

**STATEMENT OF THE
CALIFORNIA FARM BUREAU FEDERATION (CFBF)
Before the
U.S. HOUSE NATURAL RESOURCES SUBCOMMITTEE
ON WATER AND POWER
MONDAY, JULY 21, 2008
FRESNO, CALIFORNIA**

Chairwoman Napolitano, members of the House Natural Resources' Subcommittee on Water and Power, we commend you for coming here today to examine the effects that drought and water shortages are having on California farmers, ranchers and rural communities. It's appropriate that you have come to Fresno, the heart of our state's rich San Joaquin Valley.

The drought and water supply problems in California are severe and stand to grow worse if the dry weather continues and if steps are not taken to turn the situation around. While the problems may be specific to California, the resulting impact will affect consumers across the country. Tight world food supplies are already leading to sharply higher food prices. California is the nation's top food producer. At a time when our country is struggling with record high energy prices and reliance on foreign oil producers, this is no time to let our food production wither and move to foreign countries as well.

The true extent of the problems are just starting to be realized. Several thousand acres were abandoned at the beginning of the planting season. More recently, fields of growing crops have been abandoned as a form of water triage. There are reports of producers topping their trees to reduce the amount of water needed for tree survival. The cut-backs are affecting entire communities, such as Mendota, creating financial hardships for farmers, farm workers and small business. We're already feeling the effects, but it won't be long before the lost tomato, melon and alfalfa acreages will translate into shorter supplies and higher prices.

The California Farm Bureau Federation has been surveying its members about how water shortages have affected them, their employees, their crops and their businesses. From throughout the state, family farmers and ranchers report crop losses, layoffs and uncertainty about the future. Many have invested in new wells and efficient irrigation technology. Often, they report that they are already operating at very high efficiency, and the only way to cope with water shortages is to reduce production.

From south to north, here are excerpts of the responses we have received and a glimpse of the hardships and the uncertainties that many of our members face:

- "This has already had a massive effect on us," wrote a San Diego County farmer who said he expects more trouble to come. His farm has cut down 30 percent of its avocado trees and abandoned some of its citrus acreage. He anticipates reducing his workforce by 30 percent. "Agriculture has been extremely conservative in its relationship to water," he said. "We treat it well and do not waste it."
- Farmers report spending tens of thousands of dollars to drill new wells, with no guarantee of success. A farmer who grows avocados and ornamental plants in San Diego County

said he “spent \$24,000 on a dry hole.” He has laid off eight people, representing 30 percent of his workforce.

- In Kern County, a farmer reported diverting water from his corn and alfalfa in order to keep his almond trees alive. He has spent \$175,000 on a new well and another \$100,000 to rehabilitate four existing wells, and has had to lay off one of his employees.
- A cattle rancher from San Luis Obispo County had to cut her herd by 20 percent because normal sources of water have run dry. “Some of our troughs are barely running and some of our springs are low or dry,” she wrote.
- Ten to 20 seasonal employees of a Tulare County ranch lost their jobs, as it reduced its farming operation by 25 percent. The farm idled 1,000 acres of cotton and diverted the water to other crops. The owner said he wants to improve the farm’s irrigation efficiency but can’t afford new equipment.
- A diversified farmer in western Fresno and Kings counties has converted most of his land to drip irrigation. This year’s water cuts led him to fallow about 30 percent of his land, at a loss of approximately \$250,000. Three employees have been laid off. “As bad as it is this year, I am really worried about next year if it’s dry to normal,” he said.
- “Please help,” wrote a farmer who tends orchards in Merced and Stanislaus counties. He idled 15 acres of corn to keep almond trees alive. Elsewhere in Merced County, a nut grower reports that one of his wells has run dry. “I am barely going to be able to keep some of my trees alive. Forget the crop,” he wrote. “The future looks bleak for farmers without added water.”
- A farmer who grows vegetables and strawberries in Santa Clara, San Benito, Merced and Kern counties said he has scrambled to find enough water for his crops. He succeeded, but at a high price: “We’ve had to purchase water from private landowners at ridiculously inflated prices and then pay the cost of pumping the water to our land.” The farm has laid off 30 employees.
- The cost of installing improved irrigation systems thwarts a Stanislaus County rancher. “I would rather leave the industry than make improvements that would leave the land indebted to the extent it would take 20 years to amortize the expenses,” he said.
- “We exercise extreme conservation,” wrote a Yolo County rice farmer. But the farm had to take more than 350 acres out of rice production and convert it to dry-land wheat and safflower. The farm laid off two employees and is taking bids for new wells.
- “Every part of our operation will be affected” by water cutbacks, said a farmer who grows rice, almonds, grapes and other crops in Colusa, Yolo and Sutter counties. Faced with 60-percent water cutbacks, the farmer said, “We don’t know if we have enough water to finish the year.” He has laid off four employees and is anticipating a \$150,000 cost to drill a new well.

This has already been a highly unusual year for the state’s farmers and ranchers. The rainy season started off slowly, but then turned around quickly in January and early February. We were above normal in precipitation for that time of the year in many parts of the state, but then the rains stopped for good. Our pastures dried up before the warmer temperatures could produce meaningful grass growth, a once-promising early season snow pack was stopped in its tracks and the late spring dry spell caused what there was to shrink substantially. The irrigation season started unusually early. Instead of a free spring ride from rains, our valuable stored water supplies had to be tapped. Our grass and forest lands became tinder dry by mid-spring. Cattle

producers have been forced to sell off their breeding stock and now, most are forced to carry water to their remaining herds. Unusually strong, dry winds sapped moisture from fields, orchards and pastures.

But, natural drought conditions are just part of problem. We are experiencing a regulatory drought as well that has made a serious problem that much worse. Lawsuits and environmental decrees have drained vital water supplies at the worst possible time. Often the water dedicated to in-stream flows produce questionable results. Decisions are based more on political than natural science. And for too many years, we have ignored the calls for water storage and development at the very moment our urban and environmental needs were rapidly expanding.

We urge Congress to help in several critical areas:

This year's drought has demonstrated the complexity of California's water needs. While the solution is also multi-faceted, Farm Bureau believes additional water storage is a key element. California's population is continuing to grow, as are the environmental demands. The state hasn't built meaningful storage for 30 years. In order for the state to continue to grow, we need more storage.

Farm Bureau recognizes that a solution to Sacramento-San Joaquin Delta issues will be a crucial part of a comprehensive water plan for California. Our state needs better ways to move water as well as more places to store water between seasons and years. And any solution must maintain the viability of farms and communities in the delta.

Conservation continues to be important as well. Many farmers have invested in drip irrigation and other water efficient systems years ago. We continue to support research and development funding to enhance irrigation efficiency. We call on our urban neighbors to also conserve their water consumption.

The regulatory drought – court-ordered water cutbacks – is not a water shortage farmers could have planned for. The Endangered Species Act law as written is too rigid and far too absolute. For example, the decline of the delta smelt is based on many environmental factors. A federal judge's decision to restrict pumping is a fix-all attempt that may or may not result in recovering the smelt. However, the result for farmers is clear: significantly reduced water supplies in an already dry year.

The ESA is structured in a way that discourages landowners from assisting with species recovery. Prescriptive elements of the ESA, such as critical habitat designations, have been proven ineffective and narrow in their approach to recovery. Farm Bureau has been a strong advocate for ESA reform, updating and modernizing the act to a cooperative conservation approach that would better protect species. We must re-establish a balance between environmental goals and human needs. Critical habitat should be replaced with comprehensive recovery plans, landowners should be provided incentives to assist with species recovery, and local and state governments and conservation programs should be involved in the process.

Farm Bureau will work to secure relief for farmers and ranchers affected by both the natural and regulatory drought. Federal disaster assistance should be available for farmers who had natural disaster losses from a lack of rainfall. We also call on Congress to implement long-term solutions for regulatory droughts such as updating the ESA, creating water storage and exploring other avenues to provide relief for California farmers and ranchers.