

Drought costing Calif. farmers billions of dollars

By Elizabeth Campbell and Megan Durisin, Bloomberg

Near the confluence of the Merced and San Joaquin rivers, the heart of the California farm belt, Bob Kelley watches the driest year ever erode water supplies and prospects for the dairy business his family began in 1910.

The amount of water available for the 2,800 acres of corn and alfalfa Kelley grows to feed more than 6,500 cows may drop as much as two-thirds, so fewer crops will be planted and some animals will be sold to avoid the expense of buying grain, he said by telephone from Newman, about 83 miles southeast of San Francisco.

“It would impact us for not just 2014, but all of 2015,” said Kelley, 60, who runs a local water district that will cut output by at least half. “I’m anticipating a very difficult time, and I’m probably the best off of anybody I know.”

The drought in California, the top U.S. agricultural producer at \$44.7 billion, is depriving the state of water needed to produce everything from milk, beef and wine to some of the nation’s largest fruit and vegetable crops, including avocados, strawberries and almonds. Lost revenue in 2014 from farming and related businesses such as trucking and processing could reach \$5 billion, according to estimates by the 300-member California Farm Water Coalition, an industry group.

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