The Bureau of Reclamation has issued an important new report on the future of the Colorado River. The Colorado supplies drinking water to 40 million people and irrigation water to nearly 5.5 million acres of land. The report projects decreases in supply over the next fifty years, including a 9% decrease in average flow and a 50% increase in droughts lasting five years or longer. In the meantime, demand for the water is projected to rise and will probably exceed supply.

As this graph shows, there is considerable uncertainty about both predictions, but the overall situation seems clear:

Colorado River Supply/Demand

There are possible solutions to the water shortfall, but they are expensive (see here). A reasonable guess is that part of the solution will come on the demand side. Price increases and supply uncertainties may reduce projected growth in the large chunk of the American West that relies on the Colorado. The resulting decrease in demand could help balance the water books.