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## Myths and Facts about San Joaquin Valley Job Loss

**Myth:** The high rate of joblessness in the San Joaquin Valley is due to agricultural unemployment.

**Fact:** The subprime mortgage crisis and housing implosion caused most of the job loss in the San Joaquin Valley. UOP studies have estimated that 47,000 construction jobs were lost in San Joaquin Valley, as opposed to 8,500 jobs in agriculture.<sup>1</sup>

**Myth:** All of the agricultural jobs lost in the San Joaquin Valley were due to Endangered Species Act related cutbacks of pumping from the Delta.

**Fact:** The UOP study estimated that 8,500 agricultural jobs were lost in the Valley due to cutbacks in water deliveries, but of those jobs, 6,500 were lost due to the drought, and 2,000 were lost due to the ESA related cutbacks. Many of the 6,500 jobs lost due to the drought are likely to return this year.<sup>1</sup>

**Myth:** The Endangered Species Act is preventing storage of spring runoff.

**Fact:** As of February 10, the Federal share of the San Luis reservoir, one of the main reservoirs supplying the Central Valley, has gone from very low to 81% of the 15 year average. The rest of the Central Valley Project reservoirs are also filling up, and are at 78% of the 15 year average. The reservoirs were at abnormally low levels due to the drought and increased demand, so it takes a while for them to fill.<sup>2</sup>

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1 Unemployment in the Central Valley, Fish or Foreclosure, [http://forecast.pacific.edu/articles/PacificBFC\\_Fish%20or%20Foreclosure.pdf](http://forecast.pacific.edu/articles/PacificBFC_Fish%20or%20Foreclosure.pdf) and Employment Impacts of Reduced Water Supplies to San Joaquin Valley Agriculture

<http://forecast.pacific.edu/water-jobs/Pacific-BFC-Water-Jobs.pdf>. A UC Davis study had a somewhat higher estimate, 21,000 agricultural jobs lost in the San Joaquin Valley, 16,000 due to the drought, and 5,000 due to restrictions on Delta pumping. The UOP study was based on a review of the data, and the UC Davis study was based on an economic simulation.

2 Daily Water Supply Report by Bureau of Reclamation, Central Valley Operations: <http://www.usbr.gov/mp/evo/vungvari/dayrpt.pdf>

**Myth:** Westside San Joaquin agricultural water deliveries are expected to be 5% of contract amounts in 2010.

**Fact:** The Bureau of Reclamation has not yet made a determination of water deliveries for 2010. If this turns out to be a wet year, the projected allocations could be 25% to 40% of contract amounts.

**Myth:** Westside San Joaquin agricultural water deliveries are typical of the entire San Joaquin Valley.

**Fact:** Many agricultural contractors with more senior water rights have gotten significantly better deliveries. The San Joaquin River Exchange Contractors got 100% of their water allocation in 2009, for a total of 881,000 acre feet. The Class I Friant contractors also got 100% of their water allocation, another 800,000 acre feet.<sup>3</sup>

**Myth:** Westside San Joaquin agricultural contractors normally get 100% of their contracted water.

**Fact:** This happened in 2006, due to an extraordinarily wet year and an administration that allowed so much pumping that it caused the complete collapse of the Delta ecosystem. Normal deliveries to the West side of the San Joaquin Valley averaged approximately 64% of contracted amounts in the 1990s, and 61.5% in the 2000s.

**Myth:** Environmental protections for the Delta cost jobs.

**Fact:** The Sacramento-San Joaquin Delta is the most important estuary on the West Coast. It is the nursery for many fish species of commercial importance. A study commissioned by Southwick Associates showed that the 2008-2009 salmon fishing closure has cost an estimated 23,000 jobs and \$1.4 billion annually to the California economy. California has over 2,000 businesses that derive most or all of their income from the recreational and commercial salmon industry.<sup>4</sup>

**Myth:** A large number of almond orchards in the Central Valley have been cut down.

**Fact:** The California almond industry had record shipments of 1.39 billion pounds in 2008-2009, up 10% over 2007-2008.<sup>5</sup> Farmers in Westlands Water District went from 48,325 acres of almonds in 2005 to 70,252 in 2008. They planted 4,042 acres of almond trees between 2007 and 2008. Westlands Water District reported excess water in 2008 enough to export 50,000 acre feet<sup>6</sup>. In 2009 they stopped irrigating 2,389 acres of almonds.<sup>7</sup>

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3 US Department of the Interior, Bureau of Reclamation, California Drought Response fact sheet  
[http://www.doi.gov/documents/California\\_Drought\\_Response\\_Fact\\_Sheet.pdf](http://www.doi.gov/documents/California_Drought_Response_Fact_Sheet.pdf)

4 Study commissioned by American Sportfishing Association, for more details see  
[http://www.asafishing.org/newsroom/documents/salmon\\_recovery\\_economics.pdf](http://www.asafishing.org/newsroom/documents/salmon_recovery_economics.pdf)

5 Almond Board of California, 2008/09 Almond Shipments Shatter Prior Year Records, October 2009  
<http://www.almondboard.com/outlook/2009/october/eNewsletter-october2009.asp>

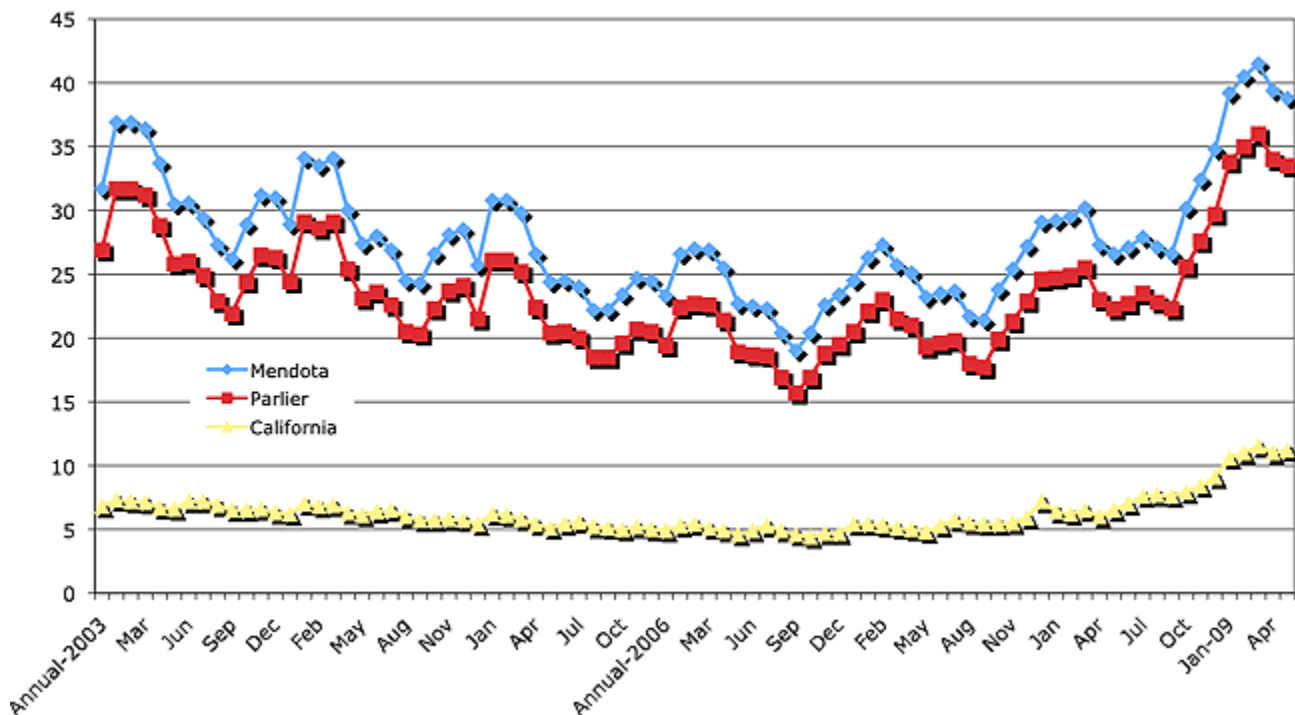
<sup>6</sup> Jul 2, 2008 ...DWR announces up to 50000 acre-feet of groundwater will be pumped from wells within the Westlands Water District into the California Aqueduct for transfer to Semitropic  
WSD...[www.acwa.com/eNewsletter/index.asp?issue=7/2/2008](http://www.acwa.com/eNewsletter/index.asp?issue=7/2/2008)

7 Westlands Water District, 2005-2009 crop reports.

**Myth:** “The San Joaquin Valley is experiencing an unprecedented economic crisis. The unemployment rate is 40 percent in some Valley towns, and people are standing in bread lines. (Feinstein press release, 2-11-10)

**Fact:** Unemployment is chronically high among San Joaquin Valley agriculture’s seasonal labor-pool communities. The figure below shows that Mendota, the community used for staging appearances by Governor Schwarzenegger, Fox News’ Sean Hannity, and, most recently, ’60 Minutes’ suffers high double-digit unemployment in both drought and wet years.<sup>8</sup>

**Unemployment Rates in California, Mendota, and Parlier, 2003-09**



Source: EDD, not seasonally adjusted

<sup>8</sup> From the July, 2009 issue of ‘Rural Migration News, a project of the University of California at Davis :

California is in the third year of drought. Reducing water deliveries and shifting water available from lower to higher value crops tends to be more labor intensive. Agriculture around Mendota (labor force 4,700 in May 2009) in western Fresno County was more affected by reduced water deliveries than Parlier (6,200) in eastern Fresno County. Mendota’s unemployment rate averaged four percent higher than in Parlier between 2003 and 2007, but was five percent higher in 2009, suggesting an extra 50 unemployed workers in Mendota. Local area unemployment rates use 2000 Census data to distribute the unemployed to cities such as Mendota and Parlier.

For more about Mendota and the Westlands Water District see [http://www.ggu.edu/lawlibrary/environmental\\_law\\_journal/eljvol13/attachment/Carter.pdf](http://www.ggu.edu/lawlibrary/environmental_law_journal/eljvol13/attachment/Carter.pdf)