

# Is Water an Agricultural Trade Issue? Examining the Montana – Alberta Dispute

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## Introduction

April 2003, Montana Governor Martz claimed that Montana residents were not receiving their fair share of the boundary waters that flowed across the Montana – Alberta border giving Alberta farmers an advantage.

The governor requested the International Joint Commission (IJC) to investigate The Boundary Waters Treaty, signed in 1909, that deals with the division of the waters of Milk and St. Mary Rivers, both of which rise in Montana and then flow into Alberta.

## Basis for the Dispute

Residents of Alberta have obtained and used more of their allotted water from the two rivers than residents of Montana .

In Alberta, a 283 km long main canal from the St. Mary River directs water to four separate irrigation districts to provide water to about 215,000 hectares farmland, 15-20 recreational areas, rural municipalities and major industries .

In Montana, the areas irrigated from the two rivers are much smaller, only about 40,000 hectares.

## International Joint Commission

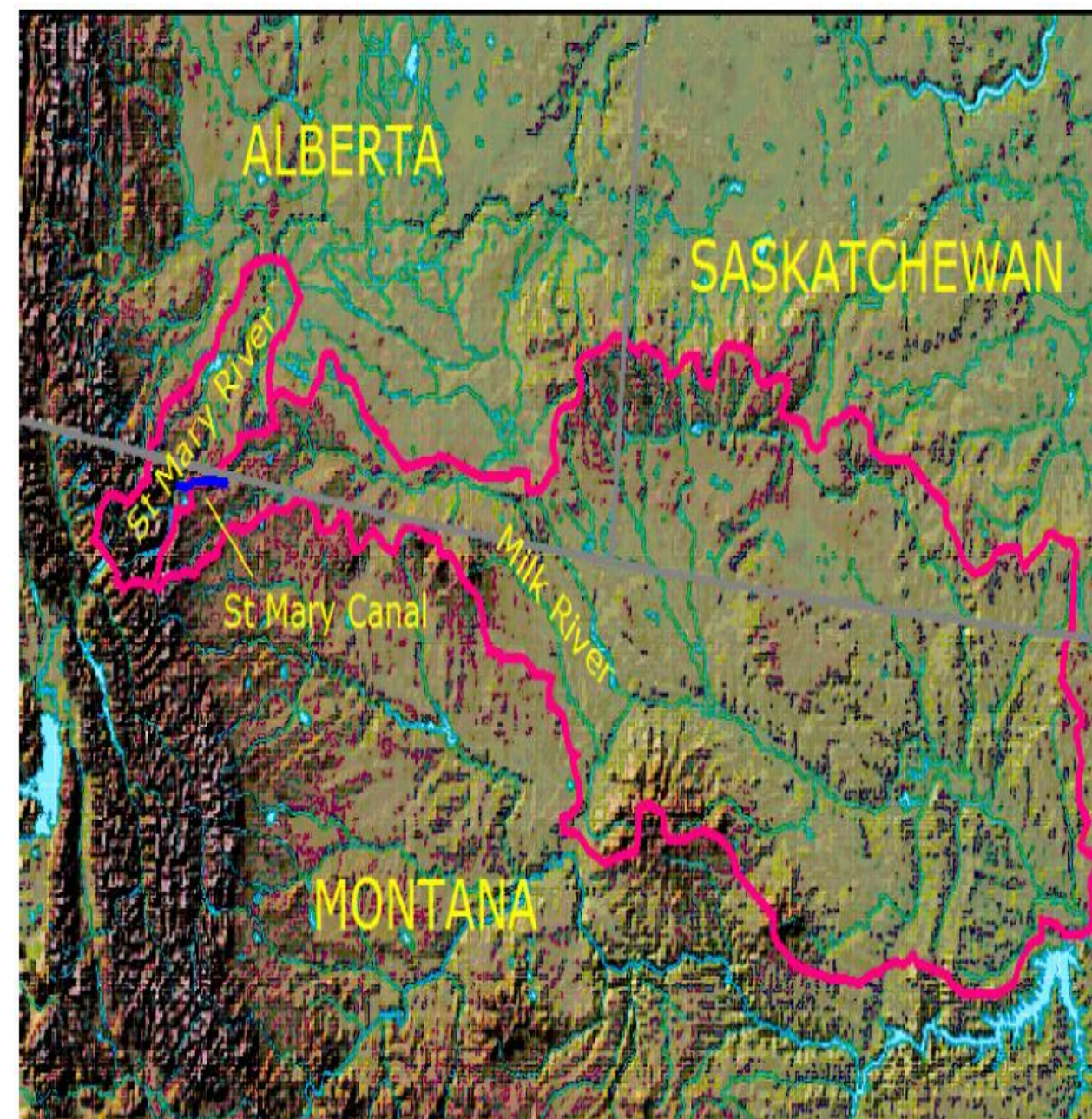
Main purpose of the IJC is to prevent and resolve disputes by proposing compromises that protect present water users and future generations from loss of their water entitlements .

The IJC formed a Task Force in 2004 comprising of six members, with equal representation from both countries to review historical agreements and investigate current disputes.

## Historical Agreements: Article VI and the 1921 Order

Article VI and the 1921 Order of the Boundary Waters Treaty specifies that Alberta would receive an allocation of 75% of the first 666 cfs in the St. Mary River from April 1 to October 31 and Montana would receive the same percentage allocation over the same time period from the Milk River .

All flows above 666 cfs and outside the irrigation season are to be divided equally.



## Analysis of Water Entitlements and Use

Alberta received 28.1% more than its entitlement from the St. Mary River because Montana was unable to divert and use its full share. The situation was reversed in the Milk River where Montana received 47.4% more than its entitlement because Alberta lacked physical resources to utilize its share.

In total, including other flows, Alberta received 9.45% more than its entitlement whereas Montana received 9.59% less than its entitlement over the 1950-2002 period. However, the overall share of 45.5% for Montana and 54.5% of Alberta met the overall allocation given in the 1921 Order.

Water entitlements (acre-feet)	St. Mary River	Milk River	Lodge Creek	Battle Creek	Frenchman River	Total
Average U.S. entitlements	268,388	77,853	12,336	12,989	32,705	404,272
Entitlement as % of total flow	40.97	66.38	50.00	50.00	50.00	45.50
Percent of entitlement received	62.03	147.36	142.80	133.34	150.88	90.41
Average Canadian entitlements	386,766	39,428	12,336	12,989	32,705	484,224
Entitlement as % of total flow	59.03	33.62	50.00	50.00	50.00	54.50
Percent of entitlement received	128.05	7.22	57.21	67.49	49.11	109.45

Source: Alberta Environment (2004)

## Is Water an Agricultural Trade Issue?

Water is an important factor of agricultural production in both countries. The scale and scope of investment activities for which irrigation water is a key input have expanded steadily since 1909.

The Alberta government has invested heavily in the construction and rehabilitation of irrigation works, and in doing so, may have altered the comparative advantage of crop production in the two regions.

## Conclusions

After seven years of study, meetings and negotiations, a definitive solution of the water dispute has not been found by the Task Force. Although Alberta users have been receiving more water than Montana users, it has been determined that both countries have been using less water than their individual entitlements. Rather than any inherent unfairness in the treaty itself, this can be attributed to:

- a shortage of storage capacity in Alberta and
- lack of modern diversion systems in Montana.

Since water is a key input to agricultural commodities produced and traded across borders, does government support for infrastructure in Alberta provide an implicit trade advantage that benefits Canadian irrigation users or vice versa? More study is needed.