# East Suffolk Water Abstractors Group and Norfolk Environment Food and Farming

## The value of water for food production to the local and national economy

Agriculture and food producers use water to produce food. Without water, there will be less food produced.

Over the next 20 years, **reducing water available to food producers by 30% could result in loss of up to £2.3 billion in Gross Value Added to the UK economy.**

**This would result in around 2,500 fewer FTE jobs per year**

All damages given are over 20 years, discounted in line with HM Treasury Green Book rules, and presented to two significant figures. Job losses are maximum in any one year

**Water goes into the product**

Without water there is a direct loss of output due to reduced crop yield, reduced crop quality and reduced amount of food that can be produced

**This affects the whole supply chain**

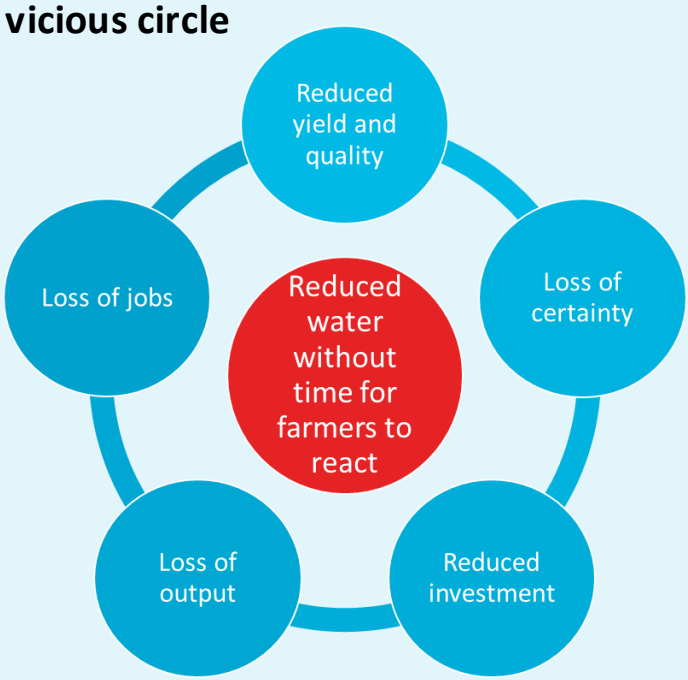
| Input providers, support services | Farmers | Processing, transport, traders | Retailing, food service |
|---|---|---|---|
| £360 million to £670 million | £450 million to £830 million | £86 million to £160 million | £340 million to £620 million |
| 420 to 760 FTE jobs | 480 to 880 FTE jobs | 100 to 180 FTE jobs | 390 to 710 FTE jobs |

**These losses can be avoided by investing in water storage**

Investment of up to £130 million to construct reservoirs could avoid these losses…but this requires assistance with planning and the costs of investment, as well as assurance that licences could be changed to enable reservoirs to be filled at times of high flows

## What is the problem and how do we solve it?

### The vicious circle



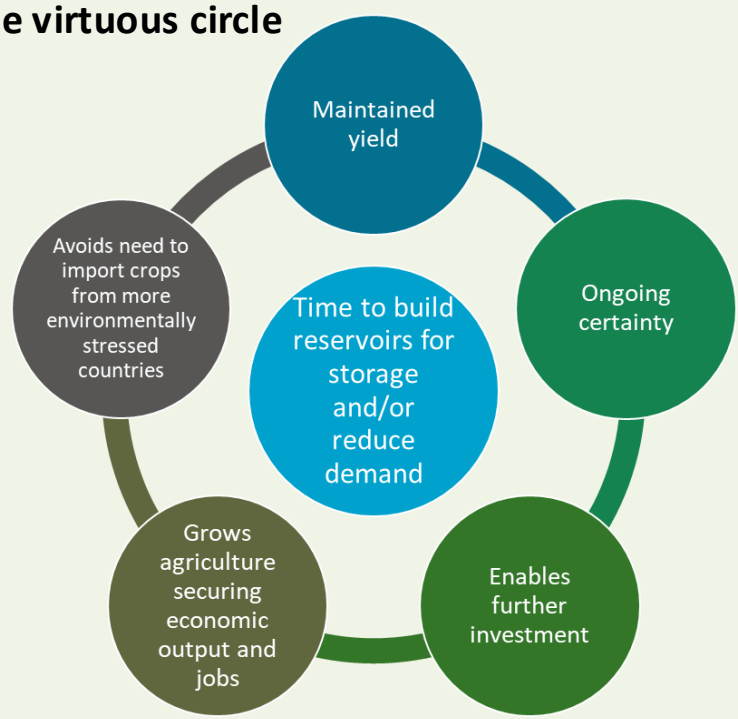

Loss of water leads to a vicious circle

Investment in reservoirs could offset these losses

Estimated costs of up to £130 million to build enough reservoirs

Leads to a virtuous circle

### The virtuous circle




Agriculture and food production will always need water. They cannot reduce water use to zero. The focus needs to be on investing to make sure water is converted as effectively as possible into outputs and that there is sufficient water storage to provide a secure water supply

## What does this mean for future allocation of water?

Water efficiency should be promoted, but there is also a need to consider the extent to which water use can be reduced. Priority should be placed on ensuring water is allocated to uses that cannot reduce or replace it – the environment, agriculture, and food production. This will help protect and enhance the environment, while avoiding the losses associated with the reduction of abstraction licences.

**Study undertaken by Risk & Policy Analysts Ltd (RPA)**
in association with ESWAG and Norfolk EFF

RPA Risk & Policy Analysts