

Water Transfers in the West:

Trends Over the Last 22 Years of Water Rights Trading



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Innovative Policy Workshop

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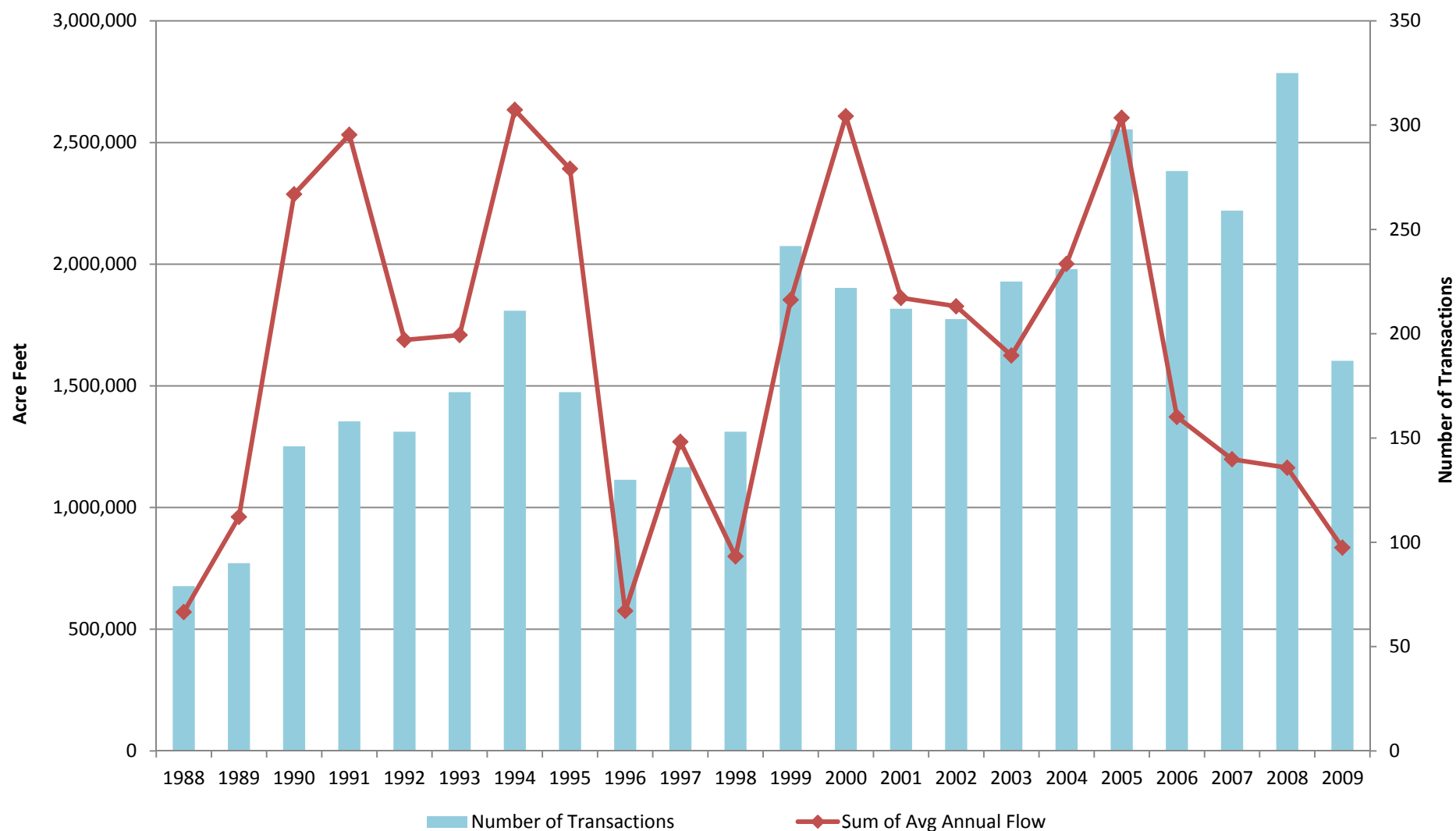


Data Source

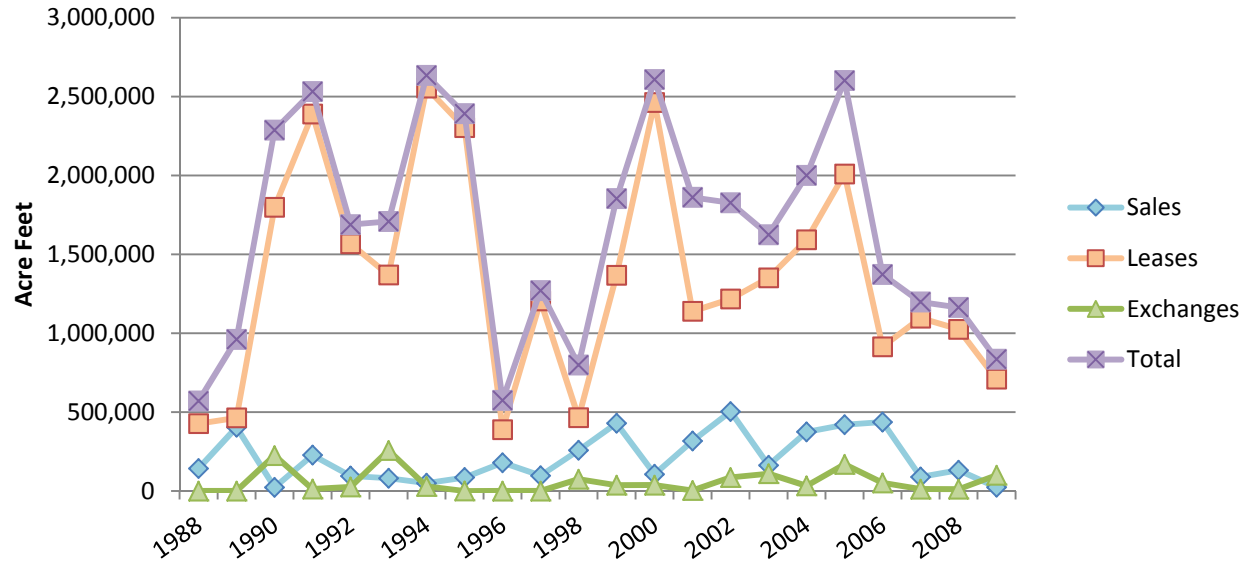
- UC Santa Barbara's Bren School
- Collected from the *Water Strategist*
- Includes 12 WGA member states



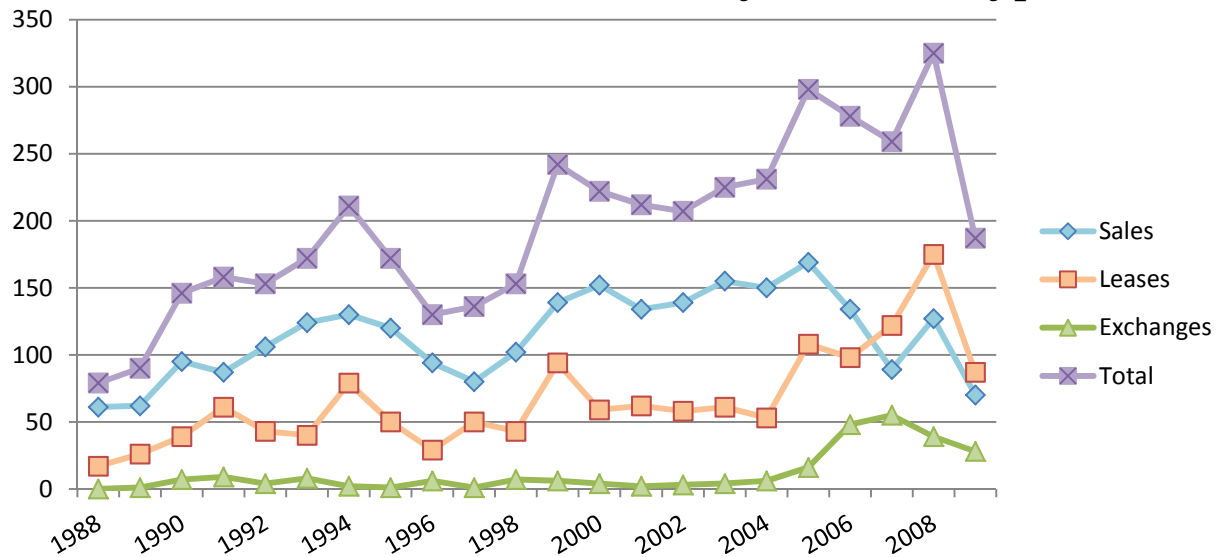
Water Transfers in the West: Total Transactions and Acre Feet Traded



Volume of Water Transferred by Contract Type

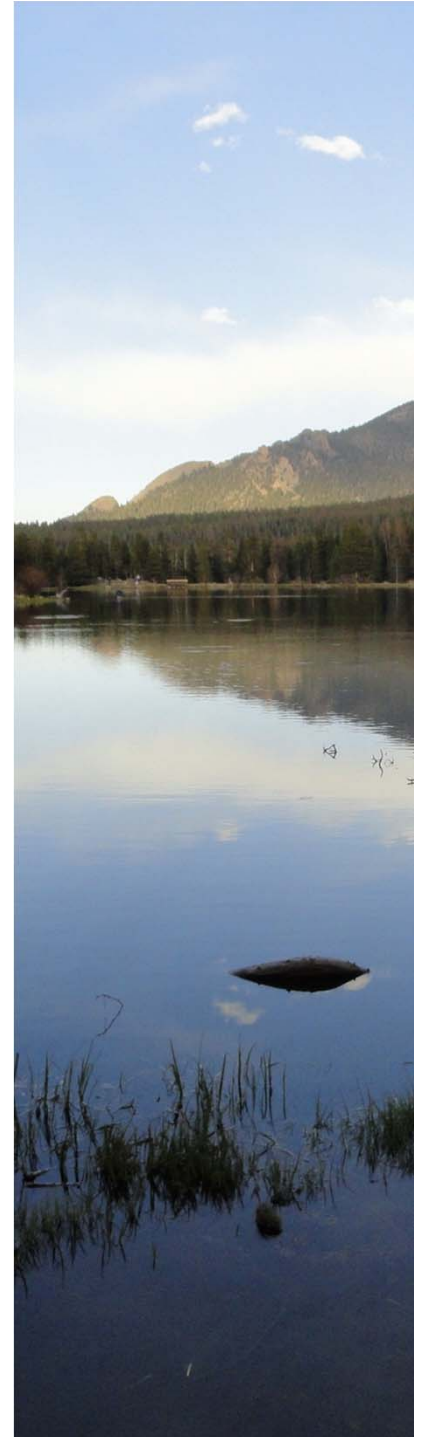


Number of Water Transfers by Contract Type



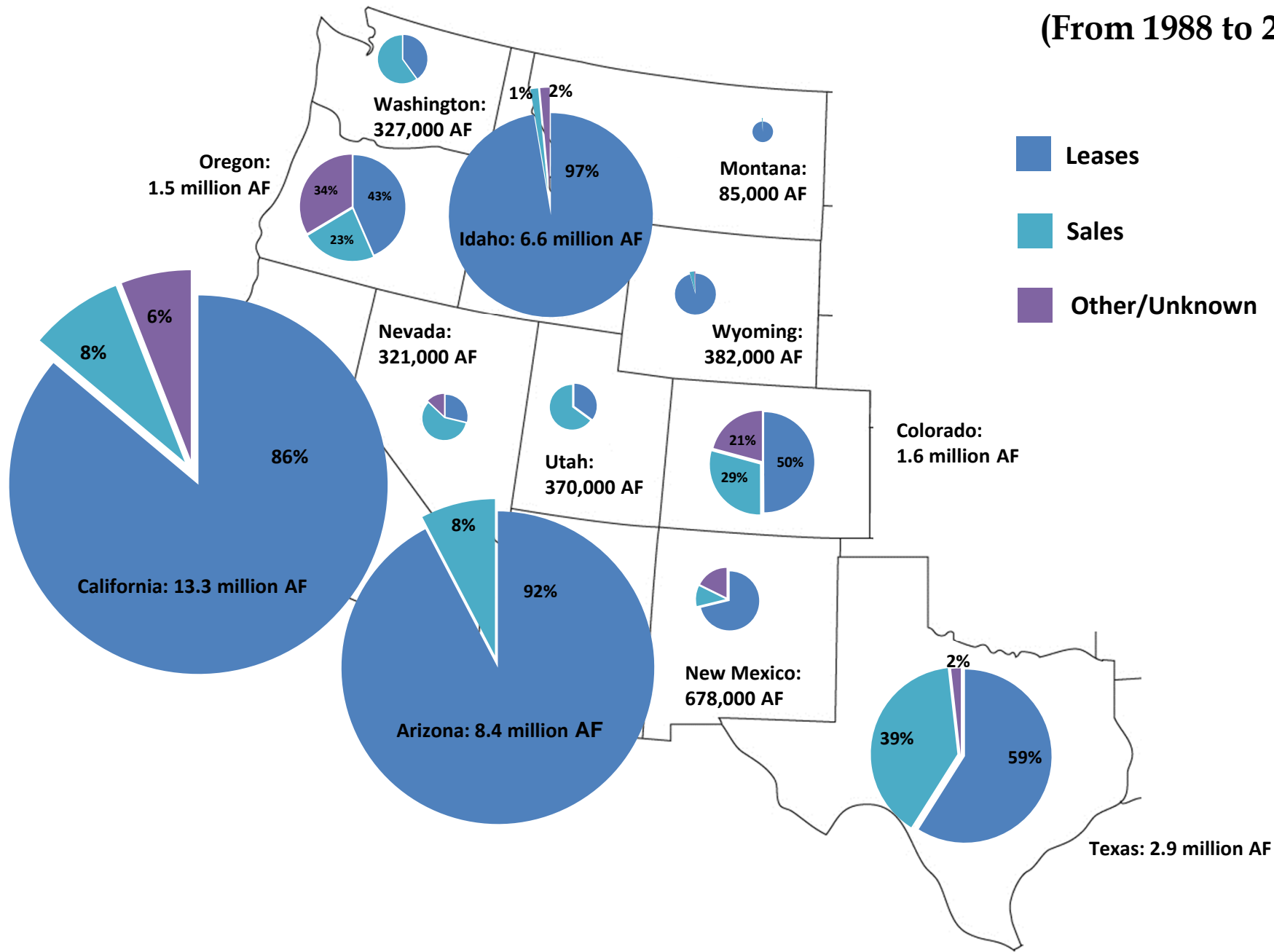
Thus far...

- The number of transfer transactions has trended up in recent years, but the volume of water traded has stayed in roughly the same range.
- Transfers make up about 2% of the surface water withdrawals for the study area.
- More volume is traded through leases, but sales have traditionally been the most common transaction type.

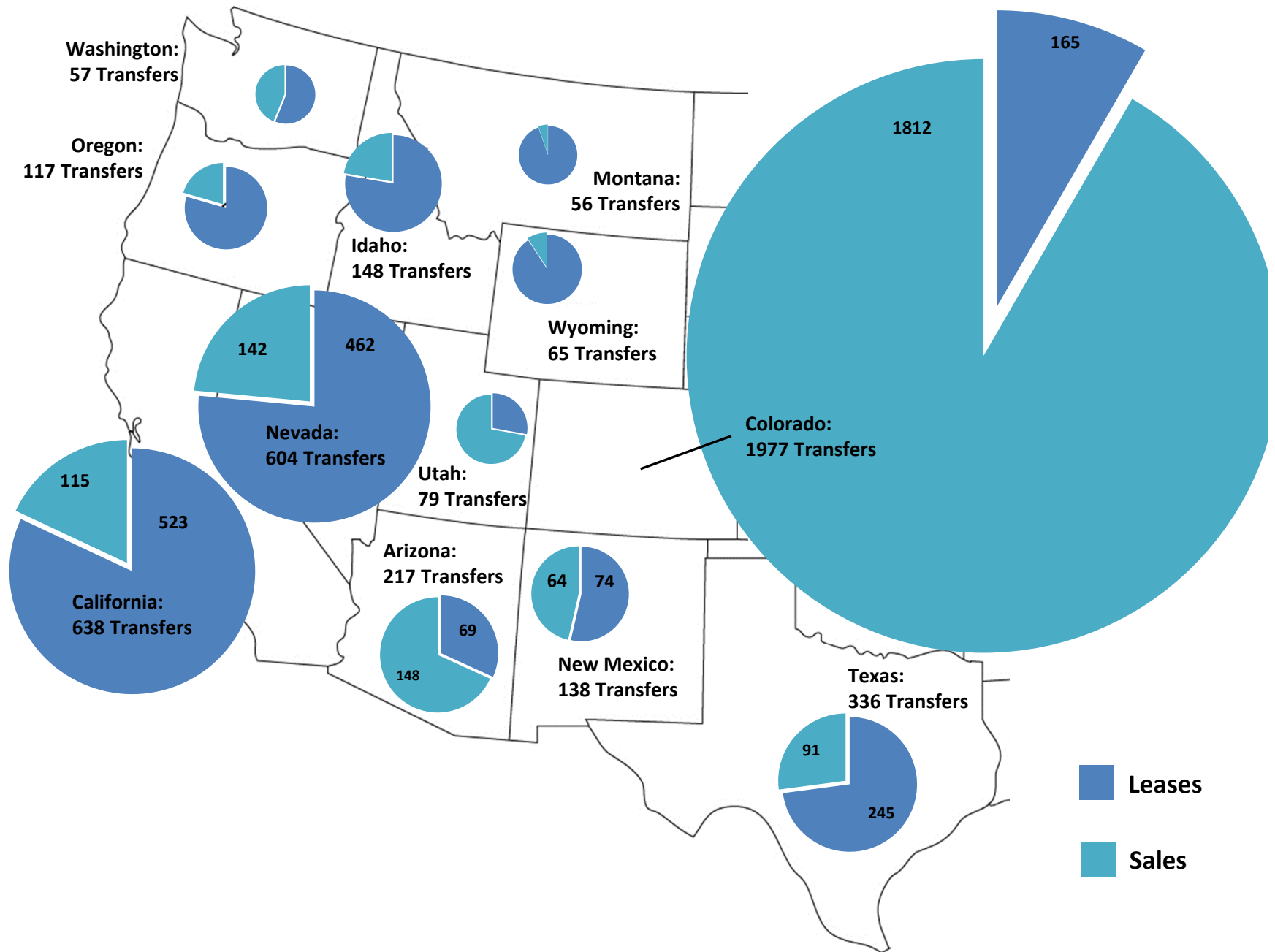


Water Transfers by State: Type of Transaction and Total Volume Traded

(From 1988 to 2009)

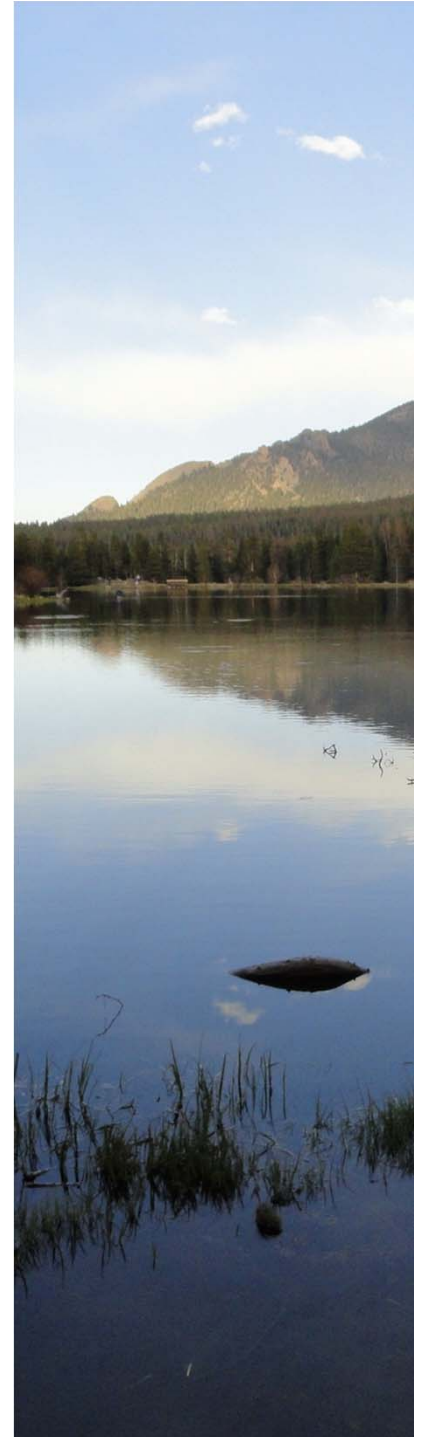


Water Transfers by State: Total Transactions (From 1988 to 2009)

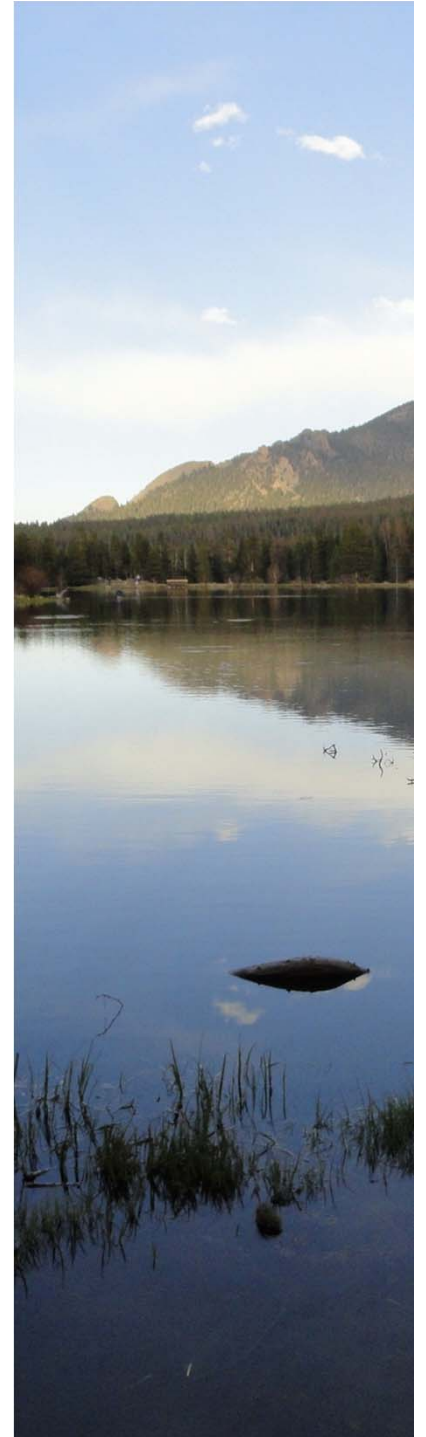


Thus far...

- In terms of volume, California is the biggest player by far, followed by Arizona and Idaho. Most of the transfer transactions occur through leases.
- By the number of transactions, however, Colorado dominates the transfer field. Most of Colorado's transfers occur through sales, many in the C-BT; leases prevail in most other states.



We have seen how water is transferred and where water is transferred. Now, we will examine who transfers water.



Sales

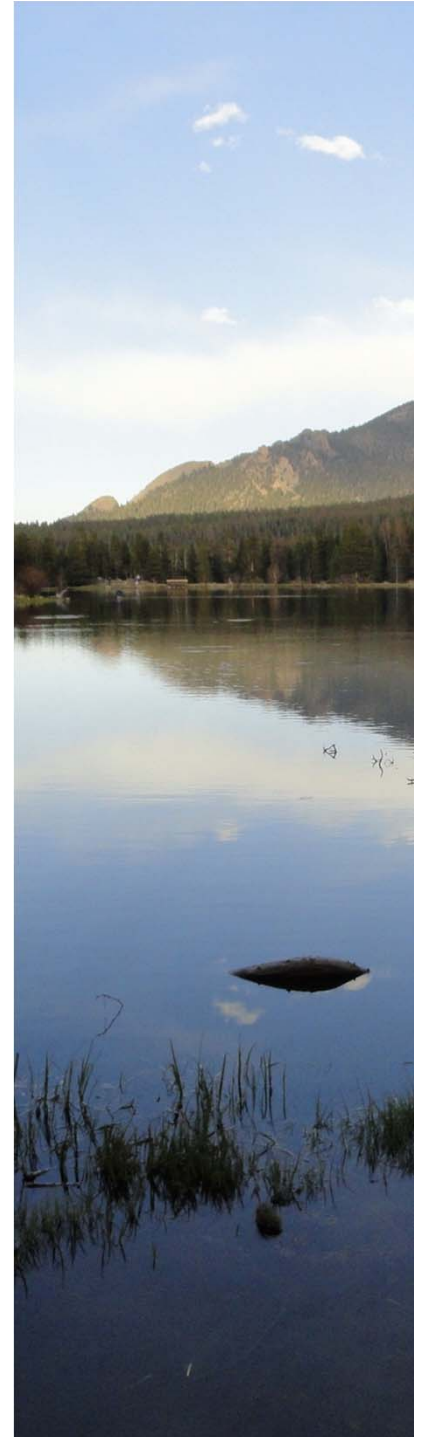
In Four Categories:

Ag-to-Ag

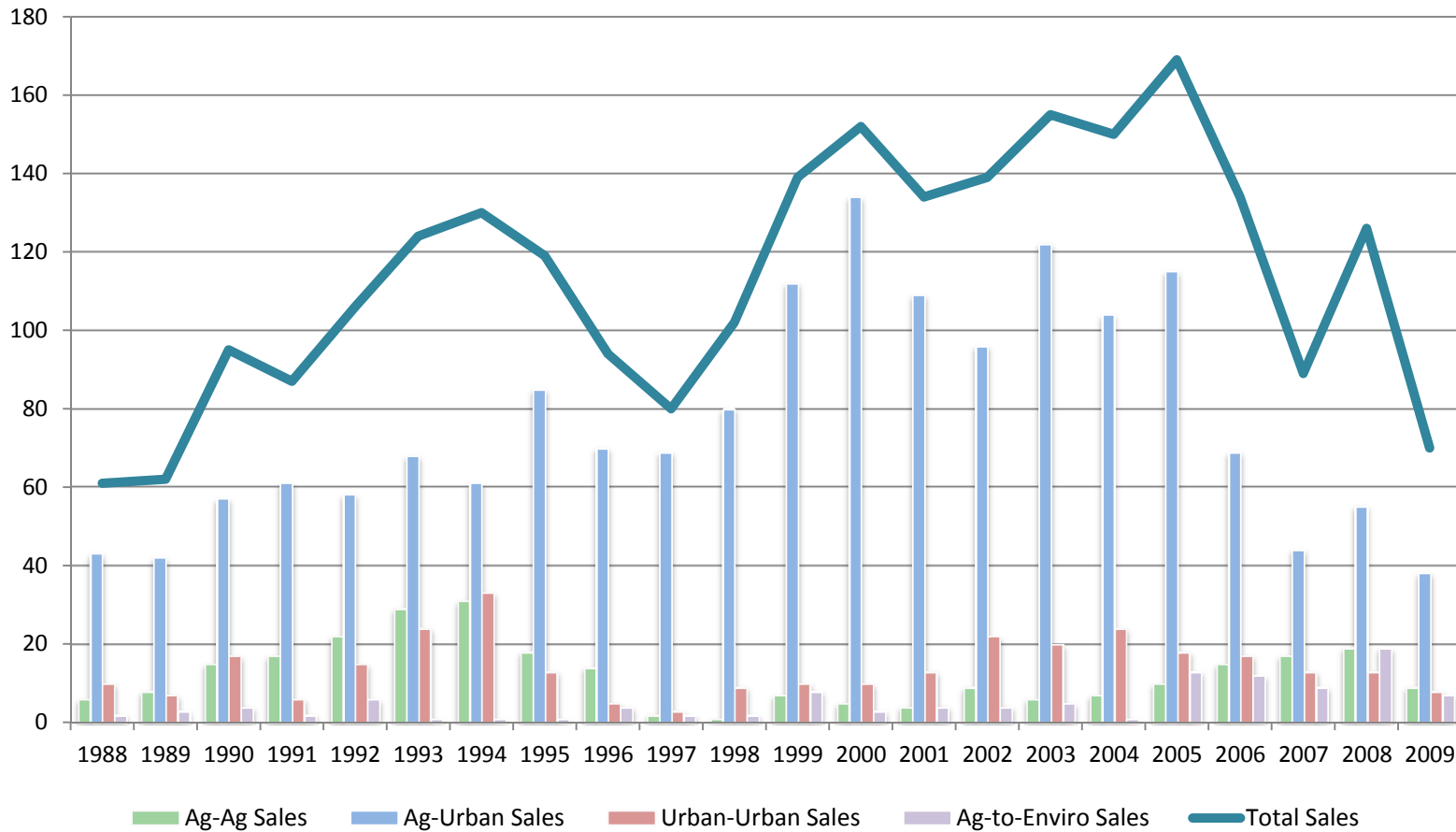
Ag-to-Urban

Urban-to-Urban

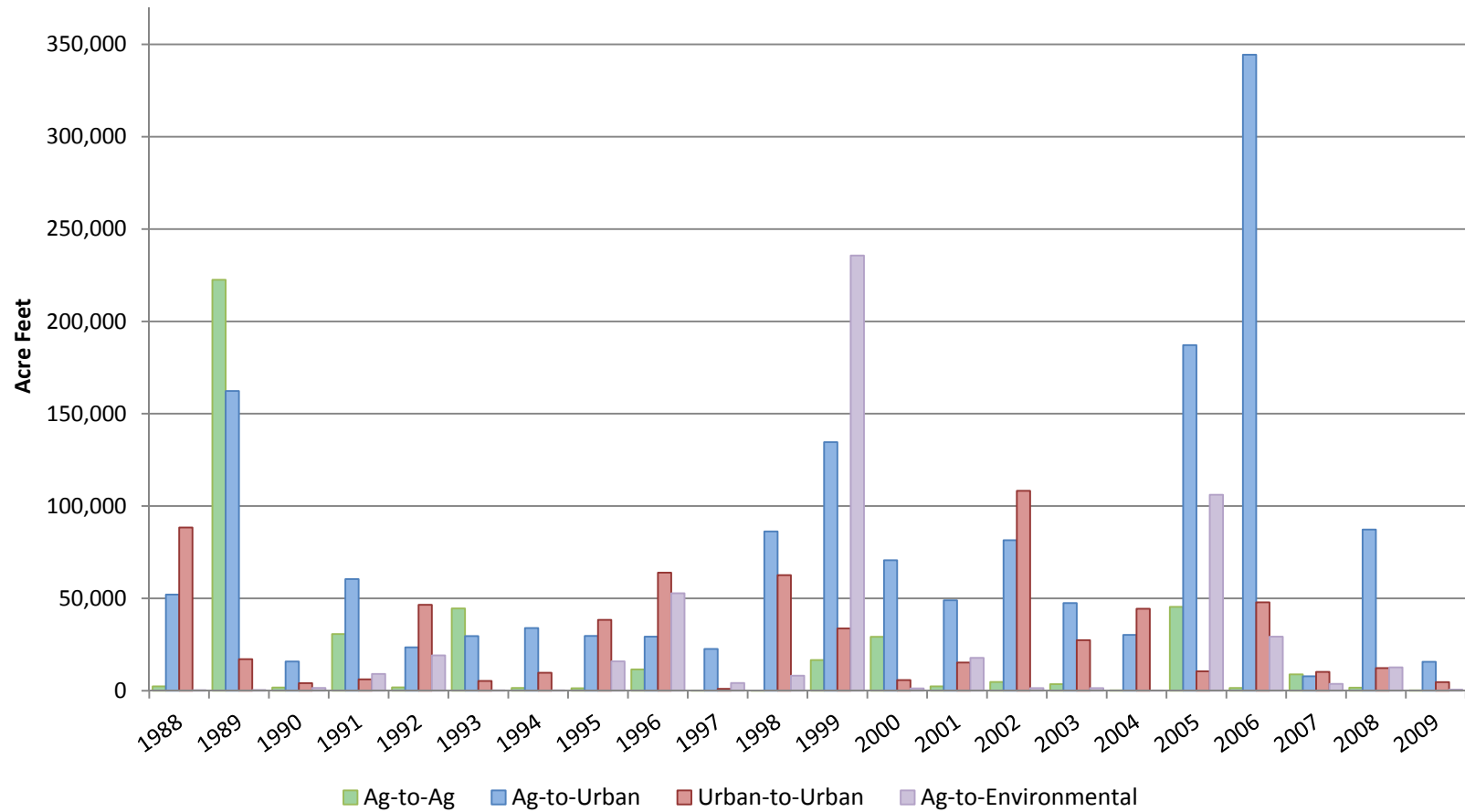
Ag-to-Environmental



Number of Water Sales by Transaction Type

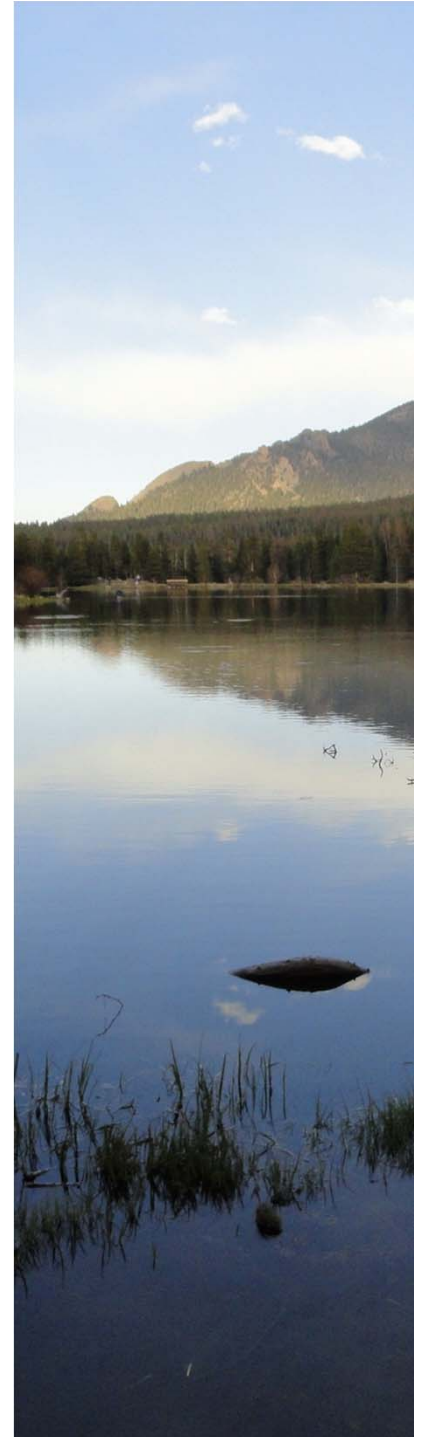


Total Volume Sold: **Ag-to-Ag, Ag-to-Urban, Urban-to-Urban, and Ag-to-Environmental**



Thus far...

- Ag-to-urban transfers are the most common type of sale (but recall that the C-BT has a disproportionate influence on sales data).
- No clear trend is evident in the data regarding the volume of water sold.



Leases

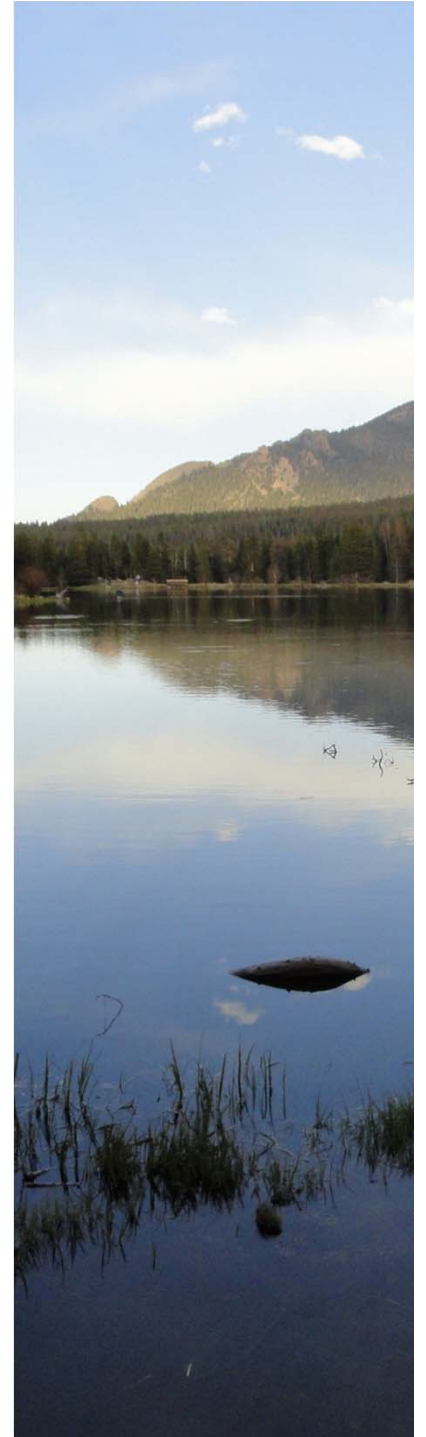
Again, in Four Categories:

Ag-to-Ag

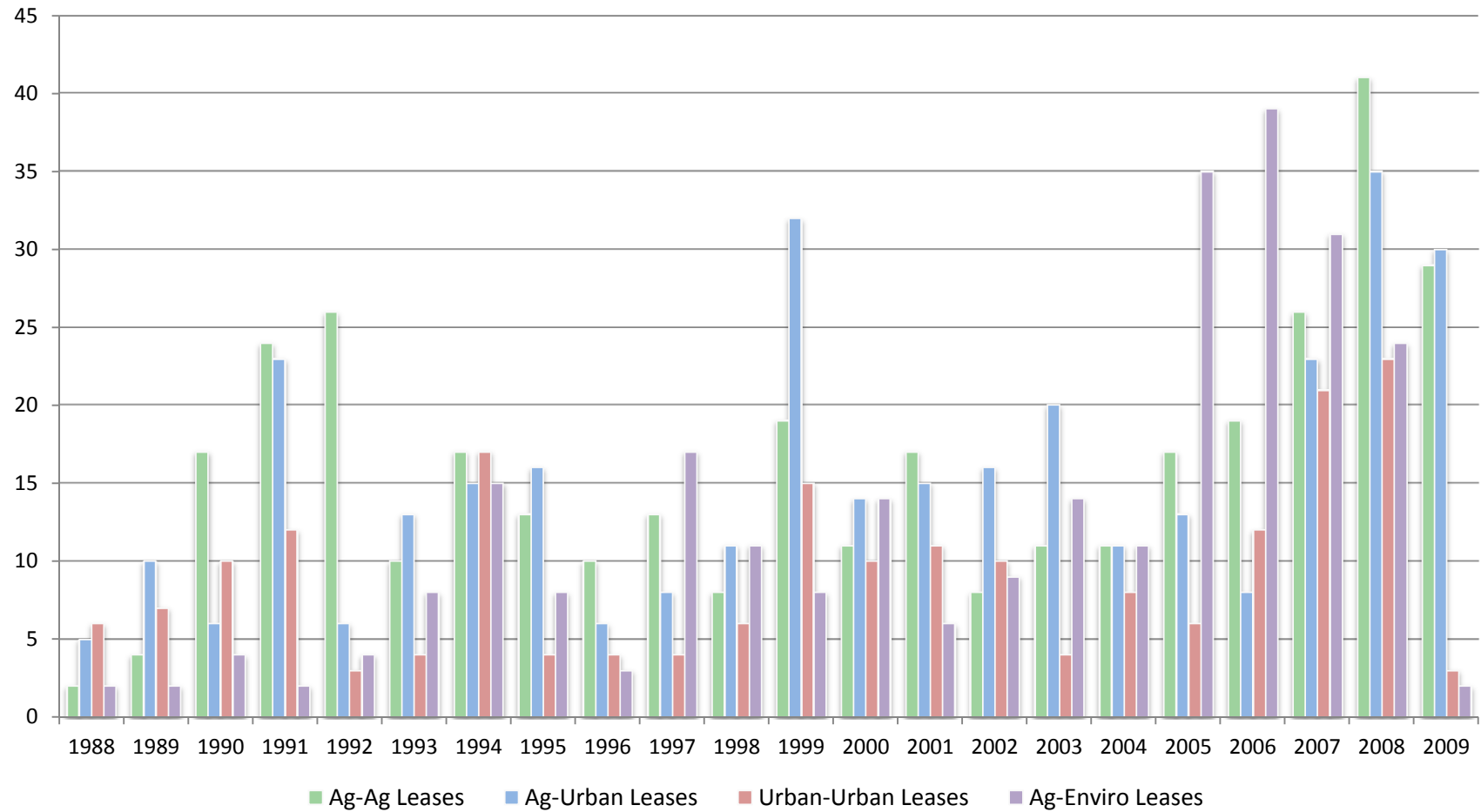
Ag-to-Urban

Urban-to-Urban

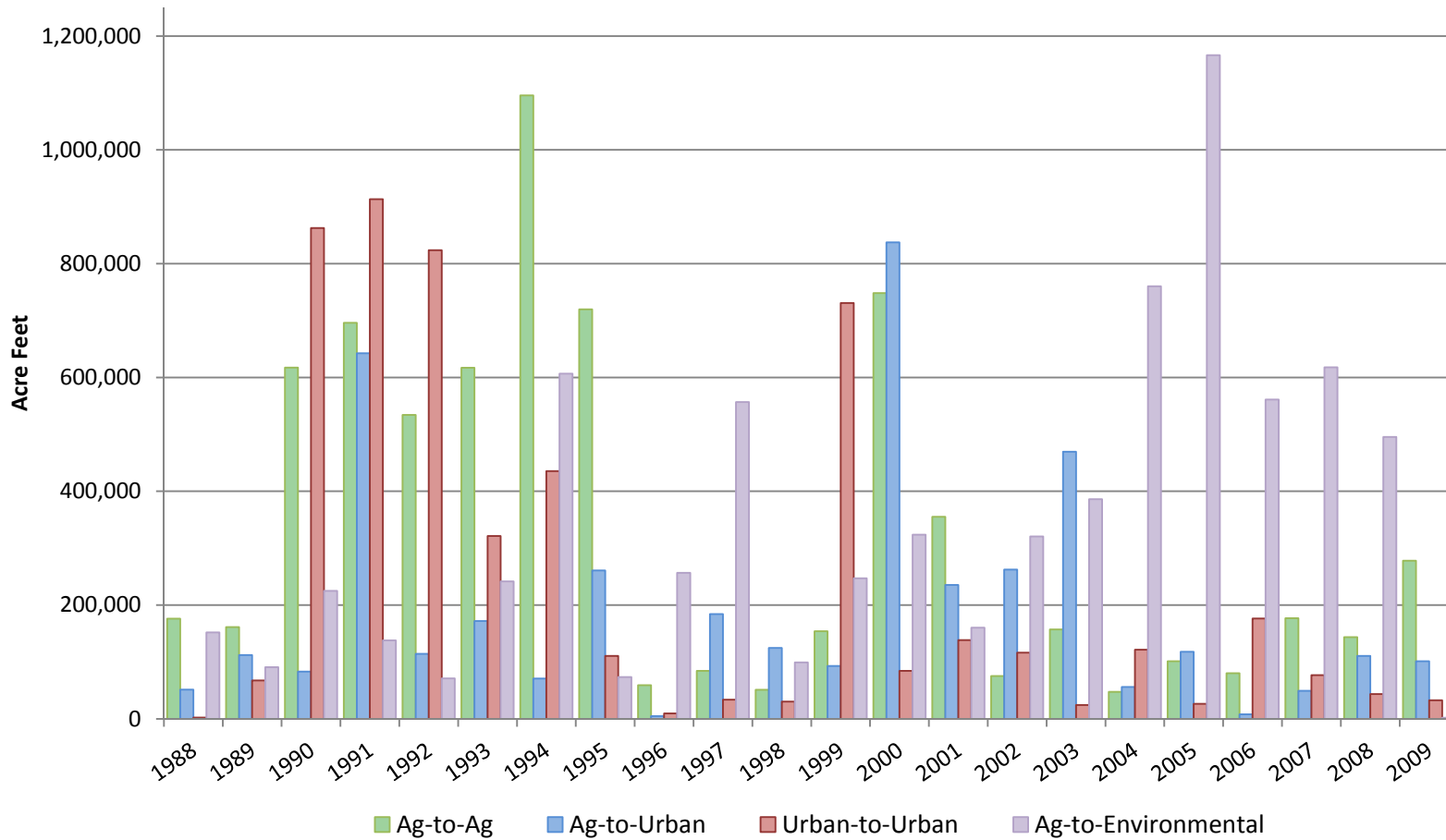
Ag-to-Environmental



Number of Water Leases by Transaction Type

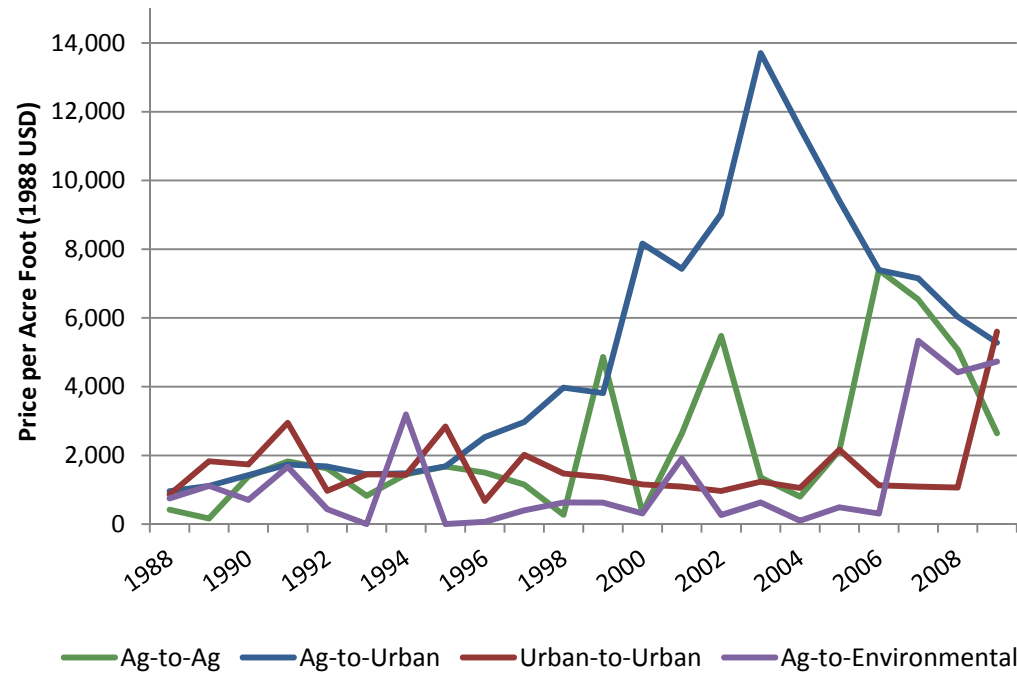


Volume Transferred via Lease: **Ag-to-Ag, Ag-to-Urban, Urban-to-Urban, and Ag-to Environmental**

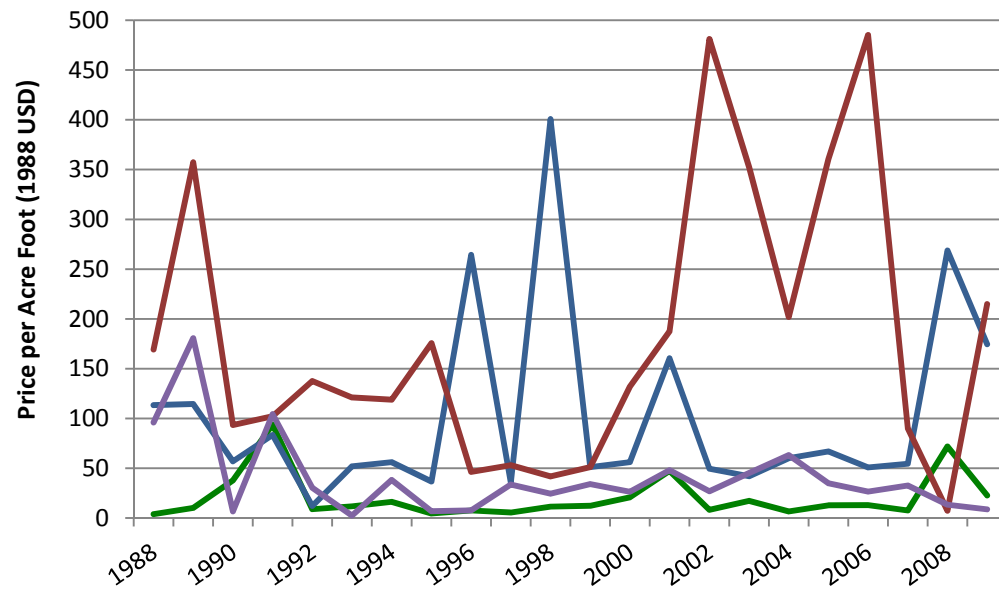


Median Price per Acre Foot: Ag-to-Ag, Ag-to-Urban, Urban-to- Urban, and Ag-to-Environmental

Sales

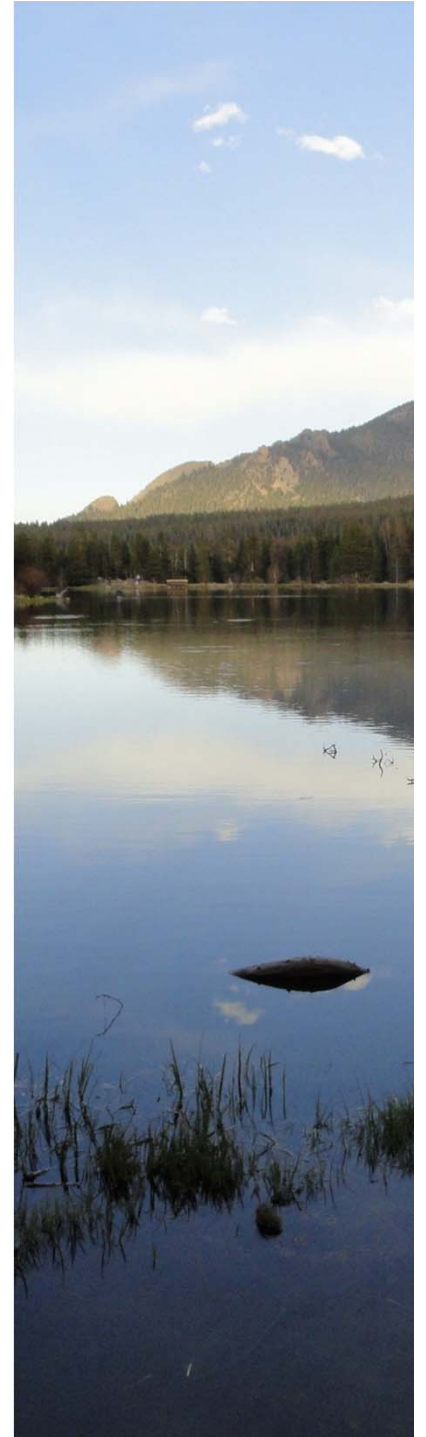


Leases



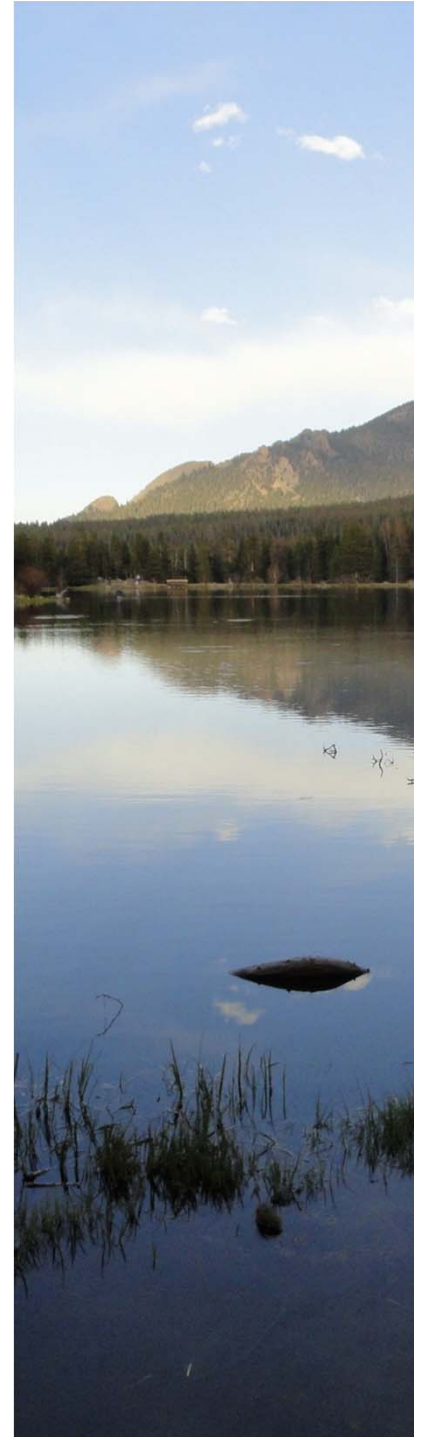
Thus far...

- The number of water leases has increased in recent years, particularly in the Ag-to-Environmental category.
- Urban-to-Urban and Ag-to-Ag transactions once transferred the volume of water, but more recently Ag-to-Environmental transfers have led in volume traded.
- Urban buyers are more frequently subject to high prices and price shocks than ag or environmental users.



Summary

- Water transfers occur across the West and are becoming more frequent.
- The large volumes of water traded through leases indicate that policy on lease transfers could be particularly influential.
- Ag-to-Urban transactions are the most common types of sales; Ag-to-Environmental leases are increasing in frequency and volume.



Research Questions

- How can we address limitations in the current data and obtain newer, stronger data in the future?
- What trends in drought, fire, or regulatory requirements have influenced transfers? How have economics and demographics shaped the trends we have seen?
- What policies help or hinder transfer markets?

