

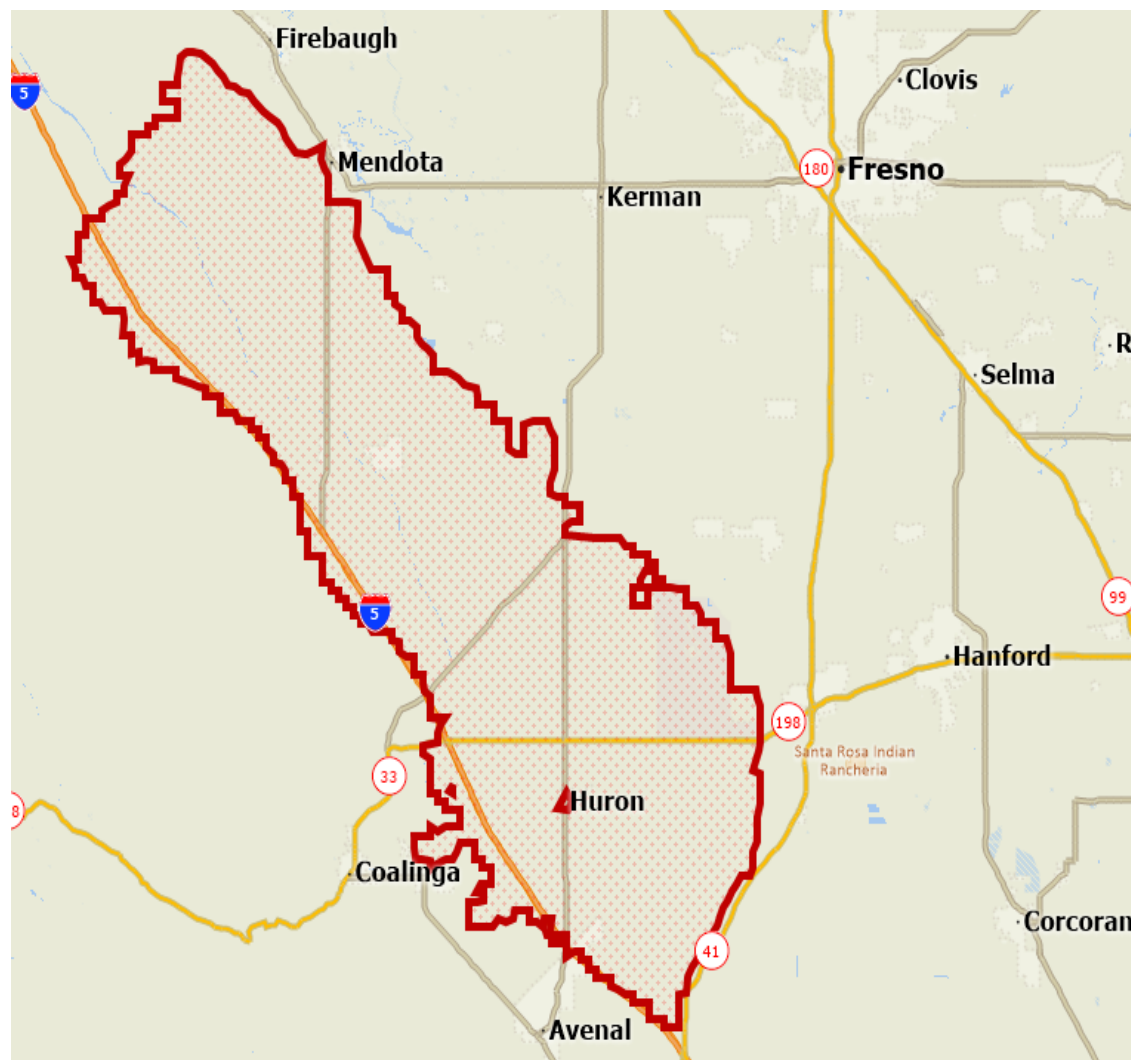
# THE ECONOMIC IMPACT OF THE WESTLANDS WATER DISTRICT ON THE LOCAL AND REGIONAL ECONOMY



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*Cal WaterFix Change in Point of Diversion Hearing, Part 2*

## WESTLANDS IS A CENTRAL ACTOR IN THE GREATER FRESNO REGION



# UNDERSTANDING THE ECONOMIC IMPACT OF THE WESTLANDS WATER DISTRICT

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## The Economic Context

- The Economic Impact of Westlands Growers
- What This Means to Regional, State and National Policy

## THE REGION IS EXPECTED TO GROW IN DEMOGRAPHIC IMPORTANCE

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### Population Estimates and Projections, Fresno and Kings Counties and California, 2010-2060

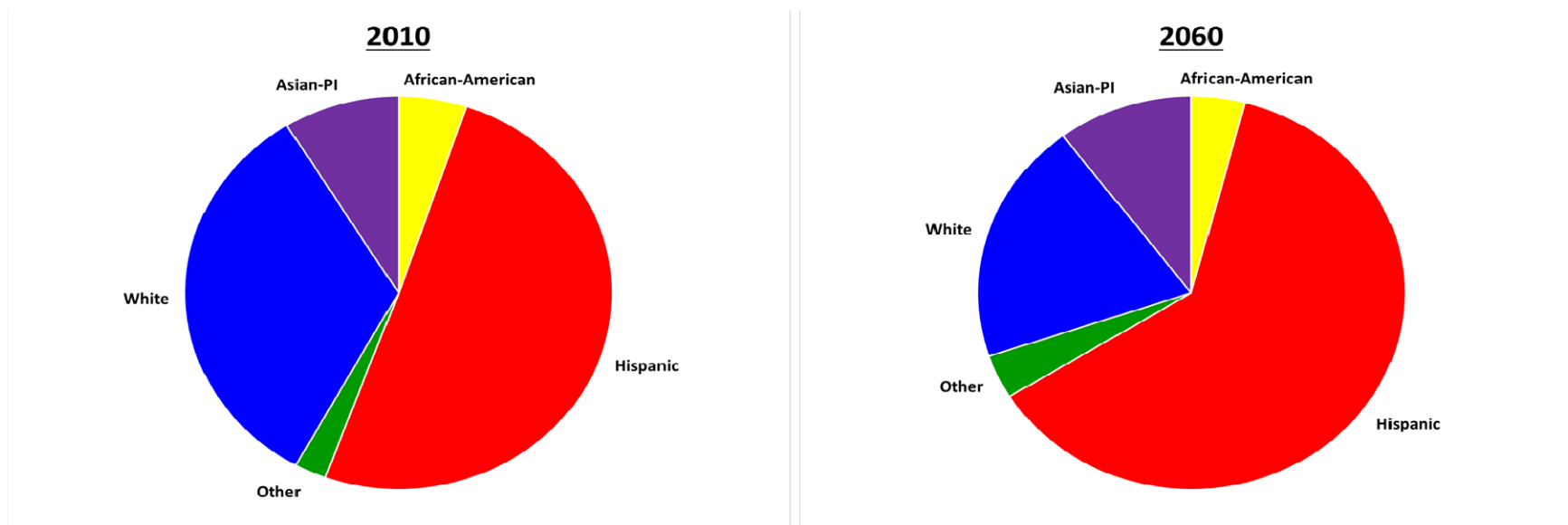
<b>Estimated and Projected Population</b>			
Year	Fresno County	Kings County	California
2010	932,969	154,276	37,341,978
2020	1,055,106	167,465	40,619,346
2030	1,200,666	192,562	44,085,600
2040	1,332,913	218,394	47,233,240
2050	1,464,413	240,599	49,779,362
2060	1,587,852	259,506	51,663,771

*SOURCE: California Department of Finance, Demographic Research Unit*

## THE REGION IS PREDOMINANTLY LATINO AND EXPECTED TO BE INCREASINGLY SO IN THE FUTURE

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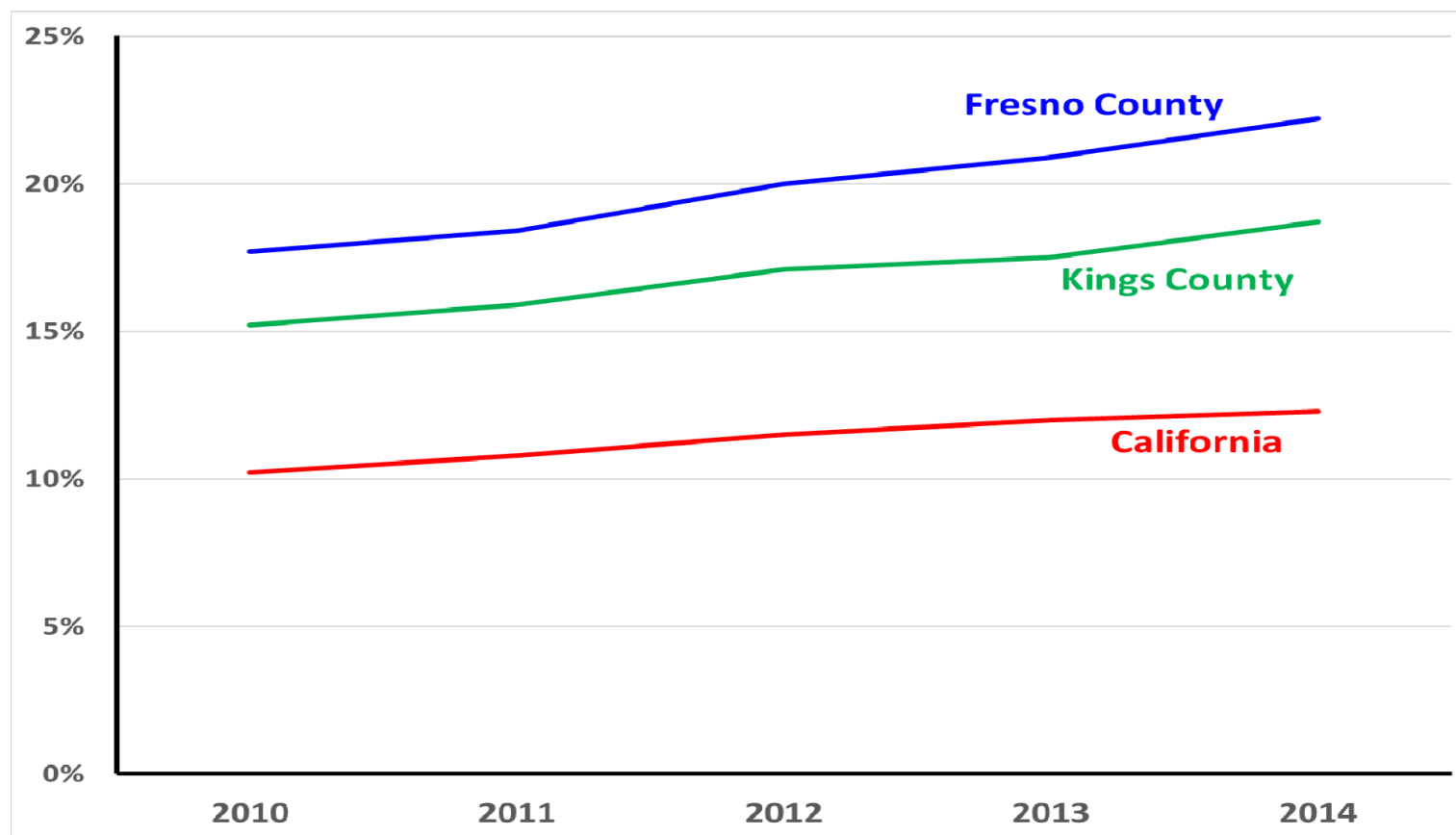
### Projected Population of Fresno & Kings Counties, By Race/Ethnicity, 2010 and 2060



SOURCE: California Department of Finance, Demographic Research Unit

## THE SHARE OF FAMILIES UNDER THE POVERTY LEVEL IS MUCH HIGHER IN FRESNO AND KINGS COUNTIES

### Share of Families Under the Poverty Level



SOURCE: US Bureau of the Census, American Communities Survey

## Household Incomes in the Region Are Falling

### Median Household Incomes in the Region and State, 2011 - 2014

Region	2011	2012	2013	2014	Change 2011-2014
<b>Median Household Income (current dollars)</b>					
California	61,632	61,400	61,094	61,489	-0.2%
Fresno County	46,903	45,741	45,563	45,201	-3.6%
Kings County	48,838	48,761	48,133	47,341	-3.1%
<b>Real Median Household Income (2010 dollars)</b>					
California	59,821	58,246	57,133	56,537	-5.5%
Fresno County	45,525	43,392	42,609	41,560	-8.7%
Kings County	47,403	46,257	45,012	43,528	-8.2%

SOURCE: US Bureau of the Census, American Communities Survey

## AGRICULTURE IS THE PRIMARY ECONOMIC DRIVER

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**1 in 8**

Fresno County jobs  
is on farm



**1 in 6**

Kings County jobs  
is on farm

Support sectors account for even more jobs

- Auto, equipment, seed, chemicals
- Processing
- Resident income supports much of the rest of the economy



# UNDERSTANDING THE ECONOMIC IMPACT OF THE WESTLANDS WATER DISTRICT

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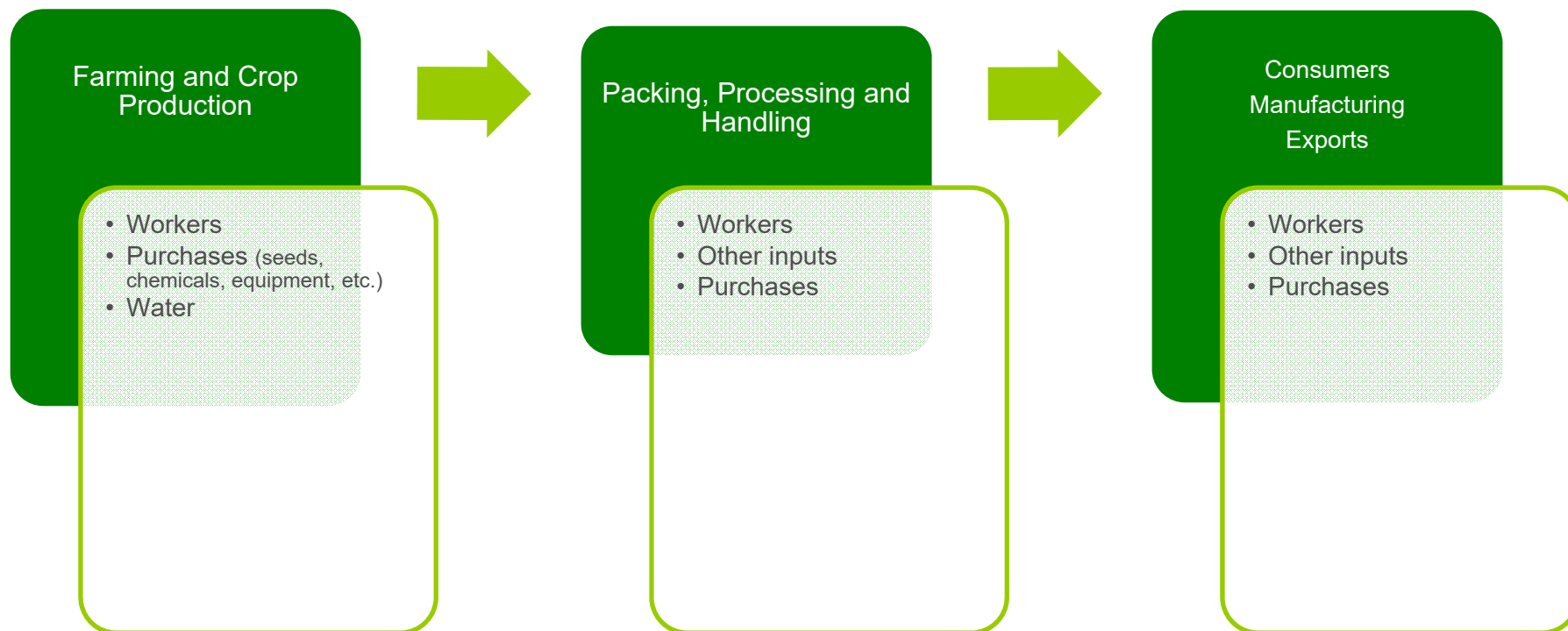
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## ECONOMIC IMPACTS ARE COMPLICATED

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## ADDING ALL OF THESE PIECES UP, THE IMPACTS ARE SIGNIFICANT

### Annual Economic Impacts of Westlands Water District

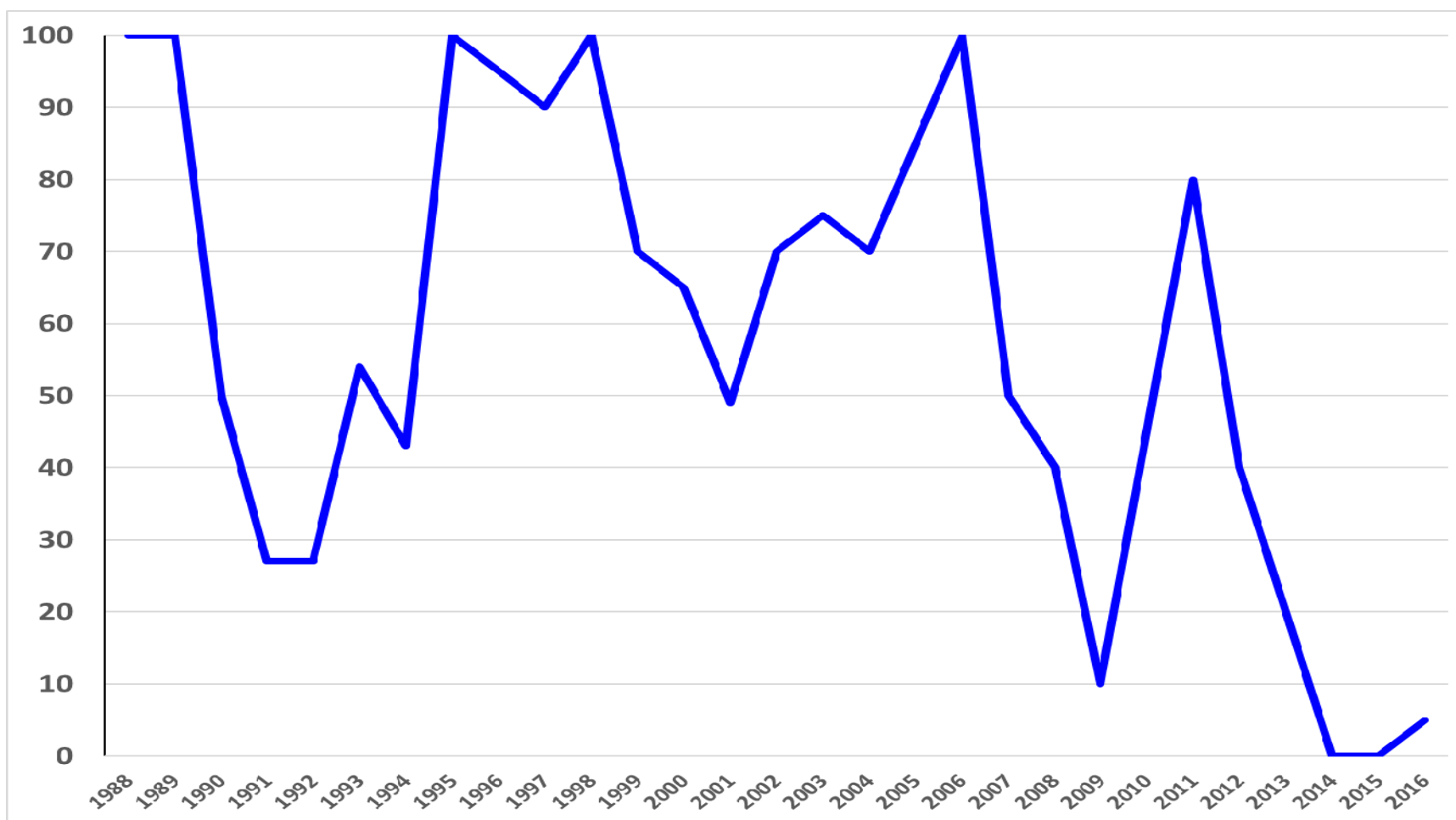
<b>EMPLOYMENT</b>	<b>Jobs Created</b>	<b>Share</b>
Crop Production	10,687.4	37.0%
Secondary Agricultural Production	17,680.5	61.3%
Westlands Operational Activity	483.7	1.7%
<b>Total Effect</b>	<b>28,851.6</b>	<b>100.0%</b>

<b>ECONOMIC IMPACT</b>	<b>Total Impact</b>	<b>Share</b>
Crop Production	\$2,310,713,960	64.3%
Secondary Agricultural Production	1,189,807,246	33.1%
Westlands Operational Activity	95,448,369	2.7%
<b>Total Effect</b>	<b>\$3,595,969,575</b>	<b>100.0%</b>

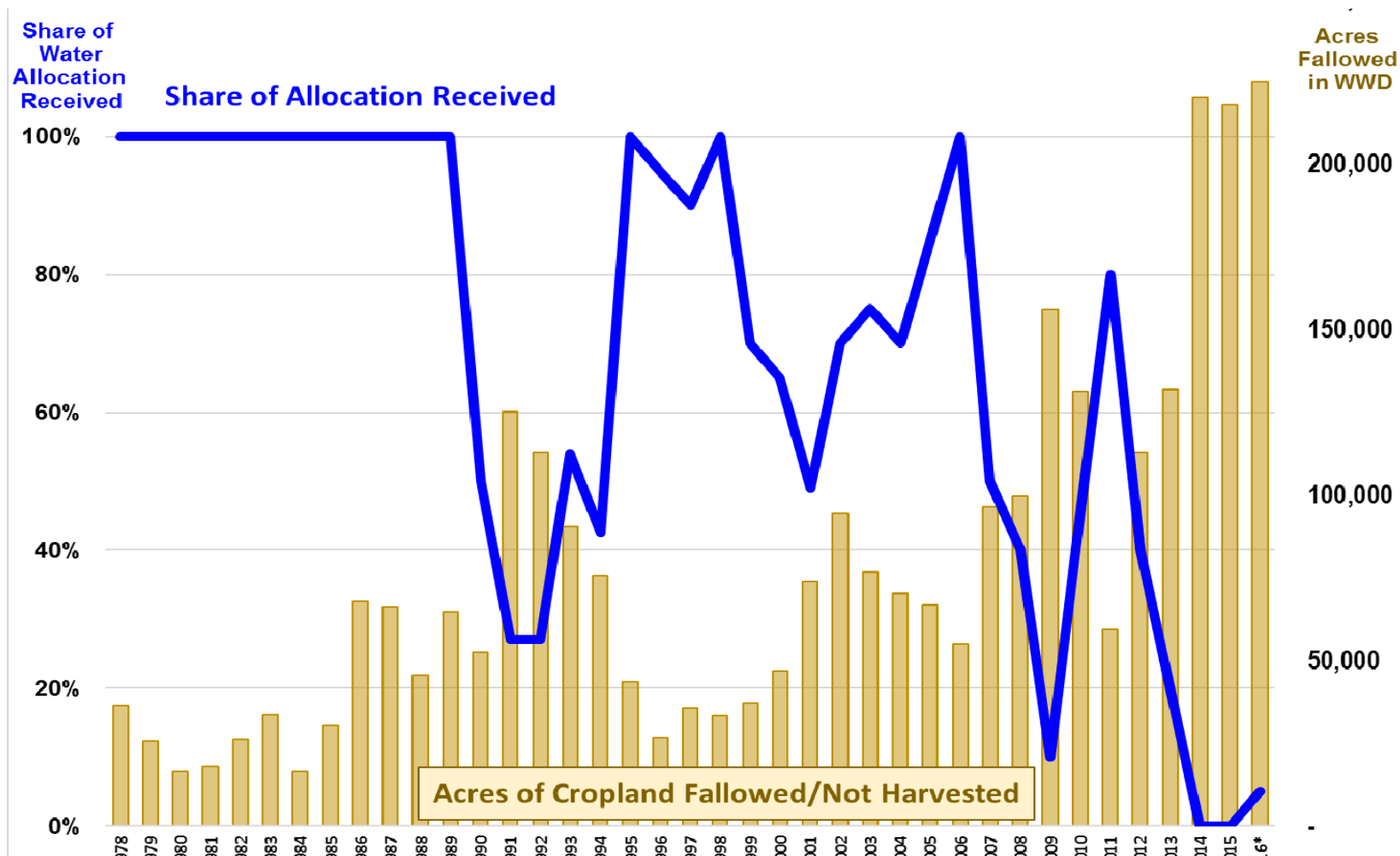
SOURCE: This analysis.

## WATER DELIVERIES TO WESTLANDS HAVE FALLEN SHORT OF CONTRACTED AMOUNTS OFTEN



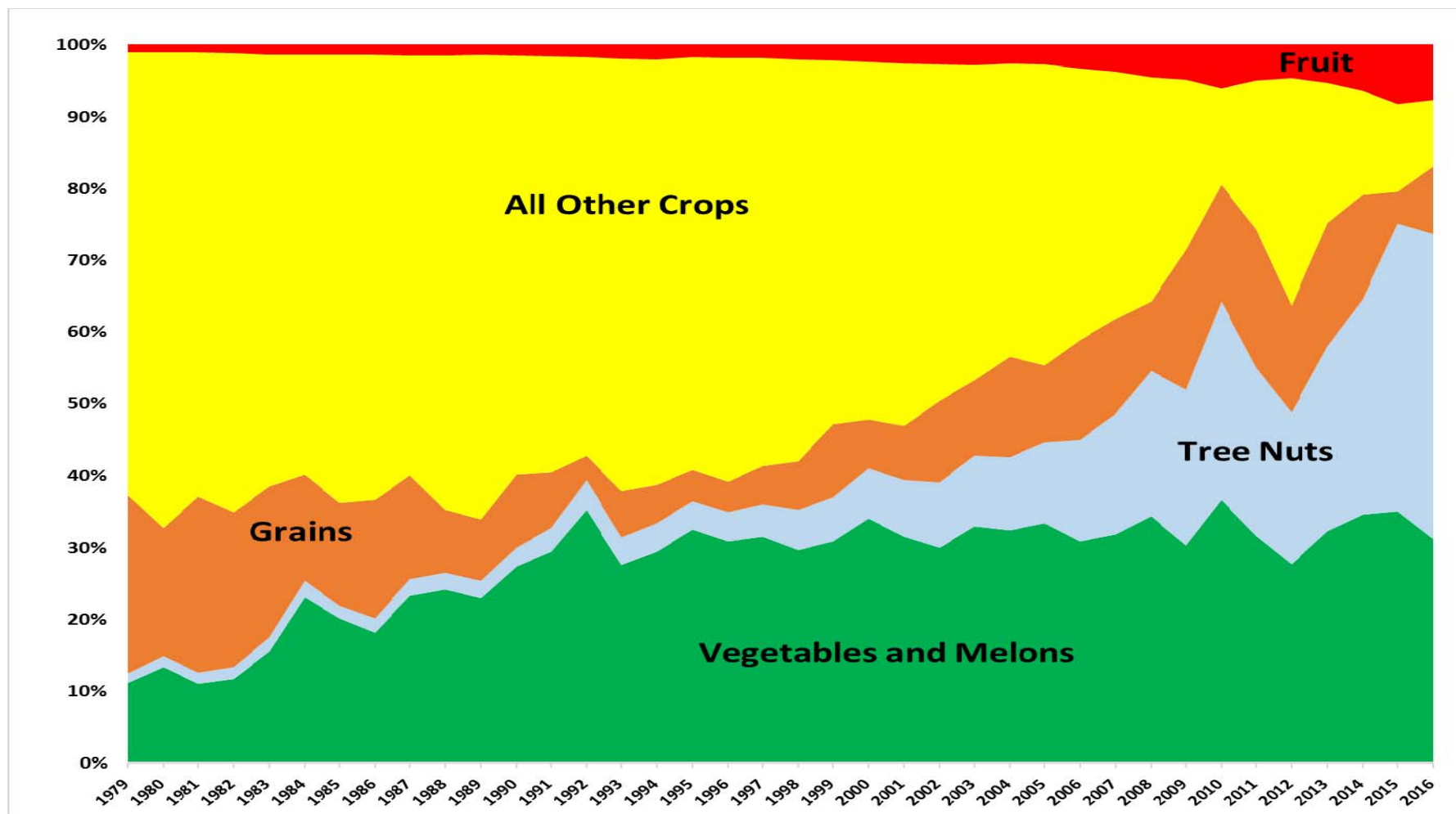
SOURCE: District data.

# EVEN THEN, THE NUMBER OF ACRES FALLOWED DIRECTLY MIRRORS THE AVAILABILITY OF SURFACE WATER



SOURCE: District data.

## IN RESPONSE TO THE SHIFTING WATER SUPPLY, PRODUCTION HAS SHIFTED TO MORE PERMANENT CROPS



SOURCE: District data.

## SHIFT TOWARD PERMANENT CROPS MOVES THE DISTRICT TO LESS LABOR-INTENSIVE CROPS

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### Employment Impacts of Changing Crop Mixes

<b>EMPLOYMENT</b>	<b>Estimated Using 1993 Crop Profile</b>	<b>Estimated Using 2008 Crop Profile</b>	<b>Actual Using 2015 Crop Profile</b>
Direct Effect	10,019.2	8,870.1	6,199.2
Indirect Effect	3,030.0	1,185.0	981.8
Induced Effect	3,292.9	3,299.8	3,506.4
<b>Total Effect</b>	<b>16,342.1</b>	<b>13,354.9</b>	<b>10,687.4</b>

*SOURCE: This analysis.*

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What This Means to Regional, State and National Policy



## WESTLANDS CROP PRODUCTION IS A SIGNIFICANT SHARE OF STATE AND NATIONAL TOTALS

### Value of Crop Production, By Crop Category, 2014 (thousands of dollars)

	Westlands Water District	Fresno County	Kings County	California	United States
Fruit and Nut Crops	1,025,072	3,478,342	569,018	20,774,151	30,101,275
Vegetable and Melon Crops	593,470	1,192,387	219,293	8,288,768	18,852,397
All other	197,751	418,112	494,899	9,111,737	160,340,590
<b>Total</b>	<b>\$1,816,293</b>	<b>\$5,088,841</b>	<b>\$1,283,210</b>	<b>\$38,174,656</b>	<b>\$209,294,262</b>

### Westlands Water District - Share of Overall Output

Fruit and Nut Crops	26.2% <sup>a</sup>	17.8% <sup>a</sup>	4.9%	3.4%
Vegetable and Melon Crops	44.5% <sup>a</sup>	25.5% <sup>a</sup>	7.2%	3.1%
All other	43.4% <sup>a</sup>	3.0% <sup>a</sup>	2.2%	0.1%
<b>Total</b>	<b>23.4%<sup>a</sup></b>	<b>7.0%<sup>a</sup></b>	<b>4.8%</b>	<b>0.9%</b>

SOURCE: Westlands Water District, Fresno County, Kings County, California Department of Food and Agriculture, US Department of Agriculture.

## CALIFORNIA IS A DOMINANT PRODUCER OF FRESH FRUITS AND PRODUCE IN THE US

### Crops Where California Accounts for Dominant Share of US Production

Share of Total US Production	Crop
95% – 100%	Almonds, Artichoke, Broccoli, Celery, Dates, Figs, Garlic, Kiwifruit, Olives, Pistachios, Plums, Prunes, Processed Strawberries, Processing Tomatoes, Walnuts
85% – 95%	Nectarines, Lemons, Fresh Strawberries, Cauliflower, Apricots, Leaf Lettuce
65% - 85%	Avocados, Fresh Carrots, Tangerines & Mandarins, Honeydew Melons, Peaches, Head Lettuce, Romaine Lettuce, Fresh Spinach, Chile Peppers, Raspberries
45% - 65%	Cantaloupe, Bell Peppers, Asparagus
20% - 45%	Onions, Fresh Tomatoes, Fresh Cabbage, Pears, Fresh Market Corn

SOURCE: California Department of Food and Agriculture, US Department of Agriculture.

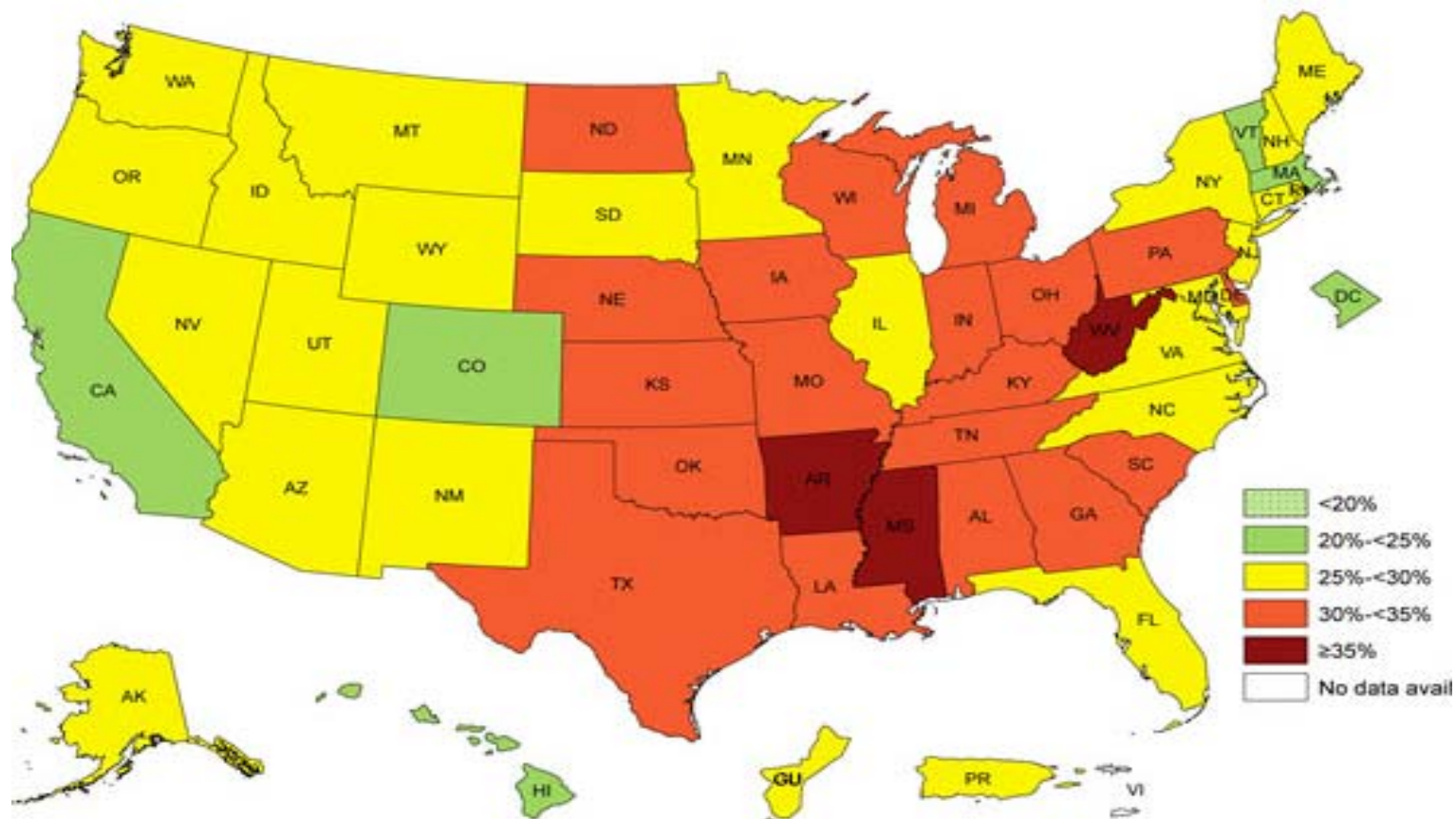
## IMPLICATIONS OF LOWER PRODUCTION OF CROPS IN WESTLANDS WATER DISTRICT

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- Exacerbates public health problems
- Increased reliance on imports
  - National security
  - Food safety
  - Environmental issues
  - Labor standards

# OBESITY IS ON THE RISE: FRESH FRUITS AND VEGETABLES ARE KEY TO SLOWING GROWTH

## Self-reported Obesity Rates, By State, 2014



SOURCE: US Centers for Disease Control and Prevention.

## RELIANCE ON IMPORTS HAS MAJOR IMPLICATIONS FOR NATIONAL POLICY AGENDAS

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- National Security: Reliable and secure food supply is key
- Food Safety: US production is well-documented and inspected
- Environmental Protection: US farmers must protect species, limit pesticide use, etc.
- Labor Standards: US farmers meet minimum wage standards and provide worker protections