

Klamath Settlement Benefits Agriculture

Agriculture contributes \$670 million and 5,200 jobs to the Klamath Basin economy each year.

Principal products include alfalfa, beef cattle, strawberry plants, cereal grains, onions, potatoes, peppermint and horseradish.

Klamath Basin agriculture is part of the national economy. Companies like Frito Lay, Campbell's, Colgate, Costco, Safeway, Whole Foods Market, Wrigley's and Albertsons all have contracts with Basin producers.

Annually, Basin farmers and ranchers produce:

- 600 million pounds of potatoes
- 350,000 tons of alfalfa
- 250,000 head of cattle
- 5 million bushels of grains

The Klamath Basin's agricultural economy is threatened.

- Severe, recurring regional drought.
- Water supply uncertainty associated with tribal rights, including a recently completed state adjudication of water rights in Oregon where Oregon Tribes were found to have senior, "time immemorial" water rights.
- The Endangered Species Act limits water available for irrigation.
- Power rates are substantially higher than comparable agricultural regions.

Shasta View Irrigation District budgeted \$8.00/acre for power costs in 2005. For 2015, their budget is \$145.00/acre.

Why Klamath Farmers and Ranchers Support the Klamath Settlement Agreements

Issue	With Agreements	Without Agreements
Water Reliability	Tribes and U.S. agree to limit exercise of some tribal rights, providing predictable water access for farmers and ranchers.	Tribes and U.S. maintain any senior water rights with no obligation to share water, especially in dry years.
Endangered Species Act Regulation	Settling parties support long-term ESA protections for irrigators; regulatory assurances for irrigators achieved via Habitat Conservation Plans.	Agriculture remains vulnerable to ESA regulations and changing requirements under biological opinions.
Irrigation Power Rates	Irrigation power rate programs to implement generation and other programs to return to more competitive power costs.	Power rates remain higher than similarly situated agriculture regions.
Dams	Dams that provide irrigation and flood control remain in place. Only four hydro-only dams will be removed.	Future of hydro-only dams returns to FERC relicensing process, resulting in higher power prices for PacifiCorp customers across the West.
Economic Prosperity	Enhanced water reliability enables farmers and ranchers to plan for future production and increased local economic activity.	Difficulty securing operating capital. Companies are less likely to contract for local products based on unpredictable water supply.
Community Impact	Less litigation, more cooperation, and a more prosperous future.	Ongoing litigation with uncertain outcomes that may imperil long-term viability of agriculture in the region.