

California is also the Nation's leading agricultural state and accounts for \$13.7 billion in agricultural commodities. This represents a large portion of the State's 1980 total material cost of a food producing industry which shipped \$28.2 billion. California ranks first in the Nation in food production. Leading industry sources predict that the State's food industry will continue to grow at above the national average. The food industry in California spent \$614.7 million on new plant and equipment during 1978, which represents the State's highest industry capital expenditure.

Despite California's impressive performance in the food sector, forty-eight of the Nation's top fifty food producing companies are headquartered elsewhere. However, most of the United States' larger food companies maintain substantial branch or divisional plants and facilities in California. In addition, a large number of medium sized to smaller food processing firms are native to the State. The California Manufacturers Register* lists approximately eight hundred companies operating plants in the food industry covering all aspects of food production. Many of these companies offer substantial prospects for Canadian machinery manufacturing companies, as will be seen from our selected industry interviews.

California is the Nation's leader in the transport and equipment (including aerospace) and electric and electrical (electronics and computers) industries. These industries form a part of SIC groups, numbers 37 and 36, as shown in Table 3.3. Today, one out of every four manufacturing workers

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