

**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: Mexico's Water Treaty Violations and the Impact on Americans.**

**Washington, D.C.  
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Good morning, Chairman Diaz-Balart, Ranking Member Frankel, and members of the committee. Thank you for this opportunity to testify before you today on behalf of the Rio Grande Valley Sugar Growers (RGVSG) concerning impacts on Americans due to Mexico's Violations under the 1944 Water Treaty for the "Utilization of waters of the Colorado and Tijuana Rivers and of the Rio Grande". Thank you, Mr. Chairman, for your continued support on this issue, lending your voice, your time, and staff time to help wherever possible.

My name is Jennifer Cervantes, and I have been honored to represent the Rio Grande Valley Sugar Growers since 2009. As a native Texan, I take great pride in advocating for farmers and workers in the great state of Texas. Sadly, I am here today to tell you that in February 2024, our 51-year-old sugarcane cooperative announced it was shuttering operations and no longer viable due to insufficient acres of cane planted in the ground.

The Texas sugarcane industry, centered in the Rio Grande Valley (RGV), was a vital part of the region's agricultural sector and the sugar supply chain in the U.S. The industry contributed over \$200 million annually to the Texas economy, was the only producer of raw sugar in Texas, and was one of only three sugarcane-producing states left in the U.S., given the closure of Hawaii's last sugar mill in 2016.

At the heart of sugarcane production was the Rio Grande Valley Sugar Growers (RGVSG), the farmer-owned cooperative in Santa Rosa, Texas. At its peak, over 100 family farmers grew sugarcane on 40,000 acres over three RGV Counties. Once harvested, the cane was delivered to the mill, where the juice was extracted and turned into raw sugar. After being transported by truck to the Port of Harlingen, raw sugar was stored in a sugar warehouse while it waited to be barged up the Gulf Intracoastal Waterway to the Domino sugar refinery in Chalmette, Louisiana.

Our industry supported approximately 500 direct jobs and over a thousand more direct and indirect jobs in related sectors such as transportation, equipment, and services across the region. We hired many employees directly out of school, providing entry-level jobs with good wages for those seeking opportunities in what could be a challenging location to find work. The closure of the sugar mill and the end of sugarcane production is felt not only on the farms but in the entire region.

The 1944 Water Treaty between the United States and Mexico governs how the waters of the Rio Grande are to be shared. Mexico must deliver an average of 350,000 acre-feet of water annually to the United States. These deliveries or expectations of deliveries were critical factors in the planning decisions for sugarcane production, including serving as a required tool in risk management toolbox for obtaining crop insurance from the U.S. Department of Agriculture (USDA).

Over the last four years, Mexico failed to meet its obligations, resulting in severe water shortages in the RGV, particularly for crop irrigation. These shortages occurred during several years of unfavorable weather and led to a continual decline in sugarcane acres available for harvest. Sugarcane acreage in Texas went from just over 34,000 acres in the crop year 2021/2022 to 16,500 acres by the spring of 2023 after growers plowed out nearly 15,000 acres in the winter of 2022-2023 due to water supplies at critical levels and growers lacking sufficient water to maintain their acreage.

By February 2024 our growers had been forced to plow out all but 10,000 acres of sugarcane. With so few acres and uncertain crop insurance coverage from USDA due to dry weather and no promise of irrigation water from Mexico by which to cultivate the crop, investing in and conducting required maintenance on the sugar mill to continue operating was infeasible. In 2023, the mill had already deferred \$6 million in scheduled maintenance in an effort to have reserves going into declining acreage years. As a farmers' cooperative, the joint membership decided to close the mill rather than take on the risk of defaulting on financial obligations, which was important to Management, the Board of Directors and the growers. Without a sugar mill to process harvested sugarcane, the remaining sugarcane acres were plowed out – with growers bearing 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. Exact costs are hard to estimate, but it is expected to be just cents on the dollar when you include the sugarcane farming equipment already sold at auction.

Our farmers now face farms without a sugarcane crop, once considered a valuable perennial crop that was a predictable, reliable part of farm management. Their previous investments in planting, equipment, research, and technology are now lost. 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.

Closure of the RGVSG cooperative mill and the significant loss of agriculture production in the Lower RGV have local economic and regional consequences 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 region has lost nearly \$1 billion in economic output annually because of the water shortage impact on crop production. That includes decreased consumer spending, lower tax revenues, and increased economic strain on local communities.

Without Texas production, sugarcane is now only grown in Florida and Louisiana. Strength in our supply chains, especially for food production, 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.

Now, I want to turn to Mexico and Federal oversight of the Treaty. 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 nine short months away.

As the news media reported on the closure of the sugar mill and the escalating water shortage, it most often failed to mention that in the summer of 2022, Mexico accumulated 2.2 million acre-feet of water in less than 60 days when a tropical system off the Gulf of America (formerly Mexico) crossed into the watershed of Chihuahua. It is important to note that Mexico did not intentionally release a single acre-foot of this windfall to meet even a small portion of its Treaty obligations. Mexico was not in a drought, nor have there been any system accidents, which are the only two reasons for Mexico not delivering water, although the Treaty does state that in those situations, they are to make up the deliveries. Mexico's intentional water deliveries from behind its dams are few and far between. 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.

When Mexico fails to send water to the U.S., it also shorts the Mexican states of Tamaulipas and Coahuila, which share a border with Texas. Per the Treaty, when water is 'delivered' from Mexico to the International Reservoirs, the Amistad and Falcon, we get one-third, and the named Mexican states get two-thirds. However, 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. In August 2022, Mexico held almost 3 million acre-feet in the combined Treaty tributaries storage. That same storage now sits at 830,000 acre-feet; Mexico has used over 1.1 million acre-feet in less than three years. In other words, Mexico is blatantly appropriating water that rightfully belongs to the United States, enhancing its food security while undermining ours. Internal Mexican politics regarding internal water use should not interfere with its obligations to the United States under the Treaty.

As the situation in the region grew more severe over the past few years, I joined with members of this panel, farmers and officials from the region to visit State Department officials to raise the issue and ask questions, such as "Why does the U.S. do its best to honor its obligations to Mexico under the Treaty on the Colorado River on the one hand, but, Mexico is allowed to ignore its obligations to the U.S. on the Rio Grande, on the other?" Responses received were ones of understanding but did not materialize into anything actionable to obtain the significant amount of water owed, nor was Mexico held accountable for its non-compliance. So, here we are, with reservoirs at record low levels and little or no water allocations for agriculture irrigation. We assume that those who initially negotiated the Treaty believed both countries would act honorably to meet their obligations, regardless of challenges such as drought or system failures, to share the waters of the Colorado River and the Rio Grande. And if one country blatantly ignored this agreement, there would be consequences, such as a delay in water deliveries to Mexico from the Colorado River. In the words of the RGVSG Chairman, Tudor Uhlhorn, "If they don't give us our water, why should we give them theirs? These past few years, the residents of South Texas feel they have not been important enough in the eyes of the State Department to stand up to Mexico on their behalf."

We ask Congress and the new Administration to include this issue on its list of priorities. Mexico's inconsistent and unreliable deliveries since the early 1990s need to be corrected once and for all. Allowing Mexico to develop a pattern of shortfalls has resulted in the position we now find ourselves – in the largest shortfall in history of water deliveries from Mexico to Texas in a single cycle and with no known plan to fix 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 more '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 water. Additionally, since the water comes from a non-treaty tributary, accepting the water has been complicated. An additional offer to deliver 80,000 acre-feet of water was made but rescinded shortly after.

We recognize the challenges this Treaty poses to both the U.S. and Mexico. Still, we hope President Donald Trump and Secretary of State Marco Rubio, who was asked about the Treaty during his confirmation hearing, will prioritize this. We ask for stronger diplomatic engagement earlier in the delivery cycle, as soon as Mexico is behind on water deliveries, and not near the end when it is too late; we support robust monitoring and reporting, such as provisions included by this Subcommittee in the State Department's FY 2025 funding bill; and we ask for the State Department to consider new policy measures when Mexico is failing to deliver water within the cycle, such as identifying financial resources that Mexico has come to rely on.

We also ask that internal State Department policies be reviewed and modified as needed to ensure that future Administrations' position is that Mexico is out of compliance every year that it fails to deliver the agreed-upon water, and from that mindset, develop appropriate measures to remedy the deficiencies.

Our cooperative is now in the liquidation phase, but our farmers continue to live in the region, and their families and former workers are still part of the RGV communities. I am here today to stress the urgency for the Administration, with help from Congress, to reset our posture with Mexico on this Treaty before more agriculture is plowed under and more livelihoods are lost.

We thank the committee for supporting the disaster aid in the end-of-year spending package. The provision to provide aid to producers with economic losses due to Mexico's failures under this Treaty is much needed, and we look forward to a swift confirmation of Ms. Brooke Rollins for Agriculture Secretary so those funds can be swiftly distributed.

I want to thank Congresswoman Monica De La Cruz for participating in this hearing and for her continual efforts during this crisis. We also thank our other RGV champions, Congressmen Tony Gonzales, Henry Cuellar, and Vicente Gonzalez, for their efforts back home and in D.C. and the Texas delegation for consistently supporting their Valley colleagues. Thank you to Senators Cornyn and Cruz for their persistence and support on the other side of the Capitol.

I conclude my remarks with gratitude for the opportunity to tell our story, to be in this fight with my colleagues here today, and for the Chairman's interest in holding this hearing. As both the Chairman and the Ranking Member hail from areas near Florida's sugarcane fields, I know they understand the incredible impact one industry can have within a region.

Thank you both, and the Committee, for your time today.