Day1 – Sunday, March 15, 2009

Lift–Off: the trip to California begins

Across the intercom blared “all boarding passengers for Alaska Airlines flight number 362 to Seattle,” the trip had officially begun. Following a brief layover in Seattle we touched down amidst rice fields and orchards in Sacramento, CA.

We joined up with the Kansas State delegation and loaded into vans bound for Fresno, CA. On the drive, we visited with our new found Kansas friends about issues ranging from fluctuations in the wheat market to the technicalities of sorghum production. The evening was spent enjoying each other's company over pizza on the patio of a local pizzeria.

Day2 – Monday, March 16, 2009

Sun Dried: a day at Sun Maid Growers of California

With the world’s largest raisin box in the distance, we knew we were at the right place. Sun-Maid Growers of California is the largest raisin processor in the world. With 800 grower-members they are the face of stability in the global raisin trade.

Once inside, we are greeted by Barry Goodwin – President, Rick Stark – Field Manager and Pete Penner – 34 year board member. Pete and Rick pointed out that although Sun-Maid’s commitment to quality remains steadfast, technology used to produce and process raisins is ever-changing. High labor costs caused growers to start adopting mechanical harvesting techniques in 1999. Today, 43% of Sun-Maid raisins are mechanically harvested with either dried on the vine or continuous traying systems.

Although the high sugar content and low moisture content of raisins makes the likely-hood of a raisin food-safety recall unlikely, Sun-Maid has a traceability program in place. This system can trace raisons in a 1.5 ounce red Sun-Maid box back to the farm. To show us how these red boxes are made, Rick gave us a tour of the world’s largest raisin factory. It contains cutting-edge technology such as laser sorters and raisin coating equipment. After enjoying lunch at Sun-Maid’s cafeteria we loaded the vans for Costco.

Costco carries products from many cooperative from Sun-Maid Raisins to Tree-Top Apple Juice. The tour showcased how high quality food products are sold in bulk to the general public.
Day3 – Tuesday, March 17, 2009

Farm Fresh: Learning how tree fruit, tree nuts, and rice are produced.

While Georgia may claim to be the peach state, California is the largest peach producer in the United States. They produce both cling peaches for canning / freezing and freestone peaches for the fresh market. Our day started with a visit to the California Canning Peach Association. The Association’s President and C.E.O. Rich Hudgins discussed how the association’s primary objective is to establish a raw-product price for peaches and to ensure that all of their members have market access. Like many sectors of the food processing industry there has been intense consolidation in the peach canning industry since the 1950’s. In 1952 there were 42 peach canners in California, today there are three Peach (Del Monte, Seneca Foods, and Pacific Coast Producers) canners and two peach freezers.

To show us how cling peaches are produced, Rich took us to visit a local cling peach grower, Sunny Dale. Like many in the industry, Sunny reduced his cling-peach acreage in recent years due to the high cost and unavailability of labor. Currently all cling peach trees are pruned by hand and 90% of the California cling peach crop is hand-picked.

In addition to belonging to the California Canning Peach Association, Sunny is also a grower-member of Sunsweet, a dried fruit cooperative. After lunch we drove to Sunsweet in Yuba City. John, Sunsweet’s vice-president of marketing and sales spoke with us about how Sunsweet’s number one global marketing strategy is to “limit bulk business to high value-added, high spec and opportunistic spot marketing.” In other words, John says Sun-Sweet is “decomoditizing the commodity.” This is being accomplished by introducing new product lines such as Sunsweet Ones and Plum Smart Juice. To see firsthand how these products are manufactured, we toured Sunsweet’s Yuba City Processing facility.

After seeing how plums are dried into a wide variety of products we headed north to the rice patties of Colusa. We were met by a local rice producer, Don Bradsford. Don showed us around his rice patties and explained the finer details of rice production. Don pointed out that unlike Texas, Arkansas, Louisiana, Missouri and Mississippi which produce long-grain rice, California produces short-grain and medium grain rice. Much of the ground on which rice is produced in California has been in continuous rice production since the 1920’s. This is because the rice ground has a high clay content and no other crops will perform well on it.

Day4 – Wednesday, March 18, 2009

Almond Innovation: How Blue Diamond Almonds keeps grower prices high amidst record crops.

When trying to find a farmer-owned marketing cooperative, a 90 acre facility in downtown Sacramento isn’t the first place most people would look. Founded in 1910, the cooperative and Sacramento have both grown over the years. Touring the facility revealed that Blue Diamond is expanding into consumer products such as Almond Butter and Almond Milk to market the 2008 Almond crop, the largest in California’s history.
At lunch, we visited with Clinton Shick and Dan Cummings who are both Blue Diamond board members. Dan pointed out that California producers “either have a co-op mentality or they don’t.” He explained that most producers are either members of many cooperatives or none. Since Blue Diamond’s annual sales exceed $700 million, Blue Diamond’s nine member farmer board recently created a tenth board seat to be filled by a non-grower. The board feels the non-farmer member is necessary to bring additional management expertise to the table. After hearing about global supply and demand for almonds we met with Doug Youngdahl, the C.E.O. of Blue Diamond and his management team.

Doug hailed almonds as the “rising star” in Agriculture. Driving growth in almond demand is their taste, versatility, and healthfulness. To increase the per ton price of raw-almonds, Blue Diamond is expanding their offerings of value-added consumer products such as almond crackers and almond milk. Currently Blue Diamond management is considering whether they should continue to expand their number of growers or to limit the number of growers in the cooperative and focus on value-added products instead of throughput. Doug stated that “if we have high grower returns, we will always have an option to expand grower membership.”

While discussing how Blue Diamond Almonds will be able to maintain high grower returns into the future, we drove to a local farmer’s market in Davis, where many students experienced beef tri-tip for the first time. Following dinner, we met Richard Howitt, chair of UC Davis’ Department of Agricultural and Resource Economics and graduate students from the department at a local coffee shop. The graduate students visited with us about the graduate program at U.C. Davis’ Department of Agricultural and Resource Economics and items to consider when deciding between attending graduate school or entering the private sector.

Day5 – Thursday, March 19, 2009

Agricultural Economics: Quantifying the challenges facing California agriculture.

From animal rights activists to environmentalists, quantifying the risks of California agricultural production is more complex than meets the eye. No one understands these challenges better than Dr. Dan Sumner, director of the UC Agricultural Issues Center. Dan asked students what part of California Agriculture they wanted to learn about. Immediately a hand shot in the air, with the student asking Dan how the passage of Proposition 2, a ballot initiative banning the use of swine gestation crates, veal calf production and battery cages in laying hen operations, will impact California agriculture. Dan stated that since California’s share of total veal and hog production relative to the rest of the United States is small, the only industry impacted by the legislation is California’s laying hen operations. As a result, Dan predicts that California’s egg industry will undergo considerable contraction in coming years with the majority of California’s eggs being shipped in from other states.

As both interstate and international trade becomes more important, so too does the use of food traceability programs. Dr. Sebastian Pouliot, a postdoctoral scholar at the Agricultural Issues Center, discussed the need for further tractability in food systems to limit the size of food recalls.
Dr. Pouliot highlighted that some sectors of the food system have been reluctant to implement traceability systems as it increases the liability of the entity causing the food-safety problem.

The meeting concluded with presentations from two of Dr. Sumner’s graduate students, Antoine Champetier de Ribes and Christopher Gustafson. Christopher explained how the value of California wine is determined. According to Christopher, “even though people are buying a bundle of attributes when purchasing wine, it is possible to elicit one’s willingness to pay for each individual attribute of the wine.”

Antoine delivered the final presentation of the morning, discussing the importance of pollination services to California agriculture. Although some crops such as almonds can’t self-pollinate efficiently and rely on bees for pollination, other crops such as seedless – clementines can’t have any cross pollination from bees or they will start producing seeds, which are undesirable.

Following a week in California, we returned to the Sacramento airport. After exchanging contact information with students from Kansas State University and saying good bye, we boarded the plane for Montana. For many students, seeing California Agriculture changed the way they think about U.S. food production. Unlike Montana agriculture, California agriculture is highly diverse and export oriented with a large food processing capacity and port facilities to ship agricultural products around the world.