



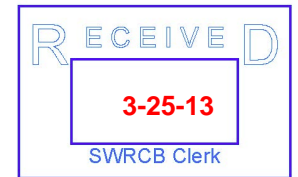
Almond Hullers & Processors Association

staff@ahpa.net

Office: (209) 599-5800

Fax: (209) 599-5882

Public Hearing (3/20/13)
Bay-Delta Plan SED
Deadline: 3/29/13 by 12 noon



To: State Water Resources Control Board

The Almond Hullers & Processors Association represents the California Almond Industry including growers, hullers/shellers and processors. We are writing this letter in opposition to your proposal requiring the Merced, Tuolumne, and Stanislaus rivers to dedicate 35% of unimpaired flow to fish and wildlife.

Almonds are a permanent crop and require significant upfront investments by growers. Almonds do not produce a commercially viable crop until their fourth leaf, meaning growers spend significant funds on inputs without any return for over three years. Unlike row crops, orchards can't be left fallow and one year of insufficient water can result in significant negative impacts to the production potential of the trees over their lifetime (approximately 25 years).

The California Almond Industry prides itself on our commitment to ensuring the sustainability of our industry, our future, and the environment. In this vein, growers have worked to do more with less in particular with respect to our irrigation practices. Based on assessments provided by growers throughout the State via the California Almond Sustainability Program administered by the Almond Board of California and representing 10% of the acreage in the state, approximately 2/3 of orchards have highly efficient micro-irrigation systems. The majority of almond orchards with pumps have installed flow meters and pressure gauges, and frequently inspect and maintain the effective operation of filters and the flushing system. As an industry we strive to do more with less to ensure the sustainability of the environment and industry.

Based on a CDFA report (see Table 1), the almond acreage in the East San Joaquin Water Quality Coalition that will be negatively impacted by the proposal is slightly over 200,000 acres, representing 25% of the total bearing almond acres in the state of California as reported in the 2012 National Agricultural Statistics Service California Almond Acreage Report. The State Water Board admits the water cuts will result in "significant and unavoidable" impacts, many of which will be to almond growers.

There are localized impacts in these regions that are struggling to regain economic footing after a lingering recession. Reductions in water as proposed would result in agricultural sector income losses that could total \$187 million a year during dry years, a major hit in a region stuck in a lingering recession. With less water and power available, rates for both would rise, further straining households and employers. Job losses would exceed 1,200 in dry years, exacerbating unemployment, which stands at 15.7% in Merced County, 14.5% in Stanislaus County and 14.1% in San Joaquin County.



Almond Hullers & Processors Association
staff@ahpa.net
Office: (209) 599-5800
Fax: (209) 599-5882

This proposal is divisive and disruptive to other processes and efforts. The proposal specifies dedicating 35 percent of unimpaired flow from Feb. 1 to June 30 for fish and wildlife however this does not leave room for later year allocations, whether needed for agriculture or environmental concerns, should we have a dry year and therefore may not be beneficial to either sector. Additionally there is no scientific basis for 35% allocation and the benefits that would be sustained as a result of this amount of impaired flows.

This proposal conflicts with the Legislature's mandate for a comprehensive Delta Plan under SB X7-7 which has been in progress for over three years by the Delta Stewardship Council with co-equal goals of Delta restoration and regional self-sufficiency. Additionally, this proposal undermines support for the Bay Delta Conservation Plan, a holistic solution championed by many state leaders from both parties, which would work in concert with the comprehensive Delta Plan under SB X7-7.

There are significant negative impacts to Hydropower, California's Green Energy Push, and Groundwater Supply resulting from this proposal. Increasing flow from February to June generates more energy at a time of low energy demand leaving less water in reservoirs in summer means less hydropower at time of peak demand. Cuts in hydro production create need to buy costly supplemental power from carbon-producing conventional sources, undermining California's goal of 33% of energy from renewable resources. Hydropower is a valuable contributor to obtaining California's goal of 33% because it is highly flexible; unlike hydro, wind and solar cannot be generated on demand. To account for lost surface water, users will increase pumping of groundwater by approximately 25 percent, over drafting the water table and increasing energy use and costs.

Despite the high stakes and tremendous costs, the State Water Board does not estimate the benefit to fish and wildlife. Assumptions that increased flow will benefit the system are not supported by any scientific analysis. The Board makes unilateral demands without quantifying the benefit or goal to be achieved.

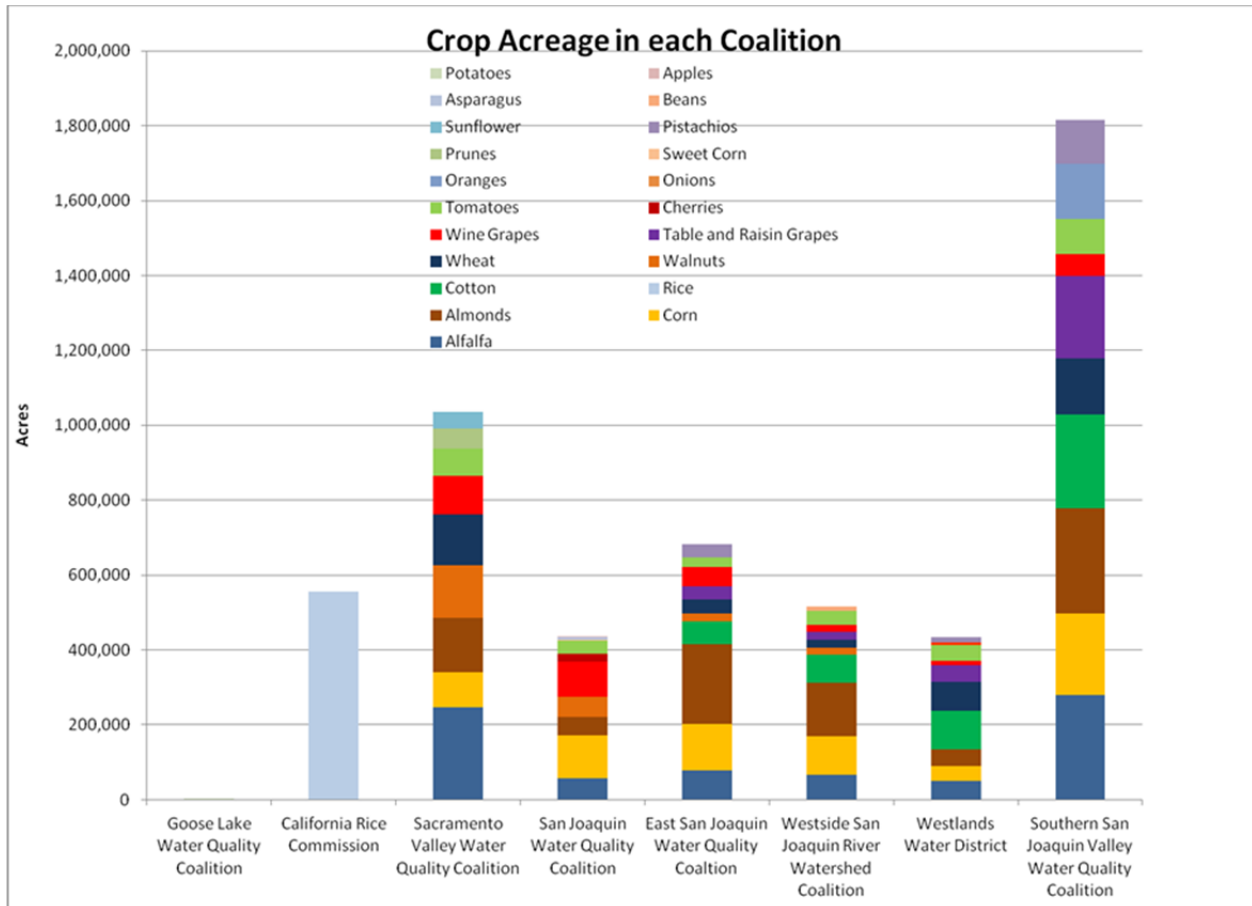
The California Almond industry supports a science based comprehensive approach to finding solutions for both water reliability while maintaining healthy ecosystems but not at costs that will be a detriment to CA agriculture, the economies in the affected regions and without any assurances of benefits. Other groups are looking into multi-pronged approaches, not strictly water flow, which we feel will result in a workable long term solution. We are adamantly opposed to this proposal as stated.

Kelly Covello
President, Almond Hullers & Processors Association



Almond Hullers & Processors Association
 staff@ahpa.net
 Office: (209) 599-5800
 Fax: (209) 599-5882

Table 1



Source: CDFA