

Despite Low Profile, Ag Industry in a Growth Spurt

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Many San Diegans have never set foot on any of the more than 6,000 farms that dot the county or even catch sight of them, except perhaps to buy a pumpkin or a Christmas tree. But most county residents reap the benefits, whether grocery shopping, landscaping their homes and businesses or visiting roadside stands and farmers markets.

"We've had growth in our industry for 10 or 12 years running," said the San Diego County Farm Bureau's executive director, Eric Larson. But Larson predicts that while profits will continue for the agriculture industry into 2006, they could be threatened in the short term by challenges such as a labor shortage and decreased state funding to fight exotic pests, and in the long term by increasing water prices.

The top four crops by value in 2004, the latest year for which the county's Department of Agriculture, Weights and Measures has figures, were nursery and flower crops — indoor flowering and foliage plants, followed by ornamental trees and shrubs, bedding plants and avocados.

According to the agriculture department, that year also saw the highest total crop value ever reported in the county — more than \$1.4 billion. And agriculture's estimated economic impact on the local economy was more than \$5 billion when taking into account payroll, purchase of goods and transportation.

Agriculture is the county's fifth largest economic driver, according to the Farm Bureau, following manufacturing, defense, tourism and biotechnology.

Confronting Labor Challenges

"Right now in California there are farmworker jobs not being filled and there's no rush to fill those jobs by people who are here. It's just a fact. It's starting to become a problem," Larson said. "There are crops that have gone unharvested in California this year."

He's especially concerned that seasonal farmworkers who harvest avocados and strawberries won't return to Mexico when they complete their work if crossing the border becomes too difficult. Instead, he said, they will stay in San Diego and take more permanent jobs in other trades such as construction, hotels and restaurants.

Cathy and Lee Smith, who run Simpson's Garden Town Nursery in Jamul, and whose employees are primarily Mexican, say San Diego's increased retail development is to blame for the labor shortage they're seeing in their area. They believe the Jamul Casino Hotel & Resort, which just broke ground in December and is scheduled to open in 2007, will make it worse.

"Labor is harder and harder to find. When the casino comes in, we're not going to be able to get any help," said Cathy Smith, whose grandfather, Hal Simpson, started the family business. She has help-wanted signs up for skilled workers to write tickets and take care of the plants on their 25-acre property.

"We are working very hard in Washington to get some form of guest worker program established so people can come across the border, do seasonal work and go home," Larson said, referring to a bill proposed by the farm community that they hope Congress will soon examine called AgJOBS — Agricultural Job Opportunities, Benefits and Security Act of 2005. The Bush administration, meanwhile, is working on its own guest worker proposal.

Larson said those in the agriculture industry "admittedly state" that a large portion of ag workers are illegal.

"Farmers don't knowingly hire immigrants. It's too dangerous and too risky to do because of the violation of federal law. But as you know and everyone knows there is this large number of fraudulent documents, in the millions. They used to come across the border with these fraudulent documents and go to work for the farm community. Now they (border agents) are cracking down and it's more difficult for that flow of people to come across the border."

The House of Representatives recently backed a resolution, HR-4437, to crack down on illegal immigration and employers who hire illegal immigrants, and to strengthen border security, including the construction of a fence.

Rep. Darrell Issa, R-Vista, a co-sponsor of the resolution, said in a press release, "Ever since I came to Congress five years ago, I've told my colleagues that the House needs to take action to stop the costs and dangers posed by illegal immigration."

"That bill (if passed) would put a harder face on the border and create sanctions against employers for hiring illegal immigrants. The position we take is we agree we need to deal with tough sanctions, but at the same time we need a guest worker program," said Larson. "We would end up with crops that go unharvested if we don't deal with the guest worker problem simultaneously."

There is no guest worker provision in the House resolution, and as of mid-December it appeared the measure would be unlikely to pass the Senate and make it to President Bush's desk.

Pest Danger

Larson said crop damage from exotic pests is always a threat to the ag industry, as San Diego borders Mexico and many people in the county travel internationally.

There have been major quarantines in the county in the last five years — Exotic Newcastle disease, Sudden Oak Death, and two for Mexican fruit flies.

The 2005-06 avocado crop, anticipated to be the biggest since 1992-93, was partially damaged by avocado thrips from Mexico. Scott McIntyre, the board chairman of the California Avocado Commission, estimates that less than 20 percent of the San Diego crop was damaged on average, with more damage in Riverside County, and 11 percent overall damage in the state.

And, the pest situation could get worse. The county's High-Risk Pest Exclusion program funding from the state will be cut from \$130,000, according to an editorial by county Agricultural Commissioner Kathleen Thuner in the November issue of the Farm Bureau's newsletter.

"Before the last two years of budget cuts, this department averaged preventing about one pest per week from entering and becoming established in San Diego County," she wrote, explaining that two years ago the budget was \$760,000.

Thuner urged that “it is critical to re-fund the program” with 40 percent of plant material coming into California through San Diego before moving to other destinations.

“The introduction of pests risks our agricultural economy which is the 12th largest agricultural economy in the nation,” Thuner wrote.

While the U.S. Department of Agriculture runs an inspection station at the commercial border crossing at Otay Mesa, Larson said the Farm Bureau is concerned about innocent and criminal smuggling of plant material and produce, especially through San Ysidro, which is not staffed by USDA officials.

With San Diego one of the top five counties in the state for chicken and egg production — a nearly \$47 million business here — the threat of bird flu is also on the radar.

“The farmers are already tuned in. And the way they are tuned in is, they have taken bio-security measures at their farms,” Larson said. “They are not taking any risk that anyone can come on their farm that they don’t know who they are or where they’ve been. When the workers come each day, they have to wear clean clothes and go through a foot dip. Or if a truck or vehicle comes on the farm, they’re going to spray them with a bleach solution on the wheels. It adds to their costs. It slows their business down because they have to deal with all of this, but they have to basically lock the gates.”

Larson said farmers started taking these measures with Exotic Newcastle disease, a bird disease that came here through Mexico in 2002.

“When the threat of bird flu came along, this was a reason to continue with those bio-security measures,” he explained.

Water Woes

Larson said that while water supplies seem to be in good shape for next year, rising water costs are the biggest long-term concern for the farm community, as new demands are placed on the water system in rapidly expanding southern Riverside County and San Diego County.

“It’s going to get more expensive as we look at further resources to bring water here or enact things like desalination or water reclamation, which are very expensive,” he said.

“The predictions are that the water price will go up 50 percent in the next 10 years. Water is set to go up another \$30 per acre-foot at the beginning of the year.”

Water prices increase to create reliability for the urban population, explained Larson. And farmers get stuck paying the bill as well.

He stressed that San Diego County is not at the point where water supplies would be diverted away from farmers.

Cutbacks could become an issue, however, in the case of a drought or even a few days of high temperatures next summer. Meteorologists are predicting that 2006 may be a drier year.

Farmers pay less than home users for water. In exchange, farmers have interruptible status, i.e., if there's a long drought or dry spell, farmers would be asked to cut back before homeowners or other businesses do.

"It could happen this summer because of a distribution problem. Pipelines are full going down to San Diego County and they just can't shove enough water through them right now," said McIntyre, who is concerned that avocado farmers could be asked to cut back if the distribution system gets overloaded by homeowners who water in an especially hot month. "The county needs more water than they can push through the pipeline."

Larson said the San Diego County Water Authority is one year away from having that capacity issue corrected, so he's not too worried.

"We've got to get through this summer. If it's too hot and there's too much demand on the water system, there may have to be some mandatory cutbacks and they would be very short-lived, hours or days."

Citrus growers could suffer the most from rising water costs, since fruits such as oranges and lemons are considered relatively low value for what they return per acre.

"What will happen is, in my opinion, we will lose hundreds of acres of orange and grapefruit trees in San Diego County. Growers are already abandoning the groves and discontinuing watering them because the water price is so high," said Larson. "The majority of them are still here, but you see the trend starting."

Jerome Stehly, who manages citrus and avocado groves as well as flower and berry fields in Valley Center and Bonsall, said growers aren't doing citrus unless they use well water, since the cost of treated water is too high. Few avocado groves can use well water because it's too salty, he said. Stehly estimates that water accounts for two-thirds to three-quarters of his annual costs.

Help From Agri-tourism

Larson said some farmers wishing to boost the bottom line in the face of the added costs might try agri-tourism, a slowly emerging trend. He said the bureau is working on the legislative issues that make it easier for farmers to bring tourists onto their farm.

Simpson's Garden Town Nursery has embraced agri-tourism, as has Weideners' Gardens in Encinitas, Bates Nut Farm in Valley Center, the Flower Fields in Carlsbad and Van Ommering Dairy Farm in Lakeside.

"People come out and maybe they'll buy a plant," said Cathy Smith of Simpson's Garden Town Nursery. "We have our own little niche out here."

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