

Public Benefits of the Oregon Agricultural Heritage Program (HB 3249)

This cannot wait until another session.

Opportunities will be irrevocably lost if HB 3249 is not passed in 2017.

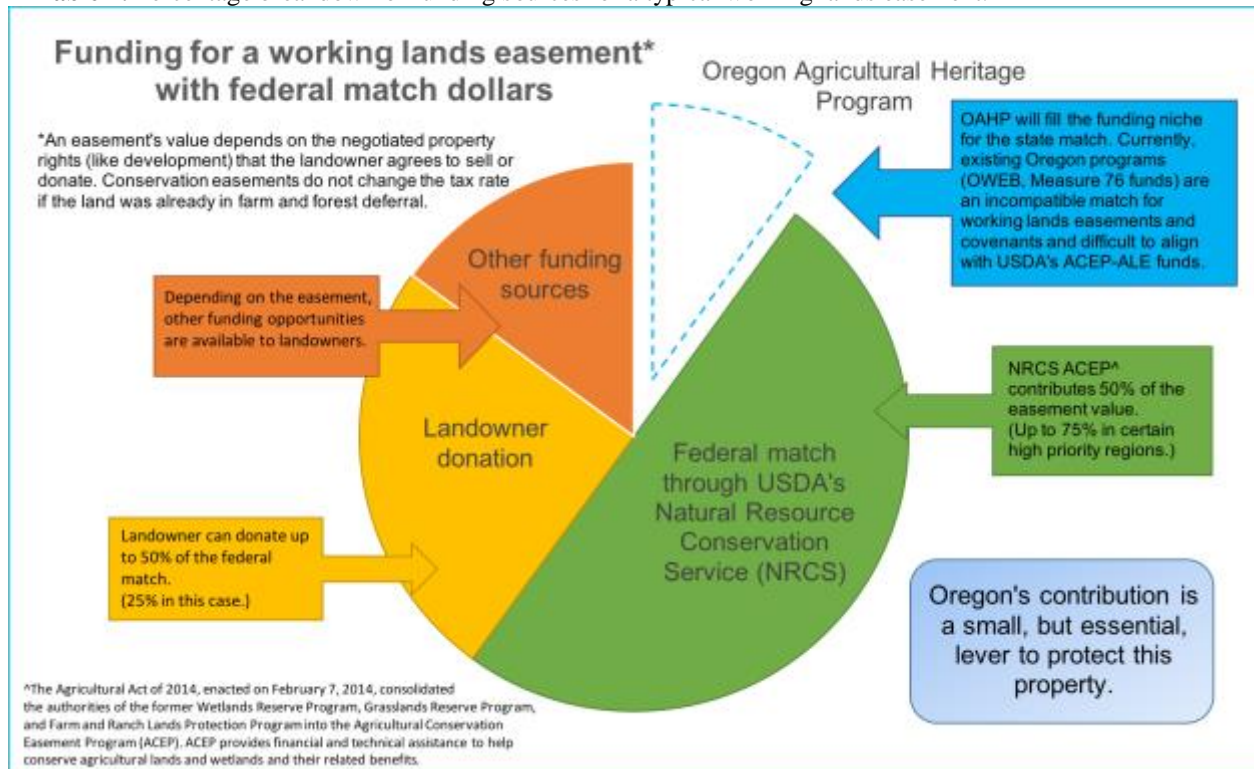
- We cannot slow the changing hands of Oregon agricultural land.
- Once it is fragmented, it is rarely re-consolidated.
- Once it is sold to investors, it rarely comes back to family ownership.
- Once it is developed, it never returns to agriculture and open space.

“Not every ranch has a mile along the John Day. We are so blessed to be the stewards of this land. It would break my heart to see it go away.”
Roger Ediger, John Day rancher currently conveying a working lands easement.

Public dollars are well-spent on OAHP and will increase federal funding avenues.

Oregon has a diversity of landscapes, farm scale, and landowner needs, therefore OAHP could leverage current state programs. OWEB lacks a designated program for working lands easements and covenants because their current programs are narrowly focused on fish and wildlife habitat and watershed functions. Their existing grant programs and Measure 76 funds are a difficult to align with USDA’s Agricultural Conservation Easement Program-Agricultural Land Easements (ACEP-ALE) funds (see Table 1 for percentage breakdown of funding sources and where OAHP fills the funding gap). There is a growing need for the state side match, with 16 Land Trusts & 5 Soil and Water Conservation Districts wanting to hold working lands easements. Private donations and foundations are currently filling the need, but Oregon can collectively grow the pie, and have the means to conserve more land, if OAHP is established.

Table 1: Percentage breakdown of funding sources for a typical working lands easement.

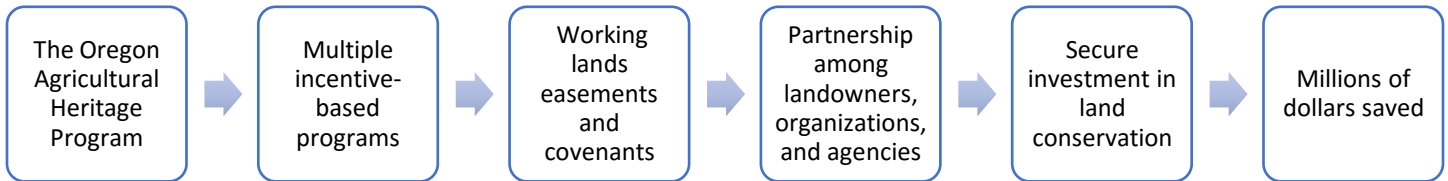


Oregon is leaving federal dollars for working lands preservation on the table. There are 28 states with a state match program for the federal USDA Natural Resources Conservation Service (NRCS) Agricultural Conservation Easement Program – Agricultural Land Easement (ACEP-ALE) program. Analysis of the NRCS ACEP-ALE financial data for 2014 and 2015 revealed that states with a match program received more funding than states without a match program (see Table 3 for comparison of states with and without state match programs receiving ACEP funding, p. 4). There is a 68% difference in receiving funding for purchasing easements and implementing conservation practices (Financial Assistance funds) and a 65% difference in total funding for states with and without state match programs. Further analysis of the financial data revealed that Oregon is on the short end of the stick. In comparing the Total Assistance ACEP-ALE funds adjusted for landmass between states, Oregon only receives about 0.19% of funds distributed (see Table 2 for state-by-state comparison, p. 4). Delaware, whose Delaware Agricultural Lands Preservation Program was inceptioned in 1991, received the most funding. This finding confirms claims by conservation organizations who felt that Oregon was disproportionately receiving ACEP-ALE funds despite the demand and many acres in Oregon that need protection. OAHP would therefore increase ACEP-ALE funding opportunities for Oregon.

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Voluntary measures are a cost-effective, preventative means of promoting conservation

The Oregon Conservation Strategy recommends voluntary conservation measures as an effective means to conserve our state's fish and wildlife species. Proactive, voluntary approaches are also cost-effective to the state and to landowners; front-end investments are less expensive than regulating to recover from environmental emergencies. Land trusts in Oregon are hearing from a growing number of landowners who wish to conserve their lands and the investments made on their land to conserve habitat and manage natural resource values. With OAHP, there will be a permanent program within OWEB that focused on working lands conservation easements and covenants. As a result, the state could expand environmental resources for agriculture and further the goals of the Oregon Conservation Strategy.



The decision to convey an easement or covenant is a voluntary, personal business decision. It involves long negotiations with an easement holder and the landowner's attorney, and the process of conveying an easement can take years. Lands placed into an easement or covenant remain in agricultural production and can provide other uses agreed upon between the landowner and the easement holder (for example, whether to grant public access – that decision is entirely up to the landowner). Easements and covenants do not grant public ownership of private lands. Funds are used to purchase only certain development rights, not the whole property, and simply are *not* a “subsidy” akin to federal crop production subsidies.

Since the easement holder will be working with the landowner for the rest of their lives, the landowner will be an active, informed participant to avoid misunderstandings or easement violations. The many players involved in conveying an easement such as land trusts, conservation organizations, foundations, and state and federal agencies lead to trust-building and lasting partnerships that will fuel more voluntary conservation and benefit agriculture and the environment. In addition, the proposed OAHP Commission is broad and representative to include perspectives on natural resource conservation, environment and water quality, and farming and ranching. The Commission will guide the program to ensure wise investments that protect the interests of all.

The legal protection of easements and covenants assures landowners that their investments on their lands is secure and will remain in agriculture and not threatened by fragmentation or sale. Also, using easements strengthens Oregon's land use program. Oregon's land use program has slowed the loss of resource lands, but not permanently. Since its implemented in 1974, half a million acres of Oregon agricultural land have been taken out of production and 65,600 acres have been taken out of Exclusive Farm Use zoning. There are over 50 permitted non-farm uses on land zoned for EFU, including aggregate mining, multiple ways of building on-farm housing, air strips, etc. Much of Oregon's agricultural land is flat land near waterways, where many of our urban areas are also situated and there act as a buffer between urban areas and remote, wild landscapes. As a result, agricultural land is vulnerable to development.

While OAHP's support in succession planning is minimal, succession planning assistance is an important complement to conservation investments. Succession planning is a long process requiring many elements and thoughtful preparation that can be an intense emotional and financial burden for farmers and ranchers. Farms without succession plans experience more family strife and pay more on attorneys and Oregon estate tax, which can destroy the farm's viability. Farms and ranches are land-rich, but cash-poor. Parcels of farmland are often sold to give heirs an inheritance. Fragmented landscapes are harder to farm and conserve. These parcels are also increasingly being sold to investment companies. This puts Oregon's family farmers at a systemic, economic disadvantage (i.e. investment companies do not pay estate taxes). Farm succession issues are deeply personal, but offering tools to help farmers keep their land intact while providing capital to invest in their operation or retirement have ripple-effects that benefit the environment, economy, food systems, and rural communities.

“I don't want this valley to look like a suburb. This is a way to capitalize on its economic value while preserving what people like here.”
Woody Wolfe, Wallowa County rancher who has one working lands easement and is conveying another.

With the implementation of OAHP millions of dollars will be saved. The public will spend more if a species is listed as threatened or endangered than if pre-emptive efforts can prevent a listing in the first place. Protecting soil and water quality of the land through easements and covenants will protect crucial habitats. Conservation organizations that hold easements work hard restoring riparian areas and wetlands that protect communities from natural disasters. OAHP will open avenues for economic sustainability that benefits agriculture, the environment, and rural communities.

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Conservation of working lands benefits the state

Economy: Agriculture is Oregon's 2nd largest economic driver, with an economic impact of \$8.2 billion. Oregon grows 220+ crops in vastly different conditions.

Jobs: Agriculture directly provides 4% of Oregon employment and indirectly provides 14%. Many of these jobs are in rural communities, which are increasingly economically blighted.

Water quality: Open space agricultural lands provide water filtration, storage and storm water control. Protecting these lands is a prerequisite to safeguarding water quality. Water quality is the province of ODA and OWEB's current grant programs, but HB 3249 will enhance these water quality endeavors.

Habitat protection: The Oregon Conservation Strategy is our State's overarching guide to conserving fish and wildlife and their habitats. The entire Strategy relies on voluntary restoration efforts to maintain and restore functioning habitats. Much of the conservation opportunity areas identified in the Strategy exist on private farm and ranch lands; agricultural lands make up 25% (16.3 million acres) of Oregon's land. Many agricultural properties have streams, which are habitats for salmon and other aquatic species, as well as riparian and forest habitat for other wildlife. They also provide migratory corridors for numerous species. Fragmentation of agricultural land is a major threat to the habitat and migration corridors they provide.

Once agricultural land is lost, it is lost forever

Development is permanent. Once agricultural land is developed, it will never again provide food or support agricultural entrepreneurs who contribute to rural economies and communities. Once agricultural land is lost, the wild landscapes beyond it become more vulnerable to human impacts.

The most likely alternative to working lands preservation is eventual development. Urban development is a far greater contributor to diminished water quality and habitat loss than agriculture. As agricultural land is being sold to pay the costs of business succession and to divide farm estates, the parcels are being fragmented or purchased by non-farming investment entities. Local farmers and ranchers are personally connected to their land and are more likely to steward it for future generations. Conservation and restoration efforts are better achieved on intact land. If land is parceled up among multiple owners with multiple purposes, the restoration and conservation opportunities are greatly diminished.

We strongly urge the legislature's support of HB 3249



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Table 2: Financial information obtained from the NRCS website: <http://www.nrcs.usda.gov/>

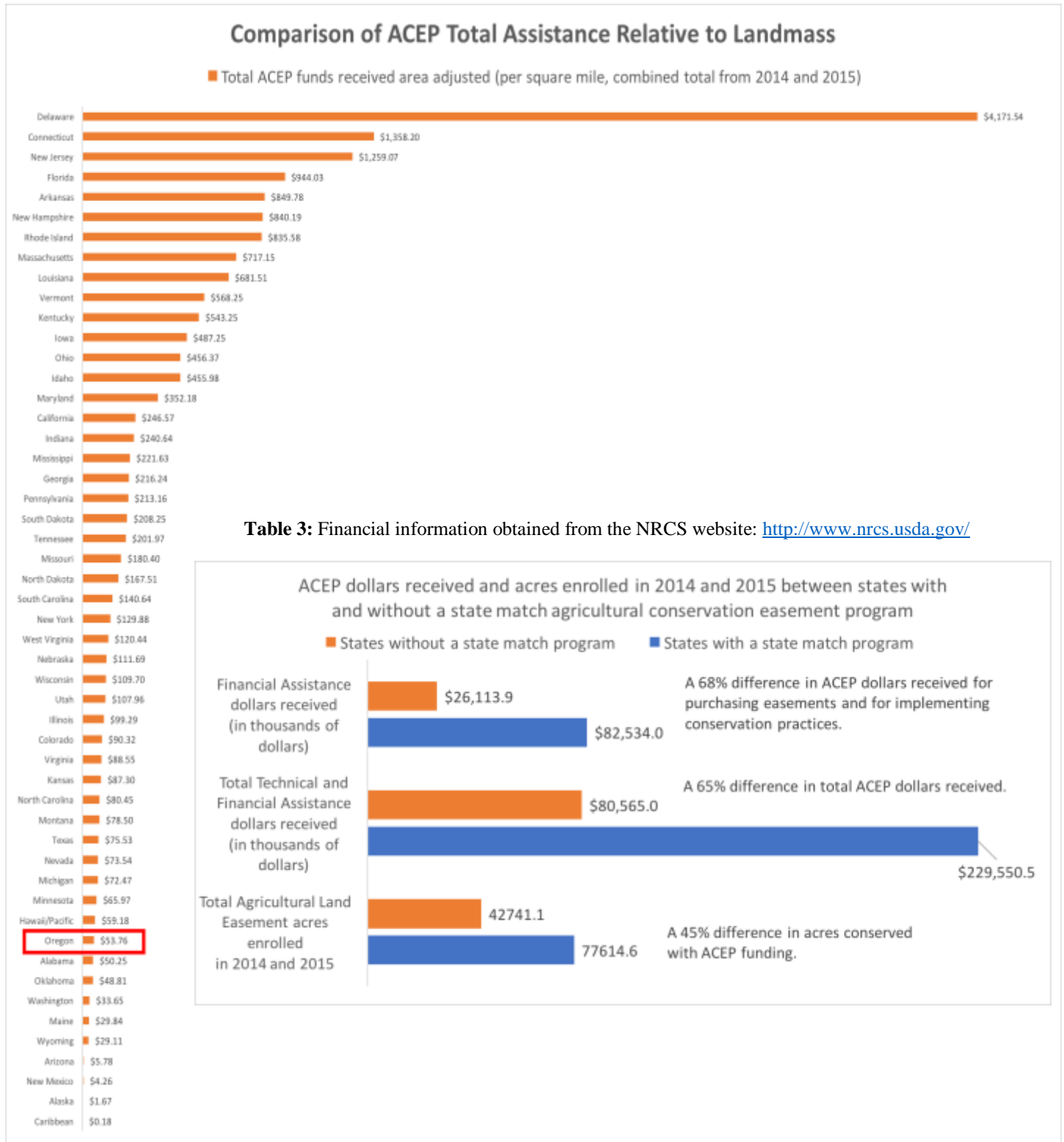


Table 3: Financial information obtained from the NRCS website: <http://www.nrcs.usda.gov/>

