

## California grower-shippers ponder water problems

**By Don Schrack**

(Feb. 12) FRESNO, Calif. — News reports to the contrary, retailers and foodservice need not panic. Water-challenged California will still produce plenty of fresh produce this year.

“Even if we receive no more rainfall this season, we’re not in for a wholesale disaster,” said Barry Bedwell, president of the California Grape & Tree Fruit League, Fresno.

Water problems are nothing new for grower-shippers. They have been rolling the dice at Mother Nature’s gambling table for many decades. U.S. District Judge Oliver Wanger added a new element in 2007, however. To protect an endangered fish, the delta smelt, he ordered reduced pumping of Sacramento-San Joaquin Delta water.

Those pumps are at the heart of the California Water Project that sends millions of gallons of north state water to cities and farmlands in the San Joaquin Valley and farther south to the masses in Los Angeles, Orange and San Diego counties.

In the wake of the judge’s order — and a very dry 2007 — state officials notified water districts in late January that they could anticipate receiving, on average, about 25% of their normal allotments, said Sarah Woolf, a spokeswoman for Fresno-based Westlands Water District. That’s California’s largest district, serving more than 500,000 acres of farmland.

The notification arrived at the same time as a series of storms that soaked much of the state and left deep snowpack in the Sierra Nevada Mountains. The storms spurred an addendum from state officials that if wet weather continued, the allotments could increase to as much as 55%, Woolf said. Westlands and most districts are not optimistic.

“Westlands is figuring we’ll get about 35% of our allotment,” Woolf said.

That row crop acreage in the San Joaquin Valley will be cut seems to be a certainty. The question is, by how much.

“All the balls are still in the air,” said Steve Fortner, Exeter-based farm manager for Sun Pacific Shippers, Los Angeles. “It’s just too early to tell, and it depends on how much you want to gamble.”

Because the state has not finalized water allotments, Sun Pacific is not yet in a position to determine how much of its West Valley tomato planting will be trimmed, Fortner said. One plan that has been finalized, he said, was to drill another well on the property.

In something of an ironic twist, too much rain could mean a short delay in getting early season tomatoes to retailers and foodservice operators.

Heavy rains in late January and early February in Southern California forced planting postponements, said Ed Beckman, president of the California Tomato Farmers, Fresno. But it’s the San Joaquin Valley that is of most concern to the tomato cooperative.

“I know that we’ve seen some shifting of acreage because of the water shortage in certain parts of the valley,” Beckman said.

The cooperative had just begun surveying its members in early February in an attempt to determine planting acreage and potential volumes, Beckman said. One alternative for the state's smaller tomato grower-shippers would be to leave the land fallow.

"I think that's entirely possible," Beckman said.

The grower-shippers who produce multiple commodities could be most affected.

"If a grower is diversified, he has to decide whether to grow cotton or tomatoes or to focus on his permanent crop," said Bob Curtis, senior manager for production research for the Almond Board of California, Modesto.

Those permanent crops, such as nuts, stone fruit, asian pears, apples, kiwifruit and grapes, require large injections of capital to reach commercial production.

"We have 216,000 acres of almonds that are impacted by the delta smelt decision," Curtis said, "Growers are making adjustments on what they're going to farm and how they're going to farm."

Almonds and pistachios are particularly thirsty crops that require per acre about 6 acre feet of water annually, Woolf said.

In the north San Joaquin Valley, Curtis said some growers are trying to buy water from other growers and other irrigation districts.

It is a similar story of water woes at the southern end of the valley, where Kern County is home to tens of thousands of acres of almonds, pistachios and grapes — and two carrot growing giants, Bolthouse Farms Inc. and Grimmway Farms, both based in Bakersfield.

"Most of the water resources that we have will have to go to saving the permanent crops because of the capital investment," said Loron Hodge, general manager of the Water Association of Kern County.

Hodge said he anticipates field crops will be cut back, particularly cotton and alfalfa. Fewer acres of alfalfa could affect Tulare County, immediately north, is the nation's top dairy county.

"We really are in a serious situation," Hodge said. "We're caught between a rock and a hard place."

The reality is in the numbers. State and federal agreements call for the water association to receive more than a million acre-feet of water, Hodge said. This year, the allotment will be more like 350,000 acre-feet.

Not all Kern County grower-shippers are in the doom-and-gloom mode, however.

"The recent storms made a big difference, and we're optimistic," said Mike Aiton, senior vice president of sales and marketing for Sun World International LLC, Bakersfield, which grows a variety of permanent and row crops in the valley.

Another potential water problem hanging over the heads of valley grower-shippers is the lawsuit settlement calling for restoration of the San Joaquin River and subsequently limiting irrigation water diverted to the Friant-Kern Canal. The settlement requires federal legislation that has not yet cleared Congress.

“We don’t know what the outcome of that will be, but it will be a problem for many years,” Hodge said.

Buying irrigation water is one alternative unpopular with growers.

“I know that last year people who were short were buying water, and the cost was nearly prohibitive, as much as 25% of the total cost of production,” Beckman said.

There is a point of no return in the water-buying process.

“You can only get so much for your crop,” Hodge said. “Down here, the point is about \$300 an acre-foot. When you get to \$300, there are very few commodities that will recover enough to stay in business.”

Runoff from the snowpack could leave some districts on the eastern and northern fringes of the valley with surplus water. Some of those districts are offering the expected surplus for sale, Woolf said. Growers in the vast Westlands district need not be concerned.

“Westlands has never sold water outside of its own district,” Woolf said.

The slowdown in the building industry has proved to be an advantage for growers.

“Some developers were willing to pay up to \$1,000 per acre-foot,” Hodge said. “They just tacked it on to the cost of the house.”

While the recent storms averted a potential disaster for growers, Bedwell said the state’s water problems should linger.

“It’s a serious concern for our members,” he said. “We simply need more dams and more storage.”

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