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Drought Update

June 12, 2014

It's Time to Fix CA's Broken Water System

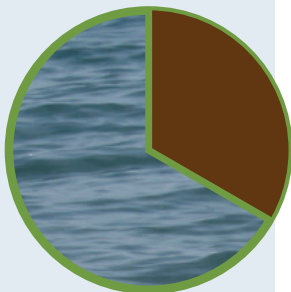
Loss of Agriculture Harms California



The impacts of the 2014 drought are likely to be much worse than in 2009 – with socio-economic impacts up to 50% more severe.

Groundwater Pumping

California received only 29% precipitation this year – the economic consequences of the drought are stacking up:



- About **\$450 million in additional costs** for groundwater pumping and an estimated **\$800 million in increased energy costs**
- **Non-floodplain regions are becoming susceptible to flooding** in some cases due to groundwater overdraft and subsidence, or sinking of the ground

Dry Horizons

A socio-economic forecast was done at the request of the California Department of Food and Agriculture by the UC Davis Center for Watershed Sciences. The UC Davis researchers used computer models and the latest estimates of State Water Project, federal Central Valley Project, and local water deliveries and groundwater pumping capacities to forecast the economic effects of this year's drought. The findings are troubling:

Supply Cutbacks



Reduced surface water deliveries of **6.5 million acre-feet** of water, or **32.5%** of normal water use by Central Valley growers

Lost Ag Production



Fallowing of **410,000** acres means higher food prices and fewer choices for consumers

Lost Farm Jobs



Estimated loss of **14,500** seasonal and full-time jobs and household income decline of **\$555 million**

Industry Decline



Costs of **\$1.7 billion** to the Central Valley's agricultural industry

Disproportionate Impact

60% of the economic losses will occur in the San Joaquin Valley, which is responsible for producing about **1/3** of the nation's field, vegetable, fruit and nut crops



Harm to State Economy



California GDP decline by **\$855 million**

Data from: Preliminary 2014 Drought Economic Impact Estimates in Central Valley Agriculture, Richard Howitt, Josué Medellín-Azuara, Jay Lund, UC Davis Center for Watershed Sciences prepared for California Department of Food and Agriculture, 5/19/14.