

The business upside of California's water torture

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A dog hangs around an abandoned farmhouse in early February near Bakersfield, Calif.

One man's drought is another man's opportunity.

"The drip irrigation industry is doing quite well this year. We're seeing double-digit increases in sales volumes," said John Vikupitz, president and CEO of Netafim USA, an Israeli company that sells drip systems that can cut traditional farm water usage in half.

Netafim was one of dozens of irrigation companies seeing new interest from farmers at this year's World Ag Show in Tulare, Calif. The nation's largest farm show is being held in the heart of the Golden State's prime agricultural region, an area experiencing what the government calls an "exceptional" drought.

Companies that drill for wells are reporting more work than they can handle, while some firms selling technology designed to address water scarcity are coming to the show for the first time.

(Read more: [Severe drought has US west fearing the worst](#))

Spectrum Technologies, based in the Corn Belt, came to California this year to pitch equipment like soil moisture sensors. "The high-value crops such as fruit, nuts and vegetables are all areas that this type of technology makes sense for," said Adam Rusciolelli, a Spectrum vice president.

Houston-based Dynamax came to showcase its own moisture monitor, which company President Mike Van Bavel said is favored by vineyards in Napa Valley. "This is the first time we've been to the World Ag Show in about 10 years," he said.

Publicly traded names

The need to help the nation's largest farm state is drawing in large, publicly traded names in irrigation as well. "California hasn't been a big market for us," said Shane Shiptet of [Valmont Industries](#), competing for new business along with rivals like [Lindsay](#) and [Trimble Navigation](#). [Trimble shares jumped Wednesday](#) on a strong earnings report and outlook.

Much of the technology being pitched to farmers is coming from overseas. Jain Irrigation, an Indian company that trades on the Bombay exchange, was at the show demonstrating the latest in "micro irrigation."

Still, farmers did a lot of looking, but not a lot of buying. Netafim's CEO said the drought is good for business only up to a point. "When drought drives growers to be concerned about their future, about their ability to have any water at all, that's not a good thing for us or the industry in general."

—By *CNBC's Jane Wells*. Follow her on Twitter: [@janewells](#).