

## **Irrigation added \$4.5 billion to Nebraska economy in one year**

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**LINCOLN, Neb.** -- Crop irrigation adds billions of dollars to Nebraska's economy each year, according to a recently released study.

The study, released by the Nebraska Policy Institute, said irrigation generated \$4.5 billion and created 45,000 jobs in 2003.

The study measured the value of crop output, business purchases generated by crop production and personal spending of earned income generated from irrigation.

The study was led by Charles Lamphear, professor emeritus at the University of Nebraska-Lincoln and former director of UNL's Bureau of Business Research.

Lamphear said the economic impact was higher in 2003 because of an ongoing drought.

Had precipitation levels been normal in 2003, the total impact of irrigation would have been just over \$3.6 billion.

"It's clear that irrigation reduces economic risk for Nebraska during times of drought," said Keith Olsen, president of the institute and the Nebraska Farm Bureau Federation. "Irrigation reduces the weather risk for farmers," he said.

Lamphear said variances in crop yields for corn between 1982 and 2000 were about 62 percent less on irrigated corn than for dryland corn.

"Reductions in yield variability because of irrigation mean the state's agribusinesses and processors have a stable and reliable input source," he said.

In 2003, irrigation was responsible for roughly 17 percent of the total impact of agribusiness activity in Nebraska, Lamphear said. Purchases of irrigation equipment, farm machinery and computer hardware by irrigators generated a total economic impact of \$293 million and created more than 3,200 jobs.

But farmers and ranchers cannot rely on an endless supply of water for irrigation.

Legal fights with surrounding states have limited the amount of water Nebraska producers can take because irrigation can affect water flow to other states.

And the recent, ongoing drought has magnified the problem.

The flow in streams and rivers is controlled by the state, which sets water allocations for surface irrigators.

Groundwater irrigators, on the other hand, are controlled by area natural resources districts, which allocate groundwater equally to each user.

Many streams in the state rely heavily on groundwater for replenishment.

The Nebraska Supreme Court ruled earlier this year that the state can do nothing to stop the proliferation of irrigation wells that are sucking streams and reservoirs dry.

For example, the North Platte Natural Resources District says groundwater irrigation wells in the Panhandle's Pumpkin Creek basin increased from 250 in 1970 to 500 in 2000. The district now has a moratorium on new wells.

Statewide, the number of wells jumped from 39,660 in 1970 to nearly 100,000 now, according to the Department of Natural Resources.

In 1970, about 1 million acres in Nebraska were surface water-irrigated, compared with about 3 million irrigated with groundwater.

Currently, about 1.2 million acres are irrigated with surface water, while the number of acres irrigated with groundwater has risen to about 8.5 million.

The Nebraska Policy Institute is an independent, not-for-profit research and educational foundation established in 2000.