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IMPACT OF IRRIGATION STUDY SHOULD WAKE UP LAWMAKERS

On October 31, Dr. Charles Lamphear and the Nebraska Policy Institute unveiled a detailed study that assessed the economic impact irrigation has on Nebraska's economy. For the record, Dr. Lamphear is a highly respected economist who formerly headed up UNL's Bureau of Business Research. His credentials are above reproach.

The conclusions contained in Lamphear's study are nothing short of mind-blowing. They prove that irrigation is truly the salvation of this state's economy and therefore must not be stifled, impaired or toyed with by state politicians and government regulators. This study provides rock solid proof that irrigation is directly responsible and absolutely necessary for a strong, enduring, and resilient economy.

The study looked at the year 2003 and calculated the economic impact of irrigation using two scenarios - one based on actual 2003 precipitation, and the other using normal precipitation during the 2003 growing season. What Lamphear did was to compare estimated yields for irrigated crops to estimated yields of equivalent dryland crops.

In terms of gross output, using actual 2003 precipitation, the net economic impact of irrigation (subtracting out dryland equivalents) was roughly \$4.5 billion. It is instructive to note that \$4.5 billion is equal to one-and-a-half times Nebraska's annual state government budget.

Using normal precipitation, the net difference was \$3.6 billion.

JOBS - Under actual 2003 drought weather conditions, irrigation created 45,000 jobs. Assuming normal weather conditions, irrigation created almost 36,000 jobs.

The total economic impact (direct + indirect + consumption effects) in 2003 attributable to irrigation was a whopping \$7.7 billion.

These numbers are staggering. In Dr. Lamphear's own words, "Irrigation provides economic stability to Nebraska's economy. Yield variability for irrigated corn over the period 1982-2000 was almost 62% less than dryland corn. Reductions in yield variability through irrigation provide the state's agribusiness and processors a stable and reliable input source. This means hundreds of millions of dollars in additional value added and earned income and thousands of additional jobs for Nebraska businesses and workers."

At the October 31 press conference unveiling the study, Dr. Lamphear was asked by a reporter if LB 962 (a law Nebraskans First strongly opposed back in 2004) poses a threat to the positive impact irrigation has on our economy. Dr. Lamphear stressed that such a question should be addressed by policy makers rather than him, but then added that, "policy makers should be prepared for a huge hit on the state's economy if there is a scaling down of irrigation." He said such anti-irrigation "tinkering" could result in the loss of "tens upon tens of thousands of jobs" and even "some communities would disappear." He added that even Lincoln and Omaha would be hit hard.

The Lamphear study should provide a much needed wake up call for the legislature, the Department of Natural Resources (DNR), the governor, and the Water Policy Task Force (WTF).

If you would like a copy of the executive summary of the Lamphear study, call our office and we will send you one.