Draft Recommendation on Agricultural Water Conservation

For the WCAC Report to the 89th Legislature

**Continue funding for Agricultural Water Conservation Grant and Loan Program**

**The Council recommends that the Texas Legislature replenish funding in the Agricultural Water Conservation Fund sufficient to support the TWDB’s grant and loan program for the next ten years, including continued grant funding at or above the current level of $1,500,000 per year.**

The Agricultural Water Conservation Fund, created by the 69th Texas Legislature, serves as the source of funding for annual allocations from the TWDB’s Agricultural Water Conservation Grant and Loan Program. The program supports the implementation of strategies and practices that improve agricultural irrigation water use efficiency. In addition to demonstration and education projects, the program has funded irrigation equipment upgrades, metering devices, and construction projects that improve infrastructure, equipment, and efficiency of irrigation delivery.

The 88th Texas Legislature increased the annual amount of grant funding that can be allocated through the fund from $1,200,000 to $1,500,000 and provided one additional FTE to administer the program. However, the balance in the Agricultural Water Conservation Fund (Fund No. 358) has been drawn down to the point that it will soon be depleted. In Fiscal Year 2025, the remaining balance is estimated to fund just under $1,500,000 in grants, with no allotment for loans. Funding of less than $500,000 in grants is estimated to be available in Fiscal Year 2026, again with no funding available for loans.

Without these funds, irrigation districts, groundwater conservation districts, and agricultural producers will not have access to cost-effective funding or training to support adoption of new irrigation technology and practices through the State. Texas irrigators will have to find alternative sources of funding for their conservation efforts, and there may be a reduction in adoption of irrigation water management strategies and technologies, which are an important component of the state water plan.

According to the 2022 State Water Plan, irrigation accounts for 53 percent of Texas’ water demand in 2020, declining to 39 percent of demand by 2070 due to more efficient irrigation systems and reduced available groundwater supplies (TWDB, 2021). Livestock accounts for about two percent of Texas’ total water demand both in 2020 and 2070. As the largest water user, agricultural irrigation presents the state’s best opportunity to achieve significant water use savings through conservation. Agricultural water conservation represented 31 percent of the state’s water management strategies in 2020.

The state’s population growth and the continuing loss of agricultural land due to urban expansion will require agricultural producers to grow more food using less water and less land, and these changes can only be achieved through water conservation and greater irrigation efficiency.

For 39 years, the Agricultural Water Conservation Fund has provided a vital source of funding for agricultural research, demonstration projects, technology improvements, and educational programs to conserve water by increasing agricultural water use efficiency and promoting adoption of Best Management Practices (BMPs). Legislative action to replenish the Agricultural Water Conservation Fund is an investment that will help ensure Texas has adequate future water supplies for agricultural production and to serve the needs of the state’s rapidly growing population.

A diagram of water conservation

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