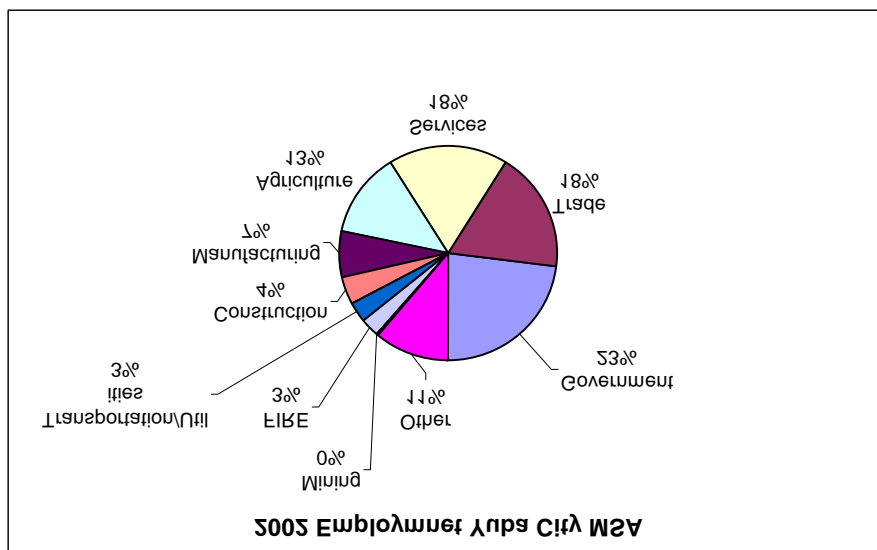
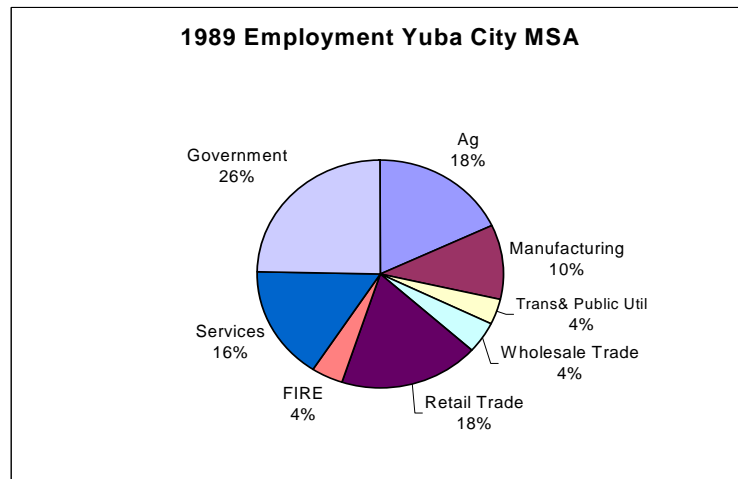


ECONOMIC SEGMENTS

For the last 10 years the Yuba-Sutter area has shown an increase in workforce. Many of the new jobs that have been created are in the service sector, government, retail, transportation, public utilities and construction. The agriculture trade sector has shown the largest decline during the last 10-plus years.



Government

Local government accounts for a large number of the people employed in the area. According to the EDD government accounted for almost 11,300 jobs in March 2002. Of these jobs 8,400 belonged to local government, 900 to state government, and 1,500 were employed by the federal government. Governmental jobs account for over 29 percent of the total workforce for the area and is the largest employer in the area.

Local government employs more people than many employment categories as a total group. The stability of government employment has been a reliable source supporting the economy of the Yuba-Sutter region. This stability enables the area economy to be less effected from dramatic downward turns in the national economy.

The Spin-Off Factor

Government spawns many other types of businesses and jobs. Government adds to the jobs in the business service sector. Jobs in such industries as computer systems, communications, and finance are created. In turn these create other jobs and the government spending has an effect on the number of indirect jobs that are created. Government spending can be an important catalyst to job creation in the area.

Largest Governmental Employers in Yuba-Sutter

1.	Beale Air Force Base, Yuba County Federal	4,660
2.	Marysville School District Local	1,500
3.	Yuba City School District Local	1,201
4.	County of Yuba, Yuba County Local	904
5.	County of Sutter, Sutter County Local	900
6.	Yuba Community College Local	700
7.	California Transportation Dept., Yuba and Sutter Co. State	650
8.	City of Yuba City, Sutter County Local	259
9.	Live Oak School District Local	223
10.	City of Marysville, Yuba County Local	108

Military

Beale Air Force Base is located in Yuba County on 23,000 acres and enjoys all of the luxuries the state has to offer; great flying weather, open spaces and an available workforce for civilian positions. Specifically to Beale and Yuba County, there is adequate, affordable housing and many recreational opportunities within close proximity.

Beale Air Force Base is a major economic engine to northern California. Air Force officials identify that its economic impact region is comprised of eight counties and 30 incorporated cities with a corresponding population of over 2.5 million. Recent estimates illustrate Beale's economic impact to be larger than \$500 million annually. With an employment base forecasted to exceed 5,000 in the near future due to the arrival of the new Global Hawk aircraft mission, it is and will continue to be the largest employer north of Sacramento to the Oregon border.

Beale has managed to avoid the closure of military bases that Congress conducted in the late 80s and early 90s. Beale is a major employer in the area, just in terms of its civilian workforce. Local leaders consider the addition of more missions to Beale to be an important factor in not only retaining this base, but in also expanding its civilian workforce and lowering the number of unemployed people in this area.

In light of this, local leaders worked to attract a new mission to Beale. This is an unmanned surveillance aircraft named Global Hawk. The Global Hawk at Beale will mean up to 1,000 new jobs and an annual fiscal impact of at least \$50 million for the surrounding communities.

Two major opportunities have since occurred for the Yuba-Sutter region. First, in the spring of 2001, the Yuba-Sutter Economic Development Corporation (YSEDC), a bi-county, public-private partnership responded to a grant opportunity from the Office of Military Support (OMS) on behalf of Yuba County to examine bases in the state. The Corporation was awarded a \$50,000 grant, and matched the grant dollar for dollar, thus \$100,000 was devoted to this effort over the last two years. A committee was formed, supported by the YSEDC, of public and private sector leaders to examine community development issues and how they impact Beale. Secondly, the OMS entered into a grant agreement with the Department of Defense's Office of Economic Adjustment to conduct a Strategic Land Use Study in June of 2002. The study targeted five areas: Camp Pendleton, Beale AFB, the naval mega-complex in San Diego, Fort Irwin and the air corridors of California.

The committee examined specific issues pertinent to the needs of Beale and the community. The intent was to define, refine and focus actions by and for the community in concert with the Air Force that will enhance the operation of Beale Air Force Base. The committee will work closely with other military communities and OMS in support of easement and mitigation issues to prevent encroachment concerns and work will

continue on reviewing habitat conservation planning and improved business opportunities and employment prospects for military dependants and retirees.

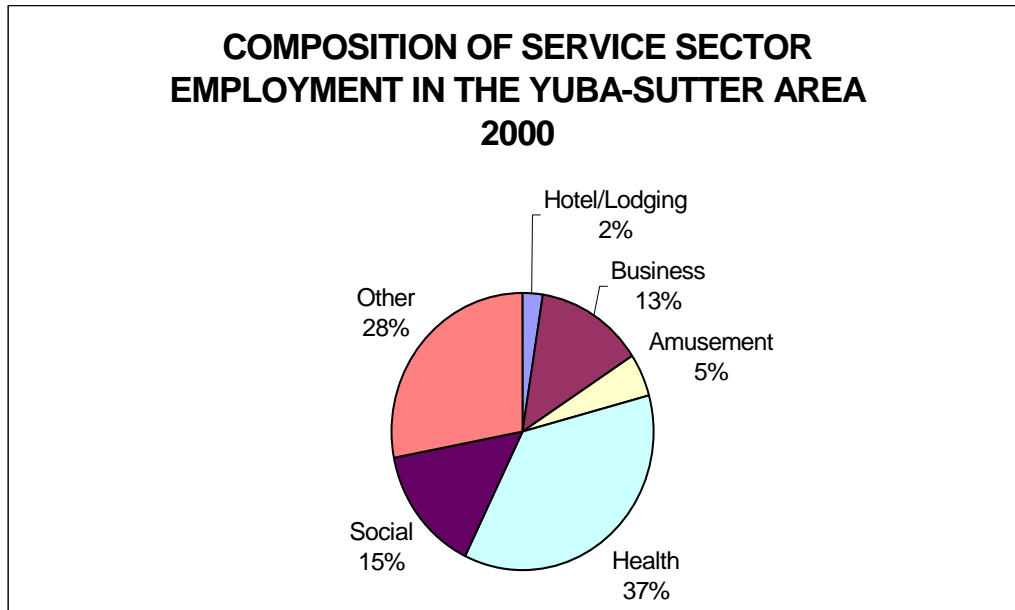
Wholesale Trade

In the last eight years the Yuba-Sutter area has seen a decline in the number of jobs in the wholesale trade employment segment. From 1992 to 2000, wholesale trade employment has dropped by almost 30 percent. Wholesale trade showed the greatest decline in employment over this eight-year period. However, with future development planned in south Sutter County, new wholesale and industrial companies will be moving to the region.

Service Sector/Finance/Insurance and Real Estate (FIRE)

Over the last eight years the service sector has shown the most growth in terms of employment. Service sector employment has increased almost 40 percent over that period. The Finance, Insurance and Real Estate sector has shown little growth over this same period. But as the economy grows there is expected to be growth in this sector.

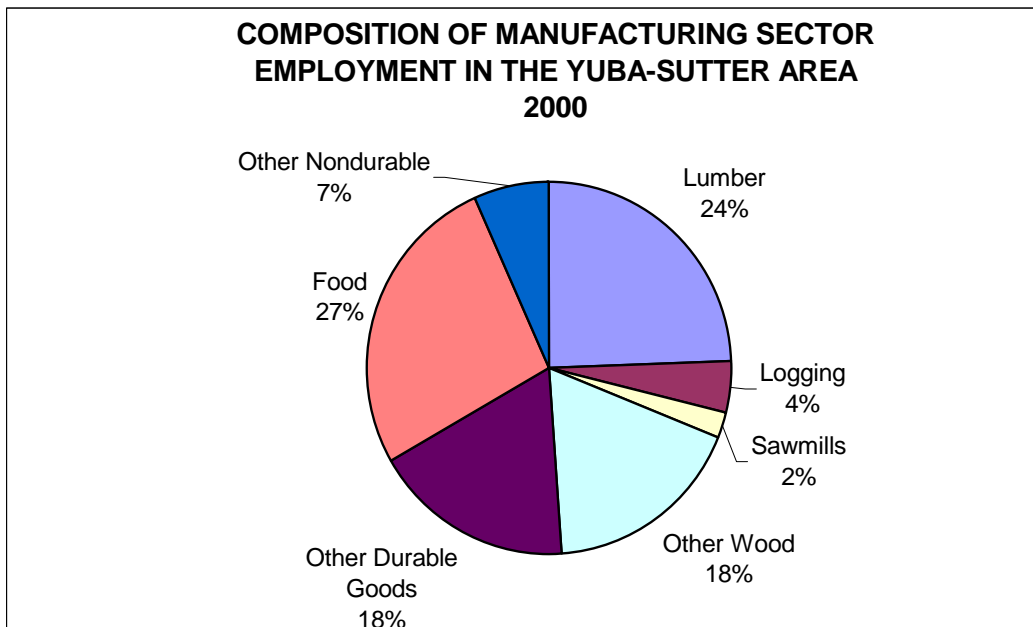
The following chart shows the breakdown of employment in the service sector.



Manufacturing

According to the Labor Market Information from the State of California there are over 3,000 manufacturing jobs in the Yuba-Sutter area. Manufacturing provides many stable, year-round jobs.

Most of the jobs in the manufacturing sector are created by food, timber and wood-related manufacturers. This makes the manufacturing sector heavily reliant on the agriculture industry. Both of these industries are then susceptible to major environmental events such as floods or fires. If this occurs there are two industries that could be severely affected should a natural disaster occur.



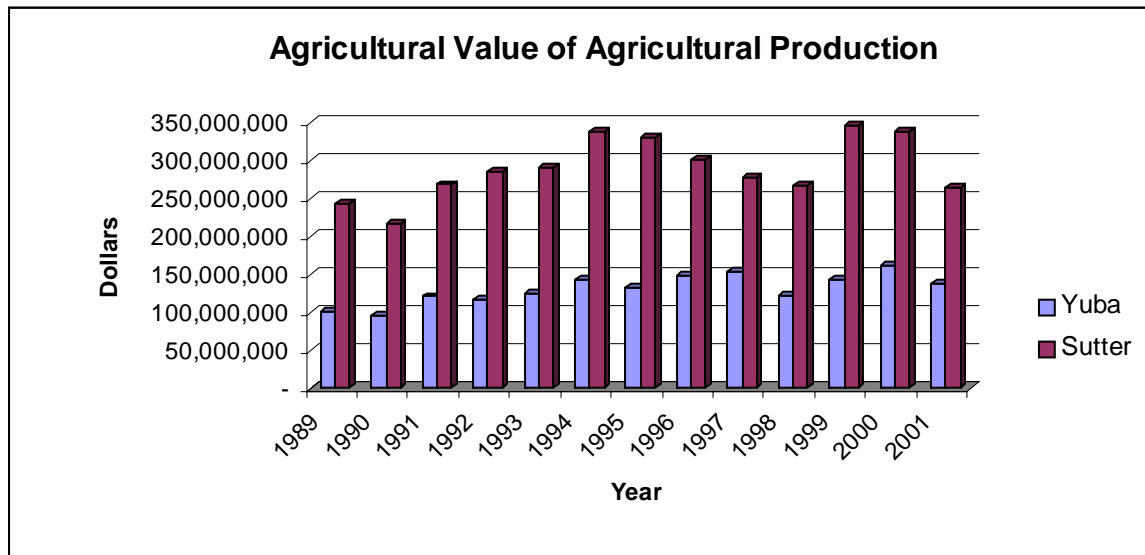
Largest Manufacturers in Yuba-Sutter

1.	Siller Brothers, Sutter County Timber	100 – 350 (Seasonal)
2.	Sunset Moulding, Sutter County Wood Moulding	214
3.	Frank M Booth, Yuba County Steel Fabrication	150
4.	NorCal Lumber Co, Yuba County Wood Products	149
5.	Appeal Democrat, Yuba County Newspaper	120
6.	Yuba River Moulding, Yuba County House Moulding Manufacturer	110
7.	PFI/BOLIN, Yuba County Wood Manufacturer	100
8.	Deluxe Packages, Sutter County Packaging Manufacturer	85
9.	Arden Lumber and Truss Company Wood Products	80
10.	Sierra Cedar Products Cedar Wood Products	75

Agriculture

Agriculture is the largest component of the Gross Regional Product. According to a recent study by the University of California, agriculture is a billion-dollar industry for the region. One out of every four people in the region is employed either directly or indirectly in the agricultural field. The sector has grown in the last year. For instance, the total crop value for both counties in 1999 was almost \$400 million, whereas the 2000 crop value was almost \$305 million in Sutter County alone. Rice is the most important commodity in the area. It accounted for almost half of the total agricultural value.

In 2000, agriculture accounted for the use of over 600,000 acres of the 798,000 acres of the two counties' total acreage. Almost 75 percent of all the land in Yuba and Sutter counties is used for some sort of agricultural purpose. The largest use of agricultural land was for field crops and vegetables. Fruit and nut crops accounted for the second highest use of acreage.



Source: Sutter County Crop Report, 2001 and Yuba County Agricultural Crop Report, 2001

**Top Ten Leading Agricultural Commodities
For Yuba-Sutter Counties**

	2000		2001
1. Rice	\$186,083,300	Rice	\$97,249,600
2. Dried Plums (Prunes)	67,846,700	Peaches	55,195,200
3. Peaches	62,293,300	Walnuts	45,195,100
4. Walnuts	42,973,100	Dried Plums (Prunes)	34,173,300
5. Tomatoes	17,544,100	Cattle/Calves	21,561,900
6. Cattle/Calves	15,539,000	Tomatoes	15,694,600
7. Timber	13,930,700	Milk	9,649,000
8. Melons	10,137,006	Nursery Products	9,387,400
9. Nursery Products	8,024,700	Timber	8,203,000
10. Milk	7,944,000	Melons	7,569,700

**Top Ten Leading Agricultural Commodities
For Sutter County**

	2000		2001
1. Rice	\$144,556,300	Rice	\$91,902,600
2. Dried Plums (Prunes)	43,510,700	Peaches	35,930,200
3. Peaches	38,462,300	Walnuts	28,178,100
4. Walnuts	26,540,100	Dried Plums (Prunes)	21,963,300
5. Tomatoes	17,544,100	Tomatoes	15,694,600
6. Melons	10,137,006	Nursery Products	9,387,400
7. Nursery Products	8,024,700	Melons	7,569,700
8. Almonds	6,266,700	Cattle/Calves	5,562,900
9. Cattle/Calves	5,278,200	Almonds	4,679,200
10. Alfalfa Hay	4,256,200	Alfalfa Hay	4,598,700

**Top Ten Leading Agricultural Commodities
For Yuba County**

	2000		2001
1. Rice	\$41,527,000	Rice	\$5,347,000
2. Dried Plums (Prunes)	24,336,000	Peaches	19,265,000
3. Peaches	23,831,000	Walnuts	17,017,000
4. Walnuts	16,433,000	Cattle/Calves	15,999,000
5. Cattle/Calves	15,539,000	Dried Plums (Prunes)	12,210,000
6. Timber	13,930,700	Milk	9,649,000
7. Milk	7,944,000	Timber	8,203,000
8. Pasture - All	2,925,000	Pasture - All	3,362,000
9. Kiwi	2,243,000	Kiwi	2,709,000
10. Almonds -All	1,123,000	Almonds - All	1,046,000

Source: Sutter County Crop Report, 2001 and Yuba County Agricultural Crop Report, 2001

Largest Food Processors in the Yuba-Sutter MSA
(by number of employees)

1.	Chase National Fruit Packaging Kiwi Growing and Packaging	20 – 500 (Seasonal)
2.	Sunsweet Growers, Inc., Sutter County Fruit Processing and Beverage Bottling	450
3.	Superior Plant Technology, Sutter County Strawberry Growing and Processing	4 – 250 (Seasonal)
4.	Excel Specialty Products, Yuba County Meat Packing/ Processing	240
5.	California Fruit Packing, Sutter County Fruit Processing	75 – 200 (Seasonal)
6.	Danna & Danna, Inc., Sutter County Melon Growers	25-200 (Seasonal)
7.	California Fruit Packing Co. Fruit Processing	75-200 (Seasonal)
8.	Sunsweet Dryers, Inc. #54, Sutter County Fruit Dehydrating	25 – 185 (Seasonal)
9.	Valley View Packing Co., Inc., Sutter County Fruit Processing	35 to 150 (Seasonal)
10.	Sacramento Packing Fruit Processing	7-120 (Seasonal)