.8%, representing an estimated 2,639 persons.

San Luis Obispo County reported 13,404 persons of Spanish origin in 1980. The City of San Luis Obispo had the largest number, 2,247, but only 131 indicated that their occupation as farmworker. Most farmworkers live in Grover City, Nipomo and Oceano where the reported proportion of persons of Spanish origin were 14.5%, 29% and 29%, respectively. These latter three communities account for 31% of all Hispanic residents of the entire county.

Reported household incomes in the 1980 Census of Population indicate that 22% of the Hispanic population of San Luis Obispo County live in households with incomes below the poverty level. This is one of the highest proportions found in any California county. The total number of such persons in 1980 was 2,976, about the same level as the total for the city of Santa Maria.

REFERENCES

1. Crop information is derived from a detailed examination of crop land use maps produced by the California Department of Water Resources. The full set used in this work are described as "Southern Central Coast" and refer to actual crop pattern in 1985. Map resolution is sufficient to identify crop fields as small as 1 acre.
2. Ibid.
3. California Department of Food and Agriculture, California Agriculture. Statistical Review. 1986, October 1987, Sacramento, p. 18.
4. California Department of Food and Agriculture, California Principal Crop and Livestock Commodities. 1976, September 1977, Sacramento, CA.
5. Cliff Pauli, Research Analyst, Santa Barbara County Resources Department, private communication, September 30, 1988.
6. *ibid.* Also, Mike Traca, San Luis Obispo County Planning and Development Department, private communication, September 30, 1988.
7. Strawberry crop yields are about 10% smaller in the Santa Maria area as compared with the other leading regions. In periods of surplus production this could lead to cutbacks in planted acreage.
8. Wine grape cash receipts averaged \$525 per ton in Santa Barbara County and \$477 per ton in San Luis Obispo County. This is more than twice the return for San Joaquin Valley wine grapes.
9. See D. Runsten and K. Moulton, "Competition in Frozen Vegetables," in Competitiveness at Home and Abroad, University of California, Agricultural Issues Center, Davis, CA, 1988.
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