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California Agriculture: Addressing the Cumulative Impact of Water, Pest and Regulatory Pressures

SGMA's Expanding Economic Impact
Implementation of the Sustainable Groundwater Management Act is expected to remove approximately **500,000 to 1 million acres** of agricultural land from production.
The effects will extend throughout the food and agricultural supply chain:

- Loss of farm, processing and supporting-industry jobs
- Reduced agricultural production
- Increased pressure on rural communities
- Higher food costs
- Greater consolidation and loss of family farming operations

California almond farm size:

- 53%: 1–49 acres
- 16%: 50–99 acres
- 17%: 100–249 acres
- 14%: 250 acres or more

These challenges extend beyond almonds and affect specialty-crop producers throughout California.

Fallowed Land Can Become a Pest Reservoir
Land removed from production must still be managed. Without crop income, landowners may be unable to pay for weed, rodent and pest control.
Unmanaged and abandoned orchards can harbor:

- Navel orangeworm
- Carpophilus beetle
- Rats and squirrels
- Other invasive and economically damaging pests

These pests do not remain within property lines. Neighboring growers and communities ultimately bear the cost.

California Needs a Stronger Pest Response System
California's invasive-species system is frequently reactive rather than preventive. Delayed detection and response allow pests to spread and significantly increase long-term mitigation costs.

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Recent threats, including the Carpophilus beetle and golden mussels, highlight the need for:

- Improved early detection and rapid response
- Coordinated pest management on state-owned property
- Integrated pest-management plans for major public infrastructure projects
- Continued access to effective rodent- and pest-control tools
- Additional research and response funding

Cumulative Compliance Costs Limit Innovation
California agricultural businesses have absorbed more than a decade of cumulative regulatory and compliance costs that many competitors in other states and countries do not face.
The issue is not one regulation. It is the combined cost of:

- SGMA fees and water restrictions
- Labor, energy and reporting requirements
- Pesticide and pest-control restrictions
- Transportation and shipping increases
- New and expanding regulatory programs

These costs reduce the capital available for technology, water efficiency, equipment and other innovations. They also place California-grown products at a competitive disadvantage and contribute to higher food costs.

Recommended Legislative Actions

1. **Evaluate cumulative economic impacts** when considering new agricultural regulations.
2. **Establish periodic performance and return-on-investment reviews** for existing regulatory programs.
3. **Fund orchard removal, ag burn alternatives, and whole-orchard recycling** to address abandoned orchards and pest reservoirs.
4. **Modernize invasive-species detection and rapid-response programs.**
5. **Require effective pest management on state-owned and publicly managed land.**
6. **Preserve capital for innovation** by reducing unnecessary or duplicative compliance costs.