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Economic Analysis Reveals Significant Impacts of Pesticide Policies on California Lettuce Production

Sacramento, CA – Today, Californians for Smart Pesticide Policy (CSPP) released a [comprehensive economic analysis](#) highlighting possible implications of elements of California's proposed Sustainable Pest Management (SPM) framework that would result in impacts on the state's lettuce production industry. The study, conducted by economists Jarrett Hart, Duncan MacEwan, Jay Noel, and Amrith Gunasekara, underscores the critical need for effective and timely pest management solutions to safeguard the state's agricultural productivity.

The economic impact of pesticide restrictions is profound, with projections indicating a 7.3 percent decrease in California's lettuce production due to restrictions on key pesticides such as neonicotinoids and pyrethroids. This would result in an annual loss of \$160.3 million to producers and an additional cost of \$694.28 million to consumers. Additionally, the shift in production from California to other regions like Arizona and Mexico would increase production costs and consumer prices, further straining the state's agricultural economy.

The consequences of delays in pesticide registration are equally concerning. The study reveals that California's stringent and lengthy registration process leads to a reduction in lettuce production, with producers losing \$42.8 million and costing consumers \$139.3 million annually. The state's process, which can extend 1-3 years following federal approvals, hinders innovation and delays the availability of new, effective pest management products to California growers.

Market shifts and regulatory leakage are anticipated as a result of these proposed policies. The economic analysis predicts a modest short-run decrease in lettuce prices and a production shift from California to Arizona and Mexico. In the long run, more stringent pesticide policies would drive a significant portion of lettuce production out of California, resulting in increased prices throughout the supply chain, including for consumers.

The implications of the proposed SPM framework are significant. While the SPM framework aims to phase out harmful pesticides, without viable alternatives, this policy could undermine California's agricultural sector.

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CSPP is dedicated to balanced pesticide policies that protect California's agriculture and economy while ensuring environmental sustainability and public health. We strive to promote informed decision-making through

comprehensive research and economic analysis. For more information on this study and CSPP's initiatives, please visit our website at <https://ca4pestpolicy.org/>.