

March 29, 2017



Representative Brian Clem, Chair  
House Agriculture and Natural Resources Committee  
900 Court St. NE, H-478  
Salem, Oregon 97301

Members, House Agriculture and Natural Resources Committee



### Testimony in support of HB 3249, the Oregon Agricultural Heritage Program

Dear Representative Clem and Members of the House Agriculture and Natural Resources Committee:

On behalf of our organizations and the thousands of Oregon landowners and other constituents we serve, **we ask that you vote to support the Oregon Agricultural Heritage Program, House Bill 3249.**



The Oregon Agricultural Heritage Program (OAHP) provides a new set of voluntary tools for landowners in Oregon to support working farms and ranches while also providing incentives and support for conservation benefits on those lands. Oregon's rural lands and landowners continue to face pressures from inadequate succession planning and the state's population growth. These two issues in turn exacerbate trends of incremental development and increasing fragmentation of Oregon's agricultural land. Development permanently takes land out of production, impairs the open space, water filtration, and habitat values that unpaved agricultural lands provide, and makes it more difficult for neighboring farmers and ranchers to operate. Fragmented parcels are harder for farmers and ranchers to piece together, earn a living from, and steward into the future.

**In response to these issues, our organizations are hearing interest around the state about using voluntary working lands easements and covenants as a complement to Oregon's land use system.**

Permanent working lands easements and 20-50 year covenants allow landowners to sell or lease development rights, keeping the land in agricultural production and supporting associated fish and wildlife habitat. The cash from the sale of these rights also helps the farmer or rancher build their business or divide their estate between their heirs without having to sell off or develop parcels of land, and can help reduce the value of land to keep it affordable for the next generation of farmers and ranchers. The conservation management plan program provided for in the bill would also provide a unique opportunity for farmers and ranchers to engage at the state and federal level in conservation activities that help provide habitat benefit for protected species while ensuring that the land remains in agricultural production.

Easements, covenants, and conservation management plans are a diverse set of tools that can be combined based on the landowners' need, capacity, and interest to provide uplift for Oregon's rural businesses and natural resource lands. These voluntary tools meet landowners where they are – understanding the diversity of Oregon's landscapes and agricultural businesses.

**Federal funds exist for such voluntary conservation, but Oregon has left millions of dollars on the table because we lack a state matching grant program.**

House Bill 3249 would fulfill a much-needed funding niche by providing grants to land trusts and other eligible entities to protect agricultural land. Unlike our neighbors in Washington and California, Oregon lacks a farmland protection program that could leverage federal programs like





the USDA Agricultural Land Easement Program. Between 1996 and 2014, Oregon only used \$2,678,198, or 0.19%, of the total U.S. allocations for financial and technical assistance from this program and its predecessor, the Farm and Rangeland Protection Program.<sup>1</sup>

The program would also provide farmers and ranchers with workshops on succession planning and fund a study to determine implications of Oregon's tax structure on succession planning. The average age of Oregon farmers and ranchers is nearly 60 years old. As a result, it is estimated that 64% (10.45 million acres) of Oregon's agricultural lands will change hands in the next 20 years, yet up to 80% of Oregon farmers and ranchers might not have a succession plan.<sup>2</sup>



In the process of an unplanned transition, Oregon's agricultural lands and their associated wildlife and environmental values are vulnerable to sale for non-farm uses, fragmentation, or eventual development. Properties are often transferred quickly if the estate is unplanned in order to pay state estate and (in some cases) federal inheritance taxes and to divide the assets between heirs. If land cannot be purchased by family members, it is increasingly sold to investors who may hold the land for future development and maybe less involved in the adjacent rural communities and economies.



Succession workshops offered through Oregon State University's celebrated Ties to the Land Program, would help landowners create plans that keep the business in operation and minimize the need to sell or develop properties as part of the division of the state. Meanwhile, a tax study conducted by the Legislative Policy and Research Director, in consultation with the Department of Revenue and the State Department of Agriculture, would examine ways to improve Oregon's tax structure to improve the outcomes of land transfer and succession planning for working landowners.



The program would be overseen by the Oregon Agricultural Heritage Commission, a diverse group of twelve experts from agricultural, natural resource, conservation, Tribal, and public sectors. The commission would serve as the rules advisory committee, make funding recommendations based on the bill's ranking criteria, and offer or solicit technical expertise to ensure the wise investment of the state's funds. As part of its duties, the commission will ensure that recipients of grant funding understand and agree to their roles and responsibilities.

**We believe in the ability of this program to address the urgent issues of succession and land preservation that we see throughout the state and we are committed to the success of this program.**



Six of our organizations have invested hundreds of hours over the past year to develop a program that meets landowner needs, protects Oregon's agricultural lands from conversion, and supports the stewardship of healthy watersheds and fish and wildlife habitat. We believe there is a ripe opportunity to focus on conserving well-managed farm and ranch lands that also support fish and wildlife habitat. These landscapes support our state's economy and the health of our environment.

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<sup>1</sup> Agricultural Conservation Easement Program Agricultural Land Easements. (2015, September).

*American Farmland Trust and USDA NRCS*, Retrieved from

[http://www.farmlandinfo.org/sites/default/files/Agricultural\\_Conservation\\_Easement\\_Program\\_Agricultural\\_Land\\_Easements\\_2015\\_AFT\\_FIC.pdf](http://www.farmlandinfo.org/sites/default/files/Agricultural_Conservation_Easement_Program_Agricultural_Land_Easements_2015_AFT_FIC.pdf)

<sup>2</sup> "The Future of Oregon's Agricultural Land," a 2016 report published by Oregon State University, Portland State University, and Rogue Farm Corps.

We ask that you show your commitment to the important public benefits of improving the resilience of Oregon's rural economies and communities and supporting the conservation and stewardship of Oregon's habitat and natural resources.

**Please vote yes on HB 3249 with a do-pass recommendation.**

Sincerely,



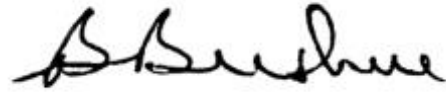
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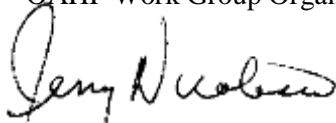
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*This testimony is also signed by these endorsers of HB 3249:*

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