

Imperial Valley Industry Overview: Agriculture

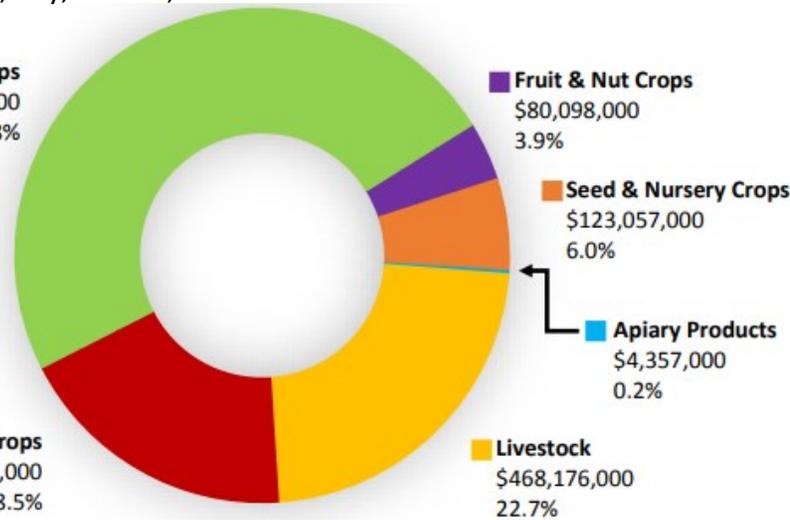


Imperial Valley: a historically abundant and opportune region with unique assets for agribusiness. Located in the low desert of Southern California, fertile soil and a mild winter climate makes it one of the nation's top agricultural producers; in fact, the Imperial Valley supplies over 2/3 of vegetables consumed in the United States during winter months. The region's notably diverse agriculture industry can account for over 100 commodities. A multitude of local crops are among the highest in national production: including broccoli, cauliflower, hay, carrots, onions and sweet corn.

Spotlight: Hemp Industry



**Imperial Valley farmer posing next to hemp field
*Timpen Ranch, 1920s***



Source: 2016 Imperial County Agricultural Crop and Livestock Report

Local Assets & Incentives

- California Competes Tax Credit
- (Partial) Sales and Use Tax Exemption
- (Full) Sales and Use Tax Exclusion — Advanced Manufacturing and Transportation and Alternative Energy
- Agricultural Tax Exemptions — Farm Equipment and Machinery
- Manufacturing Tax Exemption
- Low water rates: \$20.00 per acre ft. (1 acre ft. = 365,000 gals.)
- Low energy rates: 9¢ per kWh
- Irrigation infrastructure — over 3,000 miles of water canals
- Multiple local research facilities
- Ample water resources — Colorado River/All American Canal

Hemp farming and manufacturing in the Imperial Valley dates back to 1916.

Although hemp is often regarded as a plant that prefers a mild climate, hemp is suitable and fertile in the low desert climate due to its unique adaptation capabilities. Studies suggest that hemp evolved originally as a desert plant, due to its ability to adapt to low rainfall and loss of water.

The Imperial Valley is an optimal region for industrial hemp; mild winter months allow for multiple harvests and increased profit per year.

Agricultural manufacturing in Imperial Valley:

- Affordable land, water and energy
- Abundant and skilled workforce



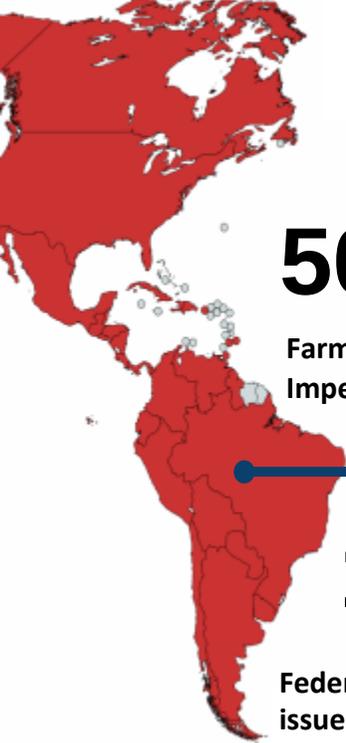
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500,000

Farmable acres of land in Imperial Valley



\$2.94 Billion

Gross production value from a year-round agriculture industry

This amounts to almost half a million dollars per hour.

11.56%

Growth in gross value of seed crop industry from 2016 to 2017

19,264

Federal export certificates issued to 90 countries

Top 4:

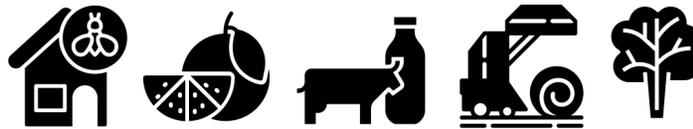
- ⇒ Japan (37.1%)
- ⇒ Mexico (34.9%)
- ⇒ Korea (9.9%)
- ⇒ China (4.4%)



Imperial Valley Agribusiness

Agriculture has a rich and fruitful history in Imperial Valley. Among the numerous advantages of locating here are:

- ⇒ wide variety of successfully grown crops
- ⇒ central location to major southwest markets and three international ports
- ⇒ publicly owned water and energy delivered at affordable costs
- ⇒ availability of affordable workforce and available land zoned for agricultural and commercial use
- ⇒ Optimal climate for year-round growing seasons



3.23

Score on the Shannon-Weaver Diversity Index, indicating high economic diversity of Imperial Valley agriculture

Local agriculture industries include livestock, field crops, vegetable and melon crops, fruit and nut crops, apiary products, and seed and nursery crops.



880

State export certificates issued to 8 states, the greatest number issued to Hawaii and Florida

\$12.3 Million

Average economic output per day produced by agriculture industries

326,667

Harvested acres of field crops

Field crops are the largest category of crop production in Imperial Valley.

*export countries indicated in red