

NDSU Researchers Estimate Financial Loss From Devils Lake Basin Flooding

Potential earnings from agriculture continue to be lost in the Devils Lake Basin. The National Weather Service puts the probability of Devils Lake reaching an elevation of 1,451.3 feet this summer at 50 percent.

At this level, 130,878 acres of cropland will be out of production due to high water levels in 2016. This is the amount of cropland in the Devils Lake Basin that has been inundated by water compared with the level of the lake in 1993.

“Total direct losses are estimated at \$36.2 million due to reduced sales of crop production as a result of inundated acres,” says Dwight Aakre, North Dakota State University Extension Service farm management specialist.

“The largest losses are from spring wheat and soybeans, each at about 27 percent of the total, he adds. “Other crops with major losses include corn, edible beans, barley and canola.”

According to Randal Coon, NDSU Agribusiness and Applied Economics Department research specialist, the total impact on business activity in the region, from direct and indirect losses this year, is estimated at \$133.7 million. These losses include reduced personal income of \$35 million and reduced retail trade activity of \$29 million.

The loss of business activity ultimately is reflected in lost jobs in the region. Secondary employment losses are estimated at 109 jobs for the region.

Lost tax revenues are estimated to be \$2 million, due primarily to a reduction in sales tax revenue. Personal and corporate income taxes will be reduced also.

The data used for the study included the five-year average acreage of each crop grown in the area, five-year average yield for each crop and estimated 2016 marketing year average price for each crop.

This analysis quantifies the extent of the lost agricultural production in the Devils Lake Basin due to the continued high water levels in Devils Lake, Stump Lake and the surrounding area. It does not include any nonagricultural costs associated with roads and other infrastructure.

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