



Don Jenkins/Capital Press

**Diesel and gasoline prices declined slightly in the first week of July after hitting record highs in late June, the U.S. Energy Information Administration reported July 7.**

## Diesel prices dip, stay over \$6 in West

By DON JENKINS  
Capital Press

On-highway diesel prices dropped slightly during the first week of July after hitting a record high in late June, the U.S. Energy Information Administration reported Thursday.

Diesel averaged \$5.67 a gallon nationally, down 10.8 cents from a week before. Prices still topped \$6 a gallon in California, Oregon and Washington, a level reached in early May.

Crude oil prices, responsible for about half of the cost of diesel at the pump, declined slightly in late June, according to the EIA's weekly petroleum report, also released Thursday.

Also, oil refineries increased production in the last week of June, while gasoline consumption has been on a downward trend since April, likely at least partly due to high fuel prices, the EIA said.

EIA usually reports fuel prices weekly, but computer problems had prevented the agency reporting prices since mid-June. The catch-up report showed prices were

rising until late June.

Regular gasoline averaged \$4.77 a gallon on July 4, down 10 cents from the week before. Gasoline in California, Oregon and Washington stayed over \$5 a gallon, a threshold broached in mid-March.

California had the country's highest diesel and gas prices. Diesel was \$6.77 a gallon, down 8.4 cents from the week before, while gas was \$6.04, down 9.6 cents.

Oregon and Washington are grouped with several other Western states, where diesel averaged \$6.03 a gallon, down 11 cents, and gas was \$5.32 a gallon, down 7.4 cents.

In Idaho and other Rocky Mountain states, diesel was \$5.73 a gallon, down 3.8 cents. Rocky Mountain gas prices bucked the trend, rising to \$5 a gallon, up 1.7 cents.

Nationwide, gasoline prices were up 61% in June compared to the year before, the EIA reported.

With COVID restrictions easing, gas consumption rose from mid-2020 until April. Since then, gas consumption has been 3% less than during the same period in 2021.

# Sacramento Valley farmers struggle with water cutback

By SIERRA DAWN McCLAIN  
Capital Press

When Josh Davy bought 66 acres of irrigated pasture in Shasta County, Calif., three years ago, he thought his cattle operation would be relatively drought-proof.

He was counting on the Sacramento Valley's water supply, which for decades has been largely guaranteed, even during critically dry years.

But things didn't go as planned. His first year, Davy had all the water he needed. Last year, he got a 75% allocation. This year, for the first time ever, Anderson-Cottonwood Irrigation District won't deliver any water to Davy or its approximately 800 other customers.

"It's scary in a lot of ways," said Davy, who is concerned about the farmers, livestock, crops, wildlife and native plants that rely on the water.

Davy, who when he's not ranching is a farm adviser with the University of California Extension, said he would never have bought the land had he known he wouldn't receive water.

Since 1964, farmers in the Western Sacramento Valley have had a mostly guaranteed water supply due to historic water rights agreements.

Anderson-Cottonwood Irrigation District, or ACID, for example, holds a pre-1914 right to divert water from the natural flow of the Sacramento River.

According to California's State Water Resources Control Board, when fortune seekers in 1849 entered California during the Gold Rush, many staked out "finders-keepers" claims to water in an early version of "first in time, first in right."

In the 1930s, the federal government stepped in when it started building the Central Valley Project, California's behemoth water conveyance system.

After 20 years of negotiation, water rights holders struck a deal with the U.S. Bureau of Reclamation in 1964.

Under that agreement, renewed in 2005, a group of landowners and irrigation districts called the Sacramento River Settlement Contractors is entitled to receive a large portion of the water that flows from Shasta Lake. ACID is among the contractors.

Until this year, the contract has barred Reclamation from cutting districts' water to any less than 75% of the



Courtesy of Josh Davy

**Josh Davy, cattle rancher and farm adviser at the University of California Extension, faces a zero-water allocation.**

contract total in critically dry years.

But that's changing as California faces its continuing drought.

In a letter March 14, Reclamation notified John Currey, then-manager of ACID, to plan for "considerably less water" — 18% of the contract total.

In response, the district, along with other districts across the valley, cut deals with state and federal governments, agreeing to reduce water deliveries.

U.S. Bureau of Reclamation Commissioner Camille Touton applauded the Sacramento River Settlement Contractors for working with Reclamation.

"What the contractors did is really a great example of our partnership with them, of them saying: 'This is what our contracts are, we recognize the reality of where we are in the hydrology, how can we work together?'" said Touton. "And it is not without impacts to the valley. But we fully recognize we can work toward the best outcome this year (and) we can do better next year."

ACID then went even further. Rather than delivering the remaining 18% to its customers, the district sold that water through a transfer and announced that "there would be no irrigation season for 2022."

Angry and confused, many farmers showed up at the district's public meetings April through June, expressing frustration that the district sold the

remaining 18%.

According to meeting minutes, the district responded that it had "physical limitations" to moving that small volume of water and current conditions "render the district unable to equitably distribute water to its landowners and water users for the 2022 irrigation season." The board determined that selling the water was the best course.

The district's leaders did not respond to repeated requests for comment. June 30, John Currey, district general manager, and Emmy Westlake, assistant general manager, resigned.

Sacramento Valley farmers, meanwhile, are worried about their farms and futures.

"It's just dry in this whole district. We have never missed irrigating here, ever, until this year," said Bill Gregory, 88, a retired cattle rancher who now leases his land to another cattleman.

Gregory worries this year's actions set a precedent for future shutoffs.

"If they can do it this year, can they do it next year?" said Gregory.

Davy, the rancher and farm adviser, expressed similar concern. Davy plans to sell at least half his breeding cows and all his calves early this season and expects to lose more than \$100,000. He thinks he can survive one year. But two?

"What am I going to do if there's another year of this?" he said.

WB1621 | WB1720 | WB1922

# TOUGH BY NORTHWEST STANDARDS. EXCELLENT BY YOURS.

The Northwest has high standards for wheat. It needs to stand strong and get results. With new Soft White Winter varieties like WB1621, WB1720 and WB1922 that have strong winter hardiness, disease resistance and excellent yield potential, trust WestBred® to endure the region's toughest challenges — and meet your standards for excellence.

**WestBred**  
WESTBRED.COM

Bayer, Bayer Cross, WestBred and Design® and WestBred® are registered trademarks of Bayer Group. ©2022 Bayer Group. All Rights Reserved.

