



Co-Chairs Sen. Johnson, Sen. Steiner-Hayward, and Rep. Rayfield
Ways & Means Committee
900 Court St. NE
Salem, OR 97301

Saturday, April 24, 2021

RE: SB 5555 - Support for Oregon Agricultural Heritage Program with ARPA funding

Dear Co-Chairs Sen. Johnson, Sen. Steiner-Hayward, and Rep. Rayfield, and Committee members:

Thank you for the opportunity to testify in support of appropriating \$10 million of American Rescue Plan Act (ARPA) funding for the state's Oregon Agricultural Heritage Program.

I represent the 501(c)(3) agricultural land trust Oregon Agricultural Trust (OAT). Our mission is to partner with Oregon farmers and ranchers to protect agricultural lands for the benefit of Oregon's economy, communities, and landscapes. OAT recognizes the many challenges that farmers and ranchers face in passing their land to the next generation and the consequences of these challenges:

- Owner-operators who are land-rich and cash-poor find it **difficult to cashflow succession**, since they must find liquidity on a short timeframe to pay estate taxes, attorney fees and non-farming heirs. As a result, many operators must sell some land, hamstringing the business.
- Meanwhile, beginning farmers and ranchers find it **nearly impossible to afford land** as its value is inflated by competition from non-producers, investors and development speculators.
- Despite our strong land use program, Oregon **lost 340,000 acres** from agricultural production in just five years between 2012 and 2017.
- The loss of this land limits Oregon's ability to **address climate change**, since agricultural land produces 58-70 times fewer greenhouse gasses than urban land.ⁱ

Our nonprofit supports succession, land access and farmland protection with a tool that's been used for over a century - the conservation easement. OAT's **working lands conservation easements** allow landowners to voluntarily remove development rights that they would not use anyway - rights that artificially inflate the price of land making it unaffordable to the next generation. Instead of selling land, the **landowner frees up liquidity from real estate while retaining ownership** and the rights to farm, ranch, sell, devise, or use the land in any way that's not prohibited by the easement. They can use cash payments for easements to pay for business expansion or succession.

Conveying an easement is a **voluntary exercise of private property rights**. And while easements are permanent, so too is development. Once subdivided or developed, agricultural land cannot be undeveloped, and its productive agricultural and associated natural resource values are lost forever.

Fortunately, Oregon is one of 29 states that has a grant program to compensate landowners for their working land easements - the Oregon Agricultural Heritage Program (OAHP). OAHP is designed to match the federal USDA working land easement program, which funds easement projects up to 50%. Yet Oregon's program is unfunded. As a result, we are leaving millions of federal dollars on the table annually; **states with funded easement match programs leverage four-times more in federal match than states like Oregon with unfunded programs.**ⁱ Adding to that, each federal dollar generates an additional \$2.19 in rural economic activity.ⁱⁱⁱ

The Oregon Agricultural Heritage Program is ready to receive funding, and farmers, ranchers, and land trusts are ready to deploy it. **OAHP has rules, applications, and a commission ready to go.** And there are already a dozen projects ready to utilize these funds to protect thousands of acres of Oregon agricultural land for the future of our food security, rural economies, and climate resilience. **Yet if funding is not provided in this cycle, some of these opportunities will be lost forever.** All we lack is state funding for OAHP.

Please support Oregon's farmers, ranchers, and agricultural economies and landscapes by allocating \$10 million in funding to the Oregon Agricultural Heritage Program.

Thank you for your service,

Nellie McAdams



Executive Director
Oregon Agricultural Trust (OAT)
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ⁱ Greener Fields: California communities combatting climate change. September 2018. American Farmland Trust: <https://farmlandinfo.org/publications/greener-fields-california-communities-combating-climate-change/>

ⁱⁱ Status of State PACE Programs. January 28, 2018. Farmland Information Center: https://s30428.pcdn.co/wp-content/uploads/sites/2/2019/09/State_Purchase_of_Agricultural_Conservation_Easement_Programs_2018_AFT_FIC.pdf

ⁱⁱⁱ Estimated Economic Impact of Federal Agricultural Conservation Easement Programs on Colorado (2009-2017). July 2018. Seider, Schwartzenruber, Hill: Colorado State University. <https://farmlandinfo.org/publications/estimated-economic-impact-of-acep-on-colorado/>