SAN DIEGO COUNTY FARMING PROGRAM PLAN

FINAL

MARCH 25, 2009

ACKNOWLEDGMENTS

This strategic plan is the result of an 18-month planning process initiated by the County of San Diego (the County) in conjunction with a Core Working Group and American Farmland Trust (AFT). AFT was engaged to facilitate the process and assist in writing this Farming Program Plan for the County.

Thanks to the Core Working Group members for providing their time, knowledge and insights to guide this project. Members included Eric Larson, San Diego County San Diego County Farm Bureau Executive Director, who also hosted the Core Working Group meetings; Valerie Mellano and Terry Salmon, Farm and Home Advisors/University of California Cooperative Extension; Kathleen Thuner, recently retired County Agricultural Commissioner; and the Department of Agriculture, Weights and Measures staff, including Vince Acosta, Karen Melvin, Dawn Nielsen, and Cathy Neville. Special thanks to staff from the County Department of Planning and Land Use, including Aaron Barling, Jennifer Campos, LeAnn Carmichael, Ivan Holler, Dahvia Lynch, Ross Martin, Jeff Murphy and Tom Oberbauer, for providing information and support, as well as oversight of this planning process.

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EXECUTIVE SUMMARY

SAN DIEGO COUNTY FARMING PROGRAM PLAN

In California's San Diego County, agriculture[1] is the fifth largest industry sector, contributing significantly to the local economy. In this county, with a population of 3,098,269[2] and a median farm size of five acres, it is a testament to the skills of local farmers that the farm gate value in San Diego County consistently ranks among the top 10 agricultural counties in the state of California. With only six percent of San Diego County's soils classified as prime, agriculture has succeeded by finding high value, specialty crops that take advantage of the region's unique microclimates such as nursery, flower, fruit and nut crops, and vegetables. It is these unusual microclimates that make it possible for agriculture to flourish in the San Diego region.

While San Diego County's Mediterranean-like climate is conducive to the production of high value crops, a number of issues create pressures and stresses for continuance of agriculture. For example, farmers in San Diego County pay as much as $650/acre foot for imported water, compared to $15/acre foot that farmers pay in neighboring Imperial Valley. As San Diego County's population, already the sixth highest in the country, is projected to increase by 22 percent by 2030, development pressures have increasingly made land unaffordable for farmers. Another issue for San Diego County farmers is increased competition from foreign production often leading to the permanent loss of some crops. Some of the area's farms and rangeland, in particular, have historically coexisted among wildlife and sensitive habitats. Today, these agricultural uses remain among sensitive habitat and biological communities that now include threatened and endangered plants and animals. As a result, if farmers wish to expand their use, they must navigate through the regulatory processes that have been put in place to protect threatened and endangered species. Farmers also face the potential loss of equity due to lower density provisions within proposed plans covering the unincorporated areas, as these areas are less urban and more rural in nature. These, among other issues, have increased the economic and social pressures faced by San Diego County's farmers and provide unique challenges to the County's agricultural industry.

Recognizing these challenges, in May of 2005, the County Board of Supervisors adopted Board of Supervisors Policy I-133. This policy demonstrates the County's commitment to supporting and encouraging farming through the establishment of partnerships with landowners and other stakeholders to identify, secure, and implement incentives that support the continuation of farming as a major industry in San Diego. The Farming Program Plan represents the County's next step to implementation of Board Policy I-133 to protect and enhance farming as a vital industry. The County contracted with American Farmland Trust (AFT) to facilitate an 18-month, stakeholder input process and to assist in writing the Farming Program Plan, which will apply to Unincorporated San Diego County. The two primary goals of the Farming Program are to 1) promote economically

[1] The definition of "agriculture" for the purposes of this report includes ranching and livestock production.
[2] San Diego Association of Governments. "Fast Facts- San Diego Region." 2007. http://www.sandag.org,

viable farming in Unincorporated San Diego County and 2) promote land use policies and programs that recognize the value of working farms to regional conservation efforts.

The development of the Farming Program Plan was coordinated through multiple County departments including the Departments of Agriculture, Weights and Measures (AWM), Department of Planning and Land Use (DPLU), and the County Farm and Home Advisors/University of California Cooperative Extension (FHA/UCCE). Recognizing the value and importance of input from the farming community, the County worked closely with representatives from the San Diego County Farm Bureau in developing the Farming Program Plan.

An advisory Core Working Group was developed to help guide this process. The Core Working Group was comprised of the San Diego County Farm Bureau, FHA/UCCE, two divisions within the DPLU, and the Agricultural Commissioner's office. To obtain farmer input and recommendations for the Farming Program Plan, AFT and the County organized three public listening sessions, four Core Working Group meetings, and one focus group meeting.

The listening sessions, held in October of 2005, were attended by county farmers and other stakeholders. Based on research and public input from the agricultural community, the following were identified as three major areas that should be addressed in the Farming Program Plan: 1) Costs of Doing Business; 2) Perceived Loss of Equity and Loss of Affordable Land; and 3) Need for Public/ Government Support for Agriculture. Each meeting of the Core Working Group in 2006 focused on one of these issues. The Farming Program Plan is based on and reflects the valuable input of San Diego County's agricultural community.

The Farming Program Plan consists of three sections, the last of which includes the framework and initiatives of the Farming Program, as well as strategies and recommendations for each of the three issue areas raised during the listening sessions. The foundation of the Farming Program Plan's framework relies on establishing a more positive and supportive environment for agriculture in Unincorporated San Diego County and supports the implementation of four major initiatives, including:

1. The 2007 Farm Bill;
2. Regulatory Assistance;
3. Agricultural Industry Development; and
4. Purchase of Agricultural Easements (PACE).

A major goal of the Farming Program Plan is to make recommendations that further guide the implementation of an institutional government framework that is responsive to local farmers and places an organizational emphasis on the business of agriculture. Implementation of the Farming Program Plan will help contribute to an economically viable farming industry, help direct growth away from agricultural and natural areas, and provide regional conservation and support of habitat for plant and animal species.

SPECIAL NOTE

For the purposes of this document, definitions for the following terms are listed, below:

- "San Diego County" refers to the entire county encompassing both incorporated cities and unincorporated areas. These areas are shown in gray and white in Map 1 of Appendix IX.
- "Unincorporated San Diego County" refers to just the unincorporated areas of the county. These areas are shown in gray in Map 1 of Appendix IX.
- "County" refers to the governing body of the unincorporated areas.

In addition, the majority of statistics presented in this document is for San Diego County and includes data from both the incorporated cities and unincorporated area. It is important to note, however, that the San Diego County Farming Program Plan will apply only to Unincorporated San Diego County.

LIST OF ACRONYMS

AFT	American Farmland Trust
AID	Agricultural Industry Development program
AWM	County, Department of Agriculture, Weights, and Measures
CAO	County, Chief Administrative Office
CEQA	California Environmental Quality Act
CFCP	California Farmland Conservancy Program
CWA	San Diego County Water Authority
DCAO	County, Deputy Chief Administrative Office
DPLU	County, Department of Planning and Land Use
EIR	Environmental Impact Report
FHA/UCCE	County, Farm and Home Advisors/University of California Cooperative Extension
FRPP	Farm and Ranch Lands Protection Program
GP Update	General Plan Update
HCP	Habitat Conservation Plan
LUEG	County, Land Use and Environment Group
MSCP	Multiple Species Conservation Program
NCCP	Natural Community Conservation Plan
NRCS	United States Department of Agriculture, Natural Resources Conservation Service
PACE	Purchase of Agricultural Conservation Easements
PAMA	Pre-Approved Mitigation Area
PDR	Purchase of Development Rights
REC	Research and Extension Center
TDR	Transfer of Development Rights
UC	University of California
USDA	United States Department of Agriculture

SAN DIEGO COUNTY FARM PHOTO GALLERY

The following pages contain photos of farms and agricultural uses throughout San Diego County. These images provide a snapshot of the wide variety of agriculture that is found throughout this diverse county.

INTRODUCTION

OVERVIEW OF THE FARMING PROGRAM PLAN

San Diego County, California, is located in the southwestern corner of the United States. It is bordered by the Pacific Ocean on the west, Imperial County on the east, Riverside and Orange Counties on the north, and Mexico to the south. Farming has always been important to San Diego County's history, natural resources, and economy—from the Spanish mission at San Diego de Alcala in 1769, to becoming one of California's original 27 counties at the time of statehood in 1850, through the 21st century.

Today, San Diego County stands out as the only county containing significant urbanized areas with a farm gate value[3] consistently ranking among the top 12 agricultural counties (number eight for several years) in California.[4] The third most populous county in the state and the sixth nationwide[5], San Diego County boasts the second highest number of farms of any county in the country and third highest number of farms of any county in California.[6]

Agriculture is the fifth largest component of San Diego County's economy[7], with a total economic impact of more than $5 billion.[8] Perhaps most remarkable, is how small the individual farms are that support this vibrant agricultural economy. The median farm size in San Diego County is five acres; 63 percent of the region's farms are one to nine acres; and only seven percent are 100 acres or more.[9] In addition, the vast majority of the region's agricultural market value comes from specialty crops. With only six percent of soils classified as "prime" and a reliance on costly imported water, San Diego County agriculture has succeeded by adopting high value crops that take advantage of the region's unique microclimates.

Agriculture can have many environmental benefits over development, including benefits associated with air quality, aesthetics and wildlife conservation. A single California Avocado tree can sequester as much carbon dioxide as is produced by a car driven 26,000 miles[10]. Agricultural lands can also provide habitat for wildlife. San Diego County agriculture is unique because much of its production has historically occurred and continues to take place among sensitive habitat and biological communities that include

[3] The "farm gate value" of a cultivated product in agriculture or aquaculture is the net value of the product when it leaves the farm, after marketing costs have been subtracted. Since many farms do not have significant marketing costs, it is often understood as the price of the product at which it is sold by the farm (the farm gate price). The farm gate value is typically lower than the retail price consumers pay in a store, as it does not include costs for shipping, handling, storage, marketing, and profit margins of the involved companies.

[4] USDA National Agricultural Statistics Service, Summary of California County Agricultural Commissioners' Reports, 2004-2005.

[5] US Census, 2000.

[6] USDA National Agricultural Statistics Service, Census of Agriculture, 2002.

[7] San Diego Regional Chamber of Commerce.

[8] San Diego County 2005 Crop Statistics and Annual Report.

[9] USDA National Agricultural Statistics Service, Census of Agriculture, 2002.

[10] California Avocado Commission. 2007. http://www.avocado.org/about/fun_facts.php

threatened and endangered plants and animals. To ensure the preservation of biodiversity and to expedite applicable development and agricultural permitting processes, the County developed the Multiple Species Conservation Program (MSCP). The MSCP is a comprehensive, long-term habitat conservation program dedicated to protecting native plant and animal diversity, including threatened and endangered species, while accommodating future growth by streamlining building regulations.

The future of San Diego County's vital farming sector is faced with a myriad of challenges due to the urban setting of much of the county, sensitive environmental areas, and associated agronomic and economic issues. In recognition of these challenges, the County Board of Supervisors (the Board) adopted Board of Supervisors Policy I-133 in May of 2005. This policy reflects the County's commitment to supporting and encouraging incentives that enhance farming as a vital industry in Unincorporated San Diego County. This Farming Program Plan has been created to identify specific actions to assist in meeting these goals and to encourage stakeholder input and participation.

The Farming Program Plan was developed as a multi-disciplinary effort through the County Departments of Agriculture, Weights, and Measures (AWM) and Planning and Land Use (DPLU) and the County of San Diego Farm and Home Advisors/University of California Cooperative Extension (FHA/UCCE). Recognizing the value and importance of input from the farming community, the County partnered with the San Diego County San Diego County Farm Bureau in developing the Farming Program Plan. The Farming Program Plan is the product of a strong collaboration among these various groups.

FARMING PROGRAM PLAN VISION AND GOALS

The County is committed to supporting farming in the unincorporated portions of the county through partnerships with landowners and other stakeholders to identify, secure, and implement incentives that support the continuation of local farming as a major industry.

The Farming Program has two primary goals:

1. Promote economically viable farming in Unincorporated San Diego County; and
2. Encourage land use policies and programs that recognize the value of working farms to regional conservation efforts.

To carry out these goals, the County engaged American Farmland Trust (AFT) to facilitate an 18-month, stakeholder input process and assist in drafting the Farming Program Plan. AFT, the only national nonprofit organization dedicated to protecting America's farmland, has more than 25 years of experience in protecting farms and ranches and assisting in the development of programs and policies to maintain land in active agricultural use. AFT's mission is to prevent the loss of productive farmland and to promote farming practices that promote a healthy environment.

PUBLIC INVOLVEMENT

The County worked with AFT to form an advisory Core Working Group comprised of the San Diego County Farm Bureau and County departments of FHA/UCCE, AWM, and DPLU. In order to gain farmer input and recommendations, three public listening sessions, four Core Working Group meetings, and one focus group meeting were organized. The three listening sessions were attended by county farmers and other stakeholders. AFT was charged with gathering the input from these sessions to discern the most pressing issues, prioritize these issues, and provide recommendations on solutions. The sessions were held in Fallbrook, Ramona, and Valley Center in October of 2005 and were attended by more than 100 farmers and other stakeholders including San Diego County Farm Bureau representatives. By a show of hands, participants indicated that more than half of the audience members were active farmers representing fruit crops, nursery products, vegetables, and livestock segments of the agriculture industry. (See Appendix II for the Listening Session Summary and Notes).

The Core Working Group was comprised of County staff from the Agricultural Commissioner's office, DPLU divisions including representatives from the Multiple Species Conservation Program (MSCP), and the General Plan Update (GP Update), along with representatives from the San Diego County Farm Bureau and FHA/UCCE. Four Core Working Group meetings were held in February through May of 2006. Each meeting focused on one of the three major issues that were expressed at the listening sessions: 1) Costs of Doing Business; 2) Perceived Loss of Equity and Loss of Affordable Land; and 3) Need for Public/ Government Support for Agriculture. The objective was to generate, through an open and collaborative effort, recommendations that would be accepted by and be helpful to the agricultural community. The focus group was comprised of local county farmers who were recommended by the San Diego County Farm Bureau and the FHA/UCCE to review and discuss the draft Farming Program Plan in order to further ensure that the Farming Program Plan is based on and reflects the input of the agricultural community.

ORGANIZATION OF THE FARMING PROGRAM PLAN

The Farming Program Plan is organized into three sections with figures, tables, maps, and appendices.

Section A. Situation: Description of Agriculture in San Diego County
This section describes San Diego County's geography, agricultural economics and trends, and local regulations that affect agriculture.

Section B. Public Input
Through listening sessions and Core Working Groups, public input was gathered to assist the AFT and County staff in identifying three overarching issues in the agricultural community:

1. Costs of Doing Business;
2. Perceived Loss of Equity and Loss of Affordable Farmland; and

3. Need for Public/ Government Support for Agriculture.

Section C. Farming Program Plan Framework and Initiatives

This section sets forth strategies and recommendations that foster a supportive environment for agriculture. It includes four recommended initiatives aimed to address the specific needs expressed by the farming community and ensures synergy between the elements of the plan.

Appendices (Under Separate Cover)

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Please note: To keep the process that resulted in this plan as transparent as possible, the public input received at outreach meetings and other support materials are posted on the San Diego County Farming Program website at www.sdfarmingprogram.org.

A. SITUATION:
DESCRIPTION OF AGRICULTURE IN SAN DIEGO COUNTY

Agriculture is the fifth largest component of San Diego County's economy. According to the 2006 Crop Statistics and Annual Report for the County, agriculture's total economic benefit was estimated at $5.1 billion. These high market values come from specialty crops, which have historically been influenced most heavily by the numerous microclimates of the region. Other natural resource factors include limited water availability, varied topography and soil quality, as well as a variety of social and economic factors.

San Diego County covers 4,271 square miles, or approximately 2,740,000 acres—roughly the size of the state of Connecticut. The ridge including the Tecate Divide, running from the Mexican border to the Riverside County line, topographically separates the county between lands descending to the Pacific Ocean in the west and toward the desert areas in the east. Agricultural production east of this mountain range occurs primarily in the Borrego Springs area, but the majority of San Diego County's farming occurs on the western side of the ridge.

Overall, agricultural production takes place on only 315,296 acres of land, less than 12 percent of the entire county. Moreover, nearly 94 percent of San Diego County's agricultural value occurs on just 60,285 acres, reflecting the high dollar value and intense land use associated with specialty crops, most notably nursery, flower, fruit and nut crops, and vegetable production.

As of January 2007, San Diego County's population was 3,098,269[11]. Already the sixth highest county population in the country, it is projected to increase by 41 percent, to 4,289,739, by July 2040.[12] Additionally, the California Department of Conservation's Farmland Mapping and Monitoring Program concluded that land for urban and built-up use increased 31.1 percent in the last 20 years, from 252,931 acres in 1984 to 332,716 acres in 2004. This is an average of nearly 4,000 acres per year. These data illustrate the intense competition for land and other natural resources to provide for San Diego County's future growth, agriculture, and environmental quality.

The following sections provide more details about San Diego County's agriculture, geography, economy, and regulatory environment.

A.1 GEOGRAPHY

Climate

San Diego County has a Mediterranean climate with relatively warm winters and cool summers. Rainfall is variable, with coastal areas averaging approximately 10 inches per year, desert locations five inches or less, and Palomar Mountain up to 40 inches. The sun shines in San Diego County approximately 70 percent of the year, with an average

[11] San Diego Association of Governments. "Fast Facts- San Diego Region." 2007. http://www.sandag.org,
[12] California Department of Finance, California County Population Projection Estimates, May 2004

temperature of 63.2 degrees, providing a supportive environment in which a variety of crops may be grown.

Of the five plant climates worldwide, two exist in San Diego County: sub tropic and temperate. These allow for a long (and, in some cases, year-round) growing season. Coastal and desert regions seldom experience freezing temperatures, although they are a regular occurrence during the winter in mountainous areas of the County.

Western San Diego County has a milder climate than the rest of the county. The mildest region is along the coast, since the ocean moderates temperatures. Frosts are rare along the coast, as well. As the temperature does not fluctuate significantly from season to season, this western coastal region of the County is an ideal climate for nursery, greenhouse, and flower operations.

Further inland, the climate is not as influenced by the ocean. Summers are hotter and less humid than on the coast, while winters are colder. This region is very productive with fruit and avocado trees, vegetables, flowers, and nursery products commonly grown.

Subtropical desert areas are farther east, such as the Borrego Springs area. This region has high summer temperatures and short winters. Although not ideal for many types of agriculture, the region has thriving citrus and nursery industries that utilize groundwater. The mountainous regions of the county's interior are not suitable for the subtropical crops grown in other areas due to frequent freezing winter temperatures. Crops in the mountainous areas include deciduous fruit trees, such as apples and pears, which can withstand cold winters.

Water

There is no debate that water quality and water availability are essential for successful agricultural production in San Diego County. Agriculture cannot be sustained without sufficient water quantity and quality. The San Diego County Water Authority (CWA) supplies water for agricultural production in the western third of San Diego County, while the rest of San Diego County relies on groundwater supplies and local sources. The majority of CWA water is imported from other areas of California, rendering distribution and availability more problematic and tenuous. However, at an average of $650/acre foot and rising, water expenses are extremely high in San Diego County, especially relative to other nearby agricultural areas. Imperial Valley growers may pay as little as $15 per acre foot, while those in Ventura County pay $379 per acre foot. For avocado production in San Diego County, the annual water cost can reach $2,000 per acre, as the crop requires three acre feet per year for optimum production.

While some farmers in San Diego County face high costs of water, others are concerned about a limited supply. In areas such as Borrego Springs and Julian, farmers rely entirely on groundwater sources to irrigate crops. Water scarcity is a continuous problem for farmers in these areas given the arid climate of the region in which they are located and the fact that they are outside the boundary of the CWA (Appendix IX, Map 4, CWA Boundary and Precipitation). In particular, groundwater in the Borrego Springs area is subject to an annual decline when recharge does not replace extraction.

The Metropolitan Water District (MWD) and CWA offer growers discounts in exchange for reducing their water usage in times of drought or pipeline failure. Farmers located within the MWD and CWA service areas are the first sector to be asked to cut back on water usage during these times. To be eligible for a discount, growers agree to cut back on water usage by 30 percent before municipal and industrial users are asked to cut back. Given the key role of water in the success of agriculture, Agricultural Efficient Water Management Practices have been developed by San Diego CWA for growers and must be implemented along with a Water Management Plan in order to ensure San Diego County farms are productive and using water resources efficiently.[13]

Soils and Topography

San Diego County's landscape slopes up from the ocean, in a west to east direction, with rolling hills giving rise to steep mountains and, eventually, sloping deserts. A mountainous region separates agriculture between lands descending to the Pacific Ocean in the west and the desert areas in the east. This area is part of the peninsular mountain range that stretches from the Mexican border in the south to the Riverside County line in the north. Agriculture east of the divide is concentrated in Borrego Springs. Farming in the desert environment, including Borrego Springs, occurs on larger farms and is dependent on groundwater for irrigation. In contrast, agriculture west of the mountains has a more varied topography and range of agricultural production. (Appendix IX, Map 2, Topography)

Only six percent of San Diego County has prime agricultural soils. The Borrego Springs area, however, has large portions of prime agricultural and alluvial soils. A 1975 Soil Conservation Service soil survey indicated that areas in the region where productive agriculture occurred typically had mid-range soils that are well suited for crops such as avocados, tomatoes, and citrus. These soils are non-prime, and in many cases occur on steep, erodible slopes that characterize San Diego County farms.

The diversity of San Diego County's topography has resulted in microclimates that support approximately 30 different natural vegetation communities. These microclimates also afford farmers the opportunity to grow more than 200 different commodities, including nursery products and strawberries along the coast, citrus and avocadoes in the inland valleys, apples in the higher elevations, cattle in the interior dryland region and citrus in the desert. Such microclimates result is year-round production. Indeed, it is climate rather than soil quality that drives San Diego County's agricultural production and distinguishes it from other agricultural areas in California and the nation. (Appendix IX, Map 6, Microclimates)

A.2 AGRICULTURAL ECONOMY

Acreage and Land Values

Agricultural production takes place in many parts of San Diego County, including coastal, interior foothills and mountains, and desert areas. There are significant

[13] Section 10 of "Agricultural Water Management Plan," prepared by San Diego County Water Authority, Water Resources Department, and available online at http://www.sdcwa.org/manage/awmp_10.pdf

concentrations of farming in the north county unincorporated areas of Fallbrook, Bonsall, and the Pala-Pauma Valley, along with unincorporated areas to the east, including Valley Center, Ramona, Julian, and Borrego Springs. A significant amount of agricultural production also continues to occur within incorporated cities such as Oceanside, Carlsbad, Encinitas, Leucadia, San Diego, Vista, Escondido, and San Marcos.

The vast majority of San Diego County's farms are remarkably small in size. 63 percent of San Diego County's farms are one to nine acres in size, while the median farm size is approximately five acres. An additional 30 percent of farms are 10 to 99 acres, with only seven percent at 100 acres and larger. The average farm size for Unincorporated San Diego County may tend to be slightly larger than within the incorporated cities based on the greater availability and the lower cost of land in this area.

The City of San Diego is the second largest city in the state. In addition, San Diego County has 17 other incorporated communities. Outside of the incorporated cities, approximately 2.3 million acres remain unincorporated, with 64 percent under public ownership and 36 percent privately held. The majority of this public land is either managed or held by county, state, or federal governments or tribal nations. (Appendix IX, Map 5, Parcel Ownership)

As urbanization expands into unincorporated areas, land becomes increasingly scarce and land values continue to climb. The nature of San Diego County's high-value, low-acreage agriculture makes land used for farming attractive for development. This is reflected in the land values per acre in San Diego County reported by the California Chapter of the American Society of Farm Managers and Rural Appraisers in its publication, *Trends in Agricultural Land and Lease Values.*[14] According to the 2005[15] publication, the value of avocado farmland in San Diego County and Southwestern Riverside County ranged from $23,000 to $61,000 per acre, citrus land in San Diego County from $22,000 to $30,000 per acre, and cropland from $9,000 to a high of $90,000 per acre. In comparison, the land value for avocados in San Diego County alone in 2000 ranged from $9,000 to $16,600 per acre, while citrus land ranged from $6,100 to $12,000 per acre. Cropland values from the year 2000 were not listed in the report.

Production

Because of the varied climate San Diego County still ranks among the leading counties in California and the nation for agricultural value, despite the fact that only six percent of its agricultural soils are considered prime. This can be attributed to the high dollar value of its largest agricultural sector of the industry: nursery and cut flowers. The outdoor nurseries and greenhouses are not dependent on native soil quality, since growers use imported soils, or native soils that are custom mixed, for container use.

According to the 2006 Crop Statistics and Annual Report issued by the AWM, San Diego County had over a $1.46 billion agricultural value—a five percent decrease over the

[14] More information can be found at the California Chapter of the American Society of Farm Managers and Rural Appraisers website: http://www.aglandtrends.com/

[15] *Trends in Agricultural Land and Lease Values* is an annual publication. As of the writing of this report, 2005 is the latest year for which there is a publicly available document.

previous year and the first year of decline following 13 consecutive years of growth in value. However, the reported decline in 2006 is an anomaly and does not represent a downward trend[16]. Over the past 10 years, with the exception of 2006, San Diego County's farm agricultural value has increased nearly 40 percent. San Diego County agriculture has the eighth largest farm gate value in California and the 12th largest among all counties in the United States. Agriculture is the fifth largest component of San Diego County's economy. The full economic contribution of agriculture's product value to the economy can be estimated when a multiplying factor of 3.5 is applied. Using this methodology to adequately represent agriculture, San Diego County's agricultural economic impact is nearly $5.1 billion.

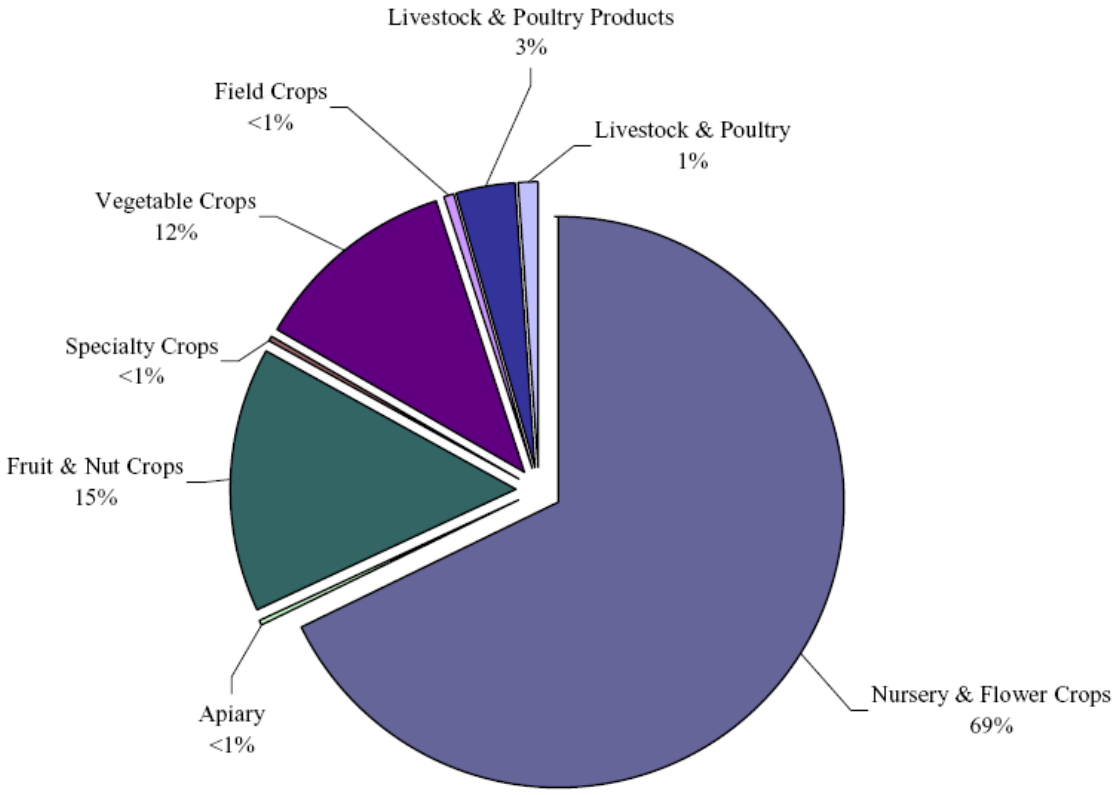
The use of the multiplying factor of 3.5[17] can be supported through four measures that reflect the impact agriculture has on San Diego County's economy:[18]

1. *Sales impact:* The inputs used on a farm, such as machinery, seed, fertilizer, fuel, electricity, etc. This measure records how agricultural purchases influence sales in the private sector;
2. *Personal income:* The income created directly or indirectly by the economic output of agriculture and agricultural processing;
3. *Value added:* The cash receipts from the sale of the farm products less the cost of inputs (excluding labor) that went into producing those goods; and
4. *Jobs:* Labor on a farm, as well as input and output industries that rely on business from a farm. For example, agricultural machinery manufacturers, chemical manufacturers, processors, and people working in retail food trade have jobs related to agriculture.

In 2006, as in previous years, nursery and flower crops yielded the highest market values in San Diego County, generating $991 million and representing 69 percent of the total market value. Other high-value crops included fruit and nuts at $220 million, vegetable crops at $174 million, livestock and poultry products (primarily eggs and milk) at $50 million, livestock and poultry at nearly $16 million, field crops at $6 million, apiary production at $4 million, and specialty crops at $965,000. In all, there are 47 crops that reached $1 million or more in value.

Figure 1: Summary of Major Types of Crops by Value for 2006

[16] This apparent decline reflects the use of methodologies that overestimated price decreases for some crops such as avocados in 2006. These reporting methodologies have been revised for future year estimates as noted in the 2006 Crop Statistics Report.
[17] County of San Diego Crop Statistics Report. (2006). San Diego. http://www.sdcounty.ca.gov/awm/docs/crop_reports/cropreport2006.pdf
[18] University of California Agricultural Issues Center, *The Measure of California Agriculture, 2000*



At an average of $5,612 per acre, San Diego County agriculture had the highest dollar value per acre of any county in California. Under the nursery and flower crops category, indoor flower and foliage plants were valued at $311 million and have continually ranked highest in market value since 1984. Nursery and flower crops also had the highest dollar value per acre at $603,981. Among the 200 plus commodities grown in San Diego County, nursery products, floriculture, and avocados rank highest in California and the nation in production value. San Diego County's poultry products, fresh market tomatoes, mushrooms, grapefruit, tangerines, and honey each rank in the top five statewide by value, as well. In 2002, San Diego County growers sold $7.3 million of agricultural products directly to consumers and this trend continues. Additionally, the number of certified organic growers continues to rise. At present, there are nearly 250 certified organic growers in San Diego County, more than any other county in the nation. According to the California Department of Food and Agriculture, in 2006, San Diego organic growers produced over 140 different crops with gross sales exceeding $20 million.

Promoting Local Agriculture

Most of San Diego County's agricultural products are exported to other areas of California, the United States, and abroad. However, with San Diego County's mild, Mediterranean-like climate and large local market, county farmers can offer residents a wide variety of locally grown agricultural products year-round. Recognizing this opportunity, farmers developed the *San Diego Grown 365* brand to promote locally produced agricultural products. Farmers sell directly to consumers at more than 30

certified farmers' markets, along with countless roadside stands, self-pick operations, and community supported agriculture.

With access to local seaports, airports, railways, and Interstates 5, 8, 15, 805 and Highway 905, San Diego County has excellent access to the international market. In 2004, San Diego County sold agricultural products in 8,445 shipments to 62 countries, with Mexico, Canada, China, and Japan as leading importers of San Diego County's agricultural products.

Trends shown in 2002 USDA Census of Agriculture[19]

The 2002 USDA Census of Agriculture documented San Diego County had 5,255 farms, the fourth highest number of farms among all counties in the United States. Agriculture is a family business in San Diego County, with 92 percent of farms family owned and 77 percent of farmers living on their land. In addition, Native Americans hold 22 percent of the farmland in the county, including ranchland. According to the 2002 USDA Census of Agriculture, the number of farms declined significantly between 1997 and 2002. Farms on less than 50 acres decreased by more than 29 percent[20]. The number of large farms (260-1000 acres plus) also declined significantly, though larger farms are less common in the region.

Table 1. Number of Farms by Size, San Diego County

Farm Size (Acres)	1997	2002	% Change 1997 to 2002
1 to 9	4,929	3,327	-33%
10 to 49	1,699	1,357	-20%
50 to 69	120	117	-3%
70 to 99	102	88	-14%
100 to 139	74	72	-3%
140 to 179	71	43	-39%
180 to 219	37	35	-5%
220 to 259	38	46	21%
260 to 499	91	72	-21%
500 to 999	63	40	-37%
1,000 plus	69	58	-16%
Totals	**7,293**	**5,255**	**-28%**

Source: USDA Census of Agriculture, 2002.

The change in the number of farms in San Diego County according to sales volume is also an indicator of trends in the farming industry. Table 2, Number of Farms by Sales Volume, illustrates that farms with sales less than $5,000 in annual sales dropped by 52

[19] It is important to note that this census data was collected nation-wide and may not accurately represent the trends occurring on a county level. The San Diego County Crop Statistics and Annual Reports have shown an overall increase in acreage in agricultural production over the last decade.

[20] Percentage is relative to the total number of farms in a given farm size category. It is important to note that the number of smaller farms (<100 acres) is significantly higher than the number of larger farms (> 100 acres). This should be considered in evaluating the overall impacts to large or small farms.

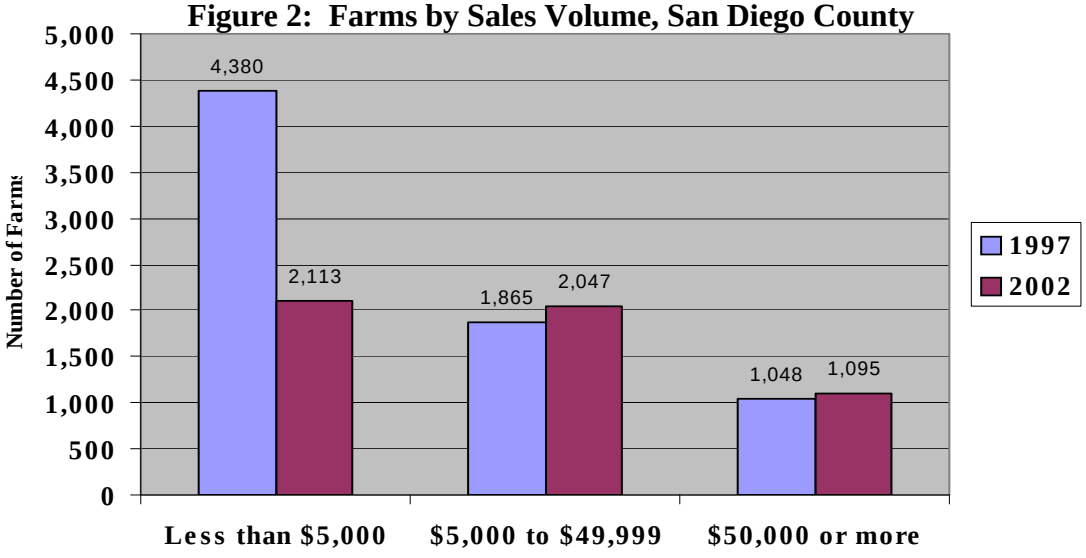
percent (based on unadjusted 1997 values). While some of these probably moved into a higher sales volume category or were consolidated, many went out of agriculture altogether. At the same time, farms with sales volume between $5,000 and $49,999 increased by nearly 10 percent and those with sales of $50,000 and greater increased by approximately four percent. Likewise, while farms with sales between $250,000 and $499,999 decreased by 11 percent, those with sales of $500,000 or more increased by 34 percent. In order to remain profitable, individual farms need to reach a certain high level of production. For the many small farms in San Diego County, remaining profitable and maximizing economy of scale prove a significant challenge. Local farmers and ranchers report that additional income from non-agricultural sources is frequently required to sustain agricultural operations[21].

Table 2. Number of Farms by Sales Volume, San Diego County

Sales Volume	1997	2002	% Change 1997 to 2002
Less than $5,000	4,380	2,113	-52%
$5,000 to $9,999	690	780	13%
$10,000 to $19,999	564	674	20%
$20,000 to $24,999	168	173	3%
$25,000 to $39,999	320	317	-1%
$40,000 to $49,999	123	103	-16%
$50,000 to $99,999	374	376	1%
$100,000 to $249,999	300	294	-2%
$250,000 to $499,999	171	152	-11%
$500,000 or more	203	273	34%
Totals	**7,293**	**5,255**	**-28%**

Source: USDA Census of Agriculture, 2002.

Figure 2: Farms by Sales Volume, San Diego County



[21] Farmer Focus Group convened by the San Diego County Farm Bureau. January, 2008.

As the number of farms declines, the number of farmers is also decreasing and the overall age of farmers is increasing. In 2002, the average age of a farmer in San Diego County was 60, as compared to California's average farmer age of 57 and the national average of 55. The higher average age of farmers in San Diego County may be the result of individuals entering agriculture as a second career after retirement from their primary employment. Although the number of farmers decreased in all age groups, young farmers up to 44 years of age showed a dramatic 50 percent decline. This trend has serious implications for the future of farming in San Diego County, as beginning and younger farmers are not entering the industry to take the place of those who are retiring. The reasons for this may be manifold but are likely due, at least in part, to the fact that local economics generally require farmers' to obtain a second source of income. Additionally, farmers that have entered farming as a second career may not have the family legacy of passing the land to the next generation. With the majority of farmers nearing retirement age and few beginning farmers stepping in to take their place, farmland in San Diego County is especially vulnerable to development. (Table 3. Number of Farmers by Age).

Table 3. Number of Farmers by Age, San Diego County

Age of Farmers	1997	2002	% Change 1997 to 2002
Average Age	**58**	**60**	**3%**
Under 25 years	15	14	-7%
25 to 34	204	95	-53%
35 to 44	1,081	545	-50%
45 to 54	1,745	1,404	-20%
55 to 59	856	667	-22%
60 to 64	843	637	-24%
65 to 69	832	532	-36%
70 or over	1,717	1,361	-21%
Total Operators	**7,293**	**5,255**	**-28%**

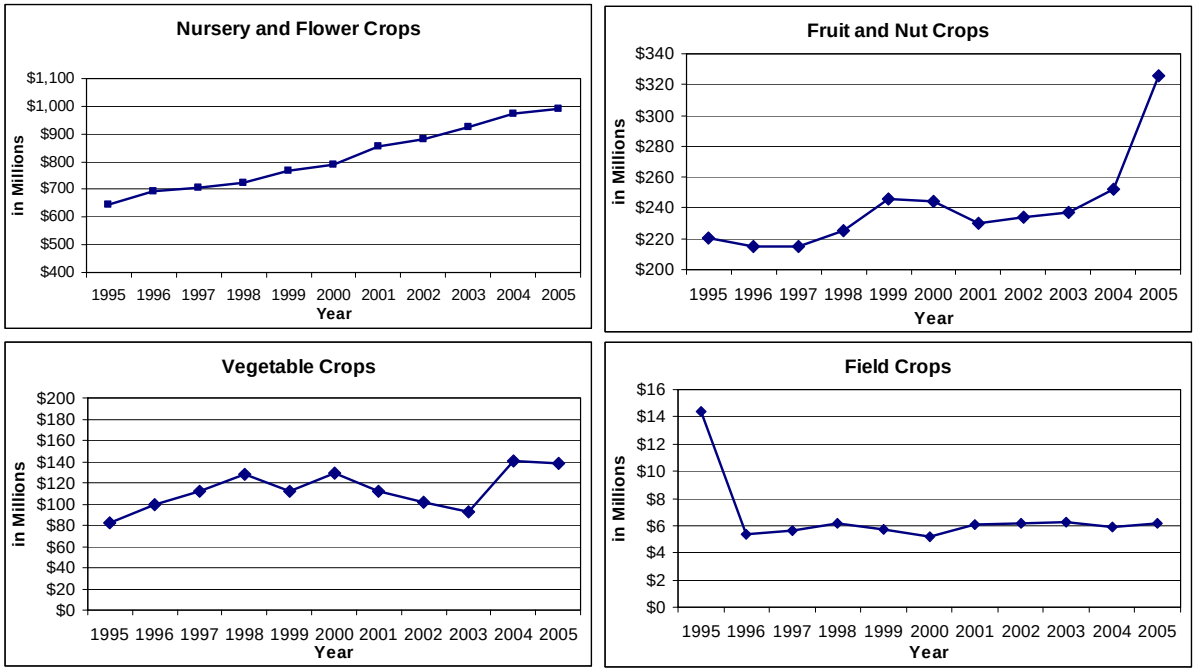
Source: USDA Census of Agriculture, 2002.

Some major trends are illustrated through the comparison of data from 1996 and 2006 in San Diego County. One of the major trends in cropping patterns over the past 10 years has been the increase in acreage and value for nursery and flower crops.[22] Between 1996 and 2006, nursery and flower crops increased in acreage by 22 percent (48% between 1995-2005 and 2% in 2006) and increased in value by 43 percent in San Diego County. In comparing the data from 1996 and 2006, fruit and nut acreage is roughly the same; and the sector has increased in value by 2 percent. The increase in value was largely due to favorable weather conditions in the winter of 2004/2005 and was primarily shown in the value of avocados and apples. From 1995-2005, the recent decade showing the most significant change, the production of lemons fell from nearly $30.9 million in 1995 to $11.5 million in 2005, a decrease of 63 percent. During this same period of time, the production value of Valencia oranges dropped by 60 percent, from $35.7 million to $14.2 million. The decrease in citrus production can be attributed to shrinking profit margins caused by lower market prices and higher production costs. Increases in nursery acreage

[22] Source: San Diego County 2005 Crop Statistics and Annual Report.

and decreases in citrus production are directly linked to nurseries moving inland and taking over citrus orchard acreage. Figure 3, below, depicts the value of four major crop types from 1995 to 2005.

Figure 3: Value of Major Crops, 1995 - 2005



A.3 REGULATORY ENVIRONMENT

State and County regulations and ordinances can have a significant influence on agriculture in unincorporated areas of San Diego County. These regulations can affect land value, expansion of agriculture, building of farm labor housing, and agricultural economic development. The most important existing County regulations affecting agriculture include the Grading and Clearing Ordinance and the Zoning Ordinance. Among the major proposed County land use policies that will affect agriculture are the General Plan (GP Update) and MSCP plans for the north and east areas of Unincorporated San Diego County. When completed, the GP Update will guide how the unincorporated communities in San Diego County will grow.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) requires lead agencies, such as the County, to evaluate whether a proposed project may have an adverse effect on the environment and, if so, if that effect can be reduced or eliminated by pursuing an alternative course of action or through mitigation. Projects subject to review under CEQA include the development of vacant land into residential, commercial, or agricultural uses or the conversion of agricultural land to residential or commercial uses and potential impacts that could result from a project on environmental resources such as farmland, natural habitat, archaeological sites, and other resources must be addressed.

The basic goal of CEQA is to develop and maintain a high-quality environment now and in the future, while the specific goals of CEQA are for California's public agencies to:

1. Identify the significant environmental effects of their actions; and, either
2. Avoid those significant environmental effects, where feasible; or
3. Mitigate those significant environmental effects, where feasible.[23]

In cases where a developer is converting farmland to development and required to mitigate, under CEQA, the onus of mitigation lies with the developer or public agency, rather than the farmer. Section 15126 of the CEQA Guidelines requires a lead agency to identify mitigation measures for each significant environmental effect identified in the Environmental Impact Report (EIR). Mitigation measures can substantially reduce the site-specific and cumulative impacts of farmland conversion. Potential mitigation measures, including those implemented by various other jurisdictions, are included in Appendix V.

Grading and Clearing Ordinance

For a number of years, the County's Grading and Clearing Ordinance (Grading Ordinance) allowed for the issuance of an Agricultural Exemption for grading and clearing of land if it was associated with farm operations. However, due to attempts to misuse the exemption and new stormwater requirements on properties without agriculture, the Grading Ordinance was amended in May of 2001. Under the amended ordinance, if the land is outside of the existing County Multiple Species Conservation Program (MSCP), up to 5 acres can be cleared without a permit when associated with an existing dwelling. If the land is within the existing MSCP, residential land (developed or vacant) up to 5 acres in size that is outside the Pre-Approved Mitigation Area (PAMA) can be cleared without a permit. Residential land (developed or vacant) up to 2 acres in size that is inside PAMA can be cleared without a permit. Clearing in excess of these limits is allowed with an approved Administrative Brushing and Clearing Permit from the DPLU. Property owners may also clear up to 100' from any improvement on their property as defined under Section 68.402 of the County Weed Abatement Ordinance without a permit. Depending upon fuel loads and topography, the Local Fire District may require additional clearing. This additional clearing does not require a permit so long as you have a letter from the Local Fire District specifying the amount of additional clearing required.

County Zoning Ordinance

In broad terms, the Zoning Ordinance establishes provisions that regulate and control the character and use of property. Common regulations found within the zoning ordinance include the type, intensity and placement of uses/structures on a property, minimum lot-size, maximum floor area, and animal regulations. In general, the purpose of the regulations is to restrict property owners from using their property to the detriment of their neighbor and community's general welfare.

As a result, the Zoning Ordinance may require discretionary permits for certain farming operations. Such discretionary permits require public noticing and hearing, are subject to

[23] California Public Policy Code Section 21002.1(b)

CEQA and may require special technical studies to analyze potential impacts associated with factors such as traffic and sewer services. Further, discretionary review is a process by which local officials review specific proposals and can add conditions to mitigate potential adverse impacts (e.g. limiting lighting, hours of operations) or deny the project.

The Zoning Ordinance, and associated discretionary permit requirements have the potential of regulating forms of economic agricultural diversification such as agritourism (e.g. farm-based bed and breakfasts, value-added packing and processing, and boutique wine tasting) that may result in potential environmental impacts. Many of the County ordinances meet certain requirements to be consistent with State law and provide for appropriate regulation of land uses and may have limited flexibility.

A.4 Existing General Plan, General Plan Update, and the Multiple Species Conservation Program

Existing General Plan

The existing General Plan is a parcel based plan that grids out the unincorporated area of San Diego County with typically two, four, or eight acre or greater lot size requirements. The existing General Plan was last comprehensively updated in the 1970s and a comprehensive update is required in order to better reflect the current emphasis on community development, efficient use of infrastructure and services, and environmental regulation. The existing General Plan does not effectively facilitate a growth pattern that will be sustainable in the future and help to address current development issues.

The number of homes allowed by the General Plan often cannot be realized due to several factors that reduce the yield. Factors that may reduce development potential include roads, access, steep slopes, floodplains, groundwater constraints, fire safety requirements, biological habitat, archaeology and cultural heritage sites, easements, agricultural contracts, septic system limitations, special area designators, open space requirements, and a variety of other physical and regulatory factors. Applicants may overestimate the actual yield of a project due to the difference between the perceived yield and actual yield of a property, which can lead to frustration and disappointment in the development process. Many lots are simply lost because the General Plan and the zone require the same lot size but one is based on the gross acreage and the other on the net acreage.

General Plan Update

The County has been working on a comprehensive update of its General Plan, known as the General Plan Update (GP Update). The GP Update aims, in part, to reduce the gap between the theoretical and actual development yield. A number of new methods are being proposed that would help to close this gap, including decoupling the density in the General Plan and the lot size in the zone; reflecting a more realistic density and growth pattern on the land use map; and creating policies and methods to facilitate clustered development and the preservation of environmental resources, rural landscape, and agriculture.

The GP Update will support the long-term viability of agricultural and illustrate a more realistic yield for the unincorporated areas of San Diego County through appropriate density assignments. The County has generally proposed one dwelling unit per 10 or 20 acres in agricultural areas within the County Water Authority (CWA) boundary that do not already show a strong pattern of parcels less than 10 acres. In communities such as Fallbrook and Valley Center, where agricultural areas consist predominantly of smaller parcels, the proposed densities are typically one dwelling unit per two acres. As in the existing general plan, in less intensive agricultural areas that are groundwater dependent, lower densities are proposed (one dwelling unit per 40 acres or less). In addition, under the GP Update policies and new or revised ordinances will be developed to support farming through the implementation of other programs identified in this document.

One objective of the GP Update is to balance population growth with available infrastructure and resource protection. More specifically, the GP Update will focus population growth around existing town centers in the western portions of the unincorporated areas of the county where infrastructure and services are feasible and reduce the potential for growth in the eastern areas outside of the existing towns where the provision of infrastructure and services is limited. The GP Update also aims to direct growth away from environmentally sensitive and physically constrained lands, while focusing development potential in those areas with fewer natural limitations.

Multiple Species Conservation Program

San Diego County is characterized by high natural biodiversity and rapid land development. To facilitate land use planning that ensures the preservation of biodiversity while accommodating development, the County established the MSCP to create joint federal Habitat Conservation Plans (HCP) and State of California Natural Community Conservation Plans (NCCP).

The Multiple Species Conservation Program (MSCP) is a 50-year program. Its goals are to:

1. Promote regional economic viability through streamlining the land use permit process;
2. Maintain and enhance the region's biological diversity; and
3. Maintain viable populations of endangered, threatened and key sensitive species and their habitats.

MSCP plans are regional plans to ensure the long-term survival of sensitive plant and animal species and protect the native vegetation found throughout San Diego County while providing for more efficient economic development in areas that are of lower habitat sensitivity. The plans are designed to preserve native vegetation and meet the habitat needs of multiple species, rather than focusing preservation efforts on one species at a time. By identifying priority areas for conservation and other areas for future development, the MSCP plans should streamline existing permitting procedures for development projects that have impacts on habitat. The MSCP also provides an economic benefit by reducing constraints on future development and decreasing the costs of compliance with federal and state laws protecting biological resources.

The first major achievement of the MSCP program was the adoption of the South County MSCP Subarea Plan in 1997. The County proposes to complement the South County MSCP with North County and East County MSCP Plans. If approved, the County's three MSCP Plans will cover all unincorporated areas of San Diego County, with the exception of tribal lands and those lands owned by other jurisdictions, such as state and federal agencies, water districts, and school districts. (Appendix IX, Map 7, MSCP Plan Boundaries)

Projects have different requirements depending on their location in relation to the MSCP Plan area and the designated Pre-Approved Mitigation Area (PAMA) within the MSCP Plan area. A PAMA is an area identified by the United States Fish and Wildlife Service (USFWS) and the California Department of Fish and Game (DFG) with high biological value where preservation will be encouraged. Protection of sufficient lands for the long-term survival of sensitive species is critical in order for the County to achieve approval of federal and state wildlife agencies for the MSCP plans.

Exemptions for agriculture within the South County MSCP Plan boundaries exist. Up to a total of 3,000 acres can be exempt from biological mitigation, pursuant to the requirements of the MSCP and an agreement between the property owner and the DPLU Such an agreement would also incorporate stormwater pollution prevention requirements, as well.

The proposed North County MSCP Plan would cover approximately 313,767 acres in northwestern Unincorporated San Diego County. The proposed North County MSCP Plan would include a significantly greater amount of farmland (30.6 percent) as compared to the South County MSCP Plan (4.4 percent). The County has prepared sections of the draft North County MSCP Plan that address agricultural operations outside and inside of the PAMA, similar to the South County MSCP Plan. The North County MSCP Plan includes recognition of the habitat value farmland can provide for certain sensitive species, as well.

Although the County is attempting to streamline the regulatory environment for agricultural landowners through the MSCP Plans, farmers have expressed concern that environmental requirements of habitat conservation plans take precedence over agricultural viability. The County aims to address these concerns of the farming community by implementing incentives to support the continuation of farming as a major industry as outlined in the Farming Program Plan. The South County MSCP Plan has attracted funds to San Diego County for the acquisition of habitat and similar funds could be acquired to meet the goals of both habitat and agricultural conservation.

Summary of Situation

The County Board of Supervisors adopted Board Policy I-133 so that the County can start considering incentives that support, encourage, protect, and enhance farming in Unincorporated San Diego County. This policy aims to address concerns that have been raised by some members of the farming community in unincorporated areas related to County policies that regulate the development and expansion of agriculture. Farming community members, as represented by those attending the listening sessions, have

expressed a desire to see a greater recognition of the importance of farmers and farming in the county. Those members from the agricultural sector also hope that based on input from the farming public and guidance in the Farming Program, the County will be better able to understand the challenges the industry is facing and to better support opportunities that exist for agriculture. The Farming Program is a comprehensive exploration of and guide to how this may be accomplished.

B. PUBLIC INPUT

The Farming Program addresses the major issues that affect agricultural viability in Unincorporated San Diego County that were raised by those who attended the Fall, 2005 listening sessions, while recognizing the habitat value of some agricultural lands. A multi-pronged approach was employed to identify and understand these issues and to determine what policies and programs would best serve the unique conditions of the county's agriculture. This included research on trends and conditions, guidance from the Core Working Group, and direct input from the farming community itself.

The involvement of county farmers and other stakeholders was considered to be of utmost importance in determining major issues and designing the Farming Program. As a result, AFT and the County held three "listening sessions" to find out what the agricultural community considered its most pressing problems and potential solutions. Although the focus of discussion varied somewhat from location to location, the themes raised were remarkably consistent.

This section presents the input received from the public who attended these listening sessions in October of 2005. Every effort has been made to summarize the input received as it was presented at each meeting. In addition, this input has been organized into three categories, or themes, by County and AFT staff. Additional discussion and clarification of some topics raised at the listening sessions is provided in Appendix III.

Significant recommendations made by farmers and other stakeholders at the listening sessions include: streamlining the regulatory environment, compensating landowners for lost equity due to land use regulations and changes in allowable density or development potential, and developing a more favorable business climate and public support for the unique nature of the county's agriculture. Farmers repeatedly voiced their desire for a more farmer-friendly County governing structure. The full list of concerns for each of the listening sessions is provided in Appendix II. Additional issues were presented at Focus Group sessions in early 2008, including concerns associated with labor costs and availability, property and inheritance taxes, and other matters of interest at the state and national level.

While all of the issues raised by attendees at the listening sessions require attention and solutions, the initiatives proposed in the Farming Program Plan focus on issues that the County has some authority to address.

Based on research and public input from the agricultural community through the listening sessions, the following were identified as three major areas that should be addressed to the extent possible in the Farming Program:

1. Costs of Doing Business;
2. Loss of Equity and Affordable Farmland; and
3. Need for Public/ Government Support for Agriculture.

B.1 COSTS OF DOING BUSINESS

Much of the public input received at the listening sessions emphasized that farming in San Diego County is expensive. Beyond macro-economic forces outside of the County's control, farmers singled out three factors that add to the costs of doing business in San Diego County. They include 1) a complex regulatory environment and permitting process, 2) tensions that arise from land use conflicts where agriculture and urban development interface, and 3) water issues.

Regulatory Environment and Permitting Process

From farm expansion and diversification to housing for employees, farmers from Unincorporated San Diego County stated that they must navigate a complex regulatory environment to receive necessary permits or approvals. Many of the County's ordinances and regulations require the issuance of permits, often in order to comply with state laws. Farmers repeatedly cited the permitting process as confusing, time-consuming, and expensive and indicated that streamlining needs to occur in order to facilitate diversification and expansion of farming operations. Two of the most challenging regulations mentioned include the Zoning Ordinance (Farm Labor Housing requirements) and the Grading and Clearing Ordinance.

In addition, at the October listening session, the desire for the following specific improvements were cited:

- Central point of contact;
- Reduce the number of trips and departments required to complete business;
- Additional informational materials;
- Reduce or consolidate the number of permits;
- Reduce permitting costs;
- Help improve relations between the agricultural/ urban interface;
- Reduce the cost of water.

B.2. Loss of Equity and Affordable Farmland

Attendees at the listening sessions voiced apprehension that farmers in Unincorporated San Diego County may face a loss of equity due to provisions within proposed and adopted countywide plans such as the GP Update and MSCP plans. Additionally, there was concern expressed that farmers are being priced out of affordable farmland due to competition for land from non-farm development.

Changing Density

Attendees also stated that lowering density, as proposed in the GP Update, could contribute to a loss of equity in the land owned by farmers. Farmers expressed particular concern about decreasing density from one home per two, four, six, eight, or 10 acres to one home per 20-acre or 40-acre in rural areas. With the median farm size in San Diego County only five acres, and with 63 percent of farms less than nine acres, farmers worry that designating arable land at one dwelling unit per 20 acres would greatly discourage future farming activity. Farmers have called for a more flexible approach to encourage future farmers. Additionally, attendees thought the larger lot minimum would prevent farmers from subdividing the land for their children or providing housing for agricultural employees. Some expressed concern that the larger minimum lot size may also prevent entry into farming due to the higher cost for land.

Development Pressures and Loss of Equity

Attendees said the rising cost of land due to development and population pressures has created an additional hurdle, as land is less affordable for farming. Attendees felt that competition for land has driven land prices higher and made it more difficult for farmers to purchase land for farming, while also making it more attractive to sell land as farming profit margins decrease. At the same time, attendees voiced concerns regarding potential loss of equity in their land. By decreasing density, attendees worried that the land value is decreased because the value is based on the highest and best use for the land. In many cases, the value of land is based on how many homes can be built. Therefore, lowering density equals lowering value. A related concern raised includes the issue of competition for land or a competition between uses on a limited supply of land.

Environmental Protection
Attendees at the listening session voiced concerns that government focus on endangered species and habitat preservation outweighed the attention to agriculture and hinders the expansion of farming. Attendees shared concern that environmental regulations may have the potential to reduce the availability of natural lands for agricultural operations and may reduce farmers' land values if they are located within a potential preserve area.

B.3 NEED FOR PUBLIC/ GOVERNMENT SUPPORT FOR AGRICULTURE

Attendees at listening sessions also indicated that they would like to see government agencies demonstrate the financial and personnel investments to reflect the importance of agriculture in San Diego County. In addition, they expressed frustration with the need for greater understanding of support for the issues of the agricultural industry at all levels of government.

Funding for Research
Competition from imported products has increased (i.e., avocados from Mexico) and funding for agricultural research has decreased at the University of California Cooperative Extension in recent years. The development of alternative crop production was indicated by attendees of the listening sessions as a factor that they believe will affect the future success of agriculture in San Diego County.

County Agricultural Economic Development Effort
Attendees of the listening sessions felt the future of agriculture in San Diego County could be improved with better promotion of local agricultural products.

Voice for Agriculture
Attendees also indicated that farmers in San Diego County feel that elected officials at the federal, state, county and local levels as well as community leaders and the general public may not be aware of, or vocal enough, about the issues of the agricultural industry.

C. FARMING PROGRAM PLAN FRAMEWORK AND INITIATIVES

Through meetings with farmers and San Diego County agricultural and government agencies, the Farming Program Plan is designed to guide the County through steps to help meet the needs and address the issues faced by the local agricultural community.

The primary goals of the Farming Program are to promote economically viable farming in Unincorporated San Diego County and to create land use policies that recognize the value of working farms to regional conservation efforts. The Farming Program Plan includes an "institutional framework" to create a more positive and supportive environment for agriculture based on the concerns cited by the stakeholders. Building on the foundation of this framework, the Farming Program Plan encourages the implementation of four major "initiatives:" 1) the 2007 Farm Bill; 2) Regulatory Assistance; 3) Agricultural Industry Development; and 4) Purchase of Agricultural Conservation Easements (PACE).

Both the institutional framework and initiatives are aimed at addressing the specific needs expressed by the farming community and defining and facilitating achievement of the County's goals for agriculture as specified in Board Policy I-133. The framework and initiatives are designed to, as one farmer stated aid in giving "agriculture an opportunity to prosper and expand in one of the finest growing areas in the world." The Farming Program Plan is intended as a tool to guide action toward the County's commitment to agricultural viability through identification of possible land use policies and programs to support and encourage farming.

C.1 INSTITUTIONAL FRAMEWORK

The ultimate success of the Farming Program relies on building an institutional framework within the County government that places an organizational emphasis on the business of agriculture and is responsive to local farmers. The framework consists of several components, first and foremost of which is for the County to administer the Farming Program in order to achieve a more positive climate conducive to the agricultural industry.

Input and Advisory Groups

The framework also encourages the formation of one or more ad-hoc agricultural input groups to act as a sounding board to the County regarding the design, development, and implementation of the Farming Program. These groups would provide industry-specific insight regarding various ideas and programs that may assist the County in improving processes and activities that affect the agricultural community. These groups would be comprised of representatives from key agencies that interact with the agricultural community and, most importantly, engage the active participation of farmers themselves. These agricultural input groups may be appointed by either the County or by a combination of County and agricultural industry representatives. As specific initiatives are authorized or approved, most notably the PACE Program, the Farming Program may require additional ad-hoc input groups, as well.

Another aspect of the framework considers the support of an Agricultural Development and Research and Extension Center (the Center), which would bring federal, state, and local agencies that work with farmers (such as the San Diego County Farm Bureau and FHA/UCCE) together at one location. Currently, most government agencies, farm organizations, and the FHA/UCCE office are located in various and, often, distant parts of the county. The Center would be a "one-stop" shop for farmers to voice concerns, seek resources and find ways to improve efficiency for those seeking support and technical assistance. The Center would also create a cooperative environment to support agricultural development, raise visibility, and convey agriculture's importance to the public. Lastly, it would be a place for farmers to meet and exchange ideas and information, thereby improving agricultural viability in the county. Examples of other such centers in California include Stanislaus and Tulare Counties in the San Joaquin Valley region (Appendix V, Innovative Programs). Ideally, the Center also would house a University of California (UC) Research and Extension Center (REC) and Experimental Farm.

The UC already has 10 RECs located throughout the state, which provide a field laboratory to conduct agricultural and natural resources management research and promote agricultural sustainability. While neighboring Orange and Imperial Counties have RECs, their research is not particularly applicable to San Diego County. Establishing a REC as part of the Farming Program framework recognizes the unique agricultural conditions of San Diego County and would help to satisfy the farmers' need for research to help them remain competitive. The REC could include an experimental farm to demonstrate research on crops grown in San Diego County, as well as promoting public awareness and support for farmers and local crops.[24]

The County's inclusion of agricultural policies and support within the institutional framework demonstrates that this is a top economic and environmental priorities and facilitates the success of the following four proposed initiatives. In addition, the framework will work toward significantly enhancing the relationship between the farm community and the County by engaging the active involvement of agricultural industry stakeholders.

County Participation/ Staffing

The Farming Program Plan includes program purposes, governance and staffing, program activities, eligible funding sources, and other relevant qualifications intended for presentation to and endorsement by the Board of Supervisors. Administration of the Farming Program is proposed as a function of an interdepartmental "Farm Team." Members of the Farm Team should have knowledge of local agriculture and include representatives with practical experience farming in San Diego County whenever possible to strengthen the applicability of Farming Program activities and ties with the local farming community.

A single staff person from within the County may be identified to provide additional support with threading among the departments. Historically, a centralized staffperson, such as a staff officer in the LUEG Executive Office, has assisted in coordinating many high-profile initiatives, particularly those that cut across numerous County departments. Devoting a portion of a a key staff member's time to provide further threading among the departments that administer the Farming Program may help to address the need for an agency or authority to promote and assist agriculture.

Adequate staffing is essential to respond to farmers' needs and to manage the major initiatives efficiently and equitably. As the program evolves, an appropriate team of staff will be developed to address the initiatives set forth in the Farming Program Plan. This "Farm Team" would be assigned from departments with oversight regarding matters pertaining to agriculture. The Farm Team would also have the potential to access resources to bring in additional consulting assistance from outside the County, as necessary.

[24] The County purchased a boarding school with 240 acres of farmland where the San Pasqual Academy, a school for foster children, opened in 2001. Part of the land is used as a demonstration farm. Discussions are already underway between the County and the Farm Advisors' office about using the land as a REC.

As noted previously, it is also recommended that a Farming Program coordinator be appointed as the primary individual responsible for ensuring functional threading with other departments as initiatives are put in place. While individual program responsibilities would lie within each department, the Farming Program coordinator could help to facilitate communication and consistency in implementation between elements of the programs with multi-departmental relevance, and could assist in leveraging resources such as grants.

C.2 INITIATIVES

C.2.1 The 2007 Farm Bill

The reauthorization of the Farm Security and Rural Investment Act of 2002 (via the 2007 Farm Bill) limits the County farmers and the County's benefits in several ways;

- Federal Assistance- Most federal agriculture spending is directed to a handful of commodities—with a much smaller amount dedicated to conservation programs. Because of this, the vast majority of San Diego County's producers receive no federal assistance.
- Qualification Guidelines- Even for those who pursue conservation funding, certain provisions of the rules implementing the conservation programs make it hard for San Diego County farmers to qualify.
- Innovation- Conservation programs typically fund basic conservation practices and are generally slow to promote new, innovative practices. Given the small size of San Diego County's farms and the diversity of its agriculture, farmers face unique environmental challenges. As a result, they need support in promoting cutting-edge approaches and cooperative efforts among farmers, including the provision of technical assistance to achieve success and positive results. The San Diego County Permit Coordination Program in the San Luis Rey and Santa Margarita watersheds is an excellent example of such collaboration.[25]
- Regulations- State and Federal regulatory inconsistencies, complexities and limitations have resulted in an overall reluctance among San Diego County growers to apply for conservation programs.

As part of the Farming Program, a policy analyst could be a part of the Farm Team and work with the county's Congressional delegation over the long-term to adopt and expand federal programs through increased funding and program modifications. Seven specific actions for the County to improve its position with respect to federal funding address conservation programs, as well as specialty crops. (Appendix IV, 2007 Farm Bill Recommendations).

The County pursued reforms to the 2007 Farm Bill that addressed the importance of San Diego County's specialty crops, especially through the expansion of the Specialty Crop Competitiveness Act programs. While the funding for some of these programs has increased recently, the following reforms continue to be County priorities:

[25] For more information on this program visit Sustainable Conservation at http://www.suscon.org/pir/watersheds/sandiego.asp.

- Promote research for Integrated Pest Management, irrigation techniques and environmental quality improvements;
- Eliminating non-tariff barriers to allow greater access to foreign markets;
- Promoting consumption of nutritional, fresh food; safe agricultural work environments; direct support of local agriculture; and farm-to-school programs;
- Providing incentives to specialty crop farmers who incorporate environmentally beneficial practices; and finally, of particular need in San Diego County;
- Funding pest management to include inspection and exclusion, quarantine and eradication. This is of critical concern as funding from the State of California for pest management has been reduced significantly in recent years.[26]

C.2.2 REGULATORY ASSISTANCE

Initiative Purpose

Though the County seeks to promote the many benefits of agriculture and foster a business environment conducive to its expansion, the current regulatory process can present challenges for the industry and its farmers. Many farmers cannot afford to hire attorneys, engineers, and technical staff to assist in complying with regulations and ordinances. The purpose of this initiative is to conduct a business process re-engineering effort that analyzes the regulations affecting farmers and their operations, rendering recommendations for a more efficient process, and providing regulatory assistance, when feasible. There would be interaction between the County review process and agriculture to ensure that it is represented during the business process re-engineering. The new regulatory environment will require an efficient framework that is "farmer friendly" and should give farmers the assistance necessary to secure the approvals required to continue or expand agriculture.

Program Activities

Steps to conduct business process re-engineering and provide technical assistance to help farmers apply for permits and comply with regulations, specific activities could include:

1. Identify and streamline permits that affect agriculture;
2. Analyze duplication, inconsistency, and inefficiency to streamline processes and ensure cost-effectiveness to the County and to the customer;

[26] The County of San Diego Department of Agriculture, Weights and Measures contracts annually with the California Department of Food And Agriculture (CDFA) to conduct mandated activities to protect agriculture, ensure equity in the marketplace, and promote the health and safety of the residents of San Diego County. In 1995, the Rogers Bill (SB2062) identified the need for $14 million in local assistance for statewide high-risk pest exclusion activities by county departments of agriculture. Although the state legislature approved $14 million in 1998 for the counties, each year the budget for these types of activities has been reduced. Originally San Diego County was slated for $1.4 million. However, in fiscal year 2003-04, the High Risk Pest Exclusion contract was for $730,397 and CDFA reduced the contract by 80 percent in fiscal year 2004-05 down to $130,397. This resulted in a commensurate 80 percent reduction in high-risk inspections (from 10,000 to 2,000). In fiscal year 2005-06, CDFA initially reduced funding to zero, but by mid-year it was increased to $51,860 to cover 209 visits of high-risk facilities. Previously the contract covered high-risk inspections at locations such as post offices and nurseries that included both box and truck shipments. This current contract specified protocols for inspecting plant materials from only Florida and southern states. Although San Diego County receives 40 percent of incoming nursery shipments, the available dollars are split equally among several counties.

3. Modify permit practices and improve protocols to ensure that reviews and approval flow quickly and efficiently;
4. Create and manage a mechanism to alert Farm Team staff that a review or permit is stalled, so problematic projects can receive prompt and appropriate attention;
5. Make the County's permit tracking system available to farmers so that they can view zoning designation of property, status of permit applications, or project review online; and
6. Create a matrix or other educational tool that, based on project specifics, would identify necessary County permits (similar to the AgComplyIT Excel program made for state permits[27]) and identify and provide guidance regarding the relevant permitting processes.

County Participation/ Staffing

Once the re-engineering is completed, it is likely there will be a need for a dedicated County staff person to provide technical assistance for permit applications.

C.2.3 AGRICULTURAL INDUSTRY DEVELOPMENT PROGRAM

Even though farming is its fifth largest industry, San Diego County does not have an economic development program underway to advance agriculture. This plan recommends the establishment of an Agricultural Industry Development (AID) program to supply the expertise, resources, and new ideas to support agricultural prosperity. It would support farm diversification, attract and potentially help finance value-added processing, support new market development, and encourage expansion and relocation of agribusiness and biotech firms to support San Diego County agriculture. This program could build on concepts from a similar program in Hillsborough County, Florida.[28] The proposed Agricultural Development and Research and Extension Center, previously described in section C.1, would be an ideal home for the AID program.

Program Purpose

The AID program would promote farm leadership, create opportunities for young farmers to enter and remain in agriculture, and improve the economic sustainability of San Diego County agriculture. While private or non-profit farmer advocacy groups would be more appropriate leaders in this endeavor, the County may play a role in encouraging such a program as it evolved.

Program Activities

1. Regional Economic Development Strategy

A regional economic development strategy would capitalize on and leverage the County's strong business, academic, and financial resources to attract, retain, and promote agriculture.

[27] For more information on AgComplyIt visit http://agcomplyit.com/.
[28] Agricultural Industry Development Program at www.hillsboroughcounty.org/econdev/agriculture/home.cfm

During the early 1990s, a serious recession resulted in reductions in defense spending, declining real estate market, and loss of financial institutions in the county. A leadership network of the academic, business, and public sectors assisted in restructuring San Diego's economy, creating new industries in biotechnology and tele-communications, thereby spawning hundreds of small businesses leading the region's economy today. Regional initiatives served as a catalyst to create networks that brought together the tremendous energy of the business and financial sectors with the research capabilities of academic institutions, while also including the local infrastructure of government.

Organizations such as CONNECT, San Diego Regional Economic Development Corporation and the San Diego Association of Governments were major players in San Diego's economic renaissance. CONNECT was founded by the University of California, San Diego, with the encouragement of the region's business community. Recently, the UC president was given a tour of San Diego's agricultural industry and UC Cooperative Extension research projects. The president's enthusiastic response to this tour may assist in creating opportunities to pursue additional collaboration.

The success of these alliances is widely recognized. The Farming Program Plan attempts to harness these economic engines to provide a development strategy that helps sustain, promote and expand the business of agriculture. Activities could include:

a. Support research and development of possible value-added agricultural products, new products, and new agribusiness opportunities;
b. Provide low-interest loans and grants for new and/or expanding agriculture-related businesses;
c. Offer technical assistance to help innovators develop ideas for new agriculture-related businesses;
d. Secure affordable assistance to help lower insurance rates for farmers, possibly through formation of a cooperative;
e. Work with the San Diego County Regional Economic Development Corporation in expanding or attracting agribusiness firms to the county; and
f. Explore potential agritourism opportunities to promote locally grown products.

2. *Promoting Local Agriculture*

The *San Diego Grown 365* branding initiative was introduced by the FHA/UCCE and is administered by the San Diego County Farm Bureau as a mechanism for promoting local agriculture. The initiative is generating more appreciation of San Diego County farming, as well as fresh, local food. The AID program could build upon this initiative by promoting the many conservation benefits that agriculture provides to the citizens of San Diego County, enhancing their quality of life. For example, in New York State, the Watershed Agricultural Council developed a *Pure Catskills* branding campaign to mobilize support for fresh farm products grown, raised, and manufactured in the Catskill region. This highly successful campaign underscores the conservation value of a natural resource-based economy. It represents farmers who for many generations have demonstrated their respect for the land through good agricultural stewardship. The new label was adopted in 2004 by the Watershed Agricultural Council to emphasize the connection between local food and the renowned pure water that flows from the region to taps in New York City. The habitat conservation value of San Diego County's farms

could likewise be promoted through a similar campaign based on San Diego's unique features to mobilize community support for local agricultural products.

Other activities to promote local agriculture include:

a. Market analyses to identify ways to increase local farm profitability, such as value-added processing, directing marketing, cooperatives, renewable energy, and regional alliances. Findings would help farmers, agricultural businesses, and lenders proceed with entrepreneurial initiatives while minimizing risk.
b. Advertising of local farm products through a directory, farm map, and/or brochure to raise consumer awareness of local farms and where to find locally grown products. As part of this effort, staff could encourage consumers to seek out local produce in farmers' markets and supermarkets, work with restaurants to increase their use of local foods, and hold an annual food fair that showcases and promotes the unique produce and products from the region. This would educate consumers on local farm issues and increase market demand for local farm products.
c. A web site to provide information to consumers and farmers on issues such as habitat conservation on farms, agricultural business updates, information on county, state and federal programs, and new regulations affecting agricultural producers; and
d. Coordination with the County Television Network (CTN) to feature entertaining and educational monthly stories f San Diego County agriculture.

3. *Training Program for Elected Officials, Community Leaders, and County Staff on Farm and Rural Issues*

As San Diego County has become increasingly urbanized, many of its elected officials, community leaders, and staff administering programs that affect agriculture may still require additional information and resources in order to develop a full understanding of farming and associated agricultural issues. Thus, the development of a Farm and Rural Issues training program is recommended.

The purpose of this program would be to educate those providing support to the agricultural community such as County staff, community leaders, and elected officials (federal, state, county, and city), about agricultural practices and operations and familiarize them with issues affecting agriculture. It would give San Diego County's farmers a forum to share experiences and voice concerns, while also improving communication between farmers and public officials. The training program would also provide an opportunity for farmers to raise issues affecting the sustainability of agriculture, including the cost and availability of water, funding for pest detection and exclusion, along with other concerns mentioned in the listening sessions that require assistance at the federal and/or state level.

One such program is currently taking place in Santa Cruz County, where an organization called Agri-Culture brings together the farming and non-farming communities to discuss issues affecting agriculture. Agri-Culture was organized in response to people's appreciation for farming in the county and desire to learn more about it. Through the Agri-Culture organization, over a nine month period, elected officials and community leaders attended 20 half-day sessions to learn about the agricultural industry. In addition, Agri-

Culture has reached out to the general public by creating a video about Santa Cruz County agriculture, available through schools, libraries, and local television stations. The program also includes a poetry program for children in grades 7–11, poster campaign for (grades K–6), and contests for students in the county each year. Winning poetry and posters are featured on 18,000 placemats that are then distributed to local restaurants, which further mobilizes public awareness of farming and local produce.

C.2.4 PURCHASE OF AGRICULTURAL CONSERVATION EASEMENTS (PACE)

PACE programs are voluntary programs that compensate agricultural landowners for restricting non-farm development on their farms. For this reason, these programs are sometimes called Purchase of Development Rights (PDR) programs.[29] PACE was pioneered in Suffolk County, New York in the mid-1970s. Since then, 27 states, 50 local governments, and the federal government have authorized such programs.

One of the key benefits of a PACE program is that it provides a permanent means of protecting farmland and maintaining opportunities for future farmers to enter the industry. PACE programs can provide an excellent return on investment for the individual farmer who wishes to farm over the long-term and who would otherwise have high property tax costs, as well as for any government or non-governmental body funding such a program. Unlike subsidies for commodities such as corn and soybeans that are typically directed on a recurring annual basis to keep farmers in business, funds directed toward a PACE program are utilized one time only in order to permanently set aside productive land for farming.

In addition to the PACE program, the County has looked into a Transfer of Development Rights (TDR) program. TDR programs allow landowners to transfer the right to develop one parcel of land (sending) to a different parcel of land (receiving). A successful TDR program must have motivated sellers and buyers in both the sending and receiving zones and there must be public support within the communities that are targets for increased density. The County commissioned a study with TDR expert, Rick Pruetz, to review the feasibility of implementing a TDR program in Unincorporated San Diego County. The study also advised the County to perform a series of measures to determine if there is practical application in Unincorporated San Diego County.

Following these studies, the County concluded that few areas within the county would be able to effectively utilize a TDR program. As a result, the County has focused its emphasis to developing a PACE program, although a TDR program, may still be appropriate for use in specific locations on a small scale. A PACE program could have more widespread application throughout the county and be supported with more stable and reliable sources of funding. The County concluded that a PACE program could provide an effective mechanism to address equity and property protection issues that will arise during the implementation of the proposed GP Update and the MSCP plans.

[29] See the Farmland Information Center's *PACE Fact Sheet* available at http://www.farmlandinfo.org/documents/27751/pace_2005.pdf.

The PACE program could provide farmers with an alternative to selling land for development and provides financial incentives and technical assistance to help farmers preserve habitat on their land. In a typical PACE program, landowners sell conservation easements to a government entity or qualified private or non-profit conservation organization. The proceeds provide farmers with liquid capital and return on investment without selling their property. The ability to extract equity is a powerful incentive that offers farmers an attractive alternative to development. In addition, this permanently maintains the value of the property at the level appropriate for farming, not development. This provides a critical opportunity for new farmers with potentially less capital to obtain land for farming in an area with generally prohibitive land costs, such as San Diego County.

PACE programs are designed to achieve specific public goals. While program funding may be targeted to promote protecting lands with particular resources, the program itself must reach out to agriculture to achieve economic viability goals. Program staff should work with landowners and land trusts to apply for state and federal funding to broaden the reach of a PACE program (for more information see Appendix IX).

SUMMARY OF FARMING PROGRAM PLAN FRAMEWORK AND INITIATIVES

The Farming Program Plan framework and initiatives are intended to address the issues identified in listening sessions and by the Core Working Group, including: 1) Costs of Doing Business, 2) Loss of Equity and Affordable Farmland, and 3) Need for of Public/ Government Support for Agriculture.

Solutions to these issues begin with the development of an institutional framework that lays the foundation for how the County deals with current and future issues affecting agriculture in Unincorporated San Diego County. With the appropriate framework in place, the County can more effectively design and implement initiatives for future federal and state legislation and other policies, Regulatory Assistance, Agricultural Industry Development, and a Purchase of Agricultural Conservation Easement program. The successful implementation of the Farming Program Plan into a dynamic, farmer-friendly Farming Program will contribute to an economically viable farming industry, help direct growth away from agricultural and natural areas, and provide regional conservation and habitat value.