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SISKIYOU COUNTY, CA, MODOC COUNTY, CA, and KLAMATH COUNTY, OR
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Water Reductions in the Klamath Basin Devastate Jobs and Local Economy

KLAMATH COUNTY, OR and SISKIYOU AND MODOC COUNTIES, CA (Tri-Counties) – A recent study conducted by Oregon State University (OSU) (funded in part by Klamath County) highlights the devastating regional economic impacts from water shortages for farms and ranches in the Upper Klamath Basin.

According to the study, the crops and livestock grown and raised in the Upper Klamath Basin are worth approximately \$368 million annually, generating \$176.5 million in income for 3,180 full- and part-time employees. This economic activity is directly threatened by the increasing restrictions on farmers and ranchers' ability to water their crops and livestock.

The study concluded that approximately \$12 million in direct and indirect labor income and 210 jobs have already been lost with the decline in livestock production (worth \$25 million annually) due to recent water restrictions on the Williamson, Wood, and Sprague rivers.

An additional \$12.5 million in labor income and 120 jobs are presently at risk due to the maximum amount of water the U.S. Bureau of Reclamation (USBR) currently allows farmers and ranchers in the Klamath Project to use from Upper Klamath Lake.

The Klamath Project encompasses approximately 230,000 acres in Klamath, Siskiyou, and Modoc counties, including farmed lands within two national wildlife refuges. Crops grown in the Klamath Project include grain, alfalfa, onions, potatoes, peppermint, and strawberries. A full water supply from Upper Klamath Lake for the Klamath Project is approximately 450,000 acre-feet, but USBR currently limits diversions to no more than 350,000 acre-feet regardless of how much water is physically available.

As water shortages increase so do the impacts on the regional economy. According to the study, if the U.S. Bureau of Reclamation (USBR) only makes 225,000 acre-feet of water available from Upper Klamath Lake, it causes the loss of 650 jobs and reduces income by approximately \$34 million. An allocation of 100,000 acre-feet from Upper Klamath Lake costs 790 jobs and \$41 million in lost income.

For context, the USBR's current allocation from Upper Klamath Lake is 260,000 acre-feet, which matches the allocation provided in 2023 as well. Between 2020 and 2022, the water supply available from Upper Klamath Lake ranged between zero and 155,000 acre-feet. Significant water shortages also occurred in 2018, 2015, 2014, 2010, and 2001.

Federal restrictions on the water supply available from Upper Klamath Lake stem from USBR's interpretation of the Endangered Species Act, notwithstanding the fact that the protected fish have shown no signs of recovery over the last 20 years.

If farmers and ranchers' access to groundwater is also restricted, losses to the regional economy could grow to over \$64 million and 1,340 jobs.

The impacts extend beyond individuals' income and employment. According to the study, reduced water supplies to farmers and ranchers have already resulted in a decrease of over \$1 million to Klamath County's property tax revenues. Relative declines in sales and use taxes for Siskiyou and Modoc counties are also predicted to occur.

The Tri-Counties group – comprised of elected leaders of Siskiyou and Modoc counties, California, and Klamath County, Oregon – have repeatedly called for a full water supply allocation for the Klamath Project in 2024 and beyond. Reductions in irrigation supply are not just a matter of water but a dire economic threat, demonstrating a concerning lack of understanding and urgency to resolve long-standing issues from federal agencies regarding the realities faced by our communities.

Just as concerning, continuing reductions in irrigation supply comes at a time when California is grappling with the highest unemployment rates in the nation. The decrease in water supply to the Klamath Basin will only exacerbate this crisis, stripping away jobs in an already struggling state, and more acutely, rural Modoc and Siskiyou Counties. The agricultural sector, a vital lifeline for many families, faces severe disruptions, leading to further economic distress.

Reduced water supplies by the Bureau of Reclamation, driven by the directives of the U.S. Fish and Wildlife Service and the National Marine Fisheries Services also reflect a troubling gap in effectiveness and understanding from decision-makers. These decisions must be mindful of the immediate and long-term effects on our communities.

Local leaders from the Tri-Counties urge federal agencies to take immediate action to provide a full supply for the 2024 water year, and adequate irrigation supplies into the future. There is an urgent need for policies that balance environmental concerns with the economic realities of those who depend on the Klamath Basin for their livelihoods.

References:

Highland Economics, LLC. "Economic Analysis of Agriculture in the Klamath Basin"
(https://www.co.siskiyou.ca.us/sites/default/files/fileattachments/natural_resources/page/1281/highland_economics_final_klamath_basin_agriculture_economic_analysis.pdf)

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