

# Irrigation Association Framework for Economic Recovery

Version 1.0

Like many other industries throughout the United States, the irrigation industry is significantly impacted by the COVID-19 global health pandemic and economic effects. The policy proposals below signify a commitment of the irrigation industry to promote jobs, economic growth, water conservation, and food supply reliability and security.

## **Economics of the Irrigation Industry**

To realize the potential for an economic recovery, we need to fully understand the economic impact of the United States irrigation industry. The Irrigation Association has entered into an agreement with the Irrigation Innovation Consortium to conduct an economic impact study of the irrigation industry. Due for release by early 2021, this economic impact study will

- document irrigation's direct and indirect contributions to output, earnings and employment.
- provide insight into critical variables for business planning.
- further irrigation technology development on all industry fronts.

The irrigation industry plays a critical role in the recovery of the U.S. economy, while ensuring a safe and reliable food supply and protecting the investments in our nation's green spaces.

## **Policy Recommendations of the Irrigation Association**

### **Business Liability**

Congress should limit lawsuits in state and federal courts claiming damages for COVID-19 exposure in the workplace to only those based on claims that companies had actual knowledge that the person would be exposed to COVID-19.

### **Ensure American Manufacturers Have Access to Manufacturing Materials**

The irrigation industry, comprising of manufacturers, dealers, distributors, consultants, designers and contractors servicing water use in agriculture, turf, landscape, golf and sports turf irrigation, depends greatly on U.S. manufacturing. From California to Nebraska to Florida, our manufacturers' goods are used globally, ensuring farmers and property managers have the latest technologies available to manage water efficiently. The United States continues to be a global leader in irrigation technology development; however, our manufacturing operations in America will suffer significant negative impacts with the implementation of harmful trade policy on goods and materials.

**Promote Free and Fair Trade That Benefits U.S. Manufacturers.** The United States cannot afford to start any trade wars with our long-standing trading partners. We must support U.S. manufacturing through fair and open trade. Trade policy should reflect the diverse manufacturing operations that make up the irrigation industry. Irrigation manufacturers rely on various materials, such as steel, to manufacture products in the United States. Fair and open trade for manufacturing materials and our agricultural products are necessary to keep the United States a global leader in irrigation technology innovation.

### **Access to Broadband**

The irrigation industry's technologies are working off of an outdated broadband network. In order for our economy and our industry to recover, significant broadband access upgrades are needed. More and more irrigation and water management technologies are reliant on reliable and robust broadband. Our new economy (urban, suburban and rural) needs a reliable nationwide broadband network.

### **Strength of Working Together**

For more than 70 years, the Irrigation Association has promoted efficient irrigation through education. Never before has our industry's trade association faced a challenge like COVID-19. The irrigation industry requests that 501(c)6 organizations be afforded the same relief programs, such as the Paycheck Protection Program, that are provided to small businesses of similar size. This supports the entire network of professional and trade organizations throughout the country that provide education and business intelligence, ensuring our companies and workforces continue to serve our society through innovation and best management practices.

### **Agricultural Irrigation**

Listed as a part of our nation's critical infrastructure by the U.S. Department of Homeland Security, agriculture, including agricultural irrigation, and our nation's food supply are not immune to the effects of the COVID-19 pandemic, including the economic impact of the various stay-at-home orders throughout the United States. In fact, more than 50% of our nation's fresh produce is consumed in a non-home setting, in venues such as restaurants, hotels, resorts and schools. This disruption, along with similar ones in the livestock industry, has led to a complete collapse of the food service sector. Americans need reliable access to fresh fruit, vegetables and proteins. Congress needs to not only invest in immediately assisting farmers to ensure our crops are not wasted, but also address the inefficiencies throughout agricultural production.

### **Immediate Assistance to Farmers**

- Financing – Access to capital continues to be a challenge for farmers and small agribusinesses alike. In an industry where margins are thin, access to capital to ensure the continuity of business, let alone for investment in water-saving/yield-enhancing technologies, is necessary for American agriculture to remain globally competitive. More opportunities need to be made available to allow farmers, and those working directly with farmers, access to this much-needed capital.

- Existing conservation programs – Programs like the Environmental Quality Incentives Program have been very beneficial to farmers and the environment alike. However, it's now time to update these programs to allow capital to be accessed at the appropriate times that make sense for irrigation, while recognizing the benefits of productivity, along with environmental enhancements. These changes ensure that once our economy is ready, our farmers will be too, especially those facing the potential of drought.
- Tax incentives – Farmers who invest in efficient and precision technologies (drip-micro, precision sprinkler, cloud-based controllers, etc.), should be afforded tax incentives, similar to those enjoyed by other taxpayers who invest in energy-saving technologies.

### **Investment in Aging Water Infrastructure**

Our nation is facing an aging water infrastructure. End-use technologies, such as precision sprinklers on center pivot machines, drip-micro irrigation and cloud-based controllers are being used all across the United States, but our infrastructure, including storage and conveyance, is failing regularly. In California's Friant Kern canal alone, we are seeing a 40%-50% diminished capacity. In other water systems, such as the California Aqueduct and the San Luis and Delta-Mendota canals, we also seeing significant diminished capacities. This reality truly limits the opportunities to grow a safe and reliable food supply, while providing safe and reliable drinking water.

- Increase storage – Our nation needs new water storage, both surface water and groundwater, in order to adapt to a changing hydrology and develop usable and sustainable supplies to meet growing demands for water. These solutions need the leadership of the federal government, but they need to be driven locally.
- Reuse — The United States has yet to truly realize the potential of water recycling, reuse and desalination. The EPA's Water Reuse Action Plan (<https://www.epa.gov/waterreuse/water-reuse-action-plan>) has many beneficial programs and solutions that were developed with significant stakeholder input, including the Irrigation Association.

### **Increase Markets for Agricultural Commodities**

The Irrigation Association stands with U.S. farmers and ranchers in advocating for eliminating trade barriers for agricultural products. While the economic impacts of COVID-19 have disrupted the domestic supply chain, our various trade policies were impacting sales well before the pandemic hit the United States. These markets need to open and remain open to keep American agriculture sustainable.

### **Turf & Landscape Irrigation**

Also recognized as a part of U.S. critical infrastructure by the U.S. Department of Homeland Security, landscaping, including turf and landscape irrigation, is significantly impacted by the economic fallout of the COVID-19 pandemic. As many of our customers are not able to open their doors for their customers (hotels, resorts, etc.), future business, including the construction of new irrigation systems and retrofitting old irrigation technologies, are expected to significantly decrease. Coupled with this challenge is the fact that urban water providers will also have limited resources to encourage and incentivize the use of efficient irrigation technologies designed to conserve our nation's drinking water resources.

### **Conservation Programs**

Congress should direct funding to U.S. water providers to encourage the use of efficient irrigation technologies. Retrofitting existing irrigation systems and technologies is an often-missed opportunity that immediately saves water, while actually enhancing the quality of the landscape plant material. This investment creates business opportunities for irrigation contractors, while saving water for the customer.

### **Invest in Rebuilding America**

The economic potential of the turf and landscape irrigation industry will not be fully realized until public infrastructure, along with commercial and residential construction, resumes to pre-pandemic levels. Congress should invest in programs that create jobs and promote economic growth through public infrastructure, commercial construction and residential construction.

### **WaterSense Program**

Congress should properly fund the WaterSense program. Formed in 2006 and authorized by Congress in 2018, the EPA's WaterSense program is a voluntary market-enhancing program for water efficient technologies, including irrigation. Currently, WaterSense labels two technologies, with one in the pipeline, along with several IA certifications for landscape irrigation professionals. Since its creation, the WaterSense program has not received any direct funding from Congress, significantly limiting its ability to reach its full market potential for the latest in irrigation technologies.

The Irrigation Association stands with our nation's manufacturers, contractors, distributors, small businesses and agricultural sectors in rebuilding our economy at a pace consistent with protecting public health. This framework serves as a beginning of what will be a long road for our industry and our nation ahead.