



**WEST HILLS**  
COMMUNITY COLLEGE DISTRICT

## **Essential Elements for the Future of the San Joaquin Valley**

*2014 Public and Private Policy Series*

### **Trading Partners: Exports, Logistics, and San Joaquin Valley Economic Development**

*Third in a series on water, food, energy, export and logistics*

*Held November 6, 2014  
Harris Ranch Inn and Conference Center  
Coalinga, California*

## **Summary Report**

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## 1. Background

Through its provocative series of public/private policy forums the West Hills Community College District (WHCCD) is calling upon experts to digest the events of the day and examine the future promise and prospects for the San Joaquin Valley. The first such forum focused on water, the second focused on the state of energy in the Valley. This summary outlines results of the third daylong forum entitled “**Trading Partners: Exports, Logistics, and San Joaquin Valley Economic Development.**”

In keeping with the standard established by the previous two forums, West Hills brought together a remarkable group of knowledgeable speakers well versed on the subjects of export, trade and logistics and their likely future consequences for California’s Central Valley. Indeed, one of the important initial accomplishments of the West Hills Community College District “Essential Elements” series has been to bring noted policy experts to the Valley, creating an opportunity for them to contribute to collective action addressing “critical Valley issues.” The format has encouraged panelists to engage with forum attendees representing Valley agriculture, business, education, and public service.

As noted in previous “Essential Elements” summary reports, the challenges facing the Central Valley of California are best described in superlatives. Historically the Valley has been among the most productive agricultural regions in the world. It has been the beneficiary of one of the most complex and now challenged surface water distribution systems in the nation. Currently the Valley is coping with one of the most persistent and devastating droughts in the world. As a result, the Valley’s counties suffer some of the highest unemployment rates in the U.S.

The effects of the Valley’s drought have been covered extensively by local media and the national media including such influential outlets as the Wall Street Journal, the New York Times, the New Yorker and National Public Radio. The human toll in dried up wells and fallowed agricultural acres is the prevailing narrative that has won over a more balanced and nuanced picture of the Valley’s current situation. As Dr. Frank Gornick, Chancellor of WHCCD, pointed out in his opening remarks, “water and food are arguably the most indispensable pillars of the state’s economy.” Dr. Gornick also emphasized that the **Essential Elements** series is, “about finding solutions that contribute to economic development, job creation, and the economic wealth of the Valley.”

While it is true that the Valley’s future vitality cannot be divorced from the future of water, the **Trading Partners** opening keynote speaker, Jordan Levine, Economist and Director of Economic Research for Beacon Economics, LLC made it clear that there are other factors at work that demand attention.

Surprisingly, as Mr. Levine reported, there is good news to be found in the San Joaquin Valley and it should be better communicated and celebrated by those in the Valley and broadcast elsewhere.

Beacon Economics is considered an outstanding forecasting firm widely known for excellent research and knowledge about the most critical issues facing California. With the support of The California Endowment (TCE) and the Edmond G. “Pat” Brown Institute for Public Affairs at Cal State Los Angeles, Beacon Economics was commissioned to produce a **State of the Region\*** study focusing on the San Joaquin Valley. This study is more than a current status report; it provides encouraging perspective to those charting the Valley’s future course.

As presented by Mr. Levine, key findings of the **State of the Region Report** suggest that the Valley has largely recovered from the recession of 2008. He emphasized that recovery in the Valley is a relative term because one must take into account the Valley’s historic condition prior to 2007 when looking at growth and recovery.

Although traditionally considered an agricultural stronghold, careful inspection suggests that the Valley’s economy is more diversified than many understand, even those who live and work in the Valley. Although the Valley continues to have pockets of extraordinary, even epic, unemployment as measured by traditional means, there appears to be a substantial informal economy at work. This informal economy, although difficult to measure, is likely more active and important than previously realized.

Assuming “that innovative and strategic use of water becomes part of the local fabric”, the Beacon study found that the Valley is poised to grow economically **provided that opportunities for education and training continue to keep pace with emerging workforce requirements.** Key indicators include the fact that the San Joaquin Valley accounted for 3.8% of all of California’s nonfarm jobs in 1990 and 4.5% of all nonfarm jobs in 2013. Between 2007 and 2009 home prices in Tulare County fell 51% and in Kern County by 54%—less than the overall state average of 57%. The San Joaquin Valley (the Valley) has exceeded its pre-recession employment peak by some 8,000 jobs. Private sector jobs in the Valley have grown 13.5% since the recession’s low point.

In summarizing and commenting on the Beacon Study, Mr. Levine noted that many underlying market fundamentals are strong and bode well for the longer term. Examples include:

- Economy seeing some acceleration despite headwinds,
- Consumers holding steady,
- Business investment growing, earnings are solid – profits are being



- realized now vs. hoped for in some future quarter,
- California Non-Farm Employment is up 10% placing it fifth in the nation
  - Interest rates are still very low,
  - Our key trading partners, Mexico and Canada, were not as hard hit as other trading partners worldwide and
  - Many residential markets remain hot in California opening up possibilities in less expensive regions.

(\*See “South San Joaquin Valley: A growing California Success Story.” Publication of Cal State Los Angeles – PBI and Beacon Economics, 2014).

A distressing fact that surfaced during the Beacon study was the perception on the part of many Valley residents that the situation in the Valley is overwhelmingly negative. Representative quotes include:

- “Nobody lives out there in the tumbleweeds.”
- “Inland California is suffering what amounts to a depression. Unemployment rates are extraordinary. Poverty is persistent. Economic growth is rare and localized.”
- “Contraction and stagnation have prevented many of your counties from recovering even 50 % of the employment losses sustained in the downturn.”

To be clear, unemployment is relatively high, education levels are relatively low and the air quality needs to improve. But in many respects the negative image of the Valley is not born out by the facts. Relative to past experience, things are much better than they are perceived to be. Regional trends are tracking with those of California and in %age terms some year-over-year growth rates exceed those, for example, in San Diego, Oakland, and Los Angeles. The economy of the Valley in absolute terms is larger than that of some states including Kansas, Utah, Nevada, and Arkansas.

The Beacon study offers many positives around which the Valley can rally. The challenge is to support efforts to construct and actively broadcast a more positive and uplifting story about the region and the capacity of its people to build an even stronger and more diversified economy and an exceptional quality of life for residents.

## 2. Forum Panels

### 2.1 Panel One: *Exports in a Changing Climate*

In his opening remarks moderator Mark Nechodom, Director of the California Department of Conservation, emphasized the importance of international trade to the State of California and to the San Joaquin Valley. A major economic driver for the State, exports totaled \$161 billion in 2012 or 11% of total U.S. exports. Economists suggest that export led growth is the only sustainable way to maintain living standards and secure long-term economic success.

Agricultural, food and kindred products total 13% of California exports overall, which suggests growth potential for San Joaquin Valley growers and food processors. “The world is globalized, and it takes on real meaning here beyond the narrative,” said Nechodom.

Mr. Nechodom, introduced the panel members beginning with Jeffrey Williamson, Deputy Sector Navigator, Centers for International Trade and Development who phoned in from Hong Kong, provided a related video and fielded questions from forum attendees.

As explained on the California Community Colleges website, Deputy Sector Navigators, “align community college and other workforce development resources with the needs of industry sectors that result in highly specialized industry training, technical consulting and business development. Global Trade and Logistics businesses can access the Centers for International Trade Development (CITD) that are dedicated to serving California's international trade companies with innovative solutions that are unique and customized to your business.”

The website notes that there are 10 community college based locations across California that assist businesses to expand globally, assist individuals and students to advance their knowledge of global business and help colleges internationalize their curriculum. These Centers also manage the California State Trade and Export Promotion program (California STEP), which is one of the largest state-based export promotion efforts in the United States. CITD services include:

- Export and import education programs for businesses and entrepreneurs,
- Faculty development programs targeting community college faculty interested in global business,

- Programs that prepare students and individuals to obtain industry-certified credentials, such as the Certified Global Business Professional (CGBP), and Customs House Broker (CHB) exams,
- Export promotion assistance for companies expanding globally – business matchmaking and trade missions and
- "Help Desk" to ask questions about international trade and help solve international business transaction challenges.

Mr. Williamson began his presentation by pointing out that it was 1:30 a.m. in Hong Kong and that this was the new look in business. The new economy is essentially 24/7, worldwide in scope, and the management of time and working hours need to adjust accordingly. Bottom-line, the clock never stops in international trade.

A significant fact is becoming evermore clear—in Europe, in Asia and the Pacific—the collective middle class is continuing to grow, outstripping what appears to be the declining number of those counted as the middle class in the U.S. The good news is that the U.S. has decades of experience selling to the “middle class” and we have learned a good deal about catering to the progressively more expansive desires of the emerging middleclass(es).

As Mr. Williamson pointed out, U.S. exports currently are about 15% of GDP and they are expected to grow to about 30% of GDP in the next 15 years. This suggests that the U.S. must consider building an effective strategy, at tolerable cost, that yields the necessary capability and capacity to meet this challenge. The San Joaquin Valley would seem ideally suited to help fill this role with increased production capability, nimble training facilities, a skilled workforce and, in the short term at least, competitive labor costs.

Through Mr. Williamson’s efforts with the California STEP program, California has established ties with Hong Kong. These ties are available to California businesses, and experience indicates that Hong Kong is a major hub for Asian trade and investment. To provide further reinforcement (and perhaps a sense of urgency), Mr. Williamson noted that Greece, Poland and Guam, among others, already are in Hong Kong and very active in establishing productive networks.

The next panelist, Bill Philimore, Executive Vice President of Paramount Farming Company, called attention to the unique climate and expertise in the Valley. Crops are grown in the Central Valley at a level not seen anywhere else in the world. Further, there is vertical integration in product management that requires individual packaging, these elements require sizeable investment and as a result only about 25% of the 3,500 employees in the agricultural economy are actually in farming, the remainder are in technical and supervisory roles.

Mr. Philimore pointed out that crops like pistachios are not fussy with regard to soil, but with its unique climate the Central Valley has emerged as a world leader in the production of pistachios. Currently, the only remaining worldwide competitor is Iran. Of the 450 million tons produced, 125 tons are shipped to China, 115 tons to the EU, 155 tons distributed domestically to the U.S. with the remaining 55 tons shipped in smaller amounts throughout the world. Regarding almonds, the Valley is a unique growing environment and thus exports nearly two-thirds of the U.S. output.

Panelist Kenny Watkins, First Vice President, California Farm Bureau Federation and a farmer in the Valley, has participated in foreign trade missions. He made it clear that foreign consumers want California products because they are highly regulated and U.S. food products overall have a reputation for safety and quality. As evidence of the high esteem and demand for U.S. products, U.S. labels are being counterfeited in other parts of the world in order to cash in on this reputation. Mr. Watkins also pointed out that we are learning from other countries and importing technology that has been perfected in other countries including the use of cameras and related monitoring devices.

Many countries are ahead of the U.S. in perfecting technology for use in agriculture because they have faced more challenging growing conditions and applied more pressures that have forced agriculture to support and be an early adopter of technology and its applications. Relative to other industrial sectors, agriculture in the U.S. has been slow to join the current technology revolution.

In his closing remarks, Mr. Watkins added the caveat that despite what might be seen as implied optimism for the Valley's future, it also is true that some 450,000 Valley acres have been fallowed due to the drought and many people are having to live day-to-day because of the consequences. Those responsible for policy and planning need always to keep in mind the human side of their decisions and do their best to consider them in the planning equation. Looking forward, California needs water, skilled labor and reasonable regulation. As a good indicator, the voters just passed Proposition 1 to spend money to improve water storage.

Peterangelo Vallis, Executive Director, San Joaquin Valley Winegrowers Association, provided a rousing description of the wine industry in the Central Valley. He noted that the San Joaquin Valley was the largest grape producer in the state and is likely producing the highest quality grapes in the state. Northern Kern County produces more wine geographically than any other place in the world and most of the wine under \$11 a bottle comes from the San Joaquin Valley.

The two universities that specialize in programs related to the wine industry are UC Davis and Fresno State. It appears that students are trained in the Valley and then leave the Valley to work elsewhere.

A closer look makes clear that the winemaking industry in the Central Valley is bifurcated with the wine being produced in the Central Valley and the labels being put on in more exclusive locations such as Napa and Sonoma.

This split between the growing side and the production side is peculiar to the San Joaquin Valley making it a part of the only bifurcated wine industry in the world. Some 90% of California's bulk wine is produced in the Central Valley as is some of California's best wine and both may carry labels which don't make explicit the Valley as the wine's point of origin. Wineries are divorcing themselves from the source of the grapes. People are looking for "cool" wines from "cool" areas. It is well established that the San Joaquin Valley grows the best grapes and the best almonds and the best pistachios, but unlike the tree nuts, Valley grapes and wine don't benefit from the same "quality" reputation.

## Action Steps

### *Exports in a Changing Climate*

- **Image vs. Facts: A stronger, more positive San Joaquin Valley story needs to be told about the Valley's sense of place and positive attributes.**

It was clear from the forum's Keynote Address and Panel One that the Valley needs to construct and effectively broadcast a stronger, more positive story with message points that communicate the Valley's compelling sense of place, purpose and success. This has been identified as an action step at each of the Essential Elements forums.

- **The San Joaquin Valley should develop an export strategy (especially value-added products) and make related infrastructure investments.**

New economic development potential lies in the ability of the Valley to focus strategically on value-added production of its agricultural products. There will be related investments required in infrastructure, but these investments will pay dividends in the form of higher wage jobs, business retention and attraction, and a more sustainable, prosperous economy.

- **Education is a key investment required for future economic growth.**

Educational attainment levels of San Joaquin Valley residents are below the State average. A special effort must be made to create intellectual and workforce capital through education beyond high school. An educated workforce is an "essential element" required for the Valley to move progressively toward a more robust economy that has greater resiliency in times of economic and environmental distress.

## 2.2 Panel Two: *Moving the Goods*

Moderator Jim Mayer, Executive Director of California Forward, expressed optimism about the South San Joaquin Valley based on data shared in the morning's keynote address by Jordan Levine of Beacon Economics and Panel One: *Exports in a Changing Climate* presentations. International trade is a promising source of ongoing employment growth for the Valley and logistics now account for 4.5% of all jobs in the regional economy. These are more sophisticated jobs (as opposed to labor-intensive) for which some level of post-secondary education and training are required. This has and will continue to contribute to solid middle-income wage growth.

Creating the intellectual capital and workforce to align educational resources is essential to the State's future. "Our most valuable resource is people," said Mayer, "not sun, soil and water." Government, community, non-profit and philanthropy leaders must align to provide funding, facilities, data, knowledge, skills and a network of educational facilities to align curriculum and resources from pre-kindergarten to baccalaureate education (P-20).

Mr. Mayer indicated that in order to pursue a "strong and unbreakable bond" with the rest of the globe and facilitate welcome job growth in international trade for the San Joaquin Valley, the transportation system must be improved through public-private collaboration. He pointed out that Fresno is the only large metropolitan area in the world without an interstate highway.

In turn, panelists from the Port of Long Beach, Union Pacific Railroad, California Department of Transportation and the American Journal of Transportation provided the context for logistics that have a direct bearing on successfully moving goods into and out of the San Joaquin Valley.

According to panelist Gina Barro, Business/Trade Development Manager, Port of Long Beach:

- Long Beach is the second busiest port in the U.S. and a premier gateway for U.S.-Asia trade (Los Angeles is the busiest).
- Long Beach connects to 217 seaports globally.
- It supports 1 in 8 jobs in Long Beach, employing 30,000 people in goods movement-related work.
- Trade to Asian countries is growing.
- Shipping companies are building larger, more efficient ships.
- The Port of Long Beach can accommodate larger ships than the Panama Canal.

- It can accommodate ships with up to 22,000 TEUs, a standard unit for describing a ship's carrying capacity or a shipping terminal's cargo handling capacity (a standard 40-foot container equals 2 TEUs). The Panama Canal can only accommodate ships with up to 13 TEUs.
- The Port of Long Beach is investing in modernizing its Middle Harbor facilities for greater productivity related to larger ships.
- It is a "Green Port" as defined by moving more cargo containers directly to and from marine terminals by rail rather than by truck.

Panelist Ken Norwood, Director of Ports-West, Union Pacific Railroad offered this snapshot of the Union Pacific in California:

- The Ports of Long Beach and Stockton both represent significant portion of the Union Pacific Railroad's business.
- The I-5 freeway is key to the Pacific Northwest.
- The diversity of freight hauled by rail includes agricultural products, coal, chemicals, automotive and industrial, (i.e. drilling equipment for shale).
- The Union Pacific is increasingly experiencing conversions from trucking to rail.
- Current traffic is nearly even with pre-recession levels.
- Agricultural products comprise 14% of Union Pacific's cargo.
- Automotive cargo is strong, particularly with the growth of this industry in Mexico.
- The Union Pacific has invested \$1 billion in California over the past 6 years allowing for greater throughput and longer trains.

Panelist Stas Margaronis, a reporter for the American Journal of Transportation, indicated that bigger ships are putting more pressure on ports and highways. Ports are expected to move cargo through a more automated system. Long Beach and Los Angeles have taken steps to handle these larger ships by increasing provision for on-dock rail and automated cranes.

Trucking of sea-going containers appears to be "imploding" according to Mr. Margaronis. Shippers are increasingly concerned by transportation delays experienced when trucks move containers. As ships get bigger, the volumes are more challenging for trucks to handle. Not only is there congestion on the freeways leading to and from the Ports of Long Beach and Los Angeles, there is also concern over emissions and air quality. Further, labor relations issues including complex hiring processes, conflicts between owner-operators and slowdowns in delivery/receipt of cargo make trucking a less competitive alternative.

Short sea shipping, which consists of placing containers and other cargo onto barges and smaller vessels for the purpose of transporting them from larger import/export ports, is one alternative to trucking. Mr. Margaronis suggested that it may be more viable for goods from the San Joaquin Valley to be transported to the Port of Stockton, which is 2 hours away, and short sea shipped to the Ports of Long Beach or Los Angeles, which are 4-6 hours away from the Valley by highway. Ships use only a third of the fuel and produce 90% fewer emissions than the same amount of cargo transported by truck.

All of this is occurring in the midst of an evolving California state freight plan. According to panelist Bruce de Terra, Chief, Office of Freight Planning at the California Department of Transportation, a new California freight plan will be completed by December 31, 2014 and will become part of a national freight plan as required by the new Federal Transportation Bill.

Among the concerns for the San Joaquin Valley—largely dependent on imports (animal feed, pesticides)—is how to increase the volume of what enters and exits the Valley. The San Joaquin Valley is considered a “stranded asset.” The Valley’s section of Highway 99 is the only stretch included in the national network, which is due to its high truck volume. An average of 30,000 trucks move through this section of the highway daily.

Highway congestion impacts quality of life in California. There is no down time in traffic. According to Mr. de Terra, there will be no new money for the new transportation plan. California must leverage existing assets while addressing the negative impacts of freight movement and strategically adding new capacity.

## Action Steps

### *Moving the Goods*

- **Actively monitor the emerging sustainable freight strategy and national freight network impacts on the San Joaquin Valley.**
- **Examine ways to systematically revisit transportation policies.**

Given the dependence on freight traffic to, through and from the Valley, the region must actively collaborate with all 8 of the State’s Standard Metropolitan Statistical Areas as well as the Office of Freight Planning in the California Department of Transportation. As a remedy to the Valley’s condition as a “stranded asset,” the interests of the San Joaquin Valley must be voiced, pursued vigorously and emerge as priorities in new transportation plans and policies now under consideration.

- **Pursue a relationship with the Port of Stockton to facilitate short sea shipping.**

Short sea shipping between the Port of Stockton and the Ports of Long Beach and Los Angeles represent an alternative to moving freight to and from the Valley in a more timely, cost effective and environmentally sustainable way. By highway, the Port of Stockton is just 2 hours away as opposed to the Ports of Long Beach and Los Angeles that are 4-6 hours away.

- **Support leadership/backbone organization to capitalize on opportunities for local/regional innovation and creativity—making better use of the assets at hand.**

California will not divide into 6 states as proposed by venture capitalist Tim Draper. Instead, Californians will decide how to customize its 6 unique economies into workable ideas that are invented through local and regional self-determination. Regional solutions to regional issues can be created, embraced and mobilized by residents, business, educators, non-profits, philanthropists and government. This fosters positive *collective impact* as opposed to more isolated *individual impact*. Applying what we know and what we've "home grown" to produce solutions encourages speaking with one voice. This "voice" can be harmonized with other voices in other regions, as appropriate.

### **2.3. Panel Three: 2015 Water Outlook**

Water is a vital resource that continues to be severely distressed in the San Joaquin Valley and impacts the overall vitality of the region as well as the raw materials and value-added goods that can be exported for domestic and global markets. Contributing factors include hardened demand, increase in permanent crop plantings, population growth, climate change, extended drought and unsustainable water management practices and policies. Integrated regional water management is the key to improving the water outlook, according to panel moderator Dave Orth of the Kings River Conservation District.

Panelist Dorene D'Adamo, Board Member, State Water Resources Control Board, said the Sustainable Groundwater Management Act of 2014 is the most significant action taken on water in California in the last century. "This common sense, long-overdue approach calls for local control and emphasizes sustainability," said D'Adamo. Local agencies need the authority and the tools to produce local solutions; the State should complement local sustainable groundwater management and step in only when needed, she explained.

The Valley and the State must plan for a dry 2015. Encouraging signs point to an “all hands on deck” perspective which is different in approach and dialogue from previous droughts,” commented panelist Bill Coyle, Drought Manager, Department of Water Resources. Lessons have been learned, prompting a multi-agency, real time team to address shortages, sustainability and allocations.

New legislation approved in September 2014 puts local agencies in charge of managing groundwater supplies, while giving the State new authority to step in when necessary to stabilize declining water tables. In early November 2014, voters approved Proposition 1, which allows the State to commit \$7.5 billion in general obligation bonds to manage water supplies, protect and restore wetlands, improve water quality, and increase flood protection.

Panelist Sarge Green, Director, California Water Institute at CSU Fresno, emphasized that both sides of the equation must be addressed—supply and demand. Water management and use is hyper-local—neighbors affect neighbors. Local remedies will depend on local collaboration and connectivity. Continued extraction will result in more water tables diminished. Can subsidence be remedied through surface delivery? Is recharging aquifers from recycled water an affordable option that could scale up? Feasibility studies are being performed now to consider these options. While the Valley is preparing for a 4<sup>th</sup> consecutive year of drought, important lessons learned from the previous years’ experiences are being applied to the supply and demand equation.

### **3.4. Panel Four: *Growth Industries – Creating Jobs***

Why send tomatoes to Denver to have them turned into catsup? A central theme of this panel was value-added agriculture and its potential to spur economic and job growth in the Valley. Mike Dozier, Executive Director, Office of Community and Economic Development at CSU Fresno cited 7 industry clusters that have been identified by the California Partnership for the San Joaquin Valley as foci for growth and development in the Valley. Four of the cluster areas are directly related to the “bio-economy”—agriculture, manufacturing, water and logistics. Accelerated focus and collaboration are required to create the workforce “infrastructure” that can bridge the gap between available talent and industry/service providers’ needs.

While some make the argument that agriculture is not sustainable due to prolonged drought issues, Dan Sumner, Director of the University of California Ag Issues Center, presented data that indicate agriculture will continue to be a major force in the Valley’s economic development and job creation—and its ability to participate fully in international trade.

Three areas serve as examples:

- Tree nuts: almonds, pistachios and walnuts
  - These crops provided \$7 billion in export value in 2013 and are continuing to increase in volume and value.
  - More than 100,000 California jobs are directly related to the multi-billion dollar tree nut crops.
- Wine grapes
  - The San Joaquin Valley is the largest viticulture region in the U.S. and in California; 60% of all wine grape tonnage and “gallon-age” is grown or crushed in the Valley.
  - 90% of U.S. exported wine comes from San Joaquin Valley grapes; 95% of all wine sold under \$11/bottle comes from the Valley.
  - The U.S. is a net exporter of bulk wine.
- Milk
  - 90% of California’s milk production comes from the San Joaquin Valley.
  - This accounts for \$10 billion in sales 2014.
  - An added \$1 billion of milk exports generates \$2.4 billion in processing sales or about 17,000 jobs in the California economy
  - Higher wage jobs are available in dairy processing.

One example of preparing the workforce to respond to the growth of international trade is the advent of the Certified Global Business Professional designation. Decreasing trade barriers and increased technology options make international trade more accessible to businesses of all sizes. Trade and related logistics represent a growth industry in the global economy, but navigating the regulatory, legal, inter-cultural and technology environment can be tricky. Credentialing in the field of global trade and logistics is now provided through the MASBITE CGBP Group, according to panelist Jeanette Benson of CGBP DSN Global Trade and Logistics.

This certification provides assurance of competence in global business management and marketing, supply chain management and trade finance. The exam leading to certification is available to students who have completed two years of related college-level studies (60 credits) or have two years of trade-related work experience. Employers seeking this credential include private sector, state and federal government and trade assistance organizations.



## Action Steps

### *Growth Industries – Creating Jobs*

- **Seven regional clusters – facilitate communication between employers and P-20 educators. Collaborate with IMCP (for value-added agriculture and the bio-economy).**
- **Exploit logistics as a growth industry through education and training.**

The Regional Industry Cluster Initiative of the California Partnership for the San Joaquin Valley incorporates the following 7 industries:

- Agriculture
- Health and Wellness
- Water
- Manufacturing (60% is ag-related)
- Energy
- Logistics
- Construction

Representatives from the private sector, education and government must collaborate to close the gap between the intellectual capital and workforce required by industry and the career fields/professions/competencies for which P-12 and higher education are providing through education, training and credentialing.

- **Provide an information campaign to create awareness about career options and opportunities for P-20 students. Deliver education and practical, hands-on experiences that link knowledge, skills and abilities to new and emerging careers in growing economic sectors.**

Many students are unaware of the career fields available to them, particularly those linked to new and emerging careers in the industry clusters identified by the California Partnership for the San Joaquin Valley's Regional Industry Cluster Initiative. Students can benefit from career exploration and counseling, job shadowing, internships and certificate/degree programs that provide a pathway to these new career fields. Counselor education, return to industry for faculty and closer collaboration between employers and educators will stimulate awareness of more current and relevant options for students.

### 3. Immediate Next Steps

Three basic questions have emerged from the three “ESSENTIAL ELEMENTS” forums. First identified during the forum on water, these “next steps” have been refined and reinforced during each successive forum. With each forum it also has been confirmed that the West Hills Community College District has a critical role to play in shaping the future vitality of the Valley as convener, catalyst for collective action and, most importantly, the locally relevant source of education, training and serial upgrading that will be required if the Valley is to flourish as a competitive player in established and emerging markets here and abroad.

West Hills will need to develop its own enhanced capacity sufficient to meet the needs of the Valley as it moves forward. The College will need to ensure that it has access to the necessary intellectual capital and related resources required to respond to events and, at the same time, be able to think forward in helping the Valley to effectively anticipate and even shape events in order to strengthen the Valley’s beneficial role in the world economy.

#### The Three Basic Questions

1. What **future vision** can the Central Valley aspire to that is most positive, realistic and economically advantageous for residents and the overall economy?
2. What **immediate steps** should the West Hills Community College District take in the next 12 to 24 months to help educate and prepare Valley residents to realize the greatest benefit from the Valley’s likely future?
3. What is **the College’s role** in helping Valley residents and local and State policy makers share a sense of urgency and take action for the greatest return on social and economic investment?

Many of the challenges facing the Valley are well understood and have been clearly articulated in the three **ESSENTIAL ELEMENTS** forums. A shared vision for the future and a specific portfolio of priority actions required to achieve it are yet to emerge.

Dialog among policy makers and those most affected is essential. Many silos exist in the public policy world and especially among those in the agriculture, water, energy, trade and logistics communities. Silos also exist among employers and workers most affected by day-to-day water, energy and trade-related decisions. Water, energy and trade are central to the future of the Valley. A shift of a few degrees in the direction of selected long vs. short range, and macro vs. micro decision-making could have an immensely positive influence on the lives of thousands of Valley residents.

## Recommendations

- ✓ **Develop and implement an aggressive educational program focusing on water, energy and trade/logistics issues affecting the Valley** accompanied by the most complete evidenced based recommendations that will shape a viable, livable, sustainable San Joaquin Valley. **Timeframe: December 2014.**
- ✓ **Determine the best future vision for all concerned—a *Vision for the Valley*.** The West Hills Community College District, as neutral convener, should bring key decision makers, business leaders, funders and public policy experts together to develop this shared vision. **Timeframe: January-June 2015.**

It appears that a more diversified economy based on **optimizing scarce water, encouraging more specialized and progressively more sophisticated agriculture techniques** and **encouraging growth in the energy and trade/logistics sector** are certain. In order to achieve this *Vision for the Valley* several “elements” are essential:

- Streamlined or refocused regulations and policies,
  - Tax incentives,
  - Venture capital,
  - A concentrated effort to marshal public support through a positive and compelling case for support that is effectively communicated,
  - Participants accepting and working together to achieve a new *Vision for the Valley* and
  - An educated workforce—the intellectual capital to turn the *Vision* into sustainable reality.
- ✓ **Ensure the success of collective impact. Identify the Backbone Organization** that will be required to coordinate the many “moving parts” that will contribute to realizing the *Vision for the Valley*. **Timeframe: Beginning July 2015.**

Kania and Kramer\* suggest that in order to be effective in delivering “collective impact” a Backbone Organization must create and manage a separate or dedicated structure designed to deliver collective impact.

In this instance, the Backbone Organization must be prepared to:

- Focus people’s attention through continuous communication and community awareness efforts,
- Reiterate the sense of urgency,
- Apply pressure to key stakeholders without overwhelming them, and
- Frame issues in a way that presents opportunities.

\*Backbone Organization (See Kania and Kramer, Collective Impact, Stanford SOCIAL INNOVATION Review, Winter 2011)

*Attachments*

**Attachment A: Trading Partners: Exports, Logistics, and San Joaquin Valley Economic Development Agenda (see website for program agenda: [www.essentialelementsseries.com](http://www.essentialelementsseries.com))**

**Attachment B: List of Session Panelists/Speakers (see website for program agenda: [www.essentialelementsseries.com](http://www.essentialelementsseries.com))**