

## California agriculture industry could lose \$1 billion in two years because of drought

California agriculture is in line for \$1 billion in losses this year and next, on the heels of a drought-induced \$1.5 billion hit in 2014, UC Davis scientists said.

“We’re in a world of hurt,” said Daniel Sumner, an agricultural economist, forecasting a fallowing of up to 1 million acres of irrigated farmland this year, twice as much as last year.

And with a fourth dry year unfolding, Sumner said there is a nagging sense in farm country that California has “established a new normal” that includes severe cutbacks in deliveries from two major water systems.

Irrigating 9.6 million acres of farmland takes about 34 million acre-feet of water in a typical year, accounting for 80 percent of human water use in the state, with the rest going to cities, according to the Department of Water Resources.

An acre-foot is 325,851 gallons and is generally described as enough water to sustain a family of four for a year.

Forecasts of the agriculture loss in 2015 and 2016 may be low, Sumner said, since the estimates were made last year and did not assume the drought would be as bad or worse this year.

The UC Davis report, released in July, cited the following impacts in 2014:

A \$1 billion revenue loss in crop, dairy and other livestock operations, amounting to 2.2 percent of the \$45 billion ag industry’s value, compounded by additional groundwater pumping costs of nearly \$500 million.

A statewide drought cost of \$2.2 billion, counting the so-called “ripple effect” of farm revenue losses though the economy, such as reduced purchases of goods and services.

Loss of 17,100 seasonal and part-time agricultural jobs, representing 3.8 percent of farm employment. Much of that income loss falls on “the most vulnerable people,” said Sumner, a co-author of the report, referring to low-wage farm laborers.