

Ventura County Agriculture

Prepared for

California Rural Legal Assistance

by

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Ventura County has a long history of agricultural production dating back to the Mexican land grants. The first substantial citrus grove in the county was planted in 1873.¹ Its climate and soils are ideally suited for the production of lemons, strawberries, vegetables and a great variety of nursery crops. Today, Ventura County ranks 18th among all of the 3,175 counties in the United States in the annual volume of its output of crops and livestock.² Within California, it is the 10th most productive agricultural county.³ And it ranks first in the state in the production of both celery and lemons.

TRENDS IN VENTURA COUNTY AGRICULTURAL PRODUCTION

In 1989, farm cash receipts (measured at the farm gate) for the county's production were valued at \$806,000,000.⁴ Figure 1 shows the trend in county-wide farm cash receipts over the past twenty years. As is evident in the graph, except for 1976 (beginning of the 1976-77 drought) and two years in the "farm depression" 1980s, the value of production (current dollars) has steadily increased during this period. In fact, the steepest increases have occurred in the most recent several years. Even when inflation is taken into account, by expressing these values in constant (1970) dollars, there has been significant real growth in the value of Ventura County agricultural production over the past twenty years, averaging about 1.2% per year.

The distribution of crop and livestock production for 1989 by type of commodity is illustrated in Figure 2. Fruit and nut production alone accounts for nearly half (47%) of the county's farm cash receipts. By contrast, only 25% of California's statewide output is in this category. Vegetable production amounts to 28% of the county total, close to the same fraction as in the state as a whole. If vegetable production is added to that of fruit and nuts, the two categories account for 75% of the county's output. Finally, nursery crops (ornamental horticulture, cut flowers, stock for transplant, and fruit tree stock) account for about 14% of overall county production.

If these data are contrasted with those for 1970, which are shown in Figure 3, it is striking how similar the share represented by fruits and nuts, vegetables and field crops resemble the corresponding shares in 1989. The shares attributable to each of these commodity groups are very nearly the same at the beginning and end of this twenty-year period. In contrast, nursery crop production is now three times more important than in 1970 while livestock and livestock products are now only half as significant as they were in 1970.

Knowledgeable farm leaders in Ventura County suggest that there is a hierarchy, or natural progression over time, of types of agricultural commodity production in a given region.⁵ The progression is based on value of the type of commodity per acre of land required. From lowest to highest, this hierarchy is livestock, field crops, vegetables, fruit orchard and horticulture. When seen from this perspective the data presented in Figures 2 & 3 fit well within this natural progression. Livestock production is a decreasing share while horticultural production is an increasing share of all commodity production. Field crops, vegetable crops and fruit still retain their historic shares.

The above analysis relies upon farm cash receipts as a measure of agricultural production. Since farm cash receipts for a specific commodity are the product of commodity price per unit of production and

Figure 1
Cash Farm Receipts, Ventura County
Value, by Year

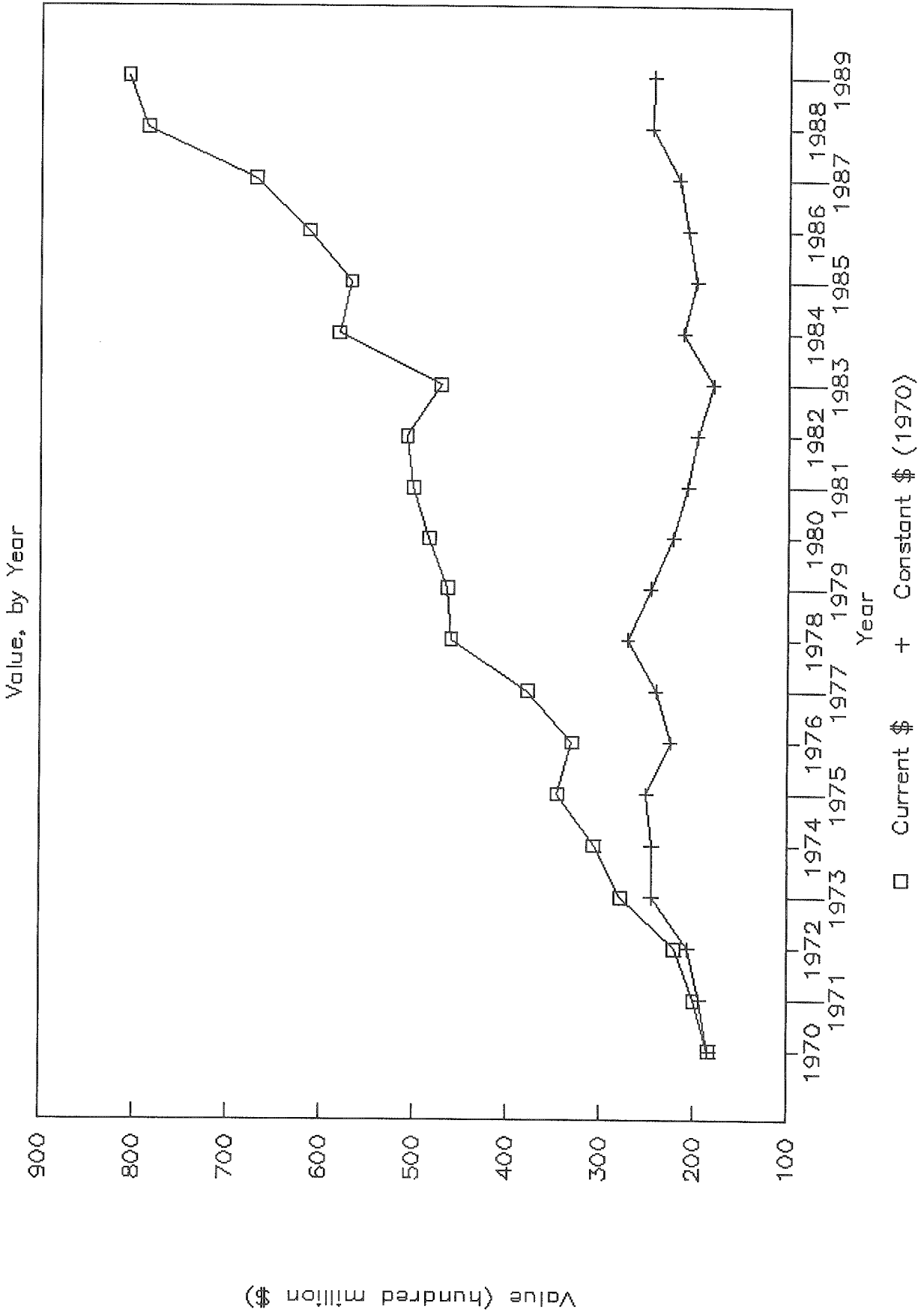


Figure 2
Distribution of Crop Production, 1970
By Value at Farm Gate

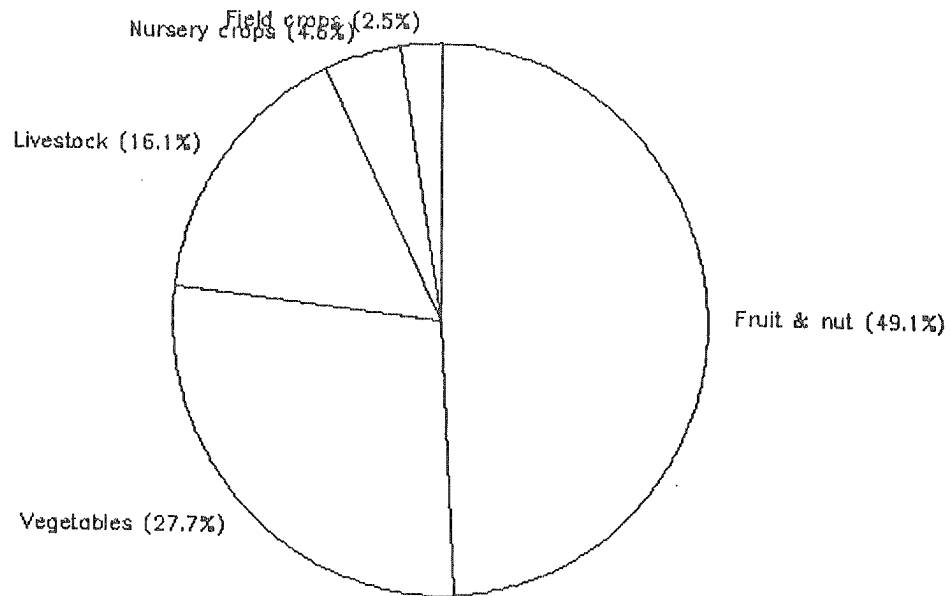
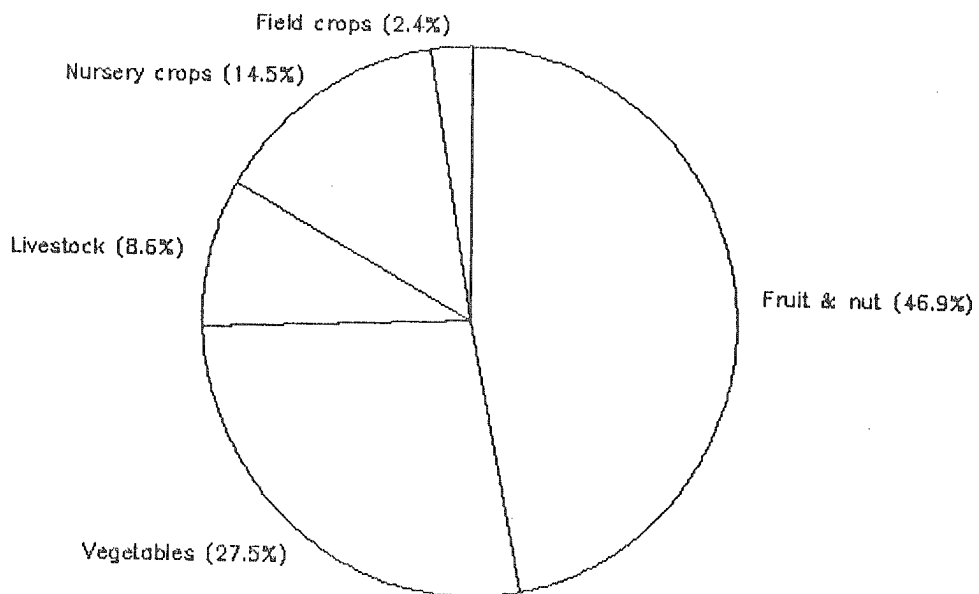


Figure 3
Distribution of Crop Production, 1989
By Value at Farm Gate



physical volume of production, this measure of agricultural activity may not be the most reliable indicator over time. In fact, when production rises in agriculture more rapidly than demand it is often the case that commodity prices fall. And farm cash receipts may actually be greater at lower levels of production than at higher levels. For example, total receipts for 1990 spring lettuce production brought less than half the amount than did the 1989 spring lettuce crop. This dramatic decline in receipts was the result of an increase in production that was relatively small, a much smaller fractional increase than the resulting fractional decline of total receipts. Thus, a better measure of agricultural activity is actual production volume.

Production volume of a particular commodity can be expressed as the product of production per acre (yield) and harvested acreage. If yield does not change appreciably over time, then harvested acreage can be used as a surrogate for production volume.

We have analyzed both reported harvested crop acreage and production volume for each type of crop produced in Ventura County over the past twenty years (1970-1989). The data sources were annual Agricultural Commissioner Crop Reports for the period 1970-1989. In order to take account of year-to-year fluctuations in yield owing to short-term weather, pest or other problems, it is important to compare multi-year averages as opposed to year vs. year figures. For example, to identify long-term trends in individual crops we compare the three-year averages 1970-72 and 1987-89.

The most striking feature of the data is that the annual average harvested acreage of fruits, nuts and vegetables for 1987-89, see Figure 4, exceeds the corresponding acreage for 1970-72 by about 14%. In other words, a net total of 12,965 harvested acres of fruits, nuts and vegetables were added to the county total over the past twenty years, increasing the annual average for 1970-72 from 94,179 harvested acres to a total of 107,044 harvested acres for 1987-89. This is a surprising finding, especially in light of the rapid population growth and urbanization in the county during this period.

Of course, not every year of this period saw an increase. Harvested acreage of fruits, nuts and vegetables for the most recent three-year period are actually about 7% lower than the corresponding figure for the period 1984-86. Nevertheless, this recent decline still leaves the county with substantially greater harvested acreage of these crops than it had in the early 1970s.

Fruit Crops

Figure 5 shows the twenty-year record of harvested acreage of fruit and nut crops in Ventura County. Even though there has been a tendency of increasing fruit and vegetable acreage, certain crops have experienced very substantial increases in acreage while others have declined in importance. Table I summarizes the changes in harvested acreage of the major fruit crops over the past twenty years.

Figure 4
Fruit, Nut & Vegetable Crops

Ventura County, by Year

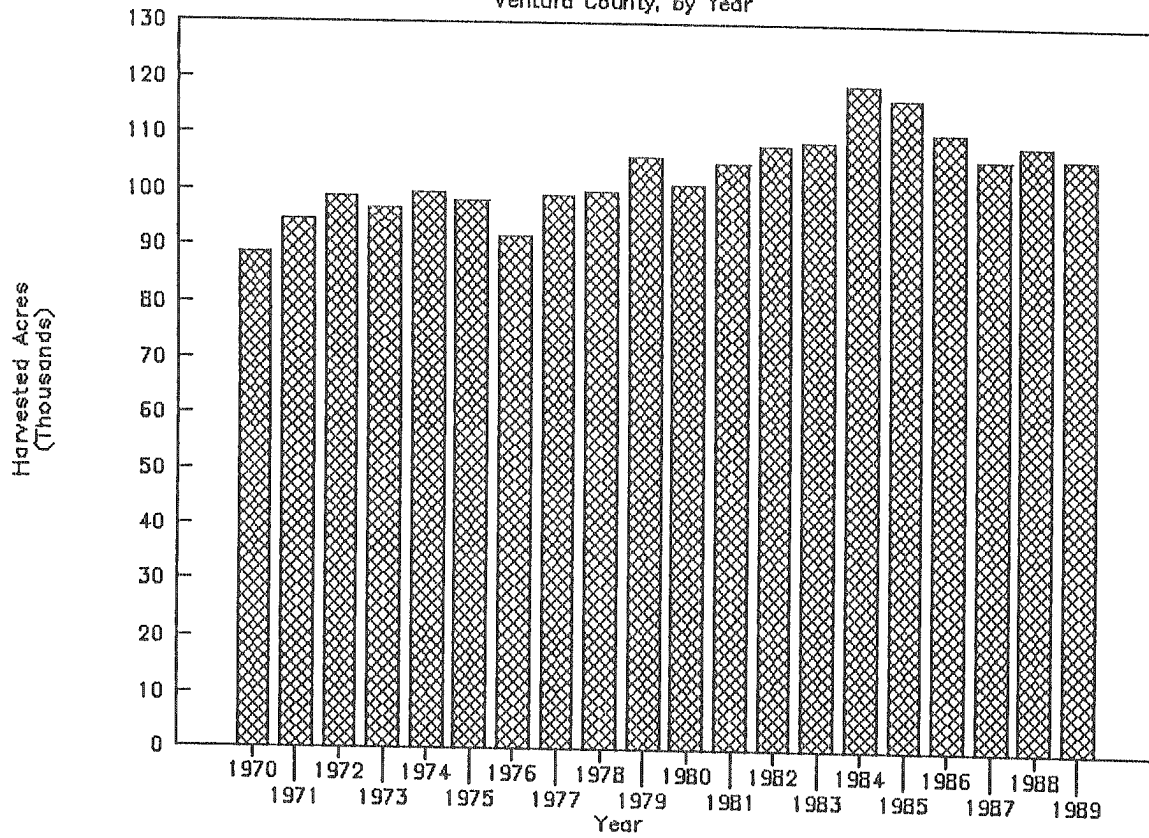


Figure 5

Fruit and Nut Crops, Ventura County

Harvested Acres, by Year

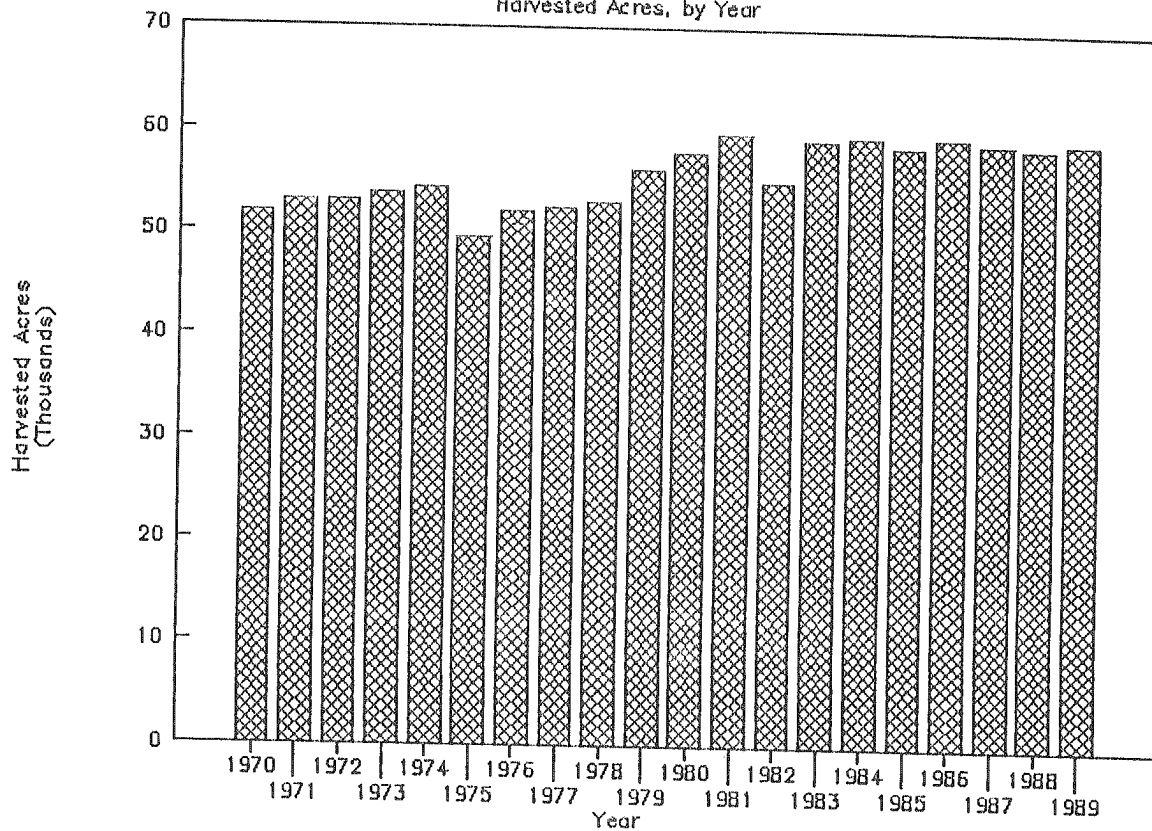


TABLE I
Change in Harvested Acreage, Ventura County
Major Fruit Crops, Annual Average

<u>Crop</u>	<u>1970-72</u>	<u>1987-89</u>	<u>Change</u>
Avocados	3,168	16,192	+13,024
Grapefruit	819	674	-145
Lemons	23,760	22,041	-1,719
Navel Oranges	1,985	1,303	-683
Valencia Oranges	19,140	14,438	-4,701
Strawberries	1,247	3,632	+2,385

Source: Agricultural Commissioner, Ventura County, Annual Crop Report, 1970-1988, 1989 (preliminary).

What is especially striking about the data in Table I are the remarkable increases in avocado and strawberry acreage versus the decline of citrus crops. Overall, citrus acreage declined by 7,248 acres (16% decrease) in this period, but this decline was more than offset by a five-fold increase in avocado acreage and a nearly three-fold increase in strawberry acreage. Appendix I includes graphs showing the twenty year record of harvested acreage for each of these major fruit crops.

Strawberry production in Ventura County has increased by such a large amount in this period because the South Coastal areas, stretching from San Diego to San Luis Obispo, have a climate that is often ideal for the production of berries for the early season (March-April) markets, before the northern areas of the state are able to compete. Usually, this early season market brings higher than average prices for the crop resulting in the possibility of substantial grower profits. However, if, as in the early 1990 berry crop, a late winter freeze occurs, then production may be significantly delayed resulting in a glut of berries in May, lower prices and, possibly, grower losses. One knowledgeable farm observer describes the Ventura County strawberry season as an "annual crap shoot," with both winners and losers.⁶ The evidence of substantial increases in harvested acreage suggests that winners have predominated in this period.

The increase in avocado acreage appears to be the result of a combination of factors. First, this tree fruit does not require annual pruning and, in Ventura County, only occasionally requires spray treatment for pest control purposes. Thus, it can be planted in hillside areas where other types of fruit trees could not be grown because the costs of pruning and spraying would be prohibitive. Second, prior to passage of the 1986 Federal income tax reform law, passive investors in permanent crops in agriculture could benefit from "pass-through" depreciation on such investments, attracting significant new capital to certain plantings such as avocado orchards.⁷ Thus, substantial acreages were planted by absentee landowners seeking a tax-sheltered investment. It is likely that investments of this type will be severely limited as a result of changes in the tax code designed to curb this activity.

Despite the decline in citrus acreage, cash farm receipts for fruit crops have increased dramatically over this twenty-year period,

mainly because the increased plantings of strawberries bringing extremely high per-acre value (\$25,000 per acre) more than made up for slight declines in total citrus receipts.

Field Crops

In contrast with the increases in harvested acreage of fruit crops, field crop acreage exhibited a substantial decrease. For the 1970-72 period the annual average of field crop harvested acreage was 24,168 acres while for 1987-89 the annual average was 7,377 acres. This represents a 69% decline over this period. Clearly, in keeping with the notion of a hierarchy of crops, field crop production has become a less important component of Ventura County's commodity production.

Vegetable Crops

Figure 6 shows the most recent twenty-year record of harvested vegetable acreage in Ventura County. Table II summarizes the changes of harvested acreage of specific vegetable crops in the county over this period. As in the case of fruit crops, some vegetable crops have experienced a serious decline in harvested acreage while others have seen a dramatic increase.

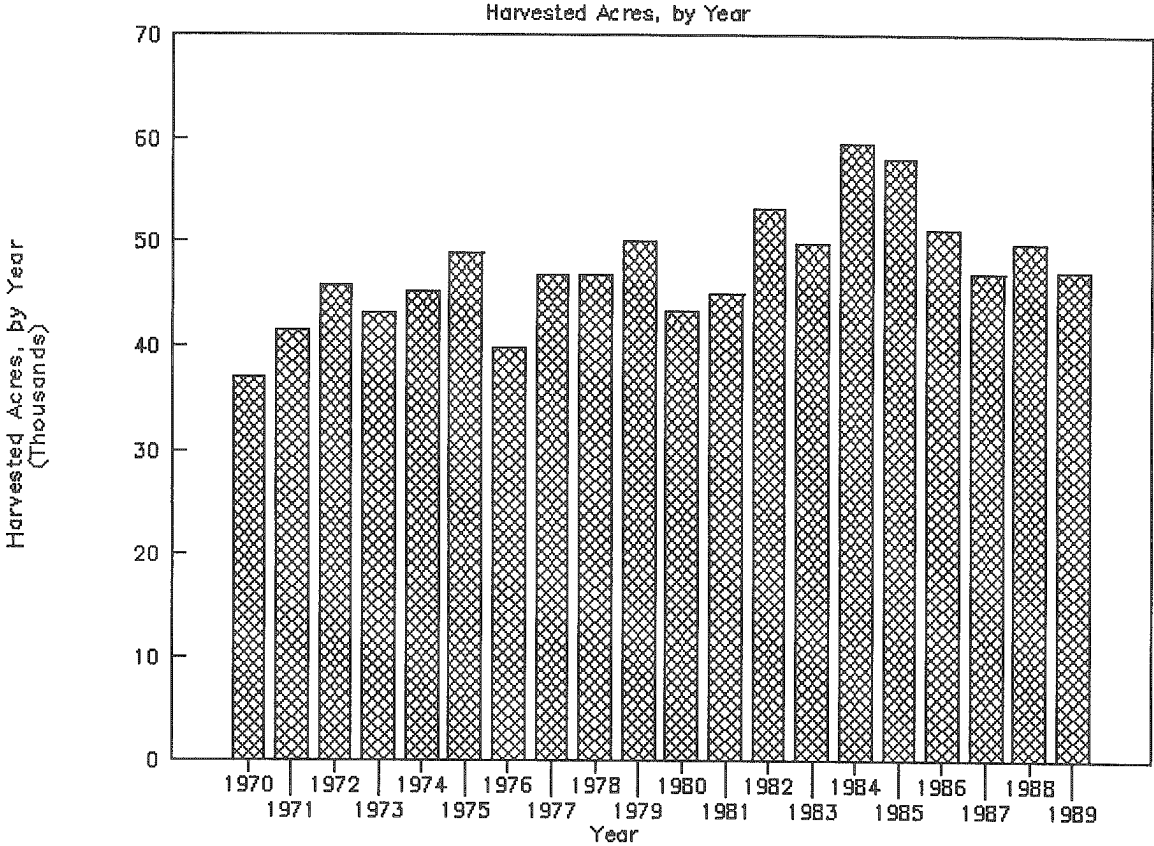
Comparing the three-year periods 1970-72 and 1987-89 there has been a 16% increase in harvested vegetable acreage over this period. The finding of such a substantial increase in vegetable production is surprising. Nearly all vegetable production requires flat terrain, unlike plantings of avocado orchards. Since suitable terrain and soils are quite limited in Ventura County one would expect that competition from urbanization would be especially severe for vegetable production.

TABLE II
Change in Harvested Acreage, Ventura County
Vegetable Crops, Annual Acreage

<u>Crop</u>	<u>1970-72</u>	<u>1987-89</u>	<u>Change</u>
Beans	8,102	4,638	-3,464
Broccoli	3,065	3,298	+234
Cabbage	3,059	2,523	-536
Cauliflower	509	1,553	+1,044
Celery	6,201	10,455	+4,254
Cucumbers	667	577	-90
Lettuce, head	3,022	1,421	-1,600
Lettuce, other	2,229	7,087	+4,858
Peppers	2,673	1,639	-1,034
Spinach	2,401	2,842	+442
Tomatoes, fresh	1,876	322	-1,554
Tomatoes, processing	2,523	3,383	+860
Miscellaneous	5,161	8,301	+3,141
Total	41,487	48,040	+6,553

Source: Agricultural Commissioner, Ventura County, Annual Crop Report, 1970-1988, 1989 (preliminary).

Figure 6
Vegetables, Ventura County



Fresh market tomato production in the South Coast region as a whole has been declining for a number of years. Nearly all pole tomato production has now been displaced from Ventura County. This high value crop is picked when ripe and must be hand tended during cultivation, requiring a substantial labor input. The rapid increase of production of pole tomatoes in low-wage areas in recent years, especially Baja California, has undermined the ability of Ventura County producers to compete in the lucrative early season (spring) market.⁸ And the late season (summer and fall) fresh tomato market is now dominated by growers of bush tomatoes in the San Joaquin Valley. Yields of San Joaquin Valley bush tomatoes are comparable to those of pole tomato growers at production costs that are just 1/5 to 1/3 as great.⁹ Though the taste of vine ripe tomatoes is far superior to that of "green mature" varieties of bush tomatoes, consumers have readily accepted the latter, usually at a lower price.

The increase in celery production corresponds to substantial growth in consumer demand for fresh vegetables. Ventura County is one of the few regions of the United States with an ideal climate for growing celery. It is not surprising, given the increase in demand, that the county should experience such a considerable rise in acreage.

The increase in leaf and other lettuce production is the result of both increases in consumer demand and another critical factor. Unlike celery, these crops can be produced in many other areas of the state and nation. But Ventura County enjoys a brief, approximately four-week, time niche during the course of the year in which it and the Santa Maria area are the only areas that can yield significant production of these crops. Thus, the county is the "ideal location" because it is the only location during that time of the year.

Horticultural Crops

The most dramatic development in Ventura County agriculture over the past twenty years has been the increase in the production of horticultural crops. The county now ranks fifth in the state in the production of these commodities, up from twelfth in 1974, as measured by the annual farm cash receipts from the production of these crops.¹⁰ It is not possible to give a physical measure of production volume, for example, in harvested acreage, because quantities of cut flowers, potted plants, sod, and vegetable transplants are separately measured using different physical units (bunches, number, acres, and flats, respectively).

Figures 7 & 8 show these physical production measures over the past twenty years for the two most important horticultural crops produced in Ventura County: nursery flats and ornamentals. The increase in production volume of these two commodities is nothing short of spectacular.

Livestock and Livestock Products

At the outset of this report we noted that Ventura County farm cash receipts from the sale of livestock and livestock products had declined significantly as a share of all farm cash receipts. In 1970 this sector's share was 16.1% while in 1989 it had declined to 8.6%. The main factors in this decline appears to be a very substantial

Figure 7
Ornamentals, Ventura County

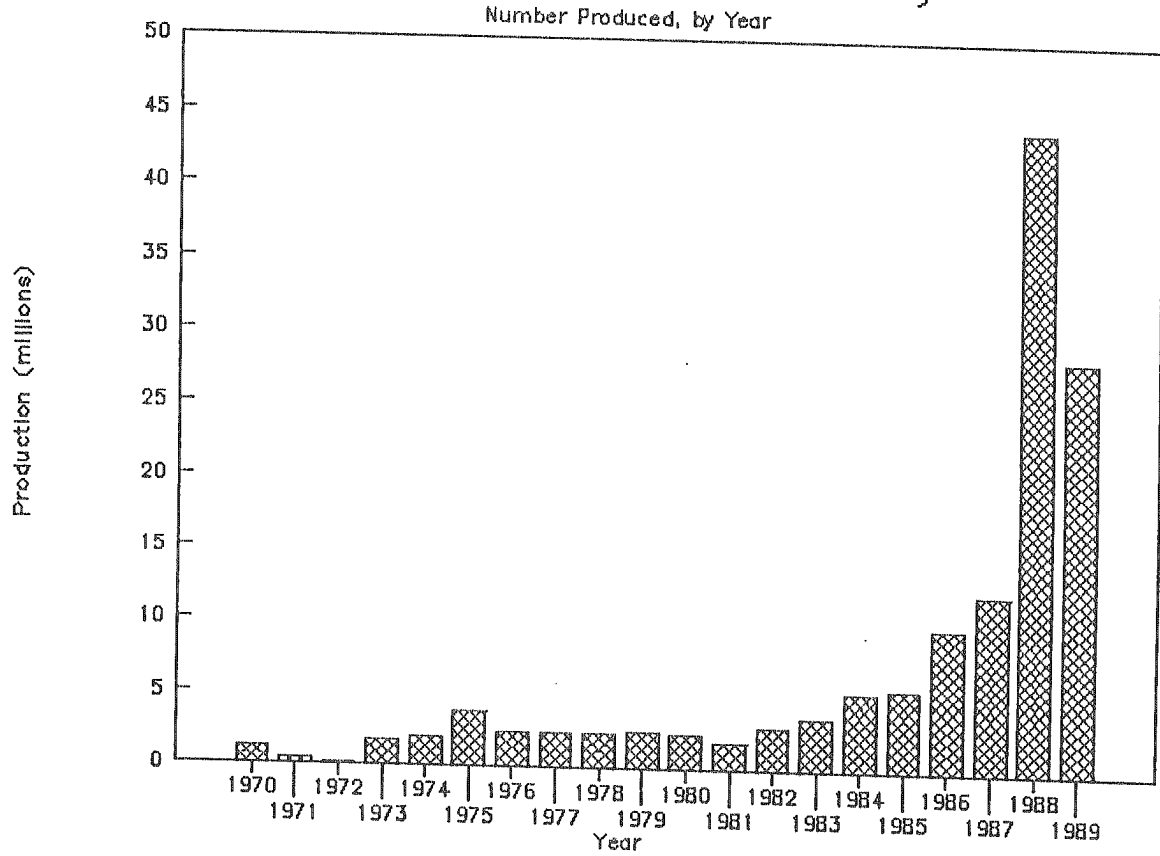
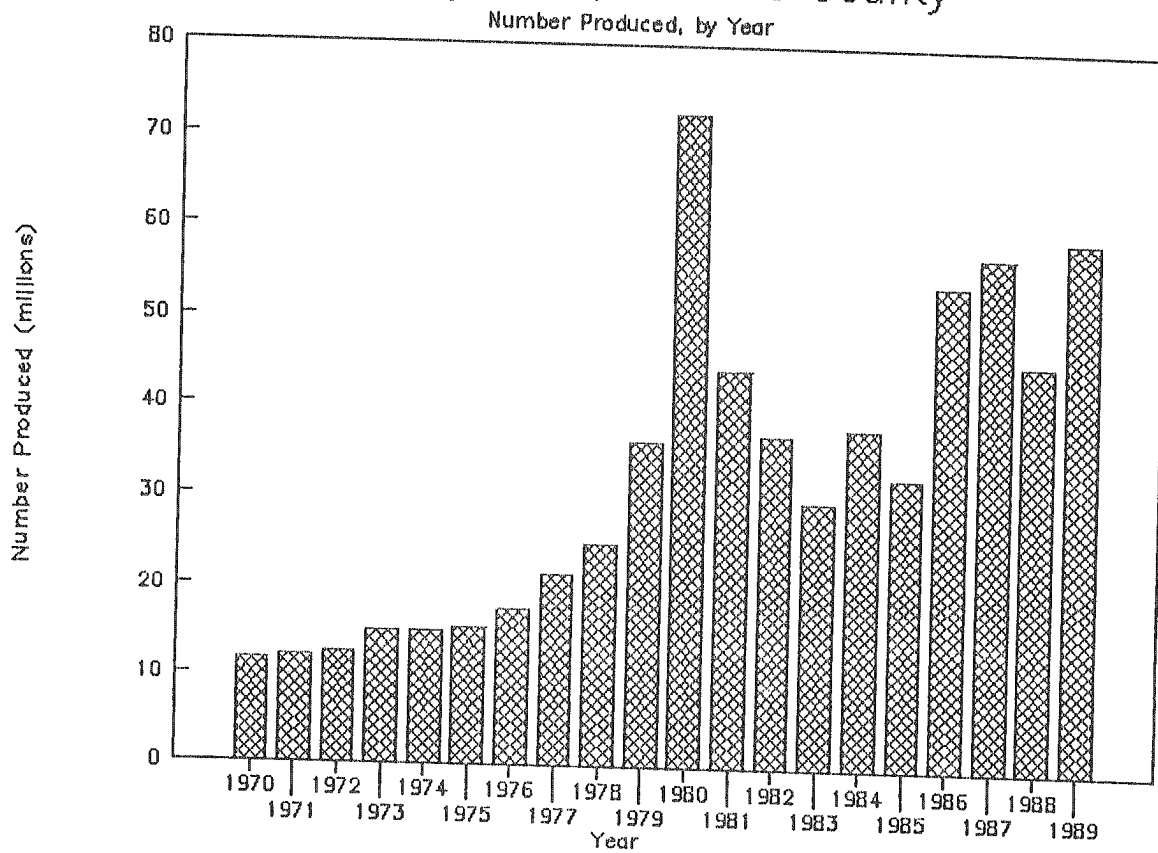


Figure 8

Nursery Flats, Ventura County



reduction in the number of producers of dairy and poultry products. The San Joaquin Valley is the area where farms of this type are increasing in number, attracted by the relatively low cost of land as compared with costs in the Southern California area.

As recently as 1974, Ventura County had ten dairies. By 1987, just two remained.¹¹ However, one of these is among the very largest in Southern California.

Poultry and egg farms have decreased in number from 13 to 9 over the same period of time.¹² But one of the largest egg production operations in California is located in Ventura County, albeit under new management following a protracted labor dispute.

On the other hand, the number of livestock farms of other types (mainly beef cattle ranches and horse ranches) has increased in number from 108 to 272.¹³ The low farm cash receipts generated by these farms suggests that most of these are not substantial commercial farms, rather they have the characteristics of ranches owned by would-be country squires.

TRENDS IN THE NUMBER AND TYPES OF FARMS

The Census Bureau defines a farm to be any place that produces agricultural commodities for sale that have an annual farm gate value in excess of \$1,000. In 1974, Ventura County had 1,639 farms. By 1987 this number had increased by 481 to 2,120.¹⁴

In part, this increase in farm numbers results from changes in the methods used by the Census Bureau to more effectively identify and enumerate small farms. Whereas the 1974 Census relied nearly exclusively on responses to direct mailing of Census forms, the 1987 Census used an additional cycle of field interviews to identify smaller farms that are not on Census mailing lists. However, this improvement of Census methodology does not obscure the fact that the number of farms certainly increased in Ventura County during this period.

Another measure of farm numbers is the enumeration of the number of farm operators specifying their principal occupation as farming. In 1974, Ventura County had 781 places operated by "farmers" while by 1987 the number had increased by 164 to 945.¹⁵

In this context it is significant to note that in 1987 there were 1,175 Ventura County farms "operated" by persons whose principal occupation is an activity other than farming. The corresponding figure for 1974 was 858. Thus, the largest increase in Census enumerated farms is in this category.

An independent measure of the number of commercial farms is to enumerate those with sales above an annual value corresponding to what is needed to earn a modest living from farm activities. On average, about 75% of Ventura County farm's cash receipts are spent on farm production expenses.¹⁶ Thus, just 25% of farm cash receipts becomes net income to the farmer that can be used to support the farm family. So a place with annual farm sales of \$100,000 generates only \$25,000 in pre-tax personal income to pay the farm family's living expenses.

As applied to Ventura County, in 1987 the number of farms with sales of \$100,000 or more was 495.¹⁷ Farms of this size account for 94% of all farm cash receipts in Ventura County.¹⁸ The remaining 1,625 farms share in just 6% of the county's farm cash receipts.

To properly compare data between 1974 and 1987 it is necessary to

take account of inflation. Sales of \$100,000 in 1987 corresponds to \$40,651 in 1974 dollars.¹⁹ In 1974 there were 584 places with farm cash receipts of \$40,000 or more.²⁰ Consideration of the 1987 data as compared with these figures for 1974 suggests that, with respect to commercial farms, there are now fewer, larger farms in Ventura County.

A major share of the "non-farmer" farms in Ventura County are citrus or avocado orchards operated by professional farm management companies. Comparison of Census data with California Department of Employment Development data suggests that at least 612 Ventura County farms are managed by a professional farm manager.²¹ This amounts to roughly 29% of the county's farms.

Finally, we show in Table III the number of Ventura County farms of different types as classified by the principal commodities produced.

TABLE III
Ventura County Farms, by Type of Farm
Number of Farms, 1974 and 1987

<u>Type of Farm</u>	<u>Number, 1974</u>	<u>Number, 1987</u>
Cash Grain	23	8
Other Field Crop	11	13
Vegetable and Melon	104	86
Fruit and Nut	965	1,585
Horticultural Specialty	72	141
General Farms, Crop	11	3
Dairy	9	2
Poultry and Egg	13	9
Livestock, Other	49	118
Animal Specialty	31	154
General Farms, Livestock	-	1
Total	1,288	2,120

Source: U.S. Department of Commerce, Bureau of the Census, Census of Agriculture, California, State and County Data, 1974 and 1987. Note that 1974 data only refer to those farms with at least \$2,500 in commodity sales while 1987 data refer to farms with annual sales of at least \$1,000.

The data reported by the Census and quoted in Table III for the two years 1974 and 1987 are based on differing criteria for enumeration so they are not strictly comparable. As described earlier, the 1974 data under-reported the number of farms in the county at that time. The effect of this difference will likely be greatest for livestock and fruit and nut farms because Ventura County is well known to have significant numbers of very small farms of these types. We shall not attempt to further interpret the data for these two categories of farm types.

The decline in the number of vegetable farms and the doubling of the number of horticultural specialty farms reported in Table III is significant. As noted previously there has been a spectacular increase in horticultural farm activity in the county. The increase in the number of such farms is another reflection of the growth of that industry. Since the data on harvested vegetable acreage shows an

increase during this same period, the decrease in the number of such farms does not mean that this type of farming is in decline. Rather, there are fewer, larger vegetable farming operations active in the county today as compared with earlier years.

While it is not possible to discuss fruit farm numbers with precision we can make an observation regarding avocado farms. In 1987 there were 895 farms reporting bearing acreage of avocados.²² But in 1974 there were only 310 farms with avocado acreage, whether bearing or not.²³ Hence, much, if not most, of the increase in fruit farms, reported in Table III, reflects the expansion in avocado farming noted earlier in the discussion of the growth of fruit acreage in Ventura County.

AGRICULTURAL EMPLOYMENT IN VENTURA COUNTY

Agricultural production activities accounts for about 16,500 jobs in Ventura County on a year-round-average basis.²⁴ If similar types of work, such as landscaping and gardening activities, are included, the number of jobs is about 19,000, again based on a year-round average.²⁵ This category of employment accounts for about 8% of Ventura County jobs on an annual average basis.²⁶

The trend of agricultural employment over the years 1982-1989 is shown in Figure 9. From the data shown in this figure, it should be clear that agricultural employment has been slowly increasing in recent years following a peak and subsequent decline in 1982-3.

Figure 10 shows the annual totals of agricultural wages paid for the period 1982-1989. The average annual wages per full-time-equivalent (FTE) job is about \$13,900. This figure should be treated with great caution since it refers to a fictitious employee who works continuously on a year-round basis. Since the average employee in California agriculture works successively at about 2 different agricultural jobs per year, the annual agricultural earnings per person would be closer to \$7,000.²⁷

The reported data on employment significantly understate the number of people working in Ventura County agriculture. First, these figures refer to twelve-month averages of the monthly number of job-holders as reported to the California Department of Employment Development. Since a person reported as employed in May, for example, might not be employed in the subsequent month, the number of persons doing this type work will be larger than these employment figures suggest. Secondly, persons working in jobs where the employer fails to report and pay any portion of the UI tax would not be properly included, no matter how much or how little they worked.

For these reasons we have obtained, by special arrangement, a set of data from the California Department of Employment Development that enables us to determine the number of people who held jobs in Ventura County agriculture in the course of a single year.²⁸ The year to which the data refers is 1987. In that year 36,475 persons (actually, different Social Security numbers) were reported to have held farm jobs in the county. Since annual average employment in county farm jobs for that year was about 16,000, these two figures imply that a single FTE job was "held" by 2.28 persons over the course of the year.

To better compare persons (total of persons employed, or total employees) with annual average employment (full-time equivalent

Figure 9
Agricultural Employment, Ventura County

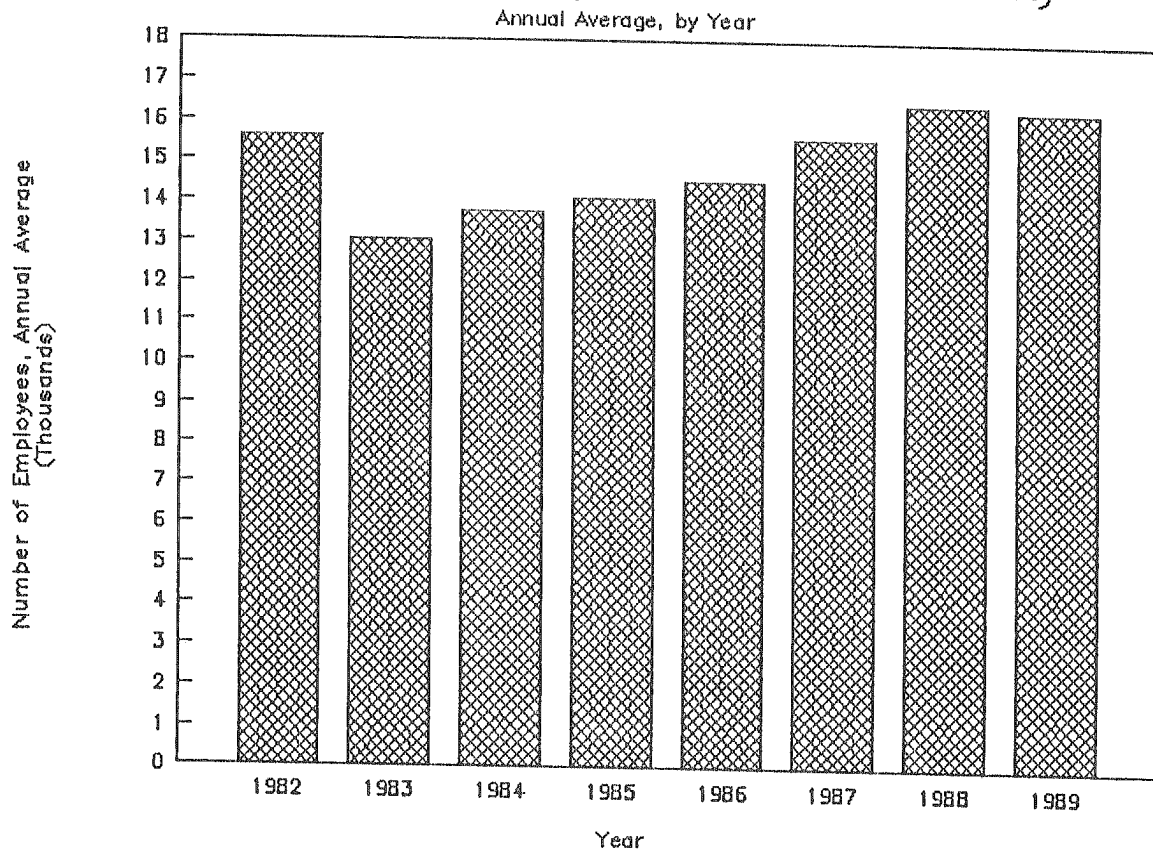
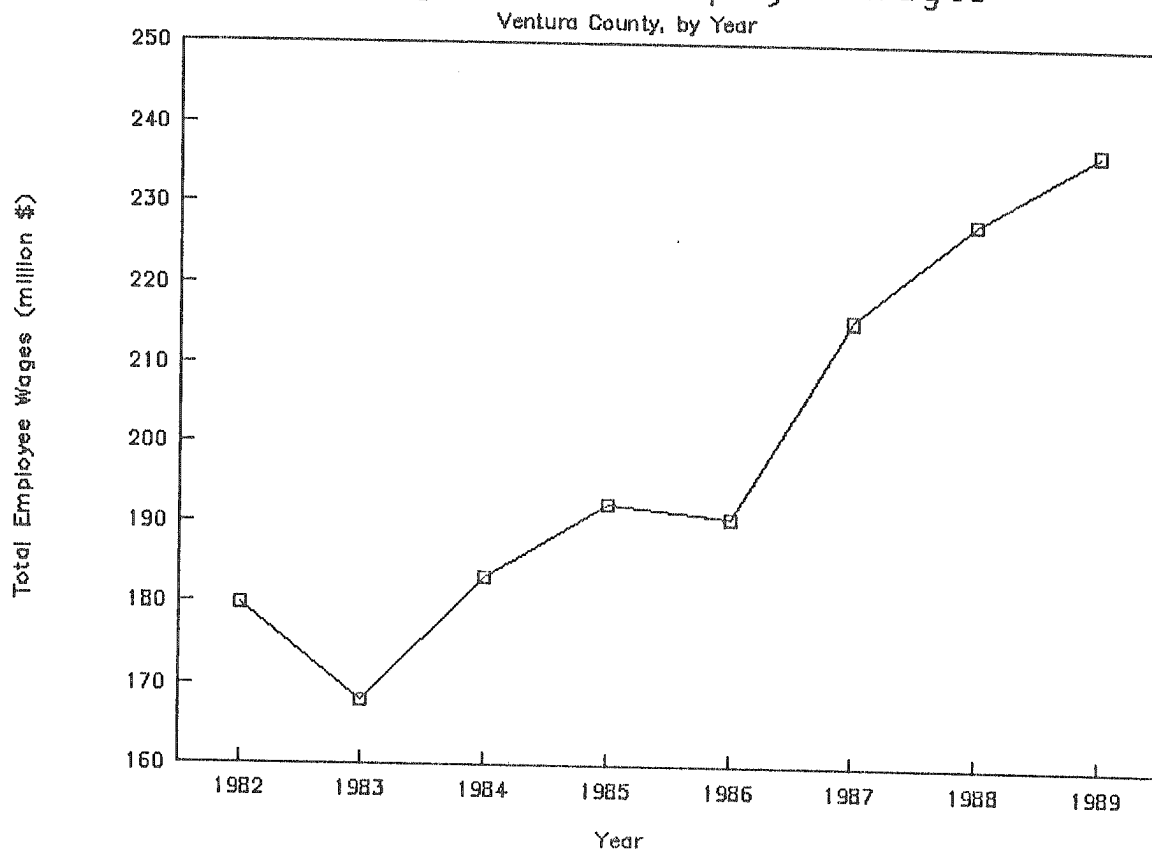


Figure 10

Total Agricultural Employee Wages



employment, or FTE employment) we show in Table IV, for the major categories of Ventura County farm employment, the number of each together with the ratio of the number of persons per FTE job.

TABLE IV
Total Employees and Annual Average Employment
Farm Jobs, Ventura County, 1987

<u>Type of Employer</u>	<u>Total Employees</u>	<u>FTE Employment</u>	<u>Persons/Job</u>
Vegetable Farms	3,471	2,487	1.396
Berry Farms	8,631	2,676	3.225
Citrus Farms	2,845	1,530	1.859
Horticulture Farms	2,091	1,474	1.419
Labor Contractors	11,210	3,223	3.478
Farm Managers	2,070	808	2.562

Source: Agricultural Employment, 1987, Report 882A, State of California, Employment Development Department; Special Report to CIRS, June 18, 1990, private communication.

The more stable, year-round job categories (horticulture and vegetables) have a relatively fewer persons per FTE job. By contrast, farm labor contractors have the largest number of persons per job, reflecting a very high turnover. In addition, the 11,210 persons employed by Ventura County labor contractors accounted for one-third of all persons who held farm jobs in the county. Berry farms and labor contractors together account for 19,841 persons, or an actual majority of persons who held a Ventura County farm job in 1987.

Figure 11 shows data on the actual monthly employment for activities resulting in the production of an agricultural commodity. As can be seen in the graph, employment peaks at about 21,600 jobs during the second calendar quarter. This corresponds to the overlapping of the early strawberries, spring vegetables and lemon harvest. The low point in the job cycle occurs in January (and again in August) when the number of jobs is about 13,500.

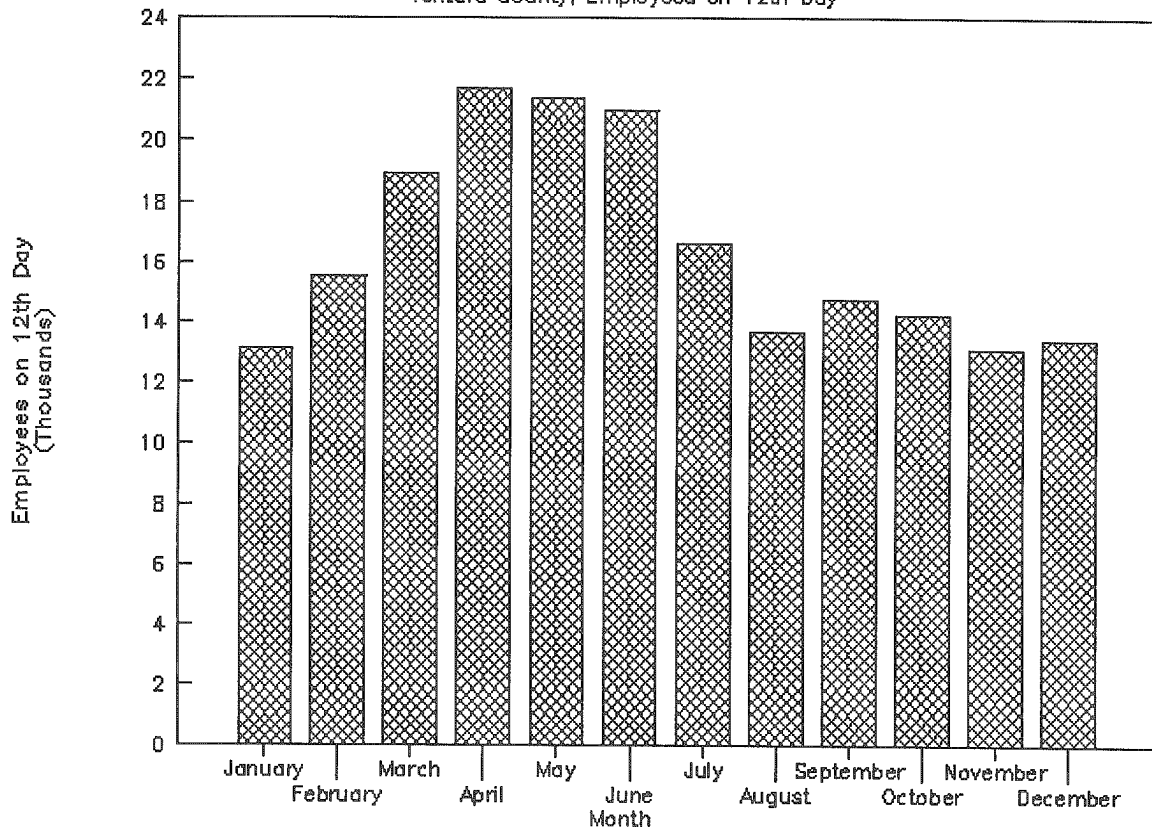
This monthly variation in agricultural jobs is somewhat less severe than for the state as a whole. The variation is measured best by the ratio of peak jobs to the year round average. For Ventura County, the ratio of peak jobs to the year-round average (21,600/16,500) is 1.309. For California as a whole this ratio is slightly larger, roughly 1.37.²⁹

In other words, Ventura County has more stable, long-term jobs in agriculture than does the rest of California. In part, this reflects the importance of horticultural crop production, as has been noted previously. Also, vegetable crop production has two seasons (spring and fall) and, for some vegetables, a parcel of land may even be triple-cropped.

The largest number of peak season jobs is with berry farms. They provide about 7,000 direct-hire jobs at the peak of the Ventura County strawberry season, usually in the early spring.

The second highest number of peak jobs is with farm labor contractors. The peak number reported is about 5,100, usually in June. Most employees of labor contractors work in the harvest of citrus and other fruit crops.

Figure 11
Monthly Agricultural Employment, 1988
Ventura County, Employees on 12th Day



The third ranking category according to the number of peak jobs is vegetable farm employment with about 3,000 jobs, usually in the period March-May.

Ranking fourth in the type of agricultural employment in the county is fruit farm direct hire employment with a peak of about 1,800 jobs in April and May.

Finally, ornamental horticulture employment provides an annual average of about 1,660 jobs. Though the peak may reach 1,800, the low point in the year is close to 1,500 jobs, reflecting the fact that this work continues year-round.

These five categories presently account for about 81% of the annual average agricultural employment in Ventura County.

To more properly measure Ventura County farm employees' annual earnings we have been able to obtain a special set of data from EDD. These data summarize total annual earnings from all jobs in California, agricultural or non-agricultural, for all of the 36,475 persons who held farm jobs in Ventura County in 1987. This data is summarized in Table V.

TABLE V
Annual Earnings, All California Jobs
Ventura County Farm Jobholders, 1987

<u>Ventura County Farm Employer</u>	<u>Average Annual Earnings</u>
Vegetable Farms	\$10,020
Berry Farms	6,078
Citrus Farms	9,093
Horticultural Farms	11,473
Egg farms	10,326
Crop Harvest by Machine	6,782
Farm Labor Contractors	5,690
Farm Management Companies	7,686

Source: State of California, Department of Employment Development, private communication, June 18, 1990.

The most striking feature of the data shown in Table V is the low level of annual earnings for persons whose main job is in one of the two categories of farm employers - berry farms and farm labor contractors - who are responsible for a majority of Ventura County farm hires. It is important to realize that these figures refer to total annual earnings from all jobs in California, both farm and non-farm jobs.

Just 43% of all persons who held farm jobs in Ventura County worked exclusively at that job. Fully 35% had at least one other farm job and 33% had at least one non-farm job in the course of the year.

Using this set of data we find that average annual earnings from all jobs of persons who were employed in at least one Ventura County farm job in 1987 was \$7,615. This figure is just one-third the value for persons employed in non-farm jobs.

Finally, we show in Table VI the distribution of employees by size of farm job earnings for all employees whose maximum annual earnings were in a single farm job in Ventura County.

TABLE VI
Size Distribution of Job Earnings, Ventura County, 1987
Employees with Maximum Earnings in Single Farm Job

Type of Employer	Earnings, Per Cent of Employees		
	Under \$1,000	\$1,000-\$7,499	\$7,500 or More
Vegetable Farm	13%	39%	47%
Berry Farm	17%	70%	12%
Citrus Farm	21%	38%	41%
Horticultural Farm	12%	36%	53%
Egg Farm	8%	53%	38%
Crop Harvest/Machine	21%	63%	16%
Farm Labor Contractor	32%	56%	13%
Farm Management	9%	57%	33%

Source: State of California, Department of Employment Development, private communication, June 18, 1990.

These data show that only companies in industries with long-term jobs, such as citrus, egg, nursery or vegetable farms, have a significant fraction of their employees earning \$7,500 or more per year. For all other categories of farm employers, two-thirds or more of all employees earn less than \$7,500 per year from that job.

In the case of farm labor contractor jobs, one-third of all employees earn less than \$1,000 per year from that job. Considering that these data refer only to employees whose maximum earnings are in the job shown, it appears likely that there is a very high turnover of persons employed by labor contractors. This suggestion is also supported by the finding reported above that there were approximately 3.5 persons per FTE farm labor contractor job.

The Number of Farm Employers

There are approximately 640 employers in the county who report hiring workers to produce agricultural commodities. Most, but not all, of these are farms. 281 are farms primarily engaged in fruit production, 58 are diversified crop farms, 62 are vegetable farms, 73 are farms in ornamental floriculture, and 58 are either farm labor contractors or farm management service companies. If we subtract the number of employers who are not farm operators, such as farm labor contractors and farm management companies, the number of farm operators directly hiring workers, as reported to EDD, is 537.

This figure of 537 farms directly hiring workers in 1987 in Ventura County is in fundamental disagreement with the number of farms reporting hired labor expense determined by the Bureau of the Census for the same year. The Census of Agriculture, 1987 reports that 1,149 Ventura County farms directly hired workers in 1987.³⁰ This is more than twice the number reporting to EDD! The resolution of this major discrepancy turns out to provide further insight into the structure of agricultural employment in Ventura County.

As it happens, the Census of Agriculture does not in any way distinguish those farms managed by professional farm managers from those run by the farm operator. Professional farm managers maintain separate accounting for each farm under management and attribute an

appropriate fractional share of each expense to that farm. Thus, the financial accounts of a "managed farm" will show a hired farm labor expense even though the actual employment is handled by the farm management company.

These considerations lead us to conclude that at least 612 of the 2,120 farms in Ventura County are operated by professional farm managers.

Farm Labor Contractor Employment

Farm labor contractors (FLC) have become the leading agricultural employer in Ventura County as measured by the level of annual average employment. As noted in the previous section, for farm labor contractors this figure is about 4,000 as compared with 3,100 for berry farms.

The transition from direct hire to use of FLC employers as the dominant form of hiring in the county was first noted in the citrus industry by Mines and Anzaldúa.³¹ According to knowledgeable industry sources, all but two citrus farming operations in the county rely exclusively on FLC hiring for the citrus harvest.³² Even farm management companies have turned to FLCs for their citrus harvest work. The only two exceptions are F & P Citrus, based in Fillmore, and Limoneira Company. In the case of Limoneira Company, about 25% of the company's citrus harvest is performed by long-time company employees under direct hire. The remaining 75% of the company's harvest is performed by three FLCs who are forced to compete against one another for a share of the work.³³

Figures 12 & 13 show the annual average FLC employment data in the county for the years 1978-89, and the corresponding total of annual FLC wage payments. Clearly, FLC employment has more than doubled in this period. And wage payments have increased in the same fashion.

However, annual wages per full-time-equivalent FLC job are \$9,800, which can be compared with the figure of \$13,900 for all types of agricultural employment in the county. Thus, these data suggest that, at the present time, FLC jobs in Ventura County pay only about 70% of the wage level of all of the county's agricultural jobs.

An important trend of the most recent period is a substantial increase in the number of FLC employers. That is, the number of FLC businesses in the county has grown by more than 50% within the past ten year. Newer FLCs are seeking to undermine the established FLCs by offering farm businesses a lower margin, in effect, driving down FLC margins from the historic level of 44% to 43% or 42%.³⁴

It is important to realize that FLC margins are the amounts above wages paid by farm operators to FLCs to cover required employer taxes (UI, FICA) and Workers Compensation Insurance. The first two taxes amount to about 11.75% while the WCI premiums vary quite a bit with the type of work and specific safety record of the employer. A premium rate of 10% to 20% of wages is considered within the range of "normal" for the citrus harvest. The sum of these items is 21.75% to 31.75%, leaving between 10% and 20% to cover the FLC bookkeeping and other operating expenses and profit margin. According to knowledgeable sources the entrance of a large number of "new" FLCs is a direct result of the Special Agricultural Worker visa program of the Immigration Reform and Control Act.³⁵ That is, some newly legalized agricultural

Figure 12

Farm Labor Contractor Employment

Annual Average, Ventura County, by Year

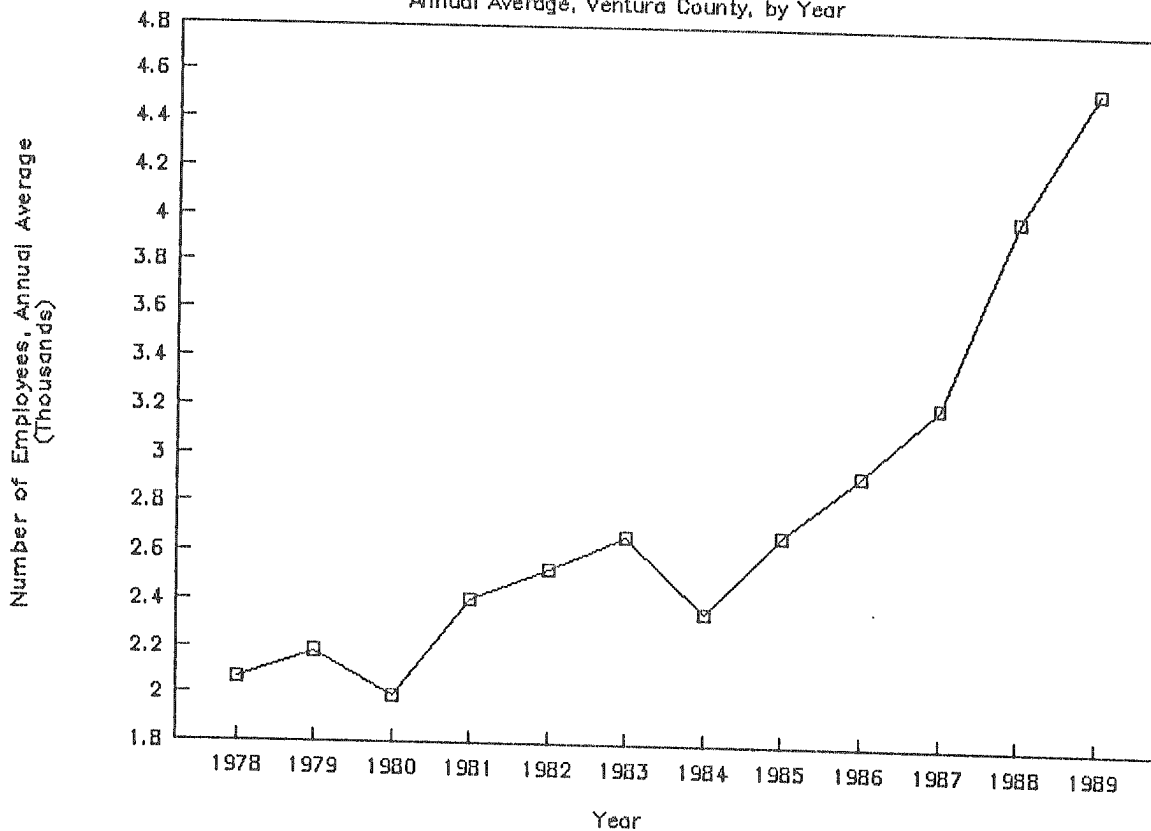
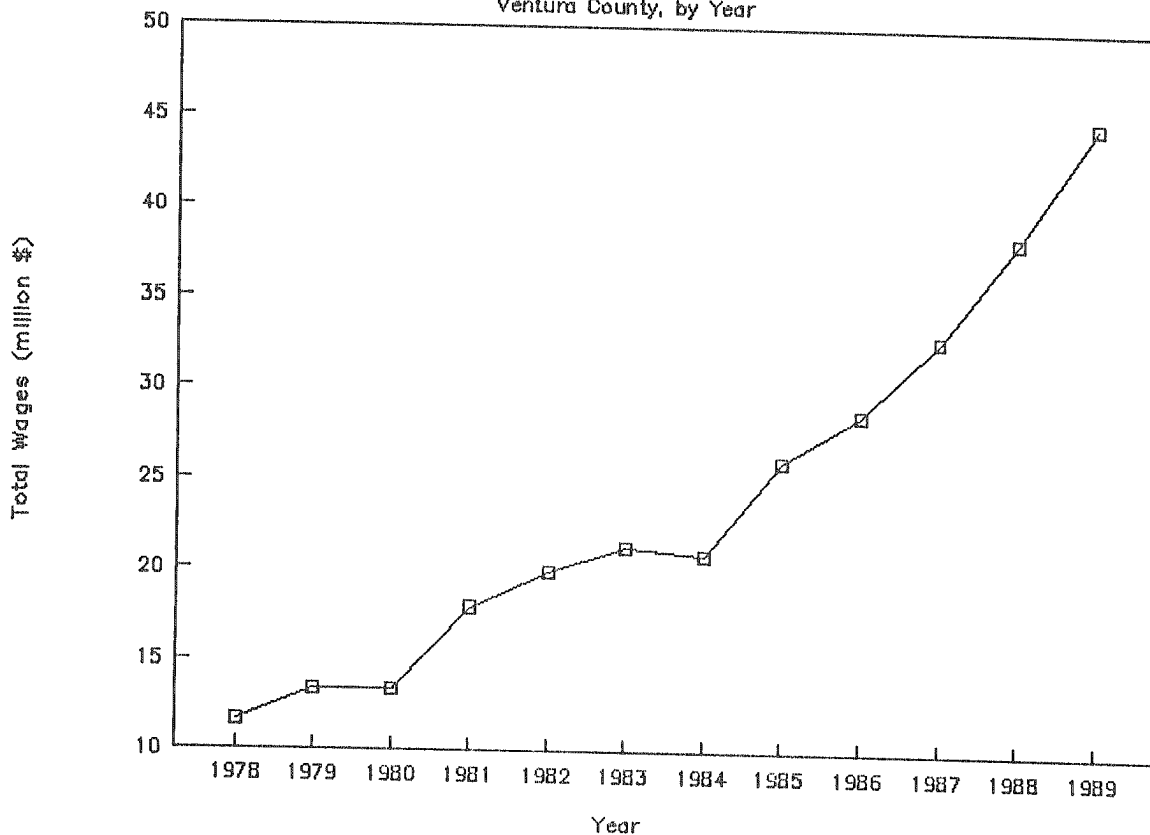


Figure 13

Total FLC Employee Wages

Ventura County, by Year



workers are attempting to become established as labor contractors themselves.

Farm Management Company Employment

As described above, nearly 30% of all Ventura County farms are managed by a professional farm manager. A single farm management company may manage dozens or even as many as one hundred farms. However, in Ventura County most such management firms utilize farm labor contractors to provide most of the workers needed to operate these farms. In fact, there is substantial evidence that direct-hire employment by farm management companies has actually been falling in recent years as more of these businesses turn to FLCs to supply the needed labor. This is illustrated in Figure 14, which shows the annual average employment by this type of employer.

The largest single farm management company active in Ventura County is Pro-Ag Inc., headquartered in Visalia. This company manages approximately 2,500 acres of citrus in the county encompassing some 45 individual farms. The company is active in every important citrus region, from San Diego County to Fresno County.

THE IMPACT OF DEVELOPMENT ON VENTURA COUNTY AGRICULTURE

The rapid development of much of the coastal plain areas of Ventura County has led some to question whether agriculture will continue to be a major activity in the county. As suggested by the data presented above, there is a clear pattern of changing from low value-per-acre to high value-per-acre commodities under way at the present time. In this context it is even possible that fewer acres devoted to agriculture could lead to higher revenues, provided this "switching" of crops continues along the lines established in the recent period.

Table VII shows the trend in the amount of irrigated land in the county over the nineteen-year period from 1969 through 1987.

TABLE VII
Irrigated Land, Ventura County

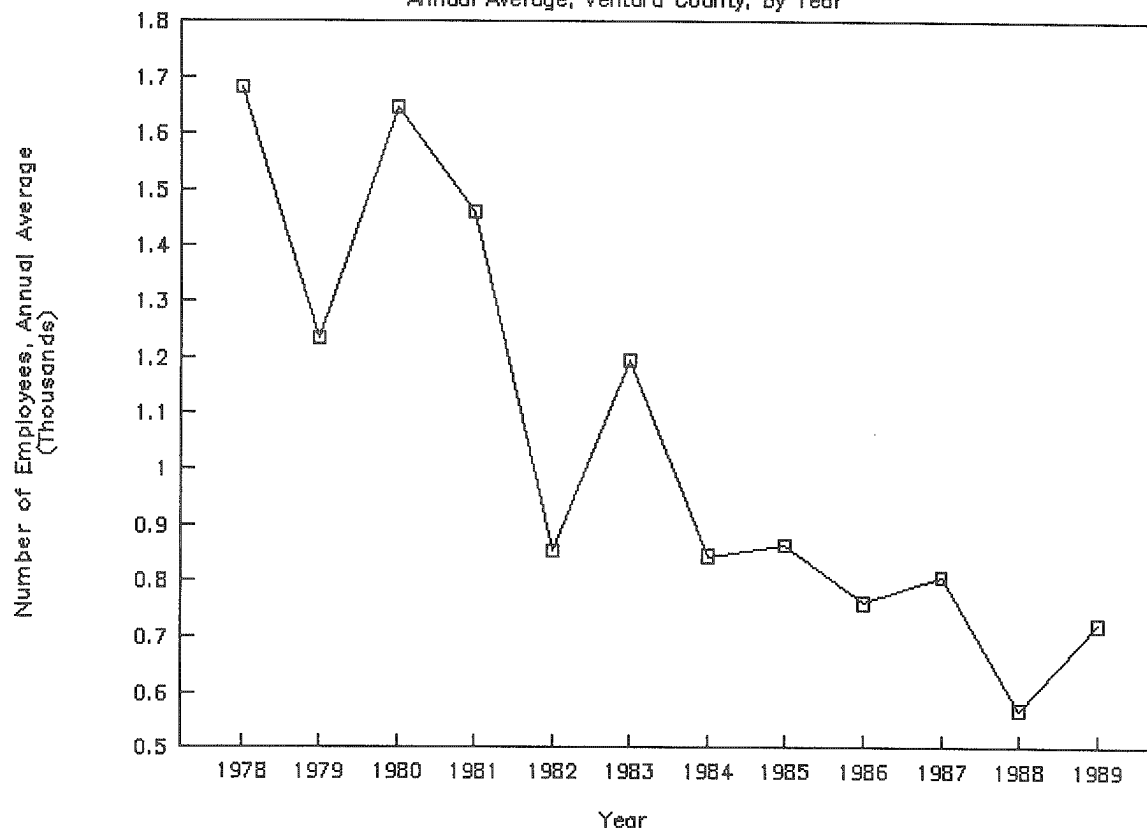
<u>Year</u>	<u>Irrigated Land, Acres</u>
1969	91,928
1974	98,998
1978	106,925
1982	108,522
1987	103,921

Source: U.S. Department of Commerce, Bureau of the Census, Census of Agriculture, California, State and County Data, 1974, 1978, 1982, 1987.

As should be evident from the data, despite a 4,600 acre decrease in irrigated land between 1982 and 1987, the amount of such land is still 12,000 acres greater in amount than it was in 1969, before the most recent wave of development pressure.

We have examined other sources of information concerning the

Figure 14
Farm Management Company Employment
Annual Average, Ventura County, by Year



threat of possible development on agriculture in the county. One such measure is the amount of land under LCA contract (Williamson Act). At the present time about 56,873 acres of prime land (irrigated land) is under such LCA contracts.³⁶ Thus, a little more than half of all of the county's irrigated land is protected from immediate development by this method. Another 111,690 acres of non-prime land (mostly dryland pasture or range) is also under LCA protection at this time.

During 1989 1,513 acres of LCA protected land was noticed for non-renewal of annual roll-over of the ten-year LCA contract. But 14,695 acres of non-prime land was noticed for non-renewal. It appears that most LCA land that is slated for development at this time is not planted to crops, rather it is used for livestock production.

Another measure of the possible impact of development is to examine the amount of land, whether under LCA or not, that has been included in applications for tentative maps with the county planning department. This is the first step required for a potential development. After approval a final map must be submitted to the planning review process, and, once approved, the applicant may apply for a building permit.

About 5,200 acres of Ventura County land was included in such tentative map filings between July 1986 and February 1990. Only 4 parcels, totalling 823 acres, were under LCA protection. Thus, the great majority of land slated for development in the county is not under LCA protection. Of the non-LCA land covered by these tentative map filings, just 302 acres are in parcels that includes portions currently used to produce crops. We conclude that about 4,175 acres (80%) of the land currently programmed for development in the county is non-crop land.

At this time, it appears that land development is not a major threat to crop production in Ventura County. It is possible that this situation might change in the near future. But, at least for the present, development pressure will not significantly reduce crop production.

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8. Walker, S. Lynne, "Pulling Up Stakes," California Farmer, December 13, 1986, p. 12.
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10. U.S. Department of Commerce, Bureau of the Census, Census of Agriculture, California State and County Data, Vol. I, Part 5, Washington, DC, 1987 and 1974.
11. Census of Agriculture, op. cit.
12. *ibid.*
13. *ibid.*
14. *ibid.*
15. *ibid.*
16. Census of Agriculture, 1987, op. cit., p. 149. The 1987 market value of Ventura County farm agricultural products was \$537.5 million. Farm production expenses were \$401.5 million. Hence, production expenses amounted to 74.7% of farm cash receipts.
17. Census of Agriculture, 1987, op. cit., p. 149.
18. Census of Agriculture, 1987, op. cit., p. 157.
19. State of California, Department of Finance, California Statistical Abstract, 1988, Sacramento, CA, 1989, p. 62.
20. Census of Agriculture, 1974, op. cit., p. II-8.

21. There are 1,149 Ventura County farms reporting hired farm labor expense in 1987 (see Census of Agriculture, 1987, County Data, Table 3, p. 173). However, just 537 Ventura County farms reported direct payment of wages in 1987 (see Agricultural Employment, 1987, Report 882A, State of California, Department of Employment Development, p. 41). The difference, 612 farms, represents farms for which farm labor expense appears on the accounting expense summary but another party, normally the farm manager, actually did the hiring and carried the legal responsibility for employment.
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