Specialty crops and value-added products: a bright spot in California agriculture

Over the last century, California growers have pioneered hundreds of specialty crops and value-added products. Today we produce more than 350 commodities, and supply more than half of the nation’s fresh fruit and vegetables. An important component in the remarkable success of California agriculture has been the willingness of farmers to be innovators and early adapters — whether it’s planting new crops or developing new markets.

However, recent market trends in many traditional commodities have led to consolidation of the grower-processor-retail chain, often at the expense of smaller, family-operated operations. Small farmers find they have only limited ability to influence the market prices that allow them to continue farming, let alone make a profit. This concentration of markets — along with global competition — has forced producers to look for new niches.

Many growers have found that it pays to go the extra step and provide consumers with specialized, value-added products, like farmstead cheeses, boutique olive oil and premium wine (see page 71). For instance, production of specialty cheeses more than doubled between 1993 and 2001 (see page 76). This renaissance of specialty foods has not only been a boon to growers and consumers, it has revitalized rural communities and in some cases improved the environment.

Small growers have tapped new markets, including selling their specialty products directly to consumers through farmers’ markets in the Bay Area, Los Angeles, Silicon Valley, San Diego and other population centers. Local farmers’ markets have increased from just two in 1977 to more than 400 today, generating over $150 million of business annually. Entrepreneurial growers can bring their products directly from the farm to city residents who appreciate freshness, quality and variety, and are willing to pay for it.

Growers who concentrate on specialized and value-added products seem to be recreating a market that was popular a century ago when personal contact and regional identity were commonplace due to transportation and refrigeration constraints. California’s specialty cheese boom is a case in point. The popular Point Reyes Original Blue Cheese was born of owner Bob Giacomini’s desire to keep his kids on the farm. At the same time, Giacomini was able to cut his herd size in half, easing pressure on pastures, reducing water-quality concerns and thereby lightening the load on his entire dairy operation while still making a profit.

Giacomini and other dairy producers have discovered that the need for research and extension efforts that can help reduce risks inherent in adopting them. By providing sound science and guidance for creative innovation, UC can promote a diverse and viable agriculture — one that provides opportunities for growth and advances the well-being of all Californians.