

Feds may cut water to California farms

If drought deepens, state to make drastic move; revenue, jobs affected

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SACRAMENTO - Federal water managers said they may have to cut off all water to some of California's largest farms as a result of the deepening drought affecting the state.

U.S. Bureau of Reclamation officials said Friday that parched reservoirs and patchy snow and rainfall this year would likely force them to cut surface water deliveries completely. It would be the first time in more than 15 years such a move was taken.

The move would be a blow to farmers, who say the price of some crops would likely rise if they have to rely only on well water. The state estimates it would cause \$1 billion in lost revenue and cost 40,000 jobs.

"We're talking about a huge band of area that will be affected," Richard Howitt, professor of resource economics at UC Davis, told msnbc.com in an interview Friday. "I heard these predictions coming down the line, the \$1 billion loss in revenue and 40,000 jobs, so I ran the numbers again. "

He delivered the grim statistics to the state Board of Good and Agriculture last week. He said new figures to be released later Friday showed even more trouble head for the state.

"As far as job losses? The answer is the majority of losses will be related to farms and farm work, the processing done for all farm commodities, and all those secondary jobs that roll through the valley economy," Howitt said.

California's sweeping Central Valley grows most of the country's fruits and vegetables in normal years, but this winter thousands of acres turned to dust as the state hurtles into the worst drought in nearly two decades.

Water woes

The giants of California agribusiness are the biggest economic engine in the valley, which produces every cantaloupe on store shelves in summer months, and the bulk of the nation's lettuce crop each spring and fall.

This year, officials in Fresno County predict farmers will only grow about 6,000 acres of lettuce, roughly half the acreage devoted to greens in 2005.

That alone could cause a slight bump in consumer prices, unless lettuce companies can make up for the shortage by growing in areas with an abundant water supply, or the cost of cooling, packaging and shipping the crop suddenly goes down, experts say.

Last year, federal water deliveries were just 40 percent of the normal allocations, following hundreds of thousands of acres and causing nearly \$309 million in crop losses statewide. That prompted Gov. Arnold Schwarzenegger to issue a disaster declaration, ordering state water managers to expedite any requests to move water around the state, in part so high-value crops like wine grapes, almonds and pistachio trees would stand a chance of surviving.

Federal reservoirs are now at their lowest level since 1992.

Federal officials said conditions could improve when they announce new projections factoring in recent storms.

The Associated Press contributed to this report.

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