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California's Working Landscape

A Key Contributor to Economic
Vitality in the Greater Sacramento
(North) Region

April 2021

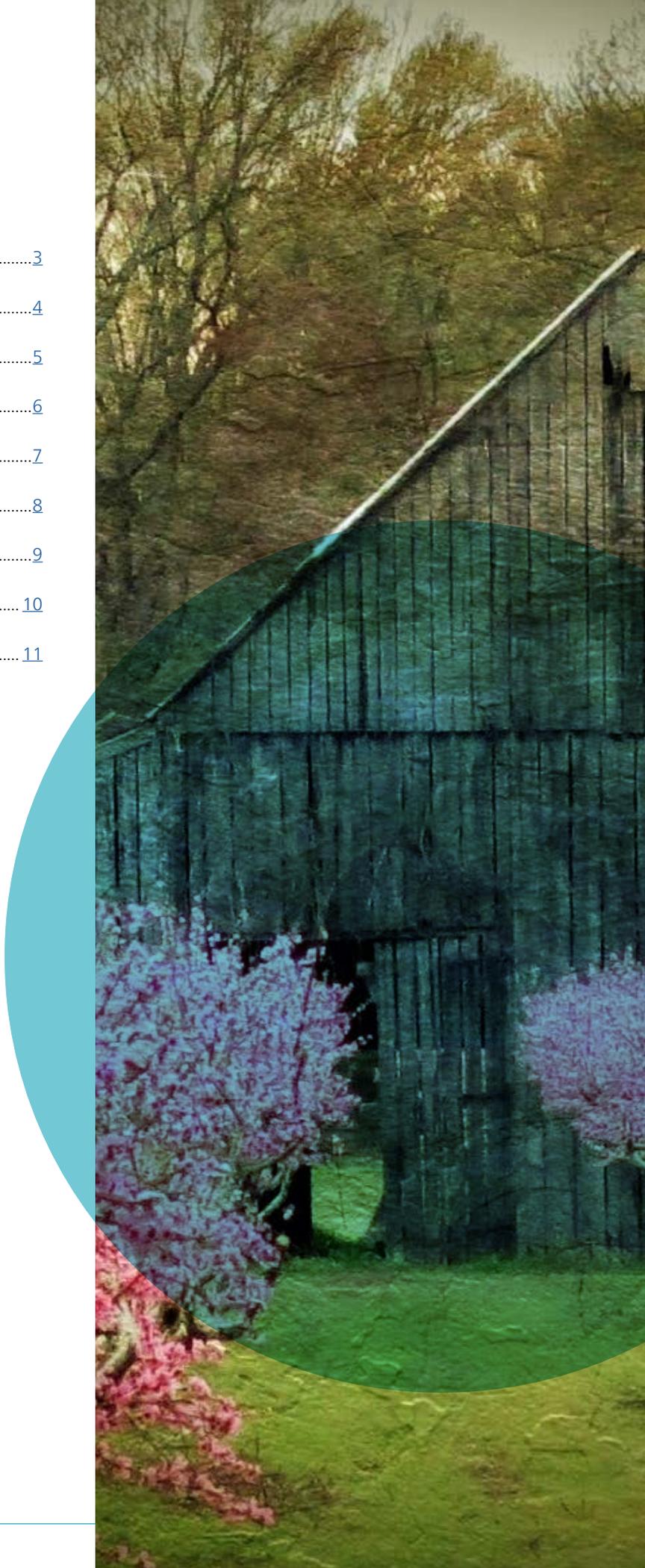
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OVERVIEW AND METHODOLOGY



In November 2019, the Centers of Excellence for Labor Market Research (COE) collaborated with the University of California's Division of Agriculture and Natural Resources to study California's working landscape and the impact that industries associated with agriculture and natural resources have on the state's economy. The collaboration resulted in the report "California's Working Landscape: A Key Contributor to the State's Economic Vitality."¹ The report represents an effort to quantify the role of the many Californians whose livelihoods depend on the land and natural environment.

This report presents updated data for one region: the seven-county Greater Sacramento region, which geographically corresponds to the subregion in the North/Far North region based on the California Community Colleges Chancellor's Office governance structure for Career Education (the North/Far North Regional Consortium).² The report was created by the COE, Los Angeles, and the COE, North/Far North.

This study employs the industry definition of working landscape that was used in the 2019 study. It analyzes nine market segments (agricultural distribution, agricultural processing, agricultural production, agricultural support, fishing, forestry, mining, outdoor recreation, and renewable energy), the industry codes for which are presented in an appendix of the 2019 report. Appendix A of this report briefly describes the industry segments.

The study employs Emsi's input-output model for the first quarter of 2021, and it uses 2020 baseline data. Several measures based on Emsi's input-output tool (which in turn is based on Bureau of Economic Analysis accounts) indicate the breadth of each segment's workforce and its financial contribution to regional economies. This report uses industry data for establishment counts.

The report shows subregional totals and compares them to state totals. Appendix B provides tables detailing regional totals for the following metrics:

- **Employment:** the number of jobs in the industry segment based on multiple modeled measures, which are different than state employment agency measures
- **Total earnings:** the total earnings in the industry segment, including wages, salaries, additional benefits, and proprietor income (used for Gross Regional Product measures)
- **Sales income:** industry segment total annual sales (gross receipts) to consumers and businesses
- **Exports:** the amount of money paid by industries outside the region for goods or services produced inside the region in the industry segment
- **Establishments:** the number of locations (not necessarily separate businesses) associated with the industry segment (establishments data come from Emsi industry data)

¹ Juan Madrigal et al. Centers of Excellence for Labor Market Research and University of California Agriculture and Natural Resources, "California's Working Landscape: A Key Contributor to the State's Economic Vitality," November 2019; https://www.ucop.edu/knowledge-transfer-office/_files/Econ%20Impact%20Rpts/anr-ca-working-landscape-2019.pdf.

² The seven counties in the Greater Sacramento (North) region are Sacramento, Placer, El Dorado, Sutter, Nevada, Yolo, and Yuba.

KEY FINDINGS



Working landscape economic activity in the Greater Sacramento (North) region is an important driver of jobs and wealth for the subregion and the state's economy. Taken together, the subregion's working landscape industries account for 75,000 jobs in 4,300 business establishments. In calendar year 2020, these industries generated \$16.9 billion in sales income and \$9.5 billion in exports. Worker earnings totaled \$4.3 billion. Generally, these figures represent between 5% and 6% of state totals. Exports accounted for 8.4% of state totals.

Below are key findings for the seven segments that have the most jobs and establishments and the most earnings and sales, either in terms of subregional measure totals or as a share of the state's totals. Findings for the other two segments in the analysis, fishing and mining, are covered in this report's key measures sections.

Agricultural distribution: Along with the other agricultural segments, distribution is a segment leader across measures; it represents between 4% and 7% of state totals for each measure. The distribution segment had 15,500 jobs in 1,000 establishments, mostly wholesale businesses. It accounted for \$2.9 billion in sales income, \$1.0 billion in exports, and \$910 million in worker earnings.

Agricultural processing: The segment had 9,250 jobs in 340 establishments, mostly food products manufacturers. It accounted for \$4.5 billion in sales income, \$3.1 billion in exports, and \$620 million in worker earnings.

Agricultural production: The segment, consisting of on-farm activities, had 15,200 jobs in 1,100 establishments. It generally represented 4% to 8% of the state's totals. It accounted for \$2.7 billion in sales income, \$1.8 billion in exports, and \$680 million in worker earnings.

Agricultural support: The segment had 16,000 jobs in nearly 1,100 establishments, which include management, consulting, and some manufacturing operations. The segment generally represented 5% to 9% of state totals. It totaled \$2.1 billion in sales income, \$1.1 billion in exports, and \$960 million in worker earnings.

Forestry: The segment had 6,500 jobs in 250 establishments. It generally represented 7% to 8% of state totals, but 20% of exports. It had \$1.8 billion in sales income, \$960 million in exports (a fifth of the state total), and \$430 million in worker earnings.

Outdoor recreation: The segment, with 6,900 jobs in 300 establishments, led all segments in shares of state totals, ranging from 8% to 12%; it accounted for 41% (\$390 million) of the state's exports. It had \$690 million in sales income and \$280 million in worker earnings.

Renewable energy: The segment is generally small (350 jobs in 13 establishments); however, it had significant shares, generally 5% to 7%, of state totals. Renewable energy activities accounted for \$420 million in sales income, \$360 million in exports (nearly 11% of the state total), and \$60 million in worker earnings.

Greater Sacramento (North) Working Landscape

- 75,000 jobs in 4,300 establishments
- \$16.9 billion in sales income
- \$9.5 billion in exports
- \$4.3 billion in worker earnings
- 5% to 6% of state totals in key measures

The agricultural segments, including production, support, processing, and distribution, were the largest and highest-producing segments in 2020.

Of all the segments, forestry and outdoor recreation had the largest shares of state totals.



EMPLOYMENT



In 2020, the Greater Sacramento (North) region's working landscape provided nearly 75,000 jobs, 5.3% of the state total.

Agricultural distribution, processing, production, and support together accounted for 56,000 jobs, nearly 75% of all the region's working landscape jobs.

Forestry is a significant contributor to working landscape employment. This segment accounted for nearly 6,500 jobs, 8% of the state total.

The mining segment accounted for 4,900 jobs, 6.2% of the state total.

Outdoor recreation, another leading segment, accounted for 6,900 jobs, 12% of the state total.

Jobs: Greater Sacramento (North) Working Landscape

75,000 jobs
5.3% of the state total

- Agricultural segments—56,000, 75% of the region total
 - Support—16,000
 - Distribution—15,500
 - Production—15,200
 - Processing—9,300
- Forestry—6,500, 8% of the state total
- Mining—4,900, 6% of the state total
- Outdoor recreation—6,900, 12% of the state total

Exhibit 1. Jobs by segment, Greater Sacramento (North), 2020

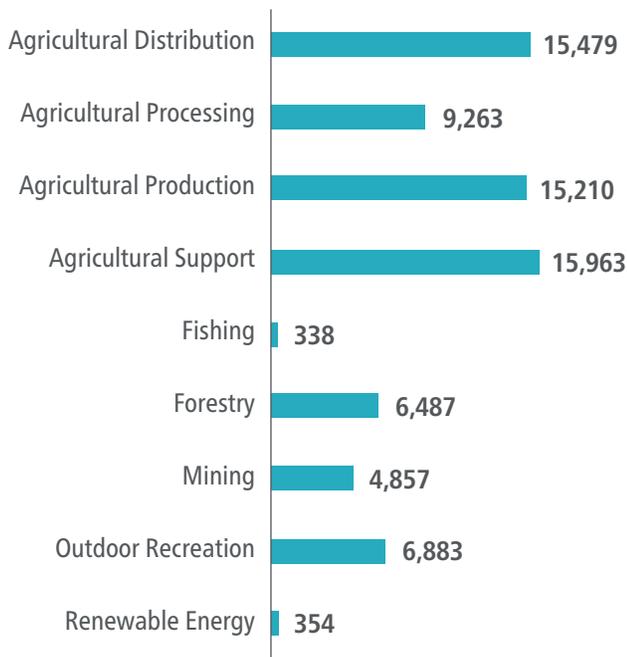
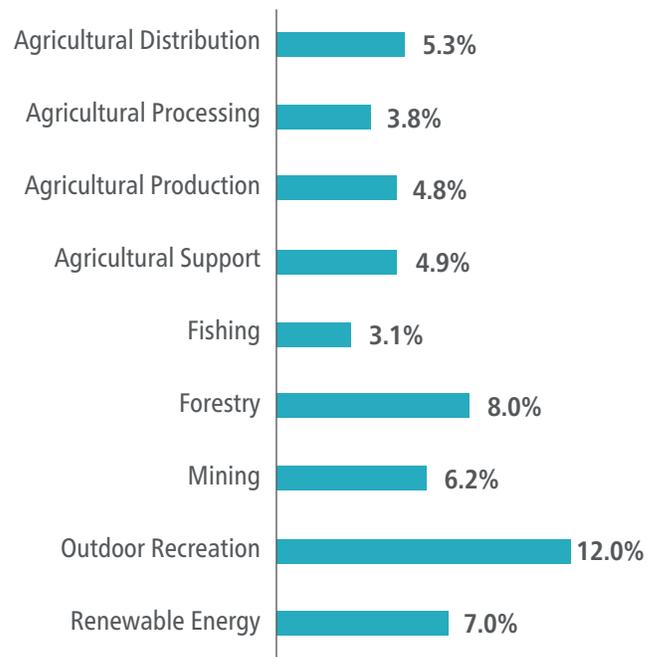


Exhibit 2: Greater Sacramento (North) share of state jobs by segment, 2020



EARNINGS



In 2020, the Greater Sacramento (North) region's working landscape generated \$4.3 billion in earnings, 5% of the state total.

The agricultural segments accounted for 73% (\$3.2 billion) of the region's working landscape earnings. The two segments with the highest earnings were support (\$960 million) and distribution (\$910 million). Also posting large earnings were processing (\$620 million) and production (\$680 million).

Forestry earnings totaled \$430 million, 8% of the state total.

Outdoor recreation earnings accounted for \$280 million, 11% of the state total.

Earnings: Greater Sacramento (North) Working Landscape

\$4.3 billion in earnings
5% of the state total

- Agricultural segments—3.2 billion, 73% of the region total
- Forestry—\$430 million, 8% of the state total
- Outdoor recreation—\$280 million, 11% of the state total

Exhibit 3. Earnings by segment, Greater Sacramento (North), 2020 (dollars in billions)

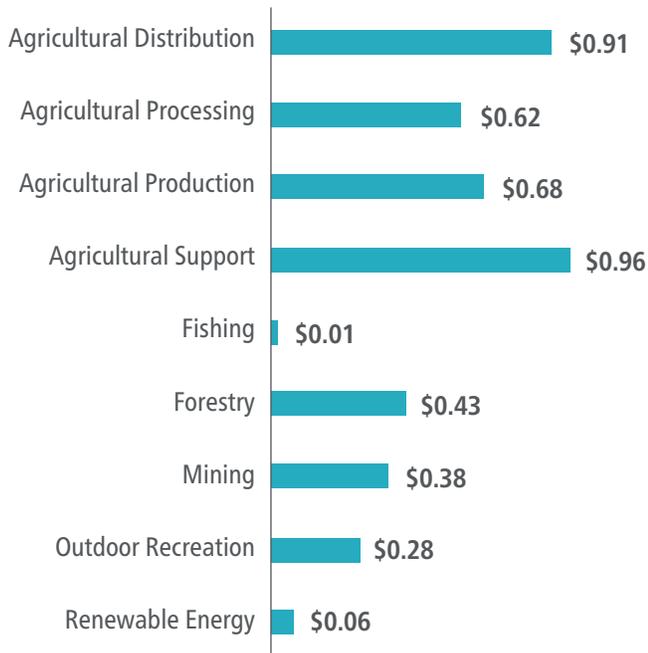
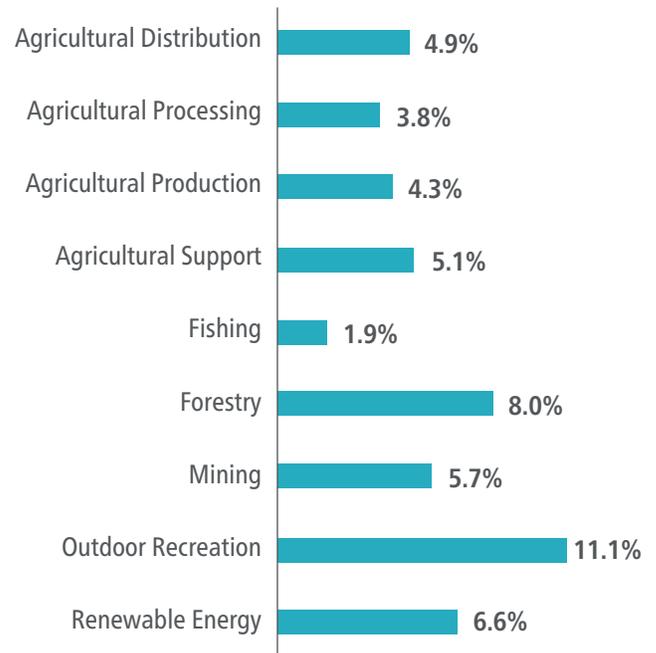


Exhibit 4. Greater Sacramento (North) share of state earnings by segment, 2020



SALES INCOME



In 2020, the Greater Sacramento (North) region’s working landscape generated \$16.9 billion in sales income, 5% of the state total.

Together, the agricultural segments accounted for \$12.1 billion in sales income, 72% of the regional working landscape total. Generally, the agricultural segments’ share of state totals ranged between 4% and 5%.

Individual agricultural segment sales income was impressive. Processing accounted for \$4.5 billion in sales income; distribution, \$2.9 billion; production, \$2.7 billion; and support, \$2.1 billion.

Forestry sales income totaled \$1.8 billion, 7.7% of the state total.

Mining sales income totaled \$1.7 billion, 5.2% of the state total.

Outdoor recreation sales income totaled \$690 million, 10.8% of the state total.

Sales Income: Greater Sacramento (North) Working Landscape

\$16.9 billion in sales income
5% of the state total

- Agricultural segments—\$12.1 billion, 72% of the region total
 - Processing—\$4.5 billion
 - Distribution—\$2.9 billion
 - Production—\$2.7 billion
 - Support—\$2 billion
- Forestry—\$1.8 billion, 7.7% of the state total
- Mining—\$1.7 billion, 5.2% of the state total
- Outdoor recreation—\$690 million, 10.8% of the state total

Exhibit 5. Sales income by segment, Greater Sacramento (North), 2020 (dollars in billions)

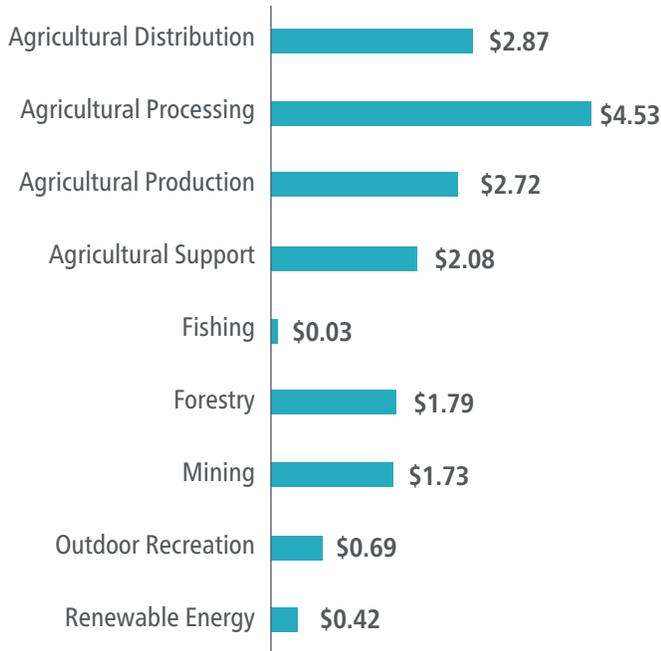
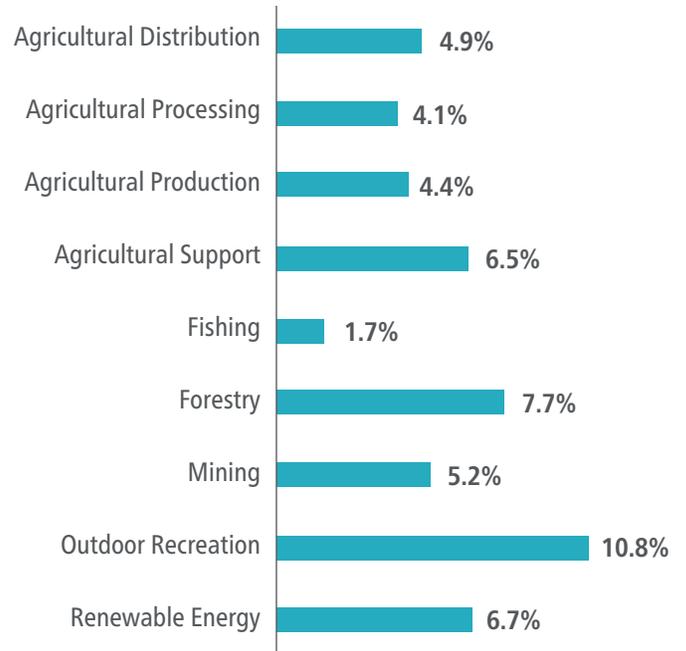


Exhibit 6. Greater Sacramento (North) share of state sales income by segment, 2020



ESTABLISHMENTS

In 2020, the Greater Sacramento (North) region's working landscape had 4,300 business establishments, 6% of the state total.

Of those establishments, more than 3,500—5.7% of the state total—were related to agriculture: production, (1,130), support (1,060), distribution (1,000), and processing (300). Agricultural production represented 8.3% of the state total; support, 5.8%; processing, 4.6%; and distribution, 4.4%.

Although their impact on sales income and exports was comparatively large (in terms of shares of state totals), forestry and outdoor recreation had small numbers of establishments—250 and 300, respectively.



Establishments: Greater Sacramento (North) Working Landscape

4,300 establishments
6% of the state total

- Agricultural segments—3,500, 5.7% of the state total
 - Production—1,130
 - Support—1,060
 - Distribution—1,000
 - Processing—340
- Forestry—250, 6.6% of the state total
- Outdoor recreation—300, 8% of the state total

Exhibit 7. Establishments, Greater Sacramento (North), by segment, 2020

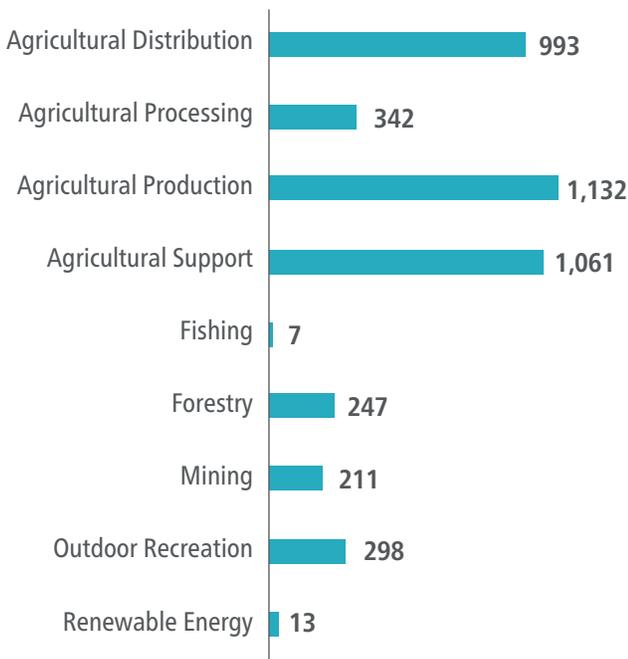
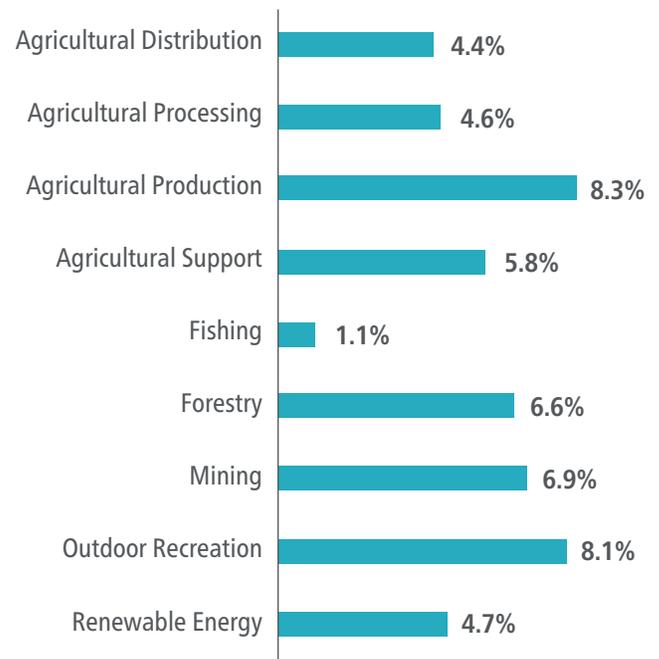


Exhibit 8. Greater Sacramento (North) share of state establishments by segment, 2020



EXPORTS



In 2020, exports from the Greater Sacramento (North) region’s working landscape totaled \$9.5 billion, 8.4% of the state total.

The agricultural segments together accounted for more than \$7 billion in exports, 7.2% of the state total. Agricultural processing had the largest export total of the segments—\$3.2 billion, nearly 8% of the state total. The other agricultural segments each accounted for between \$1 billion and \$2 billion in exports and between 6% and 8% of the state total.

Forestry exports totaled \$960 million, 20% of the state’s forestry exports.

Mining exports accounted for \$680 million, 13% of the state total.

The region’s outdoor recreation segment is notable. Exports in the segment totaled \$390 million, accounting for nearly 41% of the state total.

Exports: Greater Sacramento (North) Working Landscape

\$9.5 billion in exports
8.4% of the state total

- Agricultural segments—\$7.1 billion, 7.2% of the state total
 - Processing—\$3.2 billion
 - Production—\$1.8 billion
 - Support—\$1.1 billion
 - Distribution—\$1.0 billion
- Forestry—\$960 million, 20% of the state total
- Mining—\$680 million, 13% of the state total
- Outdoor recreation—\$390 million, 41% of the state total

Exhibit 9. Exports by segment, Greater Sacramento (North), 2020 (dollars in billions)

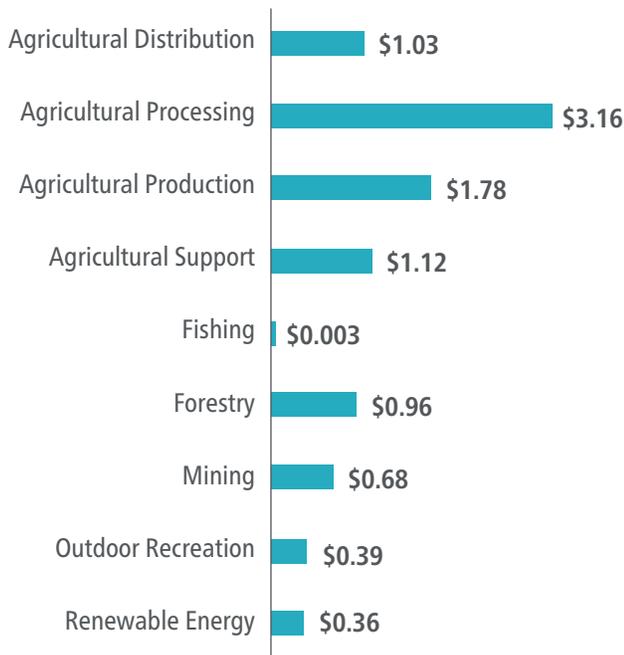
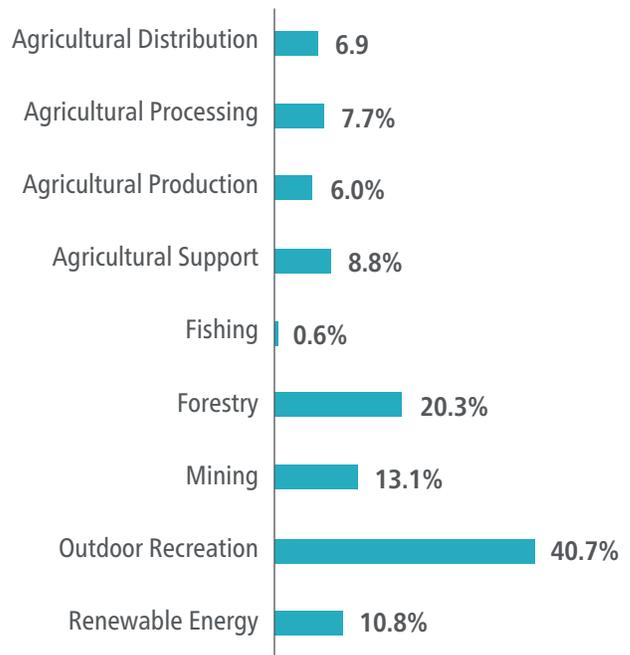


Exhibit 10. Greater Sacramento (North) share of state exports by segment, 2020



Appendix A



Working Landscape Industry Segments

Industry codes used in this report's analysis can be found in an appendix of the state report on which this report is based. Below is a general description of each industry segment and the types of industries it includes. The industry definitions were developed by the report partners.

Agricultural production: The segment includes on-farm activities like crop production, animal production, and soil preparation.

Agricultural support: The segment includes management services, labor contractors, fertilizer and pesticide manufacturing, farm machinery manufacturing, wholesalers, and consulting services.

Agricultural processing: The segment largely consists of manufacturers of food products. Its wide array of food product industries includes rice milling, cane sugar manufacturing, fruit and vegetable canning, and soft drink manufacturing as well as breweries, wineries, and commercial bakeries.

Agricultural distribution: The segment consists of wholesale operations, including wholesalers for grocery, dairy, meat, confectionery, livestock, farm supplies, fruits and vegetables, and warehousing and storage.

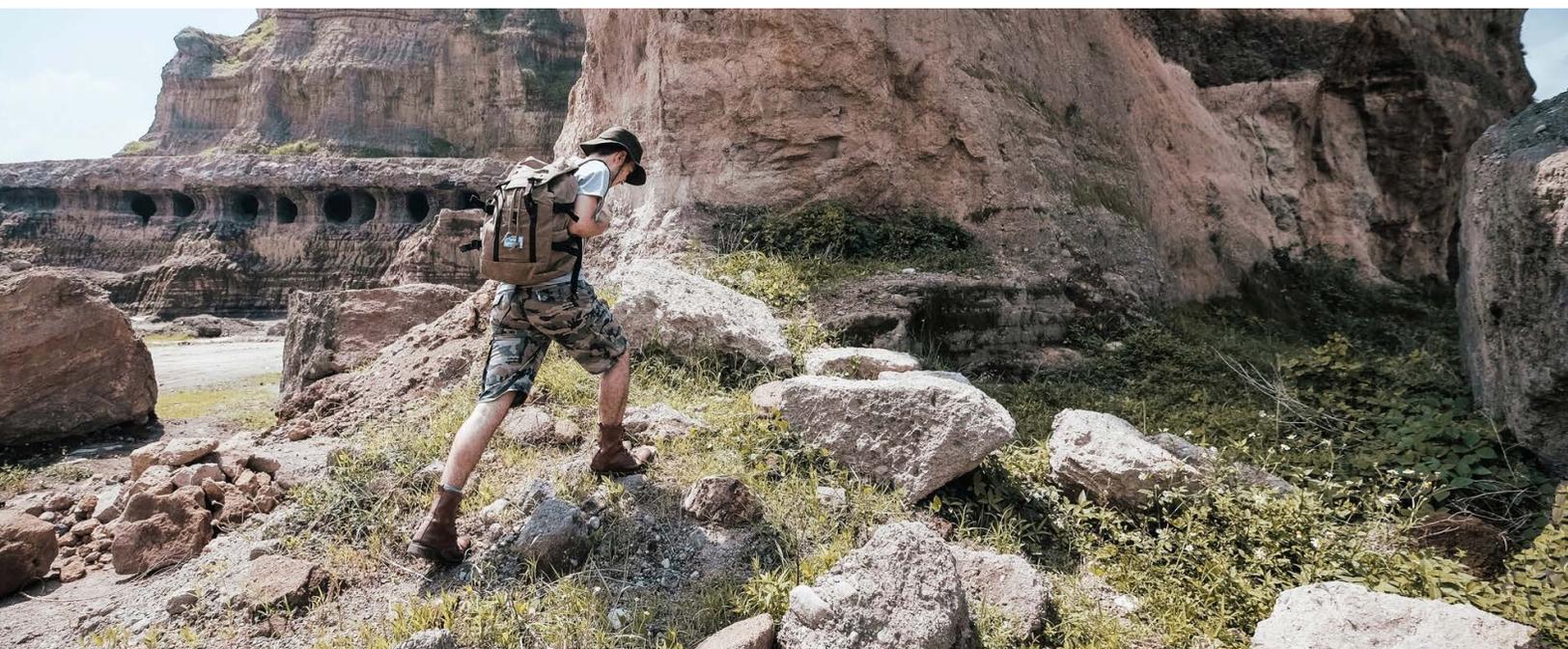
Fishing: The segment's industries are for different types of fish and their wholesale and product preparation.

Forestry: The segment's industry activities include lumber harvesting and milling, product mills (paper and newsprint), and product manufacturing (e.g., windows, doors, cabinets, furniture, and plywood).

Mining: Activities in the segment include quarrying for raw materials used in multiple other industries (e.g., construction and electronics product manufacturing), mining for precious metals, and extraction of fossil fuels.

Outdoor recreation: Industries in the segment include skiing operations, parks, tour companies, hunting operations, marinas, and RV camps.

Renewable energy: The segment is composed of power generation industries: hydroelectric, solar, biomass, wind, and geothermal.



Appendix B



Economic Impacts of the Working Landscape

The tables below compare the economic impacts of working landscape industry segments in the Greater Sacramento (North) region and California. The measures include jobs, earnings, sales, establishments, and exports. Exhibit B1 displays job and establishment totals and economic impacts in millions. Exhibit B2 shows the regional share of state totals.

Exhibit B1. Economic impacts by industry segment, Greater Sacramento (GS) and California (CA), 2020 (dollars in millions)

Segment	Jobs		Earnings		Sales		Establishments		Exports	
	GS	CA	GS	CA	GS	CA	GS	CA	GS	CA
Agricultural Distribution	15,479	293,820	\$0.91	\$18.57	\$2.87	\$58.68	993	22,765	\$1.03	\$14.95
Agricultural Processing	9,263	242,785	\$0.62	\$16.20	\$4.53	\$111.28	342	7,462	\$3.16	\$41.21
Agricultural Production	15,210	313,782	\$0.68	\$16.05	\$2.72	\$61.53	1,132	13,554	\$1.78	\$29.73
Agricultural Support	15,963	323,421	\$0.96	\$18.69	\$2.08	\$32.17	1,061	18,219	\$1.12	\$12.80
Fishing	338	11,013	\$0.01	\$0.62	\$0.03	\$1.92	7	688	\$0.00	\$0.43
Forestry	6,487	81,585	\$0.43	\$5.40	\$1.79	\$23.17	247	3,767	\$0.96	\$4.73
Mining	4,857	78,752	\$0.38	\$6.59	\$1.73	\$33.12	211	3,074	\$0.68	\$5.21
Outdoor Recreation	6,883	57,446	\$0.28	\$2.48	\$0.69	\$6.40	298	3,657	\$0.39	\$0.95
Renewable Energy	354	5,037	\$0.06	\$0.94	\$0.42	\$6.38	13	270	\$0.36	\$3.35
Total	74,834	1,407,642	\$4.34	\$85.54	\$16.86	\$334.65	4,303	73,455	\$9.48	\$113.36

Source: Emsi, 2021.1.

Exhibit B2: Greater Sacramento (North) share of state total economic impact by industry segment, 2020

	Jobs	Earnings	Sales	Establish.	Exports
Agricultural Distribution	5.3%	4.9%	4.9%	4.4%	6.9%
Agricultural Processing	3.8%	3.8%	4.1%	4.6%	7.7%
Agricultural Production	4.8%	4.3%	4.4%	8.3%	6.0%
Agricultural Support	4.9%	5.1%	6.5%	5.8%	8.8%
Fishing	3.1%	1.9%	1.7%	1.1%	0.6%
Forestry	8.0%	8.0%	7.7%	6.6%	20.3%
Mining	6.2%	5.7%	5.2%	6.9%	13.1%
Outdoor Recreation	12.0%	11.1%	10.8%	8.1%	40.7%
Renewable Energy	7.0%	6.6%	6.7%	4.7%	10.8%
Total	5.3%	5.1%	5.0%	5.9%	8.4%

Source: Emsi, 2021.1.



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The Centers of Excellence (COE) for Labor Market Research deliver regional workforce research and technical expertise to California Community Colleges for program decision making and resource development. This information has proven valuable to colleges in beginning, revising, or updating economic development and Career Education (CE) programs, strengthening grant applications; assisting in the accreditation process; and supporting strategic planning efforts.

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