



WORLD
RESOURCES
INSTITUTE



THE VALUE OF WATER:

The U.S. Agro-Industrial Water Conflict

Paul Reig, WRI
2015 World Water Week

OBJECTIVE

What's the value at risk of U.S. industrial and agricultural competition for water?

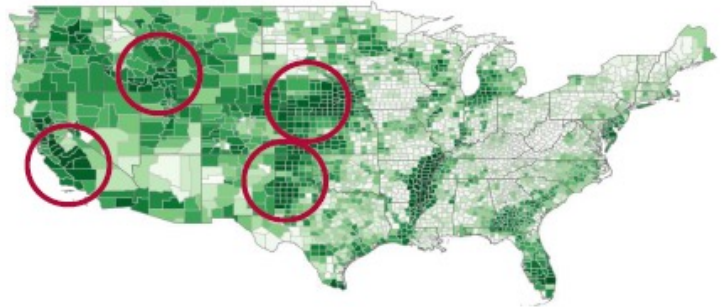
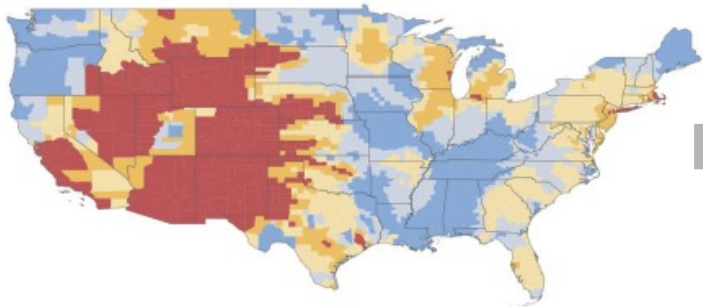
- Does it represent a material business risks and threat to investors?

- Potential consequences:
 - Create stranded assets,
 - Reduce overall productivity,
 - Create community conflicts, and
 - Threaten food and water security.

METHOD

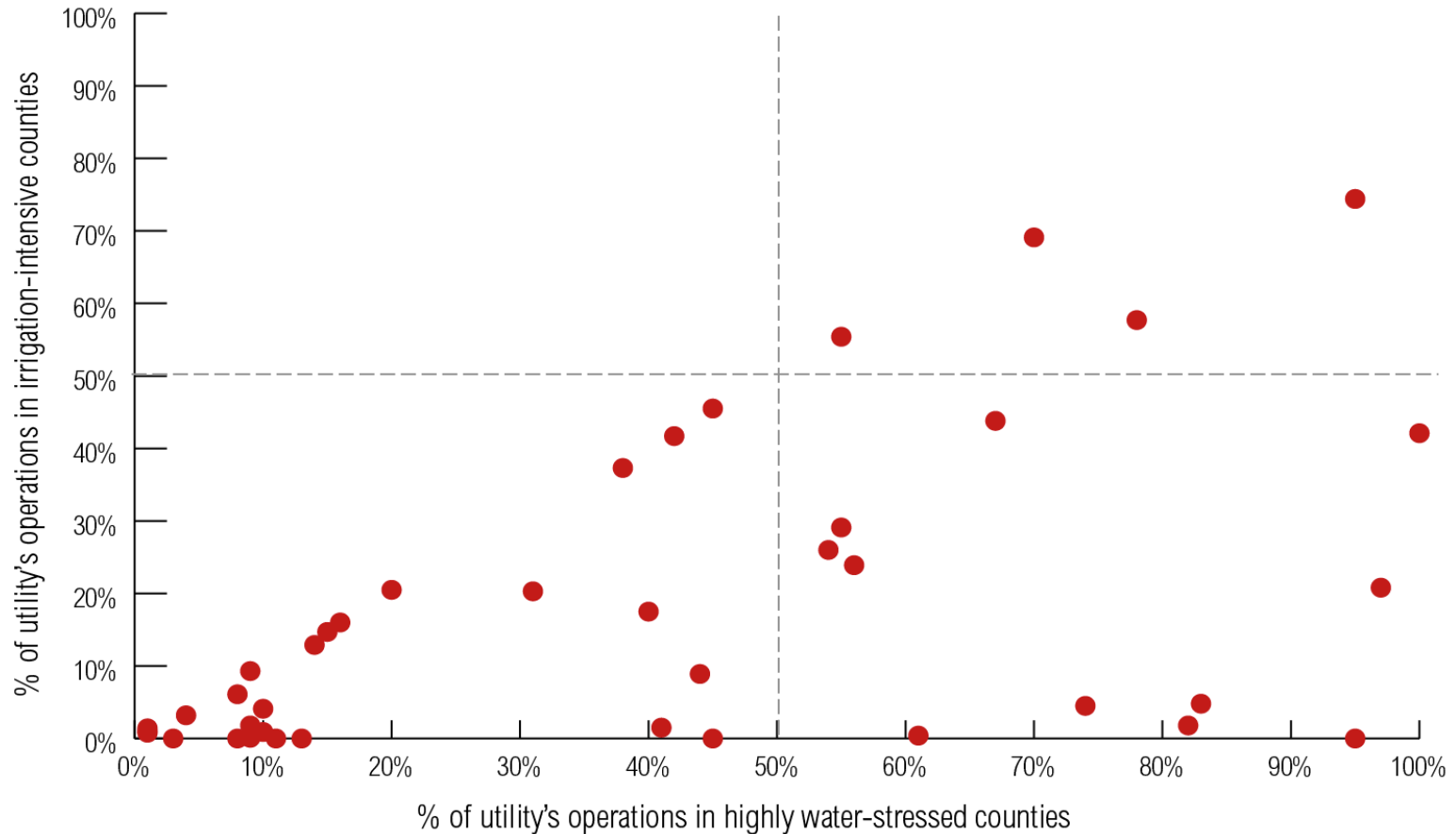
MSCI ESG Research used a three-step process to determine agro-industrial water conflict:

- 1. Identify U.S. counties exposed to water stress**, as defined by the WRI's Aqueduct Water Risk Atlas.
- 2. Assess water demand from U.S. agricultural users** by focusing on the percentage of land that is covered by irrigated crops.
- 3. Map company facilities** to specific locations and determine the percentage of total production attributed to each site.

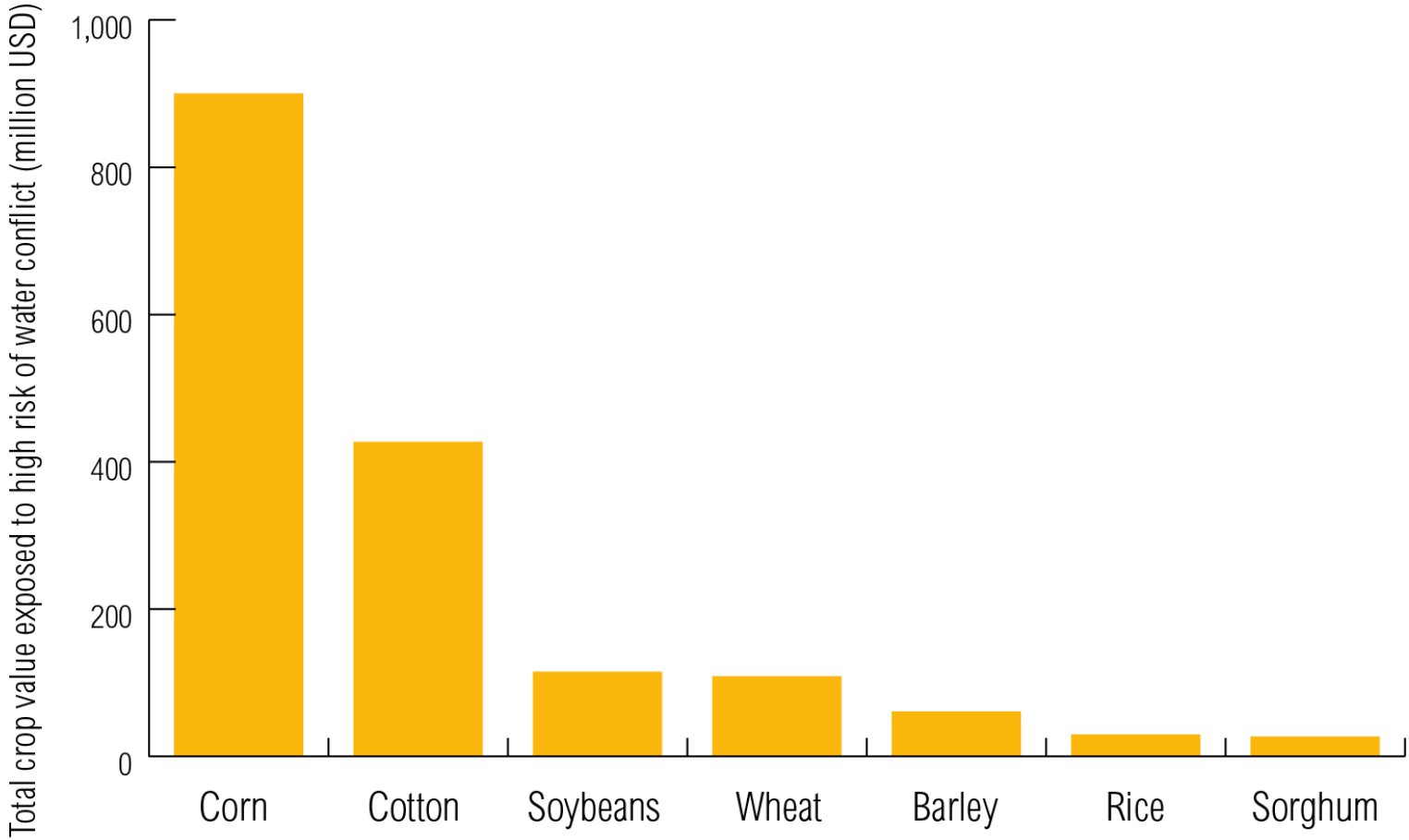


Publicly Traded Electric Power Utilities' Exposure to Water Stress and Irrigation-Intensive Areas

● Represents the percentage of an electric utility company's US operations facing agro-industrial water conflict. The y axis indicates percentage of operations in irrigation-intensive areas, the x axis indicates percentage of operations in high water-stress counties.



Total Crop Value Exposed to High Water-Conflict Risk



KEY FINDINGS

U.S. Electricity Production Faces Greatest Risks

- One in every four electric utilities operates in irrigation-intensive and water-stressed U.S. counties
- \$21 billion in U.S. electricity sales could face water risks

Agro-Industrial Water Conflicts Threaten Agricultural Supply Chains

- 42% of irrigation-intensive U.S. counties face water stress
- \$1.2 billion in U.S. corn, soy, and wheat crops are exposed to high levels of agro-industrial water conflict

ALL RESULTS & FINDINGS

Download the MSCI ESG Thematic Report

“Corn or Current: The Agro-Industrial Water Conflict”

- [Download here](#), or
- Contact esgclientservice@msci.com





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