

RIPE FOR CHANGE: RETHINKING CALIFORNIA'S FOOD ECONOMY FACTSHEET

1. California's food system is globalizing, leading to corporate consolidation and ever-more distant markets:

Corporate consolidation:

- 95 percent of food in the US is purchased from corporations rather than farmers.
- 1 percent of California's farmers supply 38 percent of the state's food.
- There are 4 peach canners in California, down from 37 in 1960.
- The number of cattle slaughter facilities in the state dropped from 52 in 1972 to just 10 in 1997.
- 3 retail corporations control 57 percent of California's retail market.

Increasingly distant markets = redundant trade and needless transportation:

- The average meal purchased through conventional means travels 1,550 miles; by contrast, food from local sources (e.g. farmers' market) travels an average of 45 miles.
- The value of food shipped to, from, and within California – \$124 billion in 1998 – is expected to more than triple, and to exceed the value of all other transported goods, by 2020.
- California is a net importer of food, with 67 million tons shipped in and only 37 million tons shipped out.
- By weight, 59 percent of California's demand for raw farm products comes from outside its borders. When processed foods are included, California relies on out-of-state products for 40 percent of its total food needs.
- Despite being a net importer, California markets 43 percent of its farm products out of the state, nearly half of this internationally.

Redundant Trade:

Much of California's food trade is redundant. For example, while California is a major strawberry producer and exporter, California's ports receive \$50 million worth of fresh strawberries a year, with the majority of imports occurring during strawberry season here.

2. Globalization of the food system has negative impacts for Californians:

Californians' health suffering:

- The San Joaquin Valley is home to the nation's dirtiest air; Fresno's children have a rate of asthma 3 times higher than the national average.
- The farmworkers on California's industrial farms are 59 to 70 percent more likely to develop various forms of cancer than the rest of the population.
- Manure waste from the state's industrial dairies threatens the drinking water of 60 percent of California's citizens.

California's environment threatened:

- Pesticides, fertilizers, sediment, and livestock waste have damaged 81 percent of the state's lake area, 75 percent of its estuary and wetland areas, and 23 percent of its rivers.



California's local economies and businesses undermined:

- Farmers linked to the global food system keep only 9 cents of every dollar spent on food. By contrast, farmers involved in direct marketing keep 80 to 90 cents on the dollar.
- In spite of a \$27 billion agricultural industry, over 5 million Californians are “food insecure” and at least 1.25 million go hungry. California's leading food-producing counties have the worst food security in the state.

3. Government subsidies actively support the global food system and big businesses, undermining local economies and businesses:

Direct subsidies help the big get bigger:

- One quarter of agricultural subsidies go to the largest 1 percent of the state's producers. Producers marketing locally get almost no support.

Indirect subsidies favor global trade over local markets:

- A range of indirect subsidies act as hidden supports that favor the global food system over the local. This includes, for example, input subsidies, the physical infrastructure for trade (super-highways, ports, etc.), fossil fuels, export subsidies, marketing assistance (including \$90 million to Californian agribusinesses to promote their products overseas), and research & development into high-tech industrial agriculture.

4. Shifting support from global to local food systems would bring enormous ecological, economic, and social benefits to California:

Economic prosperity:

- If just 10 percent of Californians' food expenditures were redirected toward food produced within the state, an estimated \$848 million in additional income would flow to the state's farmers, \$1.38 billion would be injected into California's overall economy, \$188 million in tax revenue would be generated, and 5,565 jobs would be created.

Ecological benefits:

- Local food economies encourage small-scale diversified farms, alleviating the ecological impact of large, industrialized farms, including chemical use, soil erosion, and water degradation.
- Reduced fossil fuel use and CO2 emissions from food transport.

Improved health and food security for Californians:

- Californians would be provided with healthier, fresher food by cutting out chemicals, reducing “shelf life,” decreasing the need for processing, and reducing sources for foodborne disease.
- The state's food security would be improved, at the farm level as well as more secure processing and distribution.

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