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Drought forcing growers to fallow land



As California's drought enters its fourth year, consumers in the US have yet to feel the pinch on their groceries.

Consumers in the US have yet to be impacted by the long running drought affecting fruit and vegetable farmers in California.

Fresh fruit retail prices have dropped 3 per cent this year, while vegetable pricing was up 1 per cent, according to federal data quoted by the Wall Street Journal (WSJ).

On top of the drought, growers are also faced with rising costs of water and labour, with some California growers shifting to less water-reliant crops.

"The improvement in pricing has not been anywhere close to the increase

in raw input costs and the cost you get stranded with when you have such a large percentage of your land unplanted," Steve Hamm of Harris Farms in San Joaquin Valley told WSJ.

The tomato, lettuce and vegetable grower said profit margins had decreased since 2013, with only a quarter of its 14,000 acres planted – a move being undertaken by many growers in the area.

A report published by the Centre for Watershed Sciences at the University of California, Berkeley, has estimated that 540,000 acres will go unplanted this year, up 45 per cent on an average year.

Growers will spend an additional US\$590m to pump groundwater – an increase on 75.5 per cent on an average year, with the report estimating a loss of US\$1.84bn to the state's agricultural economy in 2015 as a result of the drought.

Meanwhile, imports of fresh produce from Mexico, Chile and other countries have increased to fill the supply gap, with the high US dollar aiding returns for overseas exporters.