



March 23, 2021

Co-Chairs Taylor and Reardon
Joint Committee on Ways and Means, Subcommittee on Natural Resources
Oregon Capitol
900 Court Street NE
Salem, OR 97301

Re: Support for HB 5037, OWEB POP #230 Oregon Agricultural Heritage Program Grants

Dear Co-Chairs Taylor and Reardon and Members of the Committee:

Thank you for the opportunity to provide testimony in support of OWEB's Policy Option Package #230 in HB 5037 – Oregon Agricultural Heritage Program Grants. I write you on behalf of Oregon Agricultural Trust (OAT), a statewide agricultural land trust that partners with farmers and ranchers to protect agricultural lands for the benefit of Oregon's economy, communities, and landscapes.

Our primary tool for doing this work is a working land easement. These are voluntary agreements between landowners and an authorized organization like a land trust or soil and water conservation district to remove development rights that would interfere with agricultural use of the property. Working land easements allow landowners to get liquidity and/or tax credits from their land while retaining ownership and the ability to use the land for agricultural production.

Working land easements can be exceedingly helpful in succession planning, which is a growing concern in Oregon. The average age of farmers and ranchers is retirement age (60) and Oregon State University estimates that up to 81% of farmers and ranchers do not have succession plans. Land that passes without a succession plan is far more likely to be sold to pay for estate taxes, attorney fees, and the inheritance of non-farming heirs. It is also more likely to be fragmented, which makes it more vulnerable to development. Meanwhile, beginning farmers and ranchers are finding it nearly impossible to afford agricultural land on a farm income, since land prices are inflated by development pressure; Oregon's land use program has slowed the pace of development of our best soils, but it permits over 60 non-farm uses on land zoned for Exclusive Farm Use. As a result of these factors, 10.5 million acres of land is changing hands in 20 years and it is uncertain whether a significant portion of it will remain in production.

The legislature created the Oregon Agricultural Heritage Program (OAHP) in 2017 to address these interrelated issues and safeguard Oregon's rural economies, food systems, and natural resources which hang in the balance. OAHP's four grant programs provide needed support to landowners and the organizations that want to serve them. These grants include funding to: match and leverage federal dollars for working land easements, reward landowners for implementing conservation management plans, assist with succession planning, and provide technical assistance. OAHP has strong support from agricultural and conservation leaders alike, and is fully operational, with rules and a commission in place. All that is lacking is funding.



**OREGON
AGRICULTURAL
TRUST**

OWEB's POP does not request funding from the state, but rather requests the authority to allow partners and staff to seek funding from other public and private entities and distribute these funds via grants in the 2021-2023 biennium. By authorizing this request, the organizational infrastructure that OWEB and its Oregon Agricultural Heritage Commission carefully built over the past 4 years could be utilized to distribute funds raised by other entities to meet the pressing needs of Oregon farmers and ranchers. The sooner this program begins operation, the sooner Oregon can leverage significant federal funding for these programs that the state has left on the table in the past because we have not had a source for matching those funds.

On behalf of the Oregon farmers and ranchers with whom we partner, we urge the committee to support a budget that allows OWEB to receive and distribute funds via the Oregon Agricultural Heritage Program, as described in the OWEB agency request budget, POP 230.

Thank you for considering our comments.

Sincerely,

Nellie McAdams
Executive Director
Oregon Agricultural Trust (OAT)