

Economic Impacts of 2014 Drought on California Agriculture by Region

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The table below presents a breakdown of the estimated economic impact of the 2014 drought on California agriculture. This is an expansion of Table 5 in Howitt *et al.* (2014). The sum of the impact in the three Central Valley regions (items 1 to 3 below) will not match the Central Valley total impacts (item 4) due to regionally varying multipliers for employment, labor income, value added and sector output. Individual regions tend to have higher out-of-region expenses and, hence, lower multipliers than larger grouped regions.

Estimated Economic Impacts of the 2014 California Drought by Region

Impact type	Employment (jobs)	Labor income (dollars in millions)	Value added (dollars in millions)	Output (dollars in millions)
1. Sacramento Valley crops and increased pumping costs				
Direct Effect	-2,448	-64.6	-81.9	-219.4
Total Effect	-4,114	-127.5	-202.6	-412.1
2. San Joaquin Valley crops and increased pumping costs				
Direct Effect	-1,727	-62.3	-72.7	-207.3
Total Effect	-2,826	-118.3	-181.9	-374.5
3. Tulare Lake Basin crops and increased pumping costs				
Direct Effect	-2,346	-150.2	-155.3	-373.4
Total Effect	-6,796	-297.3	-437.4	-797.7
4. Central Valley crops and increased pumping costs*				
Direct Effect	-6,722	-274.5	-310.5	-800.1
Total Effect	-15,183	-581.2	-894.6	-1,728.9
5. Crops in Salinas Valley, inland and coastal Southern California				
Direct Effect	-200	-5	-5	-10
Total Effect	-297	-13	-10	-23
6. Statewide livestock and dairies				
Direct Effect	-582	-19.8	-67.4	-202.5
Total Effect	-1,615	-71.7	-164.1	-441.9
7. Statewide economic impacts				
Direct Effect	-7,504	-299	-383	-1,013
Total Effect	-17,095	-666	-1,069	-2,194

*Direct and total effects in the three Central Valley basins may not add up to the Central Valley totals as multipliers vary by region.

References

Howitt, R.E., Medellin-Azuara, J., MacEwan, D., Lund, J.R. and Sumner, D.A. (2014). Economic Analysis of the 2014 Drought for California Agriculture. Center for Watershed Sciences, University of California, Davis, California. 20p. Available at <<http://watershed.ucdavis.edu>>