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

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

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

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

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

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

Giacominì and other dairy producers have discovered that the geographically specific qualities and flavors that the milk carries from the soil, water and pastures into the cheese creates unique flavor characteristics for which consumers will

pay a premium price. The California Milk Advisory Board along with innovative processors and distributors and UCCE advisors in Humboldt, Sonoma, Marin, Glenn and Merced counties are working with dairy operators who want to produce artisan cheeses.

Likewise, growers in Marin County are finding enthusiastic markets for grassfed beef and eggs from range-fed hens, as well as cut flowers and cool-weather coastal crops such as artichokes and berries. In a recent UC Cooperative Extension survey, 24% of Marin County growers were marketing value-added products such as organic dairy products, natural wool and olive oil. About half (47%) of those surveyed were interested in adding value-added products to their farming operations.

Since 1987, UCCE Sonoma County has offered an 18-week course on specialty crop production, which includes marketing information on how to set up a farmers' market booth, start a subscription farm or package products for wholesale or retail. In Fresno County, the Small Farm Incubator Project — a collaboration between UCCE and local agencies and nonprofits — provides information to minority farmers on small farming practices, including marketing and postharvest issues.

Ventura County farm advisors are pointing small growers toward lucrative, unique subtropical crops like lychee, passion fruit, cherimoya, longan and star fruit. Similarly, small farm advisors are evaluating the suitability of new specialty crop varieties for the San Joaquin Valley including 300 peppers, 200 squash, 180 tomatoes and 42 blueberries, as well as blackberries, papaya and tomatillo.

Some small farmers have pursued agritourism to create income and add value to the farm. The UC Small Farm Center and UC Sustainable Agriculture Research and Education Program offer workshops and a guide to help growers set up such ventures.

California's organic industry, while still a small part of the state agricultural economy with less than 2% of gross sales, is showing dramatic growth. What began as a small, alternative growing method is being mainstreamed by larger operators who are farming specialty crops such as lettuce, broccoli, strawberries and wine grapes on certified organic acreage across the state.

The UC Division of Agriculture and Natural Resources recognizes the importance of new crops and value-added products for California agriculture's long-term viability and the need for research and extension efforts that can help reduce risks inherent in adopting them. By providing sound science and guidance for creative innovation, UC can promote a diverse and viable agriculture — one that provides opportunities for growth and advances the well-being of all Californians.