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U. S. House Committee on Natural Resources on
HR. 2944 The Southern Arizona Public Lands Protection Act**

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Introduction and Background on Our Agricultural Company

Good morning, Mr. Chairman and Committee Members. I am Nan Stockholm Walden, Vice President and Counsel for Farmers Investment Co., (FICO) Farmers Water Co. (FWC) and The Green Valley Pecan Company in Sahuarita, Arizona.

I am here today with my husband, Dick Walden, President and CEO of this agricultural enterprise founded by his father R. Keith Walden almost 75 years ago. Today the third generation of Waldens, including daughter Deborah and son in law David, are active in the company, along with three generations of partners. We employ 250 permanent workers, many of whom also are second and third generation FICO employee, whom we consider family, as well. During harvest season we hire an additional 50 workers, making us one of the larger employers in Pima County. FICO prides itself on being an active member of our southern Arizona community. In December, the First Inaugural Pecan Festival attracted between 12-15,000 visitors to our farm where they were able to see the harvest process and to enjoy local crafts, foods and wines as well as to view equipment and equestrian demonstrations typical of the Santa Cruz Valley.

FICO owns approximately 7,000 acres in the Santa Cruz Valley, of which about 4500 acres are irrigated and under cultivation for pecan nuts, a tree native to North America. The use of irrigation water for agriculture in our valley dates back a thousand years to the Hohokam Era of about 800-1100 A.D. Chairman Ned Norris has spoken eloquently of the history of the Tohono O'odham people who are descendents of the Hohokam, skilled engineers and farmers. Irrigation and agriculture continued through the time of Spanish occupation and Mexican Territorial days prior to acquisition of the Arizona Territory by the United States through the Gadsden Purchase in 1853.

FICO is the largest integrated grower and processor of pecans in the world. We are also the largest producer of organic pecans. Research has shown that pecans are rich in antioxidants, can lower harmful LDL cholesterol, and contain 19 essential vitamins and minerals, as well as being an excellent source of protein. FICO sells to food manufacturers including makers of

cereals, health bars, ice creams, candies and bakery goods. We also sell to retail chains that package our nuts under their label. We sell to customers both here and abroad, contributing to domestic and international trade. We buy pecans from other growers in the U.S. and Mexico. We have an internet site and store for the public that also features other food products and novelty items from Arizona.

Our Concerns about Sustainability and Mining of Public Lands in the Santa Rita Mountain Range of the Coronado National Forest:

Water Use

As multi-generation farmers and stewards of the land in this region, we know that the value of land and the value of water are inseparable. We all know that water is an essential element of our survival, and that of the flora and fauna. We are blessed in the Santa Cruz Valley with high quality ground water.

It takes water to grow pecans, and FICO uses large amounts of water. **However, unlike every other industrial, agricultural and residential user in Arizona, mines are unregulated water users. Due to the inadequacies of the 1872 Mining Law and Arizona Groundwater Code, mines face NO legal restrictions or limits on the amount of water they can extract from an aquifer or the length of time they can continue pumping.**

By contrast, under state law, FICO or any other agricultural enterprise cannot expand farming operations to areas not grandfathered under the 1980 Code. In other words, no new farms can be started in Arizona that did not already have irrigation rights. Moreover, FICO is subject to management plan goals set by the Tucson Active Management Area (AMA). FICO has met or surpassed every regulation set by the AMA to reduce its water use.

Another distinction about water use for farming is that at least 25% of the irrigation water goes directly back into the ground. The rest is utilized by the tree to produce the nut, or is recycled in the water cycle through transepiration from the leaves, which cools the surrounding areas. The trees provide the additional benefits of carbon sequestration, and habitat and food for wildlife.

This is a much different use of water than by mining companies which take unlimited amounts of drinking quality groundwater and turn it into a waste dump for rock and tailings disposal, creating a toxic pit that they are not required to restore! At least the local ASARCO mine has now converted to using lesser quality CAP water for its processes, due to insistence from the Tribes which agreed to lease additional water to the mine in exchange for this transition that helps our groundwater table.

Since 1980 FICO has utilized laser leveling of its fields and GPS units on its tractors to maximize irrigation efficiency, reducing water use by 20 to 30%. Although entitled to use 34,000 acre/ft/yr, FICO currently uses 28-29,000 acre/ft/yr, and its use continues to trend downward.

Local Steps towards Water Sustainability

Six years ago, FICO voluntarily invested in becoming designated by DWR as a Groundwater Savings Facility, so it could eventually convert to Central Arizona Project Water (CAP), thus saving groundwater on a 1:1 basis in the aquifer. Two years ago, FICO was also a founding member of the Upper Santa Cruz Providers and Users Group (USC-PUG), representing all the local water companies and large users of water, including the existing mines. **Working together with Pima County, USC-PUG has come up with a plan to get the Santa Cruz aquifer back to sustainable balance by 2030, even with anticipated residential growth. However, if more mines are permitted along with unregulated water use in the Santa Ritas, all this work will be for naught.**

Those who wish to convert agricultural lands to development must under Arizona law, do extensive hydrological studies to prove up an assured 100 year water supply. This is to assure that groundwater is not ever pumped. **Mines have no similar obligation. In fact, mines do not even have to declare a realistic life for the mine. In one current example, a mine company first claimed that it will only operate for 20 years, but now it is saying 25. My husband remembers in the 1970's when the mines on the West side of our valley testified in court that they only had a 20 year life. These same mines are now 55 years old, and planning for 75-100 year lives due to new technologies for extraction!**

Other Impacts We Experience from Mining

We are not opposed to all mining. We work with Freeport-McMoRan, especially, on many issues of community concern. However, we **are** opposed to more mining on public lands in the Santa Ritas because of the range's role in protecting our scare water resources and unique ecosystem. This is based on more than 50 years experience with the existing mines.

As you can see from these aerial photos, our Santa Cruz communities have done their share for mining. We have 4 massive mines on the west side of the Santa Ritas:

- ASARCO's Mission and Pima Mines
(subject of multiple takeovers and bankruptcies)
- Twin Buttes, owned by Park Corporation ("inactive" but unrestored)

- Freeport-McMoRan's Sierrita Mine (with a leaking sulfate plume threatening our groundwater, and subject to a mitigation order from the Arizona Department of Environmental Quality (ADEQ) that requires it to build a second huge tailings pond to replace the first)

Recently Pima County and ADEQ have cited the ASARCO mine for major violations of dust regulations due to its tailings ponds. This dust appears like a major snowstorm on windy days, causing respiratory problems, especially for the young and elderly, causing accidents on freeways, and ruining cars and equipment with its thick caustic coating. Mine officials have told us that from 1/3 to 1/2 of their water use is devoted to attempting to control this tailings dust.

For all these reasons, based on our direct experience, we support the withdrawal from mining of public lands in H.R. 2944. We also support reform of the antiquated 1872 Mining law. We support the bill introduced by Congressman Rahall and his colleagues. We were also privileged to submit testimony last summer on hearings on mining reform before the Senate Energy and Natural Resources Subcommittee on Public Lands and Forests, which Senator Mark Udall chaired on behalf of Chairman Jeff Bingamon.

Economic Impacts of Mining in Arizona

Tourism

Mining has been touted as a great benefactor and job generator in Arizona. While this may have been true in past times, the modern reality is very different. As you can see from this pie chart, according to the Arizona Department of Commerce, less than **one-third of one percent of jobs in Arizona from 2005-2009 were related to mining.**

By contrast, during this same period, almost 10% of jobs in Arizona were related to the leisure and hospitality industry, and this sector is growing. This trend is especially pronounced in southern Arizona. Tourism provides 40,000 jobs annually to southern Arizona residents, according to the Tucson Convention and Visitors Bureau.

Ecotourism, heritage travel, and an interest in local culture, foods and wines are fueling this growth. Visitors contribute \$3 billion to our local economy annually, with each meeting and event traveler spending an average of \$850. The wildlife and scenery of the Santa Ritas are a major draw, with enthusiasts coming from all over the world to add to their "life lists" of species.

According to the Sky Island Alliance, the Santa Rita ecosystem features 404 bird species, (of which 138 are threatened or endangered), 117 (37) reptile species, 26 amphibian species (7) and thousands of plant species. It is a place

where federally listed species are known to occur, including the jaguar, ocelot, Mexican spotted owl, Chiricahua leopard frog, lesser long-nosed bat, and Pima pineapple cactus.

This area also features other spectacular species such as the Gila monster, mountain lion, bobcat, golden eagle, desert tortoise, coati, black bear, and wild turkey.

The oldest university sponsored research range, The Santa Rita Experimental Range, is in the heart of this area, with records and transects going back over 150 years. New power lines and roads associated with mining would further compromise this research gem.

The Arizona Department of Game and Fish has written to the US Forest Service saying that even one new major mine in the Santa Ritas would have irreversible impacts:

We believe that the project will render the northern portion of the Santa Rita Mountains virtually worthless as wildlife habitat, and as a functioning ecosystem, and thus also worthless for wildlife and recreation. Furthermore, the project has great potential to impact wildlife and habitat off the forest. (July 8, 2008)

Southern Arizona vendors, restaurateurs, B & B and hotel owners have told us repeatedly that Americans are yearning for family oriented vacations that include beautiful vistas and authentic cultural experiences. Another significant aspect of this travel is those who vacation, and then move or retire here. Southern Arizona has become a Mecca for sports enthusiasts looking for a mild climate and pretty scenery to enjoy camping, archaeology, birding, spelunking, boating, running, cycling, horseback riding, hunting, and ATV activities.

Dr. Joseph Marlow, an economist with the Sonoran Institute, has done a study showing that for one proposed mine in the Santa Ritas, the company has overstated the benefits and hardly accounted for the costs to taxpayers and future generations. In fact he says, “[if] mining displaced only 1% of this activity (tourism and recreation), the economic losses would be greater than the entire payroll of the proposed project.”

Real Estate

It is also sobering to contemplate the detrimental impact of additional mining on the multibillion dollar real estate industry in Southern Arizona.

Friends of ours in the real estate industry on both sides of the Santa Ritas say that disclosure law now requires them to warn potential buyers of effects of present and future mining, including loss of scenic vistas, mine tailings dust, health effects, blasting noise and vibrations, traffic, and water availability. One established real estate agent in Sonoita said she could document \$5 million in

lost sales alone due to news about a potential mine. Our Green Valley-Sahuarita Chamber of Commerce director tells us that the number one question he gets from visitors contemplating moving to our valley whether there is adequate, quality water.

100 Year Assured Water Supplies

If the State Department of Water Resources reopens the assured 100 Year Water Supply Certificates of landowners on both sides of the Santa Ritas, due to the unlimited pumping potential of new mines, it will wreak havoc on property values in the Santa Cruz Valley, and perhaps even in Tucson. If new mines degrade ground water quality, a million residents of metro Tucson could be affected who depend on the Davidson Canyon Cienega Creek watershed.

Impacts of Abandoned Mines in Arizona

A 2009 GAO study reports that in Arizona alone there are 50,000 abandoned hard rock mine sites. Of these, there are 59,400 features that pose a significant hazard to public health and safety. The holders of those sites may be bankrupt, defunct or foreign entities beyond easy reach of our laws. Even if they are American, under the 1872 Law, they are under no obligation to remedy these sites. That is why a number of fiscally conservative groups, nonpartisan groups such as Taxpayers for Common Sense favor mining law reform. This is underscored by similar situations with abandoned mines in 12 Western states.

Summary

In summary, Arizona's economy is shifting away from the old 3 C's of Copper, Cattle and Cotton, to sustainable endeavors like preventative health care, tourism, travel, green technologies and high technologies. Arizona's beauty and climate help to attract an educated workforce that supports these sustainable industries. Underpinned by our outstanding public university and community college system, these endeavors represent the future, and indeed have been championed by our elected officials and by our President.

If we destroy the water resources and environment that support Southern our Arizona, we will be "eating our seed corn," as farmers say.

We are grateful to you, Chairman Grijalva, as well as Congresswoman Giffords and your colleagues for having the vision to sponsor this legislation, so vital to the present and future generations of Southern Arizona.

