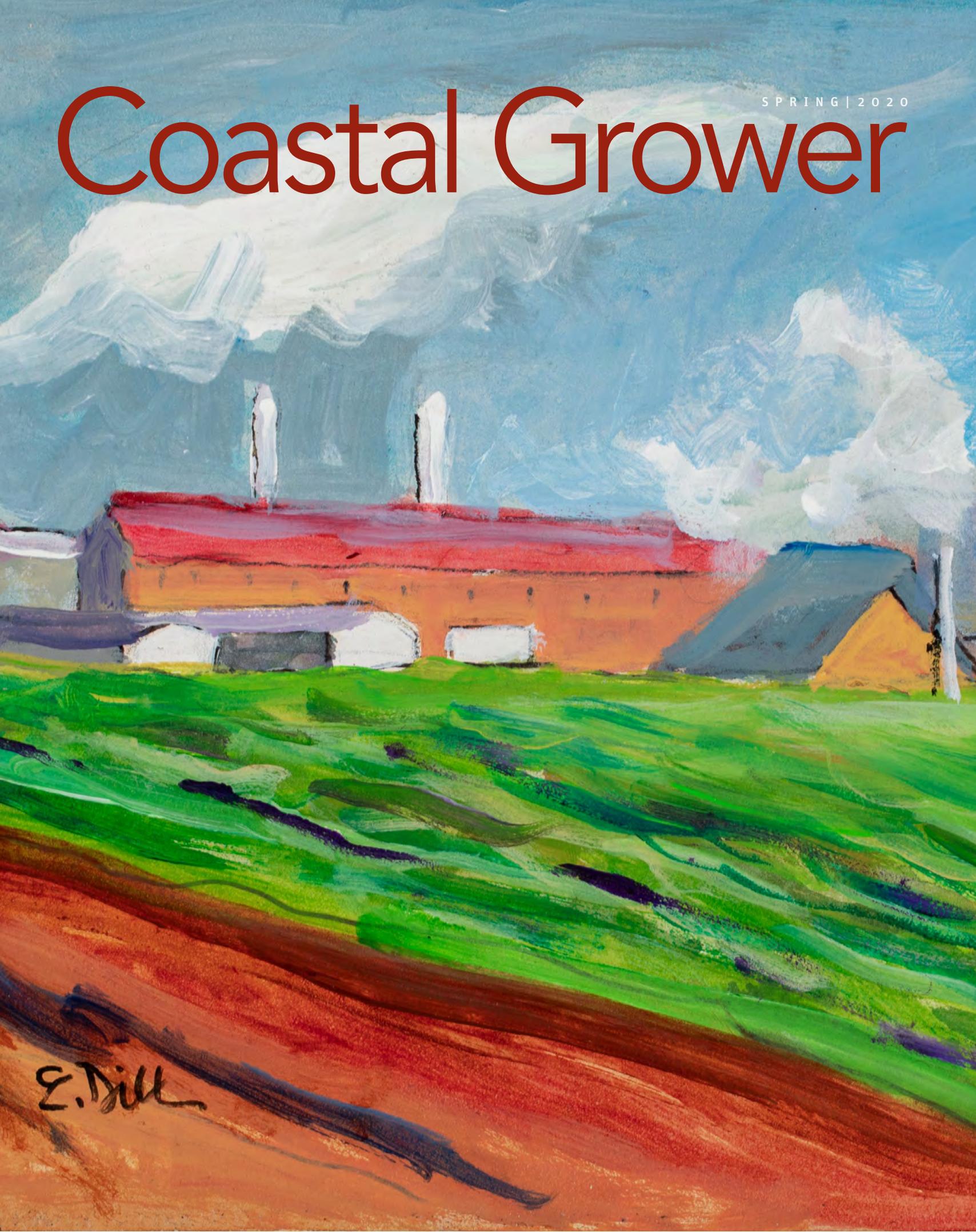


Coastal Grower

SPRING | 2020



E. Mill

Farmers Continue to Grow More with Less

How technology helps growers battle rising production costs

By Brian Milne, Fieldin



As I sit down to write this piece, our local growers are frantically prepping for the spring season.

Beds are being molded. Irrigation pipes are getting carted from one location to another. And labor crews are pruning and prepping miles and miles of gapevines.

From the outside looking in, it's just the beginning of another season here in California.

But for our farm managers, it's becoming more chess game than farming nowadays, calculating every move and field activity, navigating through a sea of regulations, labor issues and soaring input costs in hopes of staving off slimming margins.

Today's Growing Challenges

It didn't always used to be like this.

At the turn of the century, growers had more labor than they knew what to do with. But since 1999, minimum wage has increased by 126 percent (it moved to \$13/hour on January 1 and will increase to \$15 over the next two seasons).

But labor issues go beyond minimum wage, as today's growers are being faced with a myriad of employee regulations thanks to the fact there are a dozen federal agencies that regulate their employment.

But for our farm managers, it's becoming more chess game than farming nowadays, calculating every move and field activity, navigating through a sea of regulations, labor issues and soaring input costs in hopes of staving off slimming margins.

According to a California Farm Bureau survey last year, more than 40 percent of California farmers over the previous five years were unable to obtain all of the workers they needed to produce their main crop. And labor shortages have been especially tough

on growers in the grape and berry markets, which make up a large portion of the acreage we see on the Central Coast.

Move to Mechanization

Because of those labor issues and shortages, more California growers are turning to mechanization.

According to the Farm Bureau, more than 56 percent of the 1,071 farmers surveyed last season said they have starting using mechanization in the past five years — which brings about a whole new list of issues. There's the obvious equipment costs, but then they also have to manage maintenance, training and continue to struggle with monitoring their operator activities.

Even with all of the cutting edge technology onboard our new tractors and implements, growers often struggle to gain transparency into all of those mechanized activities in the field. Spraying and even harvesting activities, for example, often occur at night (when temperatures are cool), so growers literally can't see what's going on with those mechanized activities without additional IoT technology.

Add to those concerns the soaring costs of inputs such fuel, electricity, chemicals and fertilizers, and mechanization is only solving part of the problem for our growers.

Rising Input Costs

Labor aside, the cost of farming continues to increase with each and every season. According to the USDA National Agricultural Statistics Service, total farm production costs for California farmers have increased 46 percent since 2008. Some of the largest increases in inputs, outside of labor, have been in chemicals (81 percent increase since 2008), farm service costs (52 percent) and fuel (34 percent).

And those costs are only elevated for our specialty crop growers.

For California's most exported crop, almonds, for example, spray and cultural costs have increased by 184 percent since 1999, according to surveys by UC Davis Agriculture and Resource Economics. Harvesting costs have increased another 56 percent.

For our lettuce growers on the coast, it's the same story. Spray and cultural practices, for producing romaine hearts, for example, have risen 52 percent over the past decade alone, while harvest costs are up 57 percent since 2009.

For strawberries, operational costs have soared from \$27,000/acre in 2001 to more than \$62,000/acre today, with harvest costs up 142 percent.

So when you see a grower this season, take a minute to thank them and let them know you appreciate the work they do in the face of the growing challenges they're up against this year.

Improving Efficiencies

So how do we overcome rising input costs, which continue to eat at slimming margins? That is the question that keeps our growers up at night. While there's only so much we can do about the market-driven value of our

crops, input/operational costs are what our growers can control on a day-to-day basis.

To cut down these input costs, we have to be more efficient in our operations, optimizing production so that the costs of labor, water, fuel, fertilizer, chemicals and other inputs aren't inflated.

Here are some ways we've seen tech-savvy growers significantly cut back on input costs the past couple seasons:

- Using flow meter tracking and in-field sensors to optimize water and energy/fuel costs from pumping.
- Leveraging real-time monitoring of machinery, implements and different operators to cut down on inefficient cultural practices — such as mowing or hedging at the wrong speeds, which burns more fuel and labor costs.
- Monitoring spray activities to ensure the right amount of product was applied, at the right time, and that rows weren't missed or double sprayed, which saves on chemical costs and labor.

- Managing the hectic harvest season with real-time data and alerts, ensuring mechanized harvesting and shaking (in trees and vines) is occurring at the right speed, maximizing yield without overshaking and damaging tree/vines, and covering as much acreage as possible without wasting more fuel and labor than necessary.

There are only so many hours in a day, week, and season for our growers, and they need all the help they can get keeping costs down and optimizing production this year.

So when you see a grower this season, take a minute to thank them and let them know you appreciate the work they do in the face of the growing challenges they're up against this year.

Every season is a marathon, and our growers need all the support they can get en route to the finish line. **ce**

Learn more about Fieldin's smart farming platform at www.fieldin.com



We Have Salinas Valley Covered

McSherry & Hudson, LLC
Insurance Services
 MANAGING RISK FOR OVER 100 YEARS



Nationwide®
is on your side

SALINAS
1020 Merrill Street, Suite 2015
Salinas, CA 93901
Main Line: (831) 724-3841
Toll Free: (888) 845-2248
Fax: (831) 724-7574

WATSONVILLE
35 Penny Lane, Suite 6
Watsonville, CA 95076
(831) 724-3841
Toll Free (888) 845-2248
Fax (831) 724-7574

SAN JOSE
160 W. Santa Clara St., Ste 715,
San Jose, CA 95113
(408) 550-2130
Toll Free (888) 845-2248
Fax (408) 550-2119

www.McSherryandHudson.com | LICENSE 0M77949 & 0M73936