

Economic Needs Assessments of Agricultural Producers in Butte, Glenn, and Tehama Counties

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Introduction

This report summarizes the primary challenges reported by agricultural producers from Butte, Glenn, and Tehama counties who participated in an economics needs assessment survey. Respondents were asked to indicate the top three challenges impacting the future success of their operations and to suggest what the University of California Cooperative Extension (UCCE) should focus on to improve the success of their operations.

Location of business and main products produced by respondents

Among 52 producers who completed the survey, 75% had their businesses located in Butte county, while 15% and 14% were based in Glenn and Tehama counties, respectively. Additionally, 37% reported they had businesses in other counties, including Colusa, Plumas, Sierra, Stanislaus, Sutter, Sonoma, Solano, Tulare, Merced, Lassen, and Yuba. Most respondents (71%) were crop producers, 42% were livestock and hay producers, and 4% were timber producers. Figure 1 shows the percentage of respondents by the types of products they produced.

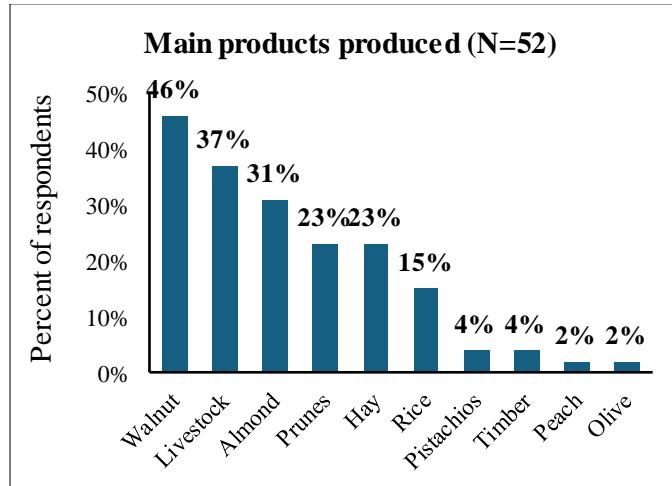


Fig 1: Percent of respondents by types of products they produced.

Main challenges impacting the future success of operation

Among 50 respondents who listed the top 3 challenges impacting the future success of their operations, 74% cited regulations as one of the top three challenges (Figure 2). This was followed by concerns about low prices, which was cited by 42% respondents, and high cost of production, mentioned by 38%. Notably, 92% of respondents indicated at least one of these challenges in their top three challenges, while 14% listed all three. “Other challenges” represents a combined list of challenges for which each was cited by a few respondents. These challenges included inflation, interest rates, insurance, trade, transportation, fire, drought, encroachment, and unstable world situations. This indicates that while these issues are not as

commonly reported as the top challenges, they still contribute to the broader set of concerns impacting the future success of farm operations in the region.

Regulations were the only challenge cited by more than 50% of both crop and livestock producers as among their top three challenges. Only 2 of the 19 respondents who produced livestock reported low prices in their top three challenges, while 20 of the 37 crop producers did. Despite the small sample size, these results are reflective of the 2024 crop prices with livestock at record highs and many other commodities having depressed markets (e.g. rice, walnuts, almonds). All the rice producers who responded to the survey reported water availability as among their top three challenges, a historically common challenge among rice producers.

Respondents identified various regulations when asked to indicate the most challenging regulation of their operation (Figure 3). Groundwater regulation was the most frequently cited regulation by producers (36%), followed closely by the Irrigated Lands Regulatory Program (ILRP) for water quality and labor regulations, each cited by 32% of respondents, and then surface water availability (20%). These results underscore the critical role water management and labor issues play in agricultural operations in the region. Responses categorized under ‘other’ included spraying regulations and regulations related to wolves.

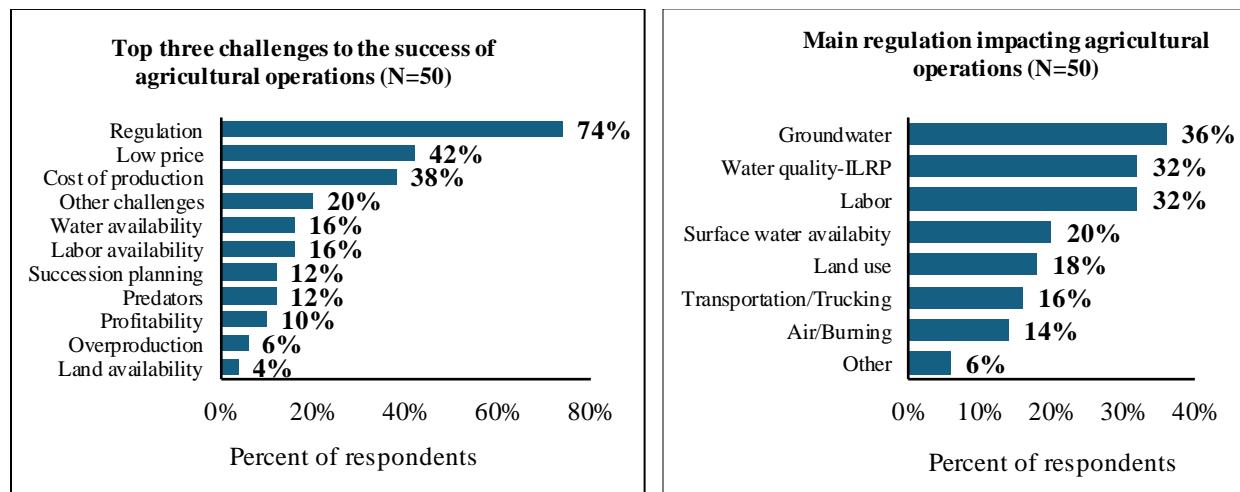


Fig 2: Percent of respondents by their top three challenges

Fig 3: Percent of respondents by type of regulation

Farm financial management information needs

Fewer than half of respondents were very confident in any of the financial management topics they were asked about (Figure 4). Respondents felt most confident in assessing and managing cash flow (47%), generating financial statements (45%), and performing enterprise accounting (41%). Most respondents reported being moderately confident across the topics, with the highest levels in succession planning (69%), record keeping and bookkeeping (59%), farm investment analysis (58%), accessing capital (58%), generating financial statements (53%), and enterprise accounting (51%). However, significant gaps in confidence are evident in some areas where respondents were not confident, including labor management (40%), assessing the financial stability of affiliated organizations (29%), marketing crops and commodities (29%), benchmarking (23%), and succession planning (21%).

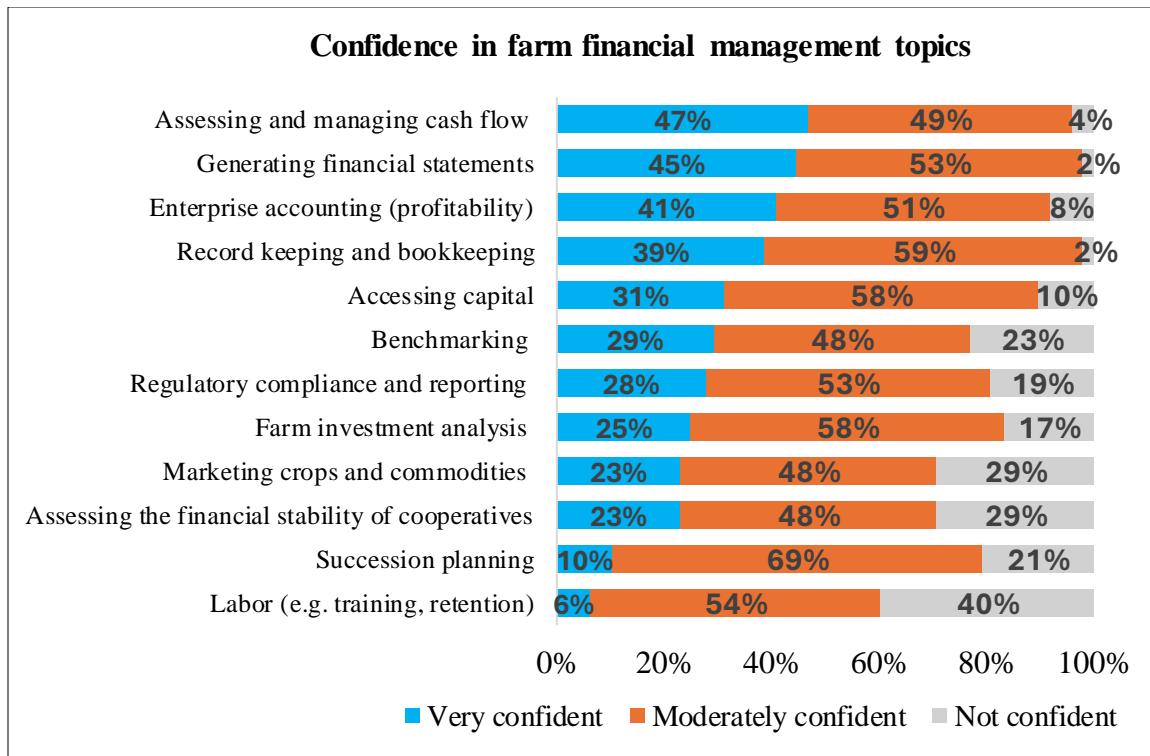


Fig 4. Percent of respondents by confidence in topics

Farm business strategy information needs

Respondents were asked to identify business strategies they currently use ("Yes"), do not use ("No"), and are interested in learning more about ("Need information"). The most commonly used strategies include irrigation efficiency (66%), Farm Service Agency (FSA) programs (55%), energy diversification (54%), crop/livestock insurance (52%), diversification (52%), custom farming (50%), and forward contracting (50%). Nevertheless, there are notable areas where producers lack information. For example, 41% expressed a need for more information on accessing conservation funding, such as programs from Natural Resources Conservation Service (NRCS) and State Water Efficiency and Enhancement Program (SWEEP). Additionally, 34% requested information on Farm Service Agency (FSA) programs, while 32% sought guidance on direct sales, drought mitigation, and crop/livestock insurance. Interest in learning more about off-farm income, energy diversification, and irrigation efficiency was also common, with at least a quarter of respondents seeking additional information on these topics. The data underscores the importance of targeted education and outreach efforts to address knowledge gaps, particularly in financial risk management, conservation funding, and alternative income strategies.

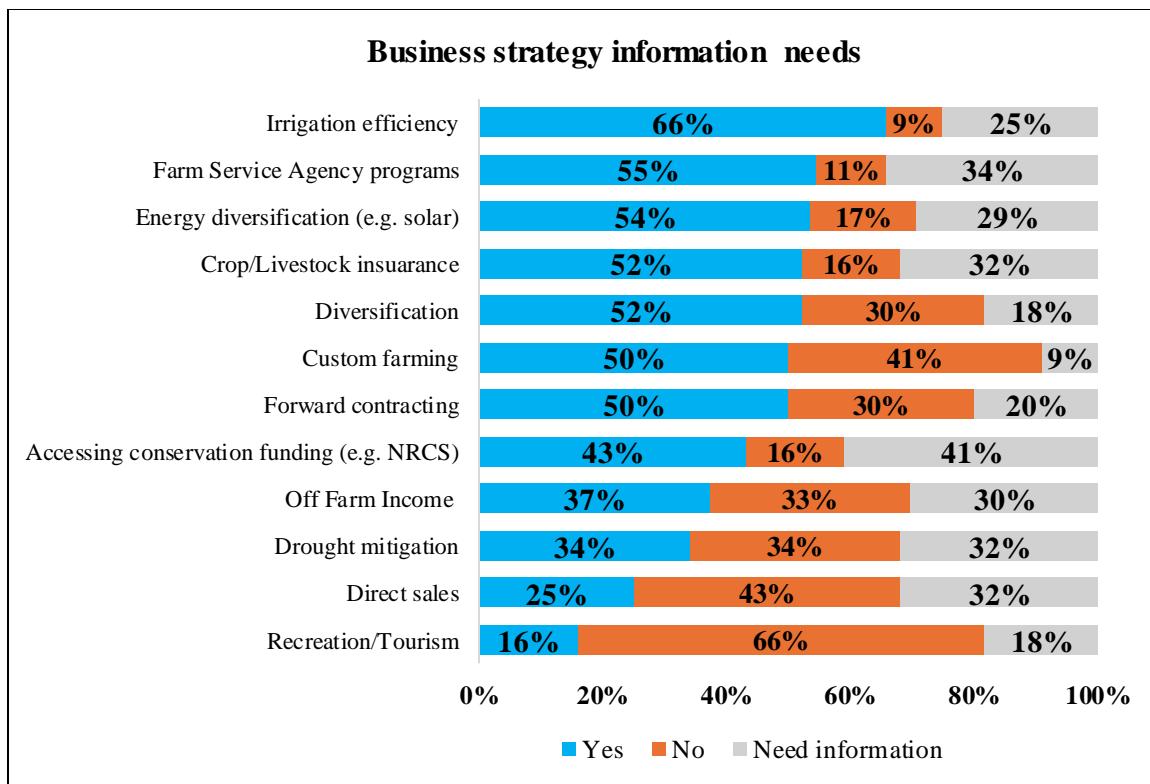


Fig 5. Percent of respondents by confidence in topics

Producer request to UCCE

Thirty-one respondents provided recommendations on how UCCE could better support the success of their operations. The highest percentage (42%) of respondents called for UCCE to advocate for reduced government regulations and increase efforts to educate legislators and the public about the regulatory burdens on producers. Additionally, respondents expressed a desire for UCCE to provide economic insights into their operations, with 29% requesting strategies for reducing operational costs and improving profitability. A few crop producers requested insights into potential new crop candidates that are more drought and disease resistant and can command higher prices. Additionally, a few crop producers requested increased efforts to develop local markets for their products. Overall, UCCE is urged to continue providing valuable information and support while advocating for measures that alleviate the pressures faced by agricultural businesses in the region. Below is a response from a producer who seeks education of the public on the regulatory burdens producers face:

“Education of federal and state government officials and the public on the burdens put on farmers. They must let us farm if we are to keep the world in food. Cut the regulations!”

Conclusions

Findings from this study highlight key challenges facing agricultural producers in the region, as well as areas where additional support and education are needed. Regulations emerged as the most pressing issue, with most respondents citing them among their top three challenges to future operational success. Groundwater regulations, the ILRP, and labor regulations were among the most frequently mentioned. Additionally, producers are facing financial pressures due to high production costs and low prices for key crops such as rice, walnuts, and almonds. These financial concerns are further compounded by uncertainties surrounding water availability. While many respondents have adopted important business strategies, knowledge gaps remain in areas that could help improve their operations. Some producers expressed a need for more information on conservation funding programs, financial risk management tools, and alternative income strategies. Addressing these gaps through targeted education and outreach efforts can strengthen producers' resilience and ability to adapt to changing economic and environmental conditions. Overall, these findings emphasize the need to raise awareness about the economic impacts of regulations on farm operations while providing producers with education on regulatory compliance and streamlined pathways for meeting those requirements. Additionally, research and education on market trends, financial management, profitability, risk mitigation, and management practices are essential to improving farm profitability and identifying new market opportunities. Producers would also benefit from guidance on evaluating economic factors before investing in new agricultural enterprises.

Special thank you to the farmers and ranchers who took the time to provide their perspectives by completing the survey, and to the Butte County Farm Bureau for their assistance with its distribution. Acknowledgment to the staff at USDA-Farm Service Agency and to all the Advisors who helped distribute the survey.