

Testimony of Jennifer Cervantes
On behalf of the Rio Grande Valley Sugar Growers
Before the House Appropriations Subcommittee for National Security, the Department of
State, and Other Related Programs
Hearing: Outside Witness Day, Washington, D.C., April 2, 2025

Good morning, Chairman Diaz-Balart, Ranking Member Frankel, and members of the committee. Thank you for the opportunity to discuss further how Mexico's failure to honor its obligations under the 1944 Water Treaty for the "Utilization of waters of the Colorado and Tijuana Rivers and of the Rio Grande" led to the closure of the Rio Grande Valley Sugar Growers (RGVSG) and how this committee can support efforts to enforce the Treaty through the FY 2026 National Security, Department of State, and Related Programs Appropriations bill and report language relating to the Department of State and the International Boundary and Water Commission (IBWC).

My name is Jennifer Cervantes, and I have represented the RGVSG since 2009. Unfortunately, in February 2024, the 51-year-old sugarcane cooperative announced its closure as a direct result of Mexico's violation of its treaty obligations. The failed water deliveries led to insufficient acres of sugarcane to support operating the sugarcane mill for another season.

As a native Texan, this has been devastating to me, but this has been a life-changing event for the 500 people who have lost or will lose their jobs once the sugarcane mill is fully liquidated.

At its peak, RGVSG had over 100 family farmers growing sugarcane on 40,000 acres across three RGV Counties, and they cooperatively owned the sugar mill in Santa Rosa, Texas. The industry played a vital role in the region's agricultural sector, contributing over \$200 million annually to the Texas economy and the U.S. sugar supply chain, as the only producer of raw sugar in Texas and one of only three sugarcane-producing states left in the U.S., given the closure of Hawaii's last sugar mill in 2016.

Raw sugar produced at the mill was transported to the Port of Harlingen, where it was stored before being barged up the Gulf Intracoastal Waterway to the Domino Sugar refinery in Chalmette, Louisiana. Given the production chain, in addition to the mill jobs, more than 1,000 direct and indirect jobs across the region relied on our sugar production.

Under the Rio Grande portion of the 1944 Water Treaty, Mexico is required to deliver an average of 350,000 acre-feet of water annually to the United States. Over the last four years, Mexico has failed to meet its obligations, resulting in severe water shortages in the RGV, particularly for crop irrigation. Those shortages occurred during several years of unfavorable weather, leading to significant declines in sugarcane acreage in Texas – from just over 34,000 acres in the 2021/2022 crop year to 16,500 acres by the spring of 2023.

By February 2024, our growers had been forced to plow out all but 10,000 acres of sugarcane. With so few acres planted and no promise of irrigation water from Mexico to cultivate the crop,

investing in and conducting the required maintenance on the sugar mill to continue operating was infeasible. As a farmers' cooperative, the joint membership decided to close the mill rather than take on the risk of defaulting on its financial obligations. Without a sugar mill to process harvested sugarcane, the remaining sugarcane acres were plowed out, with growers bearing 100% of the losses. In addition to crop losses, the growers expect to incur significant losses when the sale of the mill and the remaining processing equipment is complete.

A 2023 Texas A&M report found that absent irrigation water in 2024, the estimated economic losses at the farm level for sugarcane, using a five-year average production value, was likely \$98.5 million. In addition, their past investments in planting, equipment, research, and technology are now lost.

The closure of the RGVSG and the decline in agricultural production in the Lower RGV have local and regional economic impacts and national food security implications. The RGV, heavily dependent on agriculture, has faced a broader economic downturn due to reduced agricultural activity from the crop sector. The Texas A&M report noted above estimated that the RGV has lost nearly \$1 B in annual economic output (decreased consumer spending, lower tax revenues, and increased economic strain) due to the water shortage's impact on crop production.

Without Texas production, sugarcane is now only grown in Florida and Louisiana. Strength in our supply chains occurs when diverse locations across the country can sustain production, allowing a poor crop in one region to be offset by good harvests in other regions.

Other agricultural commodities are also facing significant challenges in crop production. Recent testimony from the Texas International Produce Association noted that 70% of the state's fresh produce production is usually grown in the RGV however water shortages have caused significant disruptions – from the fall of 2024 and heading into this summer (2025), the area is expected to experience a 20% decline in watermelon acreage, a 6% reduction in Brassicas (including cabbage and broccoli), and a 17% decline in leafy vegetable production.

Texas Citrus Mutual reports that since the current five-year water cycle under the Treaty began in 2020, citrus growers have removed 4,000 acres of trees, resulting in an 85,000-ton decrease in production. Farmers cannot replant because the insurance will not attach to the trees until they can prove there will be one year of water availability.

The Texas Farm Bureau has noted that farmers relying on irrigation have received minimal to no allocations of irrigation water since the fall of 2023, resulting in most farmers having to "dry-land farm" typically irrigated fields, which cuts production and income by 50%.

The situation is dire. Mexico currently owes over one million acre-feet of water, and there is no known or shared plan to reduce or fulfill the deficit before the end of the current five-year cycle, which is only seven short months away. Despite this, the Mexican Federal Government will not open the dams along the Treaty Tributaries to share the water supplies. Instead, particularly this cycle, it has been hoarded for use by the Mexican state of Chihuahua and surrounding

areas. The small amount of water Mexico has sent to the U.S. this cycle, from the six-named Treaty tributaries, has come from “wild” water or spillover water it could not capture.

In the summer of 2022, Mexico accumulated 2.2 million acre-feet of water in under 60 days when a tropical system crossed into the Chihuahua watershed. It is essential to note that, despite the period of increased water accumulation, Mexico did not intentionally release a single acre-foot to meet even a small portion of its Treaty obligations. By August 2022, Mexico held almost 3 million acre-feet in the combined Treaty tributaries storage.

Mexico was not experiencing a drought, nor had there been any system accidents, the only two reasons for Mexico not delivering water annually. The combined Treaty tributaries storage now sits at 816,000 acre-feet; Mexico has used over 2 million acre-feet of water in just over three years. Notably, the Mexican state of Chihuahua has experienced significant growth in its agricultural sector, cultivating crops similar to those in the U.S., utilizing water that would have otherwise been delivered to the U.S. Mexico is blatantly appropriating water that rightfully belongs to the U.S., thereby enhancing its food security while undermining ours and increasing their crop production which can be exported to the U.S.

Over the past few years, I joined stakeholders and officials from the region to meet with State Department officials to explain the dire situation and inquire about the U.S.'s continued adherence to its obligations to Mexico regarding the Colorado River. Yet, Mexico is allowed to ignore its obligations to the U.S. on the Rio Grande.

Unfortunately, diplomatic activity did not result in obtaining the owed water, nor was Mexico held accountable for its non-compliance. As a result of Mexico's shortfalls, the International Reservoirs, the Amistad and Falcon have hovered at record-low levels for the past few years, resulting in minimal to no water allocations for agricultural irrigation. We are currently experiencing the most significant shortfall in the history of water deliveries from Mexico to Texas in a single cycle, with no known plan to address it under the provisions of the Treaty.

On November 7, 2024, the U.S. and Mexico signed a new agreement to the Treaty, Minute 331, to provide additional tools for Mexico to make reliable water deliveries. However, since the Minute was enacted, U.S. users have only been offered 125,000 acre-feet of non-Treaty water.

We acknowledge that enforcing this Treaty is difficult, but we urge Congress to prioritize this issue in the FY 2026 Appropriations bills. We ask Congress to help institutionalize policies and tools needed for the current and future Administrations to enforce and prioritize the Treaty. The Administration must effectively engage early in a five-year delivery cycle once Mexico is behind on its water deliveries, and not near the end when it is too late; we support regular reporting to Congress by the Department of State on Mexico's Treaty compliance and its actions to enforce the Treaty so that together, Congress and the Administration can work to head off future crises. This Subcommittee included several provisions to institute these types of measures in the State Department's FY 2025 funding bill, and we encourage the subcommittee to consider codifying these provisions or similar ones in the FY 2026 funding bill.

We also encourage the Department of State to ensure that internal policy is codified to reflect that Mexico is out of compliance every year of the cycle that it fails to deliver water under the 1944 Water Treaty, and from that perspective, develop appropriate measures to enforce the annual obligation. If congressional support for implementing these changes is necessary, we encourage the subcommittee to consider these efforts thoroughly.

We encourage the subcommittee to provide the IBWC resources it needs to assess the hydrology and provide predictive modeling for the Rio Grande Basin to ensure real-time data is available for decision making and to work with the IBWC to determine if it has the necessary tools to assist the RGV region officials as they develop and implement improved water management infrastructure plans that enable the region to capture and store the water necessary to ensure a reliable water supply for municipal and agricultural use in the region. We generally support the language included in the FY 2025 appropriations bill as it pertains to requirements placed on the IBWC concerning the 1944 Water Treaty.

We thank the committee for including aid to producers with economic losses resulting from Mexico's failures under this treaty in the 2024 end-of-year spending package. Additionally, we thank Agriculture Secretary Brooke Rollins for announcing on March 19 that the U.S.D.A. is working with the Texas Department of Agriculture Commissioner Sid Miller to disperse funds.

We especially thank Representatives Monica De La Cruz, Henry Cuellar, Vicente Gonzalez, and Tony Gonzales, Texas Senators John Cornyn and Ted Cruz, and the Texas delegation for the years of collaborative work on this Treaty.

Appreciation is extended to President Trump and Secretary of State Rubio for their recent action in denying Mexico's request for a water delivery from the Colorado River to a non-treaty location, an action allowed under Minute 327 Resolution 2, in response to Mexico's failure to make Rio Grande deliveries. This first step will hopefully lead to Mexico finally recognizing its annual obligation to deliver water, to immediately make water deliveries to the International Reservoirs, the Amistad and Falcon, and to develop a plan to make up the owed water and to begin making annual water deliveries as required by the Treaty.

Our farmers continue to live and farm in the region, and their families and former workers remain part of the RGV communities. We appreciate the efforts already taken by Congress and this subcommittee to find solutions to this problem. And urge it to work with the current Administration to reset our posture with Mexico on this Treaty before more agriculture is lost.

I conclude my remarks with appreciation for another opportunity to reiterate our story and to provide a current update on the situation on the ground. While the story of sugarcane production in the RGV is coming to an end, I want our farmers to be able to continue their family farms with other crops and for the rich history of South Texas agriculture to continue, but to do that, we need water. Thank you, Chairman Diaz-Balart, Ranking Member Frankel, and the Committee, for your time today.