

California agriculture: It's worth the water

By Karen Ross, Daniel Sumner

Pundits here in drought-stricken California have become fond of proclaiming that farms consume 80% of the state's water and generate only about 2% of its gross domestic product. "Why devote so much of our water to an industry that contributes so little fuel to our economic engine?" they ask.

Chart: Breaking down California's GDP by industry contribution

Both of those figures are deceptive. It's only possible to arrive at 80% by not accounting for the amount of water dedicated to environmental uses. (For example, the water in rivers that flows into the sea.) And the 2% figure grossly undersells the importance of food grown in California.



California's economy is incredibly diverse, much like its topography, its climate and its population. That's a significant benefit when you're the eighth-largest economy in the world. And agriculture is a key part of that diversity.

Of course, many aggregate sectors constitute a larger share of our economy than agriculture. Finance, insurance and real estate tops the list at 21%. Professional services and government follow at 13% and 12%, respectively.

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Beyond those sectors, we have a broad, flat grouping of several categories, each representing just a few percent of the state's GDP. That's a remarkably balanced profile that lends resilience and dynamism to our economy.

Let's look more closely at that data, though. Is agriculture really just 2.1%? As is so often the case with statistics, what's not in that number is more significant than what is.

Food is central to California in more than just the nutritional sense. -

Take the "utilities" category, for instance. It includes power generated for farms and for processing and marketing crops once they're harvested. The "real estate" piece includes sales and leasing of agricultural acreage and processing facilities. "Non-durable goods manufacturing" includes food and beverage processing. "Wholesale trade" and "retail trade" does not just mean the shopping mall; it includes the supermarket, the food court and the regional produce hub.

Categories such as "transportation and warehousing" and "finance and insurance" are linked into every one of our 78,000 farms, each of which needs trucks, banks and insurance coverage to bring in the harvest.

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"Accommodation and food services" not only runs on food but also is fond of promoting the fact that many of the most healthful and desirable foods and beverages grow on California farms and ranches. California, after all, helped start the farm-to-plate movement, and it's not an exaggeration to say that agriculture is tied to the state's identity from harvest (Cesar Chavez) to table (Alice Waters).

Granted, all economic sectors have ripple effects and multipliers. But unlike most other segments, California's agricultural productivity and diversity are not readily duplicated elsewhere. Our soils and climate are what have made

it possible for us to supply so much of our nation's and the world's food.

Food is central to California in more than just the nutritional sense. It contributes to nearly every aspect of our economy and our lives, an important point to keep in mind as we weigh what our water is worth during this drought, and the next one.

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