

# FARMERS INVESTMENT CO.

P.O. BOX 7 SAHUARITA, ARIZONA 85629-0007 U.S.A.

FARMING AND FARM MANAGEMENT:  
SANTA CRUZ VALLEY FARM, ARIZONA  
SAN SIMON, ARIZONA  
BLUE THREE GROVES, GEORGIA



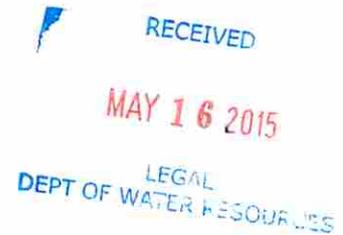
PROCESSING AND MARKETING:  
THE GREEN VALLEY PECAN COMPANY  
THE PECAN STORE  
GREEN VALLEY PECANS

EST. 1937

RICHARD S. WALDEN  
PRESIDENT, & CEO

May 14, 2015

Arizona Department of Water Resources  
Attn: Sharon Scantlebury, Docket Supervisor  
3550 North Central Avenue  
Phoenix, AZ 85012



Re: Proposed Irrigation Non-Expansion Area: San Simon Valley Sub-Basin

To whom it concerns:

Farmers Investment Co. (FICO) submits these comments concerning the proposal to establish the San Simon Valley sub-basin as an Irrigation Non-Expansion Area (INA). FICO is a family farm with operations located in the Santa Cruz River Valley south of Tucson and the San Simon Valley. FICO is a leading grower and processor of pecans with approximately 260 full-time employees and 50 seasonal employees, many of whom are second and third generation employees with the company.

In San Simon, FICO has over 3,000 acres in production, and 23 employees. Our entire San Simon farm consists of the highest water efficient micro sprayer irrigation system. Over 90% of this farmland has historically been in production and our water use per acre is less than previous crops planted on that land such as alfalfa or peppers.

Like most farmers, FICO's livelihood depends on being good stewards of the land and its resources. FICO employs the best available technologies such as laser leveling, GPS-guided tractors, and uses efficient sprinkler irrigation on its trees to conserve water. FICO continues to work with key regional stakeholders on a myriad of water resources issues facing all users.

In 2001 in the Santa Cruz Valley, FICO voluntarily applied to the Arizona Department of Water Resources (ADWR) to have its farm designated as a Groundwater Savings Facility (GSF). The GSF enables our farm to use renewable Central Arizona Project (CAP) water in lieu of pumping groundwater. FICO is in the late stages of engineering a pipeline that would connect to existing

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CAP infrastructure to deliver this water to the FICO GSF.

We support the designation of the San Simon Valley as an Irrigation Non-Expansion area (INA).

The issue is very simple in our view. Our groundwater is among our most valuable natural resources. The water we use today will take many lifetimes to replace. If we continue adding new irrigated acreage, groundwater supplies to all users in the area will be depleted.

Our high-quality groundwater makes the land in this area attractive to new out-of-state farming interests that are acquiring fallow farms and raw desert land to convert into newly irrigated acreage. The pumping to support this new farmland depletes the groundwater available to existing farms and residents.

As a result, existing farmers in the San Simon Valley have petitioned the Arizona Department of Water Resources to designate our basin as an Irrigation Non-Expansion Area. This was done to protect the significant investment from the depletion of the non-renewable groundwater supplies. Without ample future supplies of groundwater in southeastern Arizona, the investments we and other farmers have made in our lands will become worthless.

Groundwater depletion also impacts property owners that do not irrigate crops. As the water table drops, it becomes more costly to dig deeper wells, and property values will be impacted.

The INA designation simply limits irrigation to existing farms and prohibits the irrigation of new acres. It does not impact residential water wells. One must note; limiting irrigation expansion is not a new concept. Arizona water law currently prohibits new irrigated farmland in all the AMA's; Maricopa, Pima, Pinal, Prescott, and Santa Cruz.

We have made a major investment in our farm to make it productive. As a result, we and the other farms significantly contribute to the area's economy. Without the INA, these out-of-state interests can pump our groundwater dry.

ADWR must designate the San Simon Valley as an Irrigation Non-Expansion Area to protect the water supplies for the benefit of all existing farms and all future landowners.

Thank you for your consideration.

Sincerely,