



March 10, 2014

Mr. Tom Howard  
Executive Director  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814

Dear Mr. Howard:


California's rural economy is in crisis due to our ongoing drought. Every day brings new stories in the media about farmers pulling out orchards, crops not being planted, or rural families concerned about how they will make ends meet. There is a symbiotic relationship between the growers and the processors, and so the food processing industry will be greatly harmed by significant further curtailments of water supplied to farmers this year. The following facts underscore the importance of the food processing industry to California's economy:

- California has over 3,000 food processing establishments, the majority of which are located in Central California. Those firms collectively employ about 158,000 people and directly generate about \$10 billion in labor income.
- Every job in the food processing sector generates an additional 2.3 indirect or induced jobs in related sectors, such as packaging, transportation, equipment, and energy. These jobs generate an additional \$28 billion in labor income. The total direct and indirect statewide employment for the food processing sector is therefore about 600,000 jobs.
- The food processing sector in California generates over \$66 billion in output, and the major sub sectors are: fruit and vegetable processing (\$13.1 billion), dairy (\$14 billion), meat/poultry (\$9 billion), bakeries (\$6.5 billion), grain and oilseed (\$5 billion)
- Food processing accounts for about 2.7% of California GDP.
- California exports over \$4 billion per year in processed fruits, nuts and vegetables, dairy products, and other processed foods, generating economic activity at the ports and throughout the state's economy.
- Many food processing plants are located in rural communities near the farms that provide them with raw materials. In towns such as Modesto, Los Banos, Escalon, Lodi, Woodland, Fresno, Firebaugh, Williams, and many others, food processors are a primary source of jobs, income, and economic growth in the community.

The members of the California League of Food Processors (CLFP) strongly urge the State Water Resources Control Board to take every action possible to maximize the amount of water available to agriculture and the food industry this year. The important debate regarding potential long-term solutions to the deficiencies in the state's water storage and distribution systems will continue, but **the Board must act soon to ensure that farmers and processors can continue to help feed California and the rest of the nation.** This issue extends far beyond just the interests of the processors and the farmers who supply them. It is not an overstatement to say that a significant reduction in food production due to the drought will affect food prices, the economic survival of many rural communities, thousands of workers, and many businesses across the state.

CLFP appreciates that the current crisis requires the Board to make very difficult decisions affecting many competing interests, but food production must be at the top of the queue in terms of priority access to water. We urge policymakers to take the steps necessary to ensure that agricultural production and the rural economy don't dry up and blow away.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Neenan", with a long horizontal flourish extending to the right.

Rob Neenan  
President/CEO

CC: Governor Edmund G. Brown, Jr.  
Karen Ross, Secretary, California Department of Food and Agriculture  
Sandra Schubert, Undersecretary, California Department of Food and Agriculture  
Mark Cowin, Director, California Department of Water Resources  
Matt Rodriguez, Secretary, California Environmental Protection Agency  
Gordon Burns, Undersecretary, California Environmental Protection Agency  
Members of the State Waters Resources Control Board