



## Land Use & Natural Resources Committee

## Item #15-10-2 Information

October 8, 2015

### Sacramento Region Food System Multipliers Project

**Issue:** SACOG's Food System Multipliers project is seeking updated data and tools to better quantify the total economic contribution of the region's specialty food system.

**Recommendation:** None, this item is for information only.

**Discussion:** Oftentimes the economic contribution of the region's agriculture cluster is framed through the lens of direct farm-gate value, which is the value of food grown in the region at the time it leaves the farm. While this framing captures important on-the-farm economic activity, it misses the substantial 'multiplier' or ripple effects agriculture provides to the larger economy. For example, the region's extensive agricultural output impacts both upstream industries like seed companies and downstream supply chains including aggregation, processing, distribution and ultimately consumption. Using a grant from the California Department of Food and Agriculture, the RUCS team is conducting a Food System Multipliers study to provide updated data and economic modeling results for a full picture—including both direct and ripple effects—of the region's important agricultural cluster. The Land Use & Natural Resources Committee was last briefed on the project at its May 2015 meeting.

This RUCS study responds to a pronounced data gap in the region, as the most comprehensive multiplier estimate for agriculture in the Sacramento region relies on national supply chain data from the year 2002. Since then, substantial changes to both the local and global food system underscore the need for updated information to help support appropriate policies and investments in the agriculture and food cluster. In addition to general economic growth, these changes include:

- The resurgence of a locally-oriented food system
- Shifts in global commodity markets
- A renewed focus on value-adding agricultural processing, especially in midscale facilities such as food hubs
- Recognition that current multipliers do not capture all the economic activity related to the agriculture and food sector.

At the October 2015 meeting of the LUNR committee, RUCS staff will provide an overview of current regional multiplier estimates, data limitations, and emerging trends from national research and best practice. The presentation will conclude with how the LUNR committee could help assist the project's outreach to better capture the interconnected supply chain network of local growers, processors and distributors.

Approved by:

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