Net income, or gross sales less specified expenses, shows the importance of size or volume of business in creating savings. The relationship between size and net income is different from other dairy areas only in the amount rather than the direction. A range of more than $46,000 between the small and the large farms in this area makes any attempt at comparison worth little. And since there are few farms in any but Economic Class 1, this results in irregular relationships among the classes which would not occur if there were more farms in each class. Even so, what tendency there may be for the various efficiency factors to show a trend still supports the statement that small farms ordinarily cannot make as efficient use of the various input items as large farms.

Only a small proportion of farms in this area use fertilizer. Farmers in Economic Classes I and II who did use fertilizer applied more than 400 pounds per acre (Table 77).

Table 77.—Use of Fertilizer and Lime on Dairy Farms, by Economic Class of Farm, for the Southern California Area: 1954

Item	Economic class of farm						
	Total	I	II	III	IV	V	VI
Number of farms	1,101	974	54	43	20	10	------
Fertilizer:							
Percent of farms using	14	13	43	16	------	------	------
Tons used per farm reporting	18	22	4	3	------	------	------
Acres upon which used per farm reporting	80	89	50	19	------	------	------
Average per acre fertilized:							
Pounds	460	490	177	281	------	------	------
Cost, dollars	13.64	14.29	7.29	13.60	------	------	------
Lime:							
Percent of farms using	(Z)	(Z)	------	------	------	------	------
Acres upon which used per farm reporting	17	17	------	------	------	------	------
Average per acre limed:							
Pounds	1,020	1,020	------	------	------	------	------
Cost, dollars	3.39	3.39	------	------	------	------	------

Z 0.5 percent or less.

THE CALIFORNIA INNER VALLEY AREA
(Economic Subregion 116)

The California Inner Valley, consisting of the Sacramento and San Joaquin watersheds, has a varied agriculture. The two valleys have a variety of soils which vary in production from an intensive irrigated type of agriculture to the most extensive grazing operation.

In the San Joaquin Valley the more important soils are generally deep and permeable and neutral to slightly basic, so lime is not used much as a soil corrective. They are fertile, loamy soils with a topography well suited to irrigation. Annual rainfall is less than 10 inches so that all crop production must be under irrigation.

The more undulating to rolling part of the valley has surface soils that are usually sandy loams or gritty loams with clay loam or clay subsoils. They are used primarily for pasture and dry farming. They are not easily irrigated but where water is available and wisely managed they will grow grapes and deciduous and citrus fruits.

The Sacramento Valley has some soils like those of the San Joaquin Valley which are especially suited for general farming.

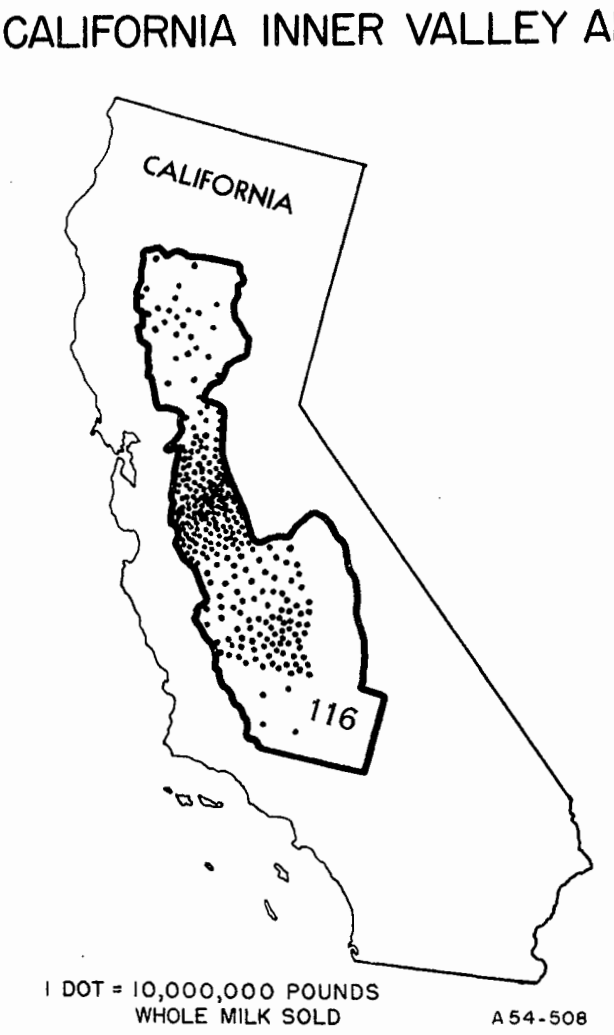

Figure 23.

Most of the better agricultural soils are found in the middle of the valley. They are heavily textured clays or clay loams that have been deposited by slow-moving streams. They are generally neutral to slightly acid with some lime in the deeper subsoils, and are subject to flooding unless protected by levees. Shallow, fibrous-rooted types of crops do better than such deep-rooted crops as vineyards or fruit trees.

As a result of the use of irrigation water this subregion has developed into one of the most important fruit and grape-growing areas of the United States. Dairying comes second in importance while such crops as sugar beets, vegetables, cotton and other special crops add to the variety of production. On lands not subject to irrigation general livestock farming and ranching are still practiced.

In these two valleys are 52,000 farms and 10,000 are classed as noncommercial farms. Of the 42,000 commercial farms 21 percent are dairy farms. These dairy farms, 78 percent of which are in the San Joaquin Valley, help to supply the San Francisco metropolitan area with fluid milk.[10]

[10] Approximately two-thirds of the fluid-milk supply for the San Francisco metropolitan area is from Economic Subregion 116; the remaining one-third is from the northern part of Economic Subregion 117 for which no special presentation is made. This central coast area extending 300 miles from Sonoma and Napa Counties north of San Francisco and south to San Luis Obispo County is a small part of the San Francisco and San Jose metropolitan areas. Fruit, vegetable, and livestock farming account for most of the agricultural activity of the subregion, while the poultry industry accounts for 17 percent of all farms. Only 9 percent of the farms are dairy farms; most of these are in the northern part of the area near the consuming center. The ranches are in the rougher parts where all moisture for crop and grass growing is from seasonal rains.