



Economic Impacts of Agriculture Water Management in Saskatchewan

Q: Is the current AG Water Management Policy and Drainage Application / Registration Process working? What are the economic implications to Saskatchewan?

ECONOMIC IMPACT OF RESPONSIBLE AG WATER MANAGEMENT:

WSA estimates there are 150,000 quarters with unregistered drainage projects in Saskatchewan.

Effective water management will produce an average return of \$85 / ac¹ more revenue than unmanaged land

Based on a field size of 150 productive ac / quarter x \$85 / ac = \$12,750

= \$12,750 / QUARTER X 150,000 QUARTERS

= **\$1.91 B ANNUALLY MAINTAINED THROUGH RESPONSIBLE WATER MANAGEMENT**

SK GOVERNMENT 4X MULTIPLIER FOR AGRICULTURE =
\$7.65 B or 12.6% ANNUAL CONTRIBUTION to the SK Economy²

ECONOMIC IMPACT OF DRAINAGE CLOSURES:

WSA estimates there are 150,000 quarters with unregistered drainage projects in Saskatchewan.

If the policy and application process are not working and ditch closures were ordered on the 150,000 quarters, conservative estimates are that 25% of this land would be back flooded / taken out of production:

Productive quarter = 150 acres (ac) average at a loss of 25% = 37.5 ac

Average input costs invested per acre = \$300 / ac

Average profit per acre loss = \$150 / ac

= \$450 ac X 37.5 ac = \$16,875 LOSS per quarter

Land values / assessments will drop and reduce municipal taxes by another \$250

= TOTAL LOSS OF \$17,125 / QUARTER

= **\$17,125 X 150,000 QUARTERS = \$2,568,750,000 LOSS FROM DRAINAGE CLOSURES**

SK GOVERNMENT 4X MULTIPLIER FOR AGRICULTURE =
\$10.275 B or 16.9% ANNUAL LOSS to the SK Economy²

Q: How will this affect you? Want to know more?

Saskatchewan Farm Stewardship Association (SaskFSA) is a progressive group of AG landowners who value Saskatchewan's land and water resources. We advocate for responsible management of those resources and lead discussions around driving practical policy change. We represent SK farmers, over 1.5 M acres of membership, and it is our mission to:

- Work with government and regulatory agencies to create win-win land and water policy that is easy to understand and that benefits farmers and the environment
- Develop and communicate a cost / benefit analysis that demonstrates the importance of proper land & water management practices to the economy of SK
- Engage, develop, and maintain positive relationships with all stakeholders interested in land and water management

¹ Economic Impact of Water Management, SaskFSA 2016, http://www.saskfsa.ca/wp-content/uploads/2016/12/Economic-Impact-of-Water-Mgmt_NOV2016.pdf

² 2017 GDP of Saskatchewan Source: <https://dashboard.saskatchewan.ca/business-economy/key-economic-indicators/gross-domestic-product>