

Oregon Agriculture Heritage Program (OAHP)

2022 Funding Request - \$5 million

Background

In 2017, the legislature created the Oregon Agricultural Heritage Program (OAHP) with **significant bi-partisan support**. OAHP was designed by agricultural and conservation groups to protect farm & ranch land, keep it in production, and enhance its natural resources. It includes **4 grant programs**:

1. Working Land Easements: Match funding to compensate farmers and ranchers for protecting their land and its natural resource values and keeping it in production;
2. Conservation Management Plans: Compensates landowners for implementing 20-50 year plans to benefit production and natural resource values;
3. Succession Planning: Support for training that helps landowners take the next steps; and
4. Technical Assistance: Support for non-state organizations to implement the grant programs.

OAHP is administered by OWEB and is ready to implement immediately, but has **yet to be funded**.

Key Program Facts: The Oregon Agricultural Heritage Program (OAHP)...

- Is voluntary, and complements similar federal incentive programs managed by the USDA.
- Brings federal dollars to Oregon that are currently going to other states; Oregon has received only 0.4% of federal agricultural easement dollars - Rhode Island has received 6x as much. States with funded match programs receive 3x as much as states without funded programs.
- Keeps farm and ranch land **in production**; easements and conservation management plans enhance both agricultural and natural resource values and do not remove water rights necessary for agriculture. Succession planning helps with intergenerational transfers.
- Benefits both agriculture **and** conservation by helping landowners protect land and compensating them for practices that conserve soil and water and enhance existing habitat.
- Benefits rural communities with dollars that recirculate in rural economies; Colorado found that \$1 dollar of federal ag easement funding generates \$2.19 in local economic activity.
- Benefits the state by supporting the state's 2nd largest economic sector (agriculture) and the rural communities, open spaces, and fish and wildlife habitat that depend upon it.
- Is a popular program in other states; 27 other states have working land easement match programs. In 2021, Washington has \$9M, California \$26.5M and Colorado \$11.6M available.

The Time is Right for OAHP Investment

- There is tremendous demand for OAHP's grant programs. In 2019, the Oregon Agricultural Heritage Commission received **28 letters of interest** from **11 easement holders**, which would have **permanently protected 76,000 acres**, with the average project value at \$1.9 million. OAHP could leverage these projects by providing 25% value (\$475,000 /project on average) with the remaining 50% of match coming from federal grants and 25% from landowners' donations that are eligible for enhanced tax credits.
- The current Farm Bill allocates \$450M per year in federal match funding for agricultural easements. In order to access this funding, Oregon must demonstrate the ability to match it.
- Texas's agricultural easement program has a 27:1 return on investment and 10:1 leveraging ratio, considering flood prevention and damage reduction, support for rural economies, and benefits for water quality and quantity.

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What \$5 Million Will Do

In 2022, we are seeking \$5 million for landowner grants for **conservation management plans** and **working lands easements/covenants**, and to implement the program.

OAHP is shovel-ready with a commission, rules, and huge landowner demand, so the funds can be spent by the end of the 2021-2023 biennium.

OAHP Provides Access to Three Programs

OAHP offers 4 voluntary grant programs designed to support working farms and ranches while also maintaining or enhancing fish and wildlife habitat and other natural resource values.

Applicants are non-state organizations, but most of the funds compensate landowners for their work and/or development rights.

1. **Working Lands Easements and Covenants**
 - a. Voluntary, private contracts that pay landowners in exchange for retiring their development rights and keeping the land in ag production. Landowners retain ownership of the land.
 - b. Used by 27 other states with large ag sectors, including Washington & California.
 - c. Without state investment, we miss the opportunity for federal matching funds.
2. **Conservation Management Plans** Annual payments for 20-50 years to implement the plans
3. **Technical Assistance**: Improve entities' capacity to hold plans, easements, or covenants
 - a. **Succession Planning Grants**: Encourage and prepare landowners to complete succession planning. Does not pay for personal legal work, but pays organizations to provide education and guidance during this difficult process.

Working Land Easements In Particular

Working land easements are voluntary contracts between a landowner and an entity like a land trust or soil and water conservation district that remove development rights that conflict with agriculture and conservation. Landowners are compensated for the rights and the land remains in production.

Benefits of working land easements include:

Sequestering carbon: Land is necessary for implementing soil smart strategies; an acre of farmland produces 58-70 times fewer greenhouse gas emissions than an acre of urban land.

Supporting rural businesses: Easements allow farmers to get cash from their real estate **while still keeping it in agriculture**. This is a win-win for families going through succession, expanding their businesses, or creating a financial buffer for tough times.

All Four Programs Benefit the State By...

- Keeping **working lands in production**.
- **Enhancing natural resources** on those working lands, including healthy soils.
- Providing resources to help farms and ranches **transfer to the next generation**.
- Leveraging **significant federal match** authorized through the federal Farm Bill.