



California Farm News

Cooperating with the California Department of Food and Agriculture

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CALIFORNIA AG REVENUE FELL IN 2006

California agriculture experienced a 4 percent drop in the sales value of its products in 2006, according to USDA's National Agricultural Statistics Service and Economic Research Service. The State's 76,000 farms and ranches received \$31.4 billion for their output last year, down from the all-time high \$32.8 billion reached during 2005. The state's agricultural sales first exceeded the \$30.0 billion mark in 2004, when \$30.9 billion in receipts was tallied.

Low milk prices experienced by California's dairy sector contributed to the drop in agricultural sales. Cash receipts for milk totaled \$4.49 billion, down 14 percent from \$5.22 billion in 2005. The state's dairy farms increased milk output 3.4 percent in 2006, but the price producers received fell from \$13.92 to \$11.58 per hundred pounds of milk sold. Despite the decline in revenue, milk remained California's number one farm commodity, and the Golden State retained its ranking as the nation's leading dairy producer by a wide margin. Milk prices have staged a dramatic rise in 2007, averaging more than \$21.00 per hundred pounds during July.

Growers of grapes and almonds also saw revenue declines of 9 percent and 19 percent, respectively. While wine grape prices held firm, there were fewer grapes to sell in 2006 compared with the huge 2005 crop. The size of the 2006 almond crop increased 22 percent, causing prices during the first part of the marketing season to fall to \$1.87 per pound, from the final price of \$2.81 in 2005.

A total of nine California commodities exceeded \$1 billion in receipts for 2006. They are shown in the table below, along with a comparison to the previous year.

Commodity	2005	2006	Percent Change
	<i>Million Dollars</i>		
1. Milk	5,223	4,492	- 14
2. Grapes	3,343	3,032	- 9
3. Nursery Products *	2,668	2,775	4
4. Almonds	2,526	2,040	- 19
5. Cattle and Calves	1,744	1,676	- 4
6. Lettuce	1,416	1,608	14
7. Strawberries	1,123	1,194	6
8. Tomatoes	919	1,139	24
9. Floriculture	1,020	1,020	---

* Excludes Floriculture

California remained the number one state in cash farm receipts in 2006, with its \$31.4 billion in revenue representing 13.1 percent of the U.S. total. Texas (\$16.0 billion), Iowa (\$15.1 billion), Nebraska (\$12.0 billion), and Kansas (\$10.3 billion) rounded out the top five states.

Complete information on farm cash receipts may be obtained at www.ers.usda.gov/Data/FarmIncome/finfidmu.htm.

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