

# CAPITOL-TO-CAPITOL

SACRAMENTO, CA WASHINGTON, D.C.

## ECONOMIC DEVELOPMENT

**Team Leaders:** Monique Brown, Growth Factory, [monique@growthfactory.us](mailto:monique@growthfactory.us)  
Rachael Brown, Power Inn Alliance, [rachael@powerinn.org](mailto:rachael@powerinn.org)  
Cameron Law, Carlsen Center for Innovation and Entrepreneurship, [c.law@csus.edu](mailto:c.law@csus.edu)  
Kevin Mather, Nor Cal World Trade Center, [kmather@norcalwtc.org](mailto:kmather@norcalwtc.org)

**Issue Experts:** Evan Schmidt, Valley Vision, [evan.schmidt@valleyvision.org](mailto:evan.schmidt@valleyvision.org)  
Trish Kelly, Valley Vision, [trish.kelly@valleyvision.org](mailto:trish.kelly@valleyvision.org)

---

## SEEDS OF INNOVATION: CULTIVATING A SUSTAINABLE FUTURE THROUGH THE CAPITAL REGION'S FOOD AND AGRICULTURE ECOSYSTEM

### Requested Actions:

- Support the development of the Woodland Research and Technology Park including first phase infrastructure and utilities, for food processing and research/lab facilities.
- Invest in the Yolo Food Hub facility Phase I retrofit for 20,000 square feet of energy- and resource-efficient storage, aggregation, packing, and distribution to institutional customers, food banks, and other food hubs.
- Support investment in the Working Lands Cluster initiatives, including through EDA and SBA Regional Innovation Cluster programs.
- Support Farm Bill 2024 Titles that would fund at current levels or expand funding for investments in agricultural research, development, and extension, given UC Davis's contributions to California and the country's agricultural industry and food security as a land grant university.
- Support federal investments in broadband connectivity for food and agriculture enterprises.

### Business Nexus

The working lands of the Capital Region have powered the area economy since before California gained statehood in 1850. Core natural assets of abundant fertile farmland, water resources, an advantageous Mediterranean climate, forested expanses, and location as part of the Great Central Valley's global food center are boosted by the presence of UC Davis, the world's number two leading university for agriculture and forestry. The region is home to a well-established food and agriculture industry cluster that encompasses every aspect of food production, processing and manufacturing, packaging, distribution, and wholesale and retail sales. The region's growers produce a large variety of high-value specialty crops, including rice, walnuts, apples, and wine grapes, with a direct farmgate value of \$2.2 billion in 2022.

# CAPITOL-TO-CAPITOL

SACRAMENTO, CA WASHINGTON, D.C.

The economic impact is not fully quantified, but the working lands industry contributed more than \$12 billion to the regional economy in 2018, not including the benefits of the research and technology sector led by UC Davis, and hospitality and agritourism. Promoted as America's Farm to Fork Capital, the region garners a significant and diverse agritourism industry.

California's Capital Region is home to a well-established and competitive food and agriculture cluster that encompasses virtually every aspect of food production, processing and manufacturing, packaging, distribution, and wholesale and retail sales. Worker shortages and climate impacts are driving adoption of more sustainable growing practices, technology-enabled solutions, and zero-emission power sources, creating opportunities for innovative companies and producers alike. Connections between production in agriculture, forestry, and mining across the region's six counties and related processing, equipment, and advanced logistics could grow in importance depending on domestic supply chains and international trade practices. Alongside UC Davis and the region's growing food and agriculture ecosystem, global and local companies and institutions are specializing in areas such as seed research, crop biology, healthy foods of the future, and climate smart agriculture. The region can scale its impact as a global center of resilient and innovative food system products and services and build on successful federal investments, including by EDA and USDA, in the regional economic strategy and the food and agriculture cluster. This includes the region's role in the new USDA program which created twelve regional centers nationally to expand economic opportunities for farmers, ranchers and food producers and increase food system resiliency – the USDA Southwest Regional Food Business Center.

## **Background**

Trends in local foods procurement by institutions are opening new markets for the region's growers and food producers. Infrastructure including food hubs is needed to connect growers and producers to these markets. The industry faces an aging workforce, which federal immigration policy limitations are exacerbating. These issues prompt increased adoption of agrifoodtech solutions to address persistent workforce shortfalls.

Climate change and adaptation poses another major challenge for the sector. Agriculture is on the front lines of the climate crisis. Drought, heatwaves, wildfires, freezes, and intense periods of rain and snow have battered the Capital Region in recent years. Insufficient electrical grid infrastructure compounds the problem, with frequent power shutoffs.

There is a persistent, well-documented lack of broadband infrastructure connectivity in the region's rural and agricultural communities. Broadband is a critical enabling technology for competitive business operations, including for global trade; adoption of the agrifood technologies generated by UC Davis and the region's technology entrepreneurs to better manage resources such as water and energy and address workforce shortages; for health and safety, including for emergency preparedness and recovery; and for forest resilience. Although there are major federal and state investments coming to California's regions, including through NTIA BEAD program, there will still be major gaps that will need to be met through ongoing federal investments. The EDA-funded Capital Region Business Broadband Plan (April 2024) contains additional information.

# CAPITOL-TO-CAPITOL

SACRAMENTO, CA WASHINGTON, D.C.

Resilience in this new reality requires adopting more sustainable growing practices, monitoring, and mitigating greenhouse gas emissions, and shifting to zero-emission power sources. The [University of California Cooperation Extension \(UCCE\)](#) will play a vital role in connecting farm owners, including the next generation of food producers, with the information, technologies, and resources they need to cope with climate impacts and comply with state climate regulations while running successful operations. Programs that upskill farmworkers and farm managers are needed so that farm employees have the skills for an increasingly complex industry.

UC Davis sits at the heart of the region's innovation ecosystem as a top-tier (R-1) land grant university and federally designated Hispanic-Serving Institution (HSI) that provides 90 percent of the region's research activity. The [College of Agricultural and Environmental Sciences](#) and [School of Veterinary Medicine](#) rank first in the nation. The university is particularly strong in food systems research, with expertise in practically every field of study. [UC Davis Venture Catalyst](#) uses grant support, technical assistance, and its extended network to promote innovation-intensive entrepreneurship among university students, staff, faculty, and alumni. Demand for proof-of-concept funding far outstrips the resources available.

New projects such as the Woodland Research and Technology Park will be a major asset for the region, with dedicated research, innovation, and manufacturing facilities on approximately 350 acres that will be built on the City of Woodland's [Food Front Initiative](#). The Park will provide new state of the art facilities for food processing and for expansion of AgStart's successful wet lab/food lab/incubator funded in part by EDA. The project is moving forward, but completion will require funding for utilities and roadway infrastructure in and around the park. Another important project is the Yolo Food Hub Network, which is retrofitting a historic barn in Northwest Yolo County to support small, new, disadvantaged, veteran and BIPOC growers, ranchers and food producers reach new markets through sourcing locally grown foods to the region's schools, hospitals, and other institutions. With high demand for the space, funding is needed to complete the first phase of retrofit for business operations. This builds on Yolo County's \$2 million investment of ARPA funds and philanthropic funding for a comprehensive site design for a model sustainable food storage, aggregation, and processing facility.

The USDA Southwest Regional Food Business Center is a \$35 million five-year investment in the four Southwest states (Arizona, California, Nevada, and Utah), to provide technical assistance and a business builder grant program to support food entrepreneurs and help existing farmers, growers, and food producing businesses scale. The project is managed by UC Agriculture and Natural Resources in partnership with the California Dept. of Food and Agriculture and Valley Vision (<https://swfoodbiz.org/>).

---

#### Sources:

- California Jobs First – Capital Region Regional Plan, Part 1 Report, December 2023