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Mexico

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New Water Agreement To Benefit Border Ag Production

Report Categories:

Agricultural Situation

Agriculture in the News

Cotton and Products

Grain and Feed

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Report Highlights:

On November 20, 2012, the United States and Mexico signed a historic bi-national agreement to guide future management of the Colorado River through 2017. As a result, Mexico will obtain $10 million to repair its 2010 earthquake-damaged canal system which affected 60,000 hectares of wheat and cotton production in the Mexicali Valley by agreeing to sell water to regional water agencies in Arizona, Nevada and California.

General Information:

The United States and Mexico signed an agreement (titled, "Minute 319") on November 20, 2012, that establishes new rules on sharing water from the Colorado River, capping a long effort on how to share the pain of droughts and obtain the benefits of rainy years. The agreement, coming in the final days of the administration of Mexican President Felipe Calderon, is a major amendment to a 1944 treaty considered by many Mexicans as being sacred. The treaty grants Mexico 1.5 million acre-feet of river water each year - enough to supply about 3 million homes - making it the lifeblood of Tijuana and other cities in northwest Mexico. The agreement also gives Mexico much needed water storage capacity in Lake Mead, which stretches across large parts of Nevada and Arizona. Per the agreement, Mexico will forfeit some of its share of the river during water shortages, bringing itself in line with western U.S. states that have already agreed on how much they will surrender when water levels go down. Mexico also will capture some surpluses when the water level rises. Also under the plan, water agencies in Nevada, Arizona and California will purchase water from Mexico.

Specifically, Mexico will begin to surrender some of its Colorado River allotment when Lake Mead drops to 1,075 feet above sea level and begin to reap surpluses when it rises to 1,145 feet. Mexico will be allowed to store up to 250,000 acre-feet of water in the reservoir and draw on nearly all of those reserves whenever needed. The five-year agreement approved by both governments also provides for a series of joint cooperative actions between the United States and Mexico including:

- Implementing efforts to enhance water infrastructure and promote sharing, storing, and conserving water as needed during both shortages and surpluses;
- Establishing proactive basin operations by applying water delivery reductions when Lake Mead reservoir conditions are low in order to deter more severe reductions in the future;
- Extending humanitarian measures from a 2010 agreement, Minute 318, to allow Mexico to defer delivery of a portion of its Colorado River allotment while it continues to make repairs to earthquake-damaged infrastructure;
- Establishing a program of Intentionally Created Mexican Allocation (ICMA) whereby Mexico could temporarily reduce its take of Colorado River water, allowing that water to be delivered to Mexico in the future; and
- Promoting the ecological health of the Colorado River Delta.

Background:

In 2007, facing an eight-year drought, California, Arizona and Nevada agreed on how much each state should sacrifice during shortages on the river. That same year, the U.S. and Mexico promised to work on ways to jointly address shortages. After a slow start to the bilateral discussions, the negotiations gained a sense of urgency for Mexico in 2010 after a magnitude-7.2 earthquake damaged the *Reforma* and *Nueva Delta* canal irrigation system affecting approximately 60,000 hectares (has) of cropland in the Mexicali Valley. It is important to note that the Mexicali Valley is a highly productive agricultural area with a focus on wheat and cotton production. In the 2011/12 fall/winter crop cycle, this valley produced approximately 15 percent of Mexico's total wheat production - mainly under irrigation. Cotton production in the Mexicali Valley in marketing year 2012/13 is expected to produce roughly 290,000 bales - roughly 25 percent of total Mexican cotton production.

For More information:
FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx , equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.