

# STATE OF COLORADO

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## Colorado Water Conservation Board Department of Natural Resources

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TO: CWCB Board Members

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CWCB Director

DATE: July 6, 2012

SUBJECT: **Agenda Item #26, July 17-18, 2012 Board Meeting**  
**Water Supply Planning - 2011 Colorado Drought Agriculture Economic Impact Study**

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**Staff Recommendation:** *This is an informational item only. No Board action is required.*

### Background:

The objective of this study was to develop a better understanding of the immediate and longer term economic and social impacts associated with the 2011 drought. This study was conducted in partnership with the Colorado Department of Agriculture.

Impacts of drought extend far beyond the immediate losses in revenue associated with reduced output levels. Estimates of drought impacts which only consider the direct, indirect, and induced production losses provide an incomplete, and potentially understated, picture of the true impacts. Despite this, few studies exist which provide insight into the impacts of drought beyond those associated with the immediate production impacts. The goal with this study was to close this gap; using a combination of existing regional economic models and survey work to develop a more complete view of the impacts associated with the current drought.

The analysis was conducted in two phases: Phase One using regional economic models to develop estimates of the short-term economic impacts; Phase Two used surveys to collect data that were used to generate a better understanding of the longer term impacts of the drought.

Dr. Christopher Goemans of the Department of Agricultural and Resource Economics at CSU will present results on the study.