

# CALIFORNIA SPECIALTY CROPS

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Nathan Dorn  
Reiter Affiliated Companies



[Nathan.dorn@berry.net](mailto:Nathan.dorn@berry.net)

[Huskerwave@gmail.com](mailto:Huskerwave@gmail.com)

# California



**AGRICULTURE:** California is the No. 1 state for agriculture revenues, with \$34.8 billion in revenue representing 12.3 % of the U.S. total.

2012 represents \$18B of Ag Exports nearly double any other US state and approximately 15% of all US Ag Exports.

Fresh Market Fruit and Produce represents nearly 20% of this marketplace.

- Berries, Tree fruit, Field Packaged vegetables, melons

# Fruits and Vegetables



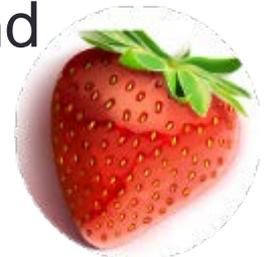
- Nearly 200 Man Hours / Acre
- >50% of cost VS. 4% in Row Crops
- Not Generally Supported by Major Suppliers
- Incentive Rate Pay Systems
- Migratory Labor
- Un-Processed Consumer Product
- Monterey and Ventura Counties ~33% of California Ag Labor Requirements

# Rabo Bank Ag Focus Report



**Rabobank**

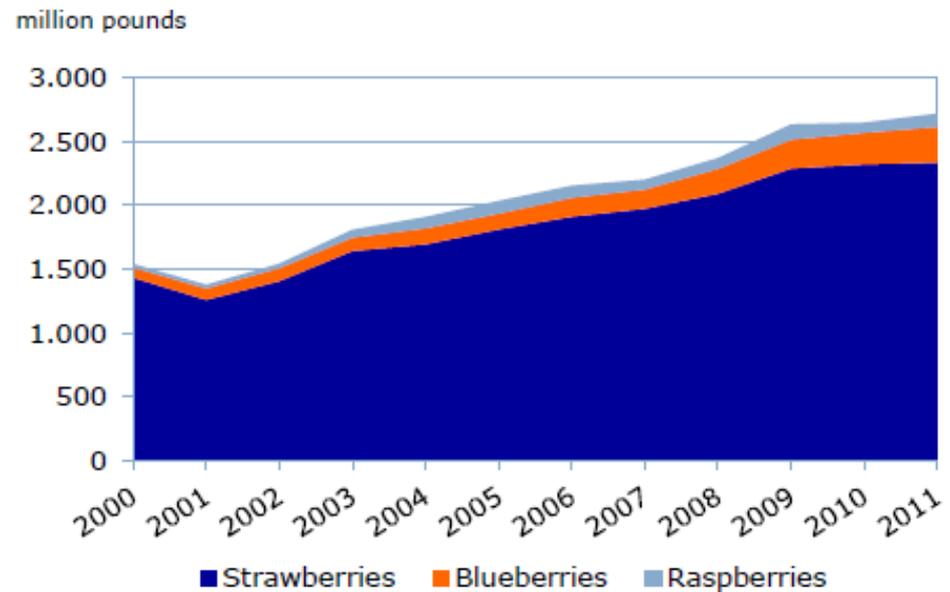
- Fresh Berries are now the largest and Fastest Growing retail produce category in us sales of over \$3B in 2011
- Sales are expected to increase by 7% per annum over next 3 years.
- Despite strong growth, U.S. Fresh Berries will be challenged to maintain profitability because of strongly higher production costs, resource constraints and other pressures.
- Strawberry Growers, in particular are beginning to outgrow available resources, squeezing margins and forcing consolidation of smaller layers.



# Pressures

- Growth

Figure 2: U.S. Production of Fresh Berries Has Increased Over the Past Decade Supported by Growing Consumer Demand



Based on utilized production

Blueberry production only includes cultivated blueberries (excludes wild blueberries which are primarily used for processed market)

Raspberry production based on Oregon, Washington and California (assumes 95 percent of California's crop is for fresh use); represents majority of U.S. production

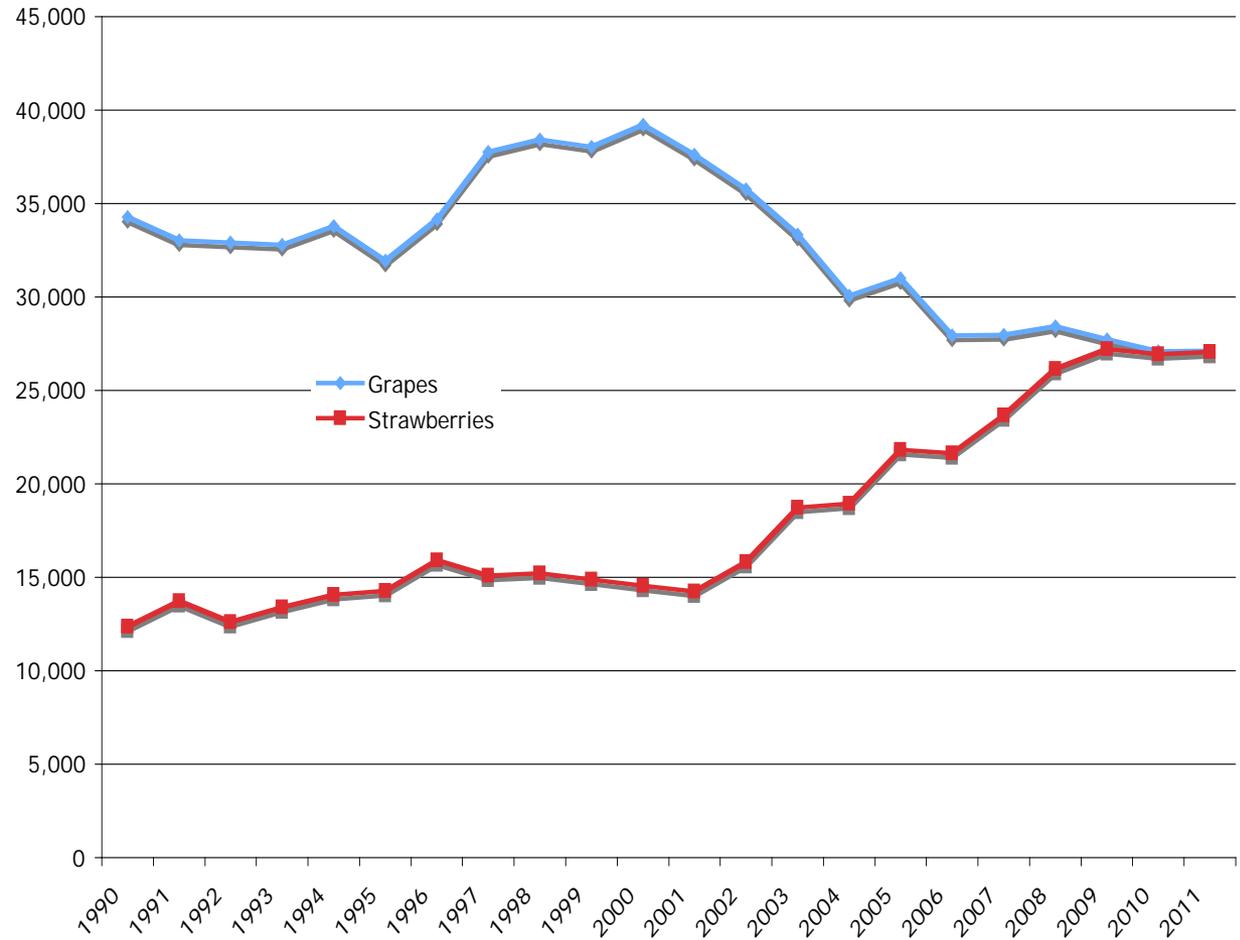
Only limited compatible blackberry data available.

Source: USDA, 2012

# Pressures

- Growth
- Labor Demand

California Grape and Strawberry Employment, 1990-2011



# Pressures

- Growth
- Labor Demand
- Convention



1940's



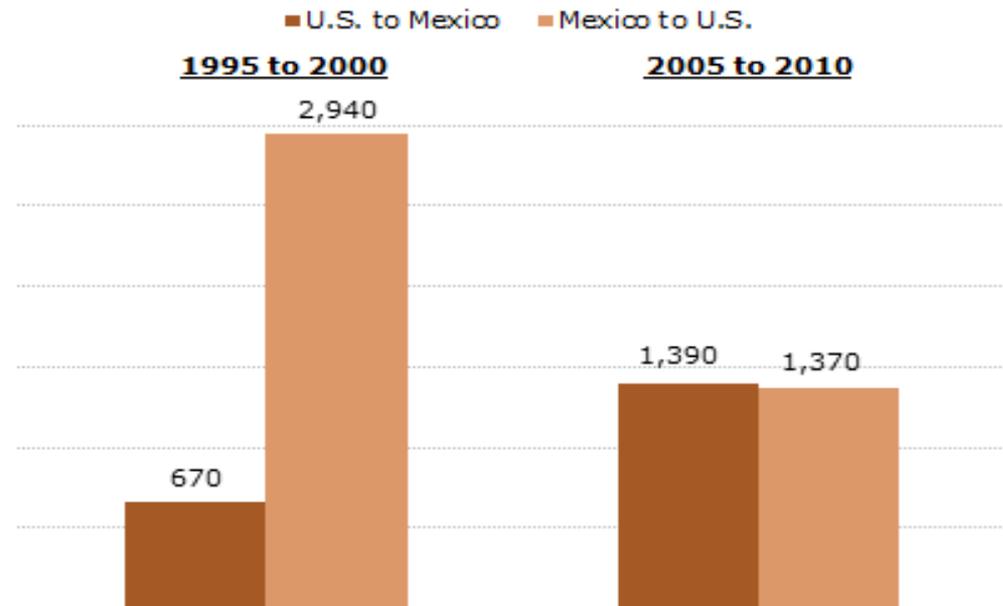
2014

# Pressures

- Growth
- Labor Demand
- Convention
- Labor Availability

Figure 1.2

**Five-Year Migration Flows Between the U.S. and Mexico, 1995-2000 and 2005-2010**  
(in thousands)



Note: Estimates are for February 1995 through February 2000 and June 2005 through June 2010. Migration from U.S. to Mexico includes persons born in Mexico, the U.S., and elsewhere; Mexico to U.S. includes Mexican-born persons only.

Source: U.S. to Mexico: Pew Hispanic Center estimates from population, household and migrant microdata samples of Mexican censuses of 2000 and 2010; Mexico to U.S.: Based on Pew Hispanic Center estimates in Figure 1.3 from various sources; see Methodology

PEW RESEARCH CENTER

# Not Just Harvesting

- Technical Capacity
- Analytical Tools
  - Yield Monitoring
  - Forecasting
- Traceability
- Resource Optimization
  - Water
  - Soil
  - Plant Health
- Supplier Networks / Interface with Customer



# Current State

No Longer Efficiency Gains

Convention is still driving decision making



Market pricing is not meeting inflationary costs

Legislative, Economic, Social Pressures are being overshadowed by water.

[Nathan.dorn@berry.net](mailto:Nathan.dorn@berry.net)

[Huskerwave@gmail.com](mailto:Huskerwave@gmail.com)



# More Information

- [WWW.BERRY.NET](http://WWW.BERRY.NET)
- California Strawberry Commission
- UC Extension Service

**REITER**  
AFFILIATED  COMPANIES



[Nathan.dorn@berry.net](mailto:Nathan.dorn@berry.net)

[Huskerwave@gmail.com](mailto:Huskerwave@gmail.com)