Oregon Working Lands Report

Prepared by
The Trust for Public Land
August 2015
# Table of Contents

1. **Introduction** .................................................................................................................. 2
2. **Working Lands** ............................................................................................................ 5
3. **Growth and Demographics** .......................................................................................... 13
4. **Land Use Protections** .................................................................................................. 16
5. **Loss of Working Lands** .............................................................................................. 22
6. **Why is Oregon Losing Working Lands?** .................................................................. 25
   - Succession Issues .......................................................................................................... 26
   - Urban Expansion and Rezoning .................................................................................. 26
   - Low-Density Residential Development ................................................................... 26
   - Non-Farming Allowed Uses ...................................................................................... 27
   - Operational Costs ........................................................................................................ 28
   - Farm and Timber Infrastructure ................................................................................ 28
   - Regulations .................................................................................................................. 29
   - Conservation ................................................................................................................ 29
7. **Protecting Working Lands** ....................................................................................... 30
8. **Conclusions** .............................................................................................................. 32

**Appendix A: Federal Farm Bill Conservation Programs in Oregon** ........................................ 33

**Appendix B: List of Studies, Data, Research and Reports Reviewed** ................................. 35

- Plans in Oregon Related to Working Farms and Forests ............................................. 35
- Reports and Studies ....................................................................................................... 35
- Sources of Data .............................................................................................................. 36
- Project Interviews .......................................................................................................... 37
- Advisory Committee Participants ................................................................................ 37
- Partial List of Activity Related to Working Lands ....................................................... 38
1. Introduction

“Here’s it is all green. It’s paradise. Now we’re covering it all up. We can’t keep developing the best land. Our food and fiber supply is critical. The best places to farm are threatened by urbanization.” – Willamette Valley Farmer

Oregon’s rich agricultural heritage and diverse working lands have drawn people to live and work in the state for more than 150 years. Today, the Oregon coast is known for its productive cranberry and dairy farms, while the Willamette Valley boasts 170 different crops and houses everything from corn fields to vineyards to Christmas tree farms. The apple orchards of the Hood River Valley, the wheat fields of the Columbia basin, and the cattle ranges of Southern Oregon each add to the economic, social, and environmental well-being of the state.

Forestry and farming have long been central to Oregon’s economy, thanks in part to the state’s unique climate and unparalleled soils.¹ In 2012, Oregon agriculture generated $5.4 billion.² The state’s forestry and wood products manufacturing sectors generate almost $13 billion annually.³ Oregon’s working lands are the cornerstone of rural farming and ranching communities, and they provide myriad benefits to the natural environment including vital wildlife habitat and habitat linkages, and ecosystem services such as carbon sequestration and drought resilience.

As a result of the state’s unique land use laws (described in Section 4, Land Use Protections), Oregon’s working farms and forests are more intact and protected than those in surrounding states. Through the state’s land use protections, millions of acres are designated for Exclusive Farm Use (EFU) and exclusive forest use. In spite of legal protections and the extraordinary diversity, quality, and value of Oregon’s working lands, the state’s farm and forestland base continues to erode.

While Oregon’s land use system has helped protect many working lands, it has also contributed to limiting the use alternative tools for preserving working lands, such as conservation easements.⁴ Conservation easements have largely been used for habitat protection in Oregon, and in some cases these easements have required taking agricultural lands completely out of production. This in turn has prompted concern among some members of Oregon’s agricultural community.

In partnership with the Coalition of Oregon Land Trusts and partners throughout the state, The Trust for Public Land undertook the Oregon Working Lands Data Bank project in order to provide accessible Geographic Information System (GIS)-based data on changes to working lands in Oregon. The Data Bank is intended to identify factors influencing the conversion of working lands and bring to light opportunities to protect and enhance working lands. This report is based on extensive review of publicly-available data and literature; consultation with local partners; meetings with a 37-member Advisory Committee for the project made up of stakeholders representing farm, ranch, and timber

⁴ Land Trust Alliance: “a ‘conservation easement’ (also known as a conservation restriction) is a legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values. It allows landowners to continue to own and use their land, and they can also sell it or pass it on to heirs.” http://www.landtrustalliance.org/conservation/landowners/conservation-easements.
communities, public agencies, and land trusts; and interviews with agricultural and forest landowners throughout Oregon. The report provides context for the Data Bank, which is accessible here: http://tplgis.org/OR/WorkingLands/.

In this report, The Trust for Public Land assesses and describes the current state of Oregon’s working lands. The report includes descriptions of growth, land use laws, loss of working lands (and factors related to loss of working lands), and preservation of working lands. Appendices include an overview of Farm Bill conservation programs and an inventory of studies, data, research, and plans related to Oregon working lands.

In spite of the challenges for working lands in Oregon, there have been many success stories in which conservation efforts have helped keep working lands in production while protecting vital natural resources. Case studies illustrating some of these success stories are included throughout this report.
Case Study: Sycan River Ranch

Becky Hyde’s family has been ranching in Oregon since the 1840s. Her family’s historic ranching property near Brothers is owned by a unique trust that requires any money generated by selling the property to go to charity. She and other family members are trustees and lease land from the trust. Hyde says this arrangement keeps her family from struggling with the same succession issues as other ranching families.

In the early 2000s, Hyde and her husband bought a ranch on the Sycan River – an area with a long history of controversy over tribal rights to land and water. They wanted to show that they could restore the river on their property, while continuing to graze. It has not been easy. Eighty individuals and groups have been involved in preserving and restoring the ranch. The ranch is covered by a conservation easement paid for by the Oregon Watershed Enhancement Board (OWEB) and the federal Farm and Ranchland Protection Program (now known as the Agricultural Conservation Easement Program). The conservation easement is held by the Klamath Tribes. Because the conservation easement did not provide enough funding to allow the Hydes to buy the property, Hyde worked with Sustainable Northwest to generate $100,000 from conservation investors (most investing $5,000 to $10,000).

The Hydes have worked closely with the National Riparian Service Team to restore the riparian areas of their ranch. As a result of the progress that they have made, the Hydes’ Sycan River ranch has helped catalyze a settlement agreement with the Klamath Tribes over water. More local ranchlands are now entering into conservation easements along riparian areas, easements over which the Tribes will have third-party enforcement rights.
2. Working Lands

Oregon covers 63 million acres, of which more than half is forestland and more than a quarter is farmland. Over 18 million acres, or sixty percent, of Oregon's forests are under federal ownership. Statewide land ownership is shown in Figure 1.

More than 85 percent of the state's farms are family or individual-owned, and the average size of a farm in Oregon is 433 acres. In 2012, there were 38,100 farms and 16,500,000 acres in agricultural production in Oregon. The state's top commodities are greenhouse/nursery, cattle/calves, hay, milk, wheat, grass seed, potatoes and pears. Nationally, Oregon is the top producer of blackberries, boysenberries and youngberries, hazelnuts, loganberries, black raspberries, ryegrass seed, orchardgrass seed, crimson clover, fescue seed, sugarbeets for seed, red clover seed, potted florist azaleas, peppermint, and Christmas trees. Table 1 shows Oregon's top agricultural commodities by value.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse &amp; Nursery</td>
<td>$745,162,000</td>
</tr>
<tr>
<td>Cattle and Calves</td>
<td>$653,869,000</td>
</tr>
<tr>
<td>Hay</td>
<td>$638,108,000</td>
</tr>
<tr>
<td>Milk</td>
<td>$497,574,000</td>
</tr>
<tr>
<td>Wheat</td>
<td>$472,128,000</td>
</tr>
</tbody>
</table>

Over 16 million acres in Oregon are zoned for exclusive farm use (EFU) and nearly 17 million acres are zoned as rangeland. Areas zoned as agricultural and rangeland are shown in Figure 2. Designated high value and unique farmland soils are shown in Figure 3.

Agriculture (including grazing and agricultural processing) is the second largest economic driver in Oregon and accounts for 12 percent of all employment in the state. Irrigated agriculture produces 77 percent of the total value of Oregon's harvested crops. In 2012, Oregon agricultural production was valued at $5.4 billion, up almost 2 percent from 2011. In 2010, it was estimated that the total direct and indirect contribution to Oregon’s economy by the agriculture and food processing industry was nearly $29 billion.

---

7 ODA Facts & Figures.
8 ODA Facts & Figures.
9 ODA Facts & Figures.
12 ODA Facts & Figures.
13 2010-11 Farm and Forest Report, 2.
* Zoning data compiled using two datasets produced by the Oregon Department of Land Conservation and Development. Where it existed, a more precise dataset for 156 local jurisdictions in western Oregon was used. Areas not covered by this dataset were filled in using a more generalized dataset that covers eastern Oregon.
Farmland Soil Class *
- High value farmland along coast
- Prime farmland if irrigated
- Prime farmland if not irrigated
- Farmland of unique importance
- High value farmland in the Willamette Valley

* Farmland class data assembled by the Oregon Department of Agriculture to show high value and unique farmland.
Historically, each region of the state was strongly identified with particular agricultural products. Southern Oregon and the Columbia Gorge were known for orchards; the Willamette Valley was known for vegetables; central Oregon for carrot and potato seed; the coast for creameries; and eastern Oregon for grains and livestock.\(^{14}\) This is still generally true today, but globalization and increased demand for local food have spurred greater crop diversity throughout the state.\(^{15}\)

Forestland is defined as land capable of having at least 10 percent cover of trees. Approximately 80 percent of Oregon’s forestland is classified as timberland, which means that it can grow commercial-grade timber. Timberland excludes areas with low growth rates and areas, such as wilderness areas, where logging is restricted.\(^{16}\) Approximately 8.2 million acres (30 percent of the state’s non-federal land) are included in forest zones under Statewide Planning Goal 4 (discussed in Section 4). Another 2.2 million acres (almost 8 percent of non-federal land) are included in mixed farm/forest zones.\(^{17}\) Areas zoned for forestry are shown in Figure 4.

Oregon’s forests are a defining characteristic of the state. Important tree species include Sitka spruce and western hemlock on the coast, Douglas fir west of the Cascades, and Ponderosa Pine east of the Cascades. While the federal government manages the majority of the forestland in Oregon, private land accounted for three-quarters of the timber harvest in 2012. Timber harvests on federal lands have dropped about 90 percent since 1989 due largely to environmental regulations and changes in management priorities.\(^{18}\)

Forestlands in Oregon face numerous challenges including deteriorating forest health, disinvestment in forestland ownership, and eroding manufacturing capacity, particularly east of the Cascade Range.\(^{19}\) Increasing forest management costs and global competition over the past 30 years have created major challenges for the economic viability of Oregon’s working forestlands.\(^{20}\) Large expanses of timberland have been sold recently, and there is pressure to convert many forested areas to more developed uses.\(^{21}\) In eastern Oregon forest harvests dropped 83 percent between 1986 and 2009. Federal timber harvests were seven percent of 1986 harvest levels while private harvests declined to 41 percent of 1986 harvests.\(^{22}\) With reductions in harvesting comes a contraction in the forest products support sector. The number of forest products mills in eastern Oregon went from 68 in 1980 to just 14 in 2010.\(^{23}\)

\(^{15}\) Friends of Oregon Report 2013.  
\(^{16}\) 2012-13 Farm and Forest Report.  
\(^{17}\) 2012-13 Farm and Forest Report.  
\(^{20}\) 2012-13 Farm and Forest Report.  
\(^{21}\) 2012-13 Farm and Forest Report.  
\(^{22}\) Ibid.  
\(^{23}\) Ibid.
Figure 6: Areas Zoned for Forestry

Oregon Working Lands Data Bank
Areas Zoned for Forestry

* Zoning data compiled using two datasets produced by the Oregon Department of Land Conservation and Development. Where it existed, a more precise dataset for 156 local jurisdictions in western Oregon was used. Areas not covered by this dataset were filled in using a more generalized dataset that covers eastern Oregon.
Still, Oregon produces more softwood lumber than any other state, and forestry services and wood products manufacturing generate almost $13 billion annually in sales. In 2012, the forest sector accounted for about 6.8 percent of Oregon's economic base statewide. In communities outside the Portland metro area, the forest sectors contribute an average of 11 percent of the economic base. In Clatsop, Jefferson, Douglas, Klamath, and Lake Counties, the forest sector's contribution to the economic base is more than 20 percent.

It is hard to gauge exactly how many Oregonians are employed because of working farms and forests. For example, the 2012 American Community Survey estimates that 55,722 people were employed in the agriculture, forestry, fishing/hunting, and mining in 2012, approximately three percent of the total working population of the state. However, hundreds of thousands of Oregonians work in supporting industries such as suppliers, processors, distributors, and retail related to agriculture. The Oregon Department of Land Conservation and Development estimates that forestry products and related services employ over 85,000 people in Oregon. Overall, one in eight people employed in Oregon likely has a job tied directly or indirectly to the agriculture or forestry.

---

24 2010-11 Farm and Forest Report, 12.
26 Oregon Forest Resources Institute, 6.
28 Farm and Forest Report, 12.
Case Study: Bald Hill Farm

Greenbelt Land Trust purchased the 600-acre Bald Hill Farm, a few miles from Corvallis, in 2013. Areas of the farm have been continually grazed since the property’s original land claim. Other areas of the property include working forestlands. Because Bald Hill Farm also contained valuable intact habitat for endangered plants and other sensitive species, Greenbelt Land Trust was able to use Endangered Species Act (Section 6) funding from the United States Fish and Wildlife Service, OWEB funding, and Willamette Wildlife Mitigation Funds from the Bonneville Power Administration to pay for the acquisition.

While much of Bald Hill Farm is managed primarily for habitat, one area of the property is set aside for grazing as the primary use – not just as a habitat management tool. Grazing lands on the property are leased out to local grazing operators. Greenbelt Land Trust is also developing a forest management plan to sustainably manage the property’s oak savannas and woodlands.

The Bald Hill Farm project has had enormous support from the local community, especially because the Greenbelt Land Trust is continuing to maintain three miles of scenic public trails that pass through the property. Now, the farm serves as a living classroom for sustainable agriculture, conservation, and outdoor recreation, and Greenbelt Land Trust hosts restoration workdays, hikes and tours for area residents and local students.  

Image 2: Bald Hill Cows / Photo credit: Greenbelt Land Trust

---

30 Coalition of Oregon Land Trust, State of the Lands (2014)  
3. Growth and Demographics

Like many western states, Oregon is large in size but has a relatively low population density. At 95,988 square miles, it is the 9\textsuperscript{th} largest state but the 27\textsuperscript{th} most populous, with a population density of 39.9 persons per square mile.\textsuperscript{31} Overall, the US maintains an average population density of 87.4 persons per square mile.\textsuperscript{32}

The U.S. Census estimated the 2013 population of Oregon to be 3,930,000. Of this total, approximately 2,315,000, or 58 percent, live in the Portland metropolitan area. The Willamette River Valley in western Oregon is the state’s most densely populated area, home to eight of the ten most populous cities including Portland, Eugene, Corvallis, Salem, and Hillsboro. The Oregon Coast Range creates the western edge of the valley and the Cascade Range bounds it to the east. Interstate 5 runs the length of the Willamette Valley, linking its major population centers.

Oregon attracts new residents because of its high quality of life and relatively low cost of living. In 2013, Oregon was the number one destination among people who moved from one state to another.\textsuperscript{33} The Oregon Office of Economic Analysis estimated in 2010 that the population of Oregon would increase to 4,252,100 by 2020 and to 5,588,500 by 2050.\textsuperscript{34} Between 2015 and 2020 growth will likely be concentrated in Deschutes and Hood River counties and the counties in the Portland metro area: Clackamas, Columbia, Multnomah, Washington, and Yamhill.\textsuperscript{35}

<table>
<thead>
<tr>
<th>Table 2. Population Forecast for Oregon 2050\textsuperscript{36}</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2050 Population Forecast: Oregon</strong></td>
</tr>
<tr>
<td>Population</td>
</tr>
<tr>
<td>Population</td>
</tr>
</tbody>
</table>

In 2012, over 85 percent of Oregon’s population was white (no other race and non-Hispanic), 3.8 percent was Asian, 4 percent was two or more races, 1.8 percent was black or African American, 1.2 percent was American Indian or Alaska Native, 0.4 percent was Native Hawaiian or Other Pacific Islander, and 3.6 percent was some other race.\textsuperscript{37} Hispanics or Latinos made up 12.2 percent of the state’s population.\textsuperscript{38}

As the nation moves out of the recession, the Oregon economy is experiencing economic growth led by a surge in the housing market. However, the 2008-2012 Oregon median family income remained slightly below the national average ($50,036 for Oregon as compared to $53,046 nationally).\textsuperscript{39}

\textsuperscript{32} Ibid.
\textsuperscript{35} Ibid.
\textsuperscript{36} Ibid.
\textsuperscript{38} Ibid.
median per capita income was $26,702, below the national average of $28,051.\textsuperscript{40} In 2012 average annual wages for those working in agriculture, forestry, fishing, and hunting in Oregon was $27,971.\textsuperscript{41} The median rent was $854, below the national average of $889.\textsuperscript{42} In April 2014, the United States Bureau of Labor Statistics reported the unemployment rate for Oregon at 6.9 percent, down from 7.9 percent in April 2013, but above the national average of 6.3 percent.\textsuperscript{43} In 2014, Malheur County had the highest estimated percentage of families living below poverty (22.6 percent) and Clackamas County had the lowest (9.2 percent).\textsuperscript{44}

\textsuperscript{40} Ibid.
\textsuperscript{42} US Census, American Fact Finder, Selected Housing Characteristics, American Community Survey 5-year estimates (2008-2012).
Case Study: Goose Lake Valley Ranch

Larry Maxwell is a fourth generation rancher, and the fifth and sixth generations of his family want to continue ranching as well. Maxwell’s ranch is in Goose Lake Valley in Lake County. In 2012, Maxwell worked with Ducks Unlimited to put a conservation easement on 400 of his 4,000 acres.

Their conservation easement requires Maxwell and his family to keep irrigating the meadows on their ranch because irrigated meadows are an important part of the regional flyway for migrating ducks and geese. Preservation of the meadows also helps downstream rivers.

Meanwhile, Ducks Unlimited has helped the Maxwells find funding for the materials to fence off 1.5 miles of creek that had been damaged by grazing and install off-stream water for the ranch’s cattle. Ducks Unlimited and OWEB also helped reduce the number of irrigation head gates the ranch was using on the stream from seven to three and installed fish ladders on the remaining head gates.

Maxwell contends that it is unfortunate that more people are not using conservation easements on working lands. He believes that “people are scared to death of easements because they think they won’t be able to use the land the way they want, but easements can be very producer-oriented.”

Image 3: Goose Lake / Photo credit: Mulmatsherm of Wikimedia Commons
4. Land Use Protections

Oregon has protected working lands through both tax incentives and development restrictions for over fifty years. Tax incentives to preserve agriculture were put in place in 1961. In 1973, Oregon’s Governor, Tom McCall, made a speech to the legislature denouncing “sagebrush subdivisions, coastal condomania, and the ravenous rampages of suburbia,” which he said “threaten to mock Oregon’s status as the environmental model for the nation.” The drive to protect valuable farmland was one of the primary spurs for the adoption of the state’s Land Use Planning Act that same year.

Oregon’s approach to statewide land use planning has provided protections for working farms, forests and ranches that sets Oregon apart from its western neighbors. The foundation of the statewide land use planning program is a set of 19 Statewide Planning Goals. The Statewide Planning Goals encompass state policies on agricultural lands, forestlands, natural resources and economic development. The state-level policies are implemented through local comprehensive plans, including zoning and ordinances, adopted by each city and Oregon’s 36 counties. Statewide zoning is shown in Figure 5, and Urban Growth Boundaries are shown in Figure 6. Statewide Planning Goal 3 (Agriculture), Goal 4 (Forests), and Goal 14 (Urbanization) are particularly important in the protection of working lands.

Statewide Planning Goal 3, adopted in 1974, calls for the “preservation of a maximum amount of the limited supply of agricultural land.” Land use planning policies associated with Statewide Planning Goal 3 include (1) specific rules about uses of areas zoned for Exclusive Farm Use; (2) a measurable definition of agricultural lands to be inventoried and protected; (3) standards for subdivision of agricultural land and minimum lot sizes; (4) containment of urban and rural development; and (5) complementary tax and regulatory policies.

Land use laws consistent with Goal 3 established Exclusive Farm Use (EFU) zoning, which limits non-farm uses of land in exchange for preferential property tax assessments. EFU lands are taxed at their farm use value for property tax purposes. About 15.5 million acres, nearly 6 percent of the private land in Oregon, are zoned for EFU. Between 1974 and 2004, owners of farmland zoned as EFU received property tax reductions amounting to over $3.8 billion. Areas zoned for agricultural use are shown in Figure 2. In the Willamette Valley and other western Oregon counties, EFU zones cover a majority of the land area.

---

49 Ibid.
50 Farmland Protection Program
52 Exclusive Farm Use Zones addressed in ORS Chapter 215.
Goal 3 provides a clear definition of the lands to be protected in EFU zones, and this definition does not include only “prime farmlands.” In western Oregon, EFU zoning includes soils categorized as Class I-IV based on Land Capability Class, system used by the USDA Natural Resources Conservation Service (NRCS) for categorizing soils based on their suitability for growing crops. In eastern Oregon, EFU zoning includes Class IV-VI soils in addition to other lands “suitable for farm use” or “necessary to permit farm practices” on nearby lands. Typically only Class I and Class II soils are considered “prime farmland soils.” While the Goal 3 definition of agricultural land includes 15.5 million acres throughout Oregon, a narrower definition of “prime” soils would only include between one and four million acres. State policies do distinguish between “high value” farmland and other agricultural lands. As a result, ranchlands generally receive less protection than land used for row crops, orchards, and dairies, and there are typically more opportunities for non-farm dwellings and non-farm uses on ranchlands. Whether a higher level of development will be allowed within non-prime agricultural areas within EFU zones is determined on a case-by-case basis.

The definition of “farm use” has changed many times since the 1970s, and non-farm uses permitted in EFU zones have been amended by the legislature every year since they were first defined. The number of allowable non-farm uses with EFU lands has grown from 6 in 1963 to over 50 today. State policies do distinguish between “high value” farmland and other agricultural lands. As a result, ranchlands generally receive less protection than land used for row crops, orchards, and dairies, and there are typically more opportunities for non-farm dwellings and non-farm uses on ranchlands.

Statewide Planning Goal 4 (Forests) is similar to Goal 3. Statewide Planning Goal 4 aims “to conserve forestlands by maintaining the forestland base and to protect the state's forest economy by making possible economically efficient forest practices that assure the continuous growing and harvesting of forest tree species as the leading use on forestland consistent with sound management of soil, air, water, and fish and wildlife resources and to provide for recreational opportunities and agriculture.” Like EFU zoning for farmlands, Oregon utilizes zoning to protect working forests. More than 8 million acres of non-federal land in Oregon is included in forest zones under Statewide Planning Goal 4 while an additional 2.2 million acres are included in mixed farm/forest zones. As in farm zones, there are over 50 different types of non-forest uses allowed in local forest zones.

Through Statewide Goal 14, "Urbanization," Oregon encourages development within Urban Growth Boundaries (UGBs) created by cities and prohibits urban uses outside those boundaries. Cities are required to submit proposed UGBs to the Oregon Land Conservation and Development Commission and justify them based on the 19 Statewide Planning Goals. The objective of this process is to create


56 1000 Friends of Oregon, Too Many Homes on the Range: The Impact of Rural Sprawl on Ranching and Habitat, accessed April 2015,

http://www.friends.org/resources/reports.

57 Justin Grishkin, Oregon’s Land Use Planning Program: Farm and Forest Lands, American Planning Association Oregon Chapter (2004),


60 Oregon Department of Land Conservation and Development, Oregon’s Statewide Planning Goals & Guidelines (2010), accessed July 7, 2014,


61 2010-11 Farm and Forest Report, 3.

62 Justin Grishkin, Oregon’s Land Use Planning Program: Farm and Forest Lands, American Planning Association Oregon Chapter (2004), OAR 660-006-0025,

desirable, livable cities by increasing density; improving public transportation options; and promoting
development of affordable housing options near employment centers. In 1979, Portland-area voters
created a regional government, Metro, in part to manage the UGB for the three-county (Multnomah,
Clackamas, and Washington) metropolitan area. Metro is one of 240 UGB jurisdictions in Oregon. Urban areas are required to adjust their UGBs every five to fifteen years to maintain a 20 year supply of
developable land to accommodate predicted growth. Metro expanded its UGB boundary by 18,867
acres in 2002. The history of the expansion of the Metro UGB is available on the Metro Government’s

In general, robust statewide planning policies to protect working lands reflect the priorities of
Oregonians themselves. In the 2013 Oregon Values and Beliefs Study (which included nearly 10,000
Oregonians), 58 percent of those surveyed agreed with the statement that new population should be
directed toward existing cities and towns, not into natural areas and farmlands. Oregonians opposed
the statement "revamp land use laws to permit more development" by a 2:1 ratio.

Since the implementation of land use plans, Oregon has lost farms and forestland at substantially lower
rates than the rest of the country. The Oregon Department of Forestry reported recently that western
Washington's annual loss of wildland forest between 1994 and 2005 was 10 times that of Oregon. Due
in large part to EFU zoning, the loss of mid-sized (50-499 acres) farms during that period was 14 times
lower than the national rate of loss.

Oregon’s land use planning system is not universally popular, and is still evolving. In 2004 a majority of
voters supported Measure 37, which would have allowed landowners whose property value is reduced
by land use or environmental laws to claim government compensation. Measure 37 was largely rolled
back three years later by another ballot initiative, Measure 49. Measure 49 still offered landowners
some additional flexibility in the face of land use restrictions. As a result of these measures,
approximately 5,000 new home sites have been established above and beyond what the law otherwise
would have allowed, mostly in the Portland and Bend areas. In 2005, the state legislature created the
Oregon Task Force on Land Use Planning (the Big Look Task Force) to review the land use planning
system and recommend changes. The Big Look Task Force found that Oregon's land use system had
“dramatically slowed” the conversion of farmland.

While Oregon's land use planning program has proved successful at slowing the tide of working land
conversion, significant challenges remain. A number of interrelated factors continue to threaten
Oregon's working farms, forests, and ranches. Section 5 provides an overview of the loss of working
lands in Oregon, and Section 6 addresses the causes of working lands conversion.

---

63 Wayne Senville, “Urban Growth Boundaries,” Planners Web: News & Information for Citizen Planners,
http://plannersweb.com/2013/08/urban-growth-boundaries/.
64 Urban Growth Boundary, The Oregon Encyclopedia, (Urban Growth Boundary), accessed April 2014,
http://www.oregonencyclopedia.org/articles/urban_growth_boundary/#.VTqteyHBzRY.
65 Urban Growth Boundary..
66 Gosnell, Hannah, Jeffrey D. Kline, Garrett Chrostek, and James Duncan. 2011. Is Oregon’s land use planning
program conserving forest and farm land?. Land Use Policy 28 (2011): 185-192.
67 2010-11 Farm and Forest Report, 12.
68 2010-11 Farm and Forest Report, 3.
Conservation and Development.
70 Urban Growth Boundary.
Figure 8: Statewide Zoning

Oregon Working Lands Data Bank
Statewide Zoning

Zoning Designations *
- Rural Residential
- Residential
- Urban
- Future Urban Development
- Rural Commercial
- Commercial
- Mixed Use Commercial and Residential
- Industrial
- Industrial Public Facility
- Non Resource Zone
- Agricultural EFU
- Other Agricultural Type
- Forestry Related
- Mixed Agriculture and Forestry
- Rangeland
- Rural Service Center
- Natural Resource
- Beaches and Dunes
- Estuary
- Coastal
- Park and Recreation
- Public Semi Public Uses
- Indian Reservation
- Water

* Zoning data compiled using two datasets produced by the Oregon Department of Land Conservation and Development. Where it existed, a more precise dataset for 156 local jurisdictions in western Oregon was used. Areas not covered by this dataset were filled in using a more generalized dataset that covers eastern Oregon. Numerous zoning classifications from these two datasets were combined into those shown here.
* The line work was created by various sources including the Oregon Department of Land Conservation and Development (DLCD), the Oregon Department of Transportation (ODOT), Metro Regional Council of Governments (Metc), county and city GIS departments, and the Oregon Department of Administrative Services - Geospatial Enterprise Office (DAS-GEO)
Case Study: Zena Forest

The Deumling family began managing the 1,466-acre Zena Forest for its German owners in 1987. Located in the Eola Hills above Salem, Zena is home to a diverse and productive forest. It also has significant oak woodlands and savannas, habitat types highly threatened in the valley by conifer encroachment, invasive species, and conversion to vineyards. With a portion of headwaters for the Rickreall and South Yamhill Rivers, and Spring Valley Creek, Zena also helps maintain water quality for a large number of mid-Willamette Valley residents.

In 2005, the German owners of Zena Forest decided to sell. As long-term managers and stewards of the property, the Deumlings were concerned that the property would be converted to vineyards or residential development. They began exploring ways to protect and stay on the land. Partnering with the Trust for Public Land, which acquired the property and protected it with a conservation easement restricting development and protecting wildlife habitat and water resources, the Deumling family was able to purchase Zena Forest at price they could support with sustainable timber production.

The Deumlings have maintained timber harvest on the property and also begun a small sawmill operation on site, processing both harvested and salvaged logs into high-value products such as hardwood floors, supplied to local builders and homeowners. Management of the property and mill requires three full time employees and additional contractors.

Image 4: Zena owners Deumlings & friends / Photo by Andrea Lorimor
5. Loss of Working Lands

A vibrant local working land economy requires a critical mass of working farms, ranches, and forests. Despite Oregon’s laws protecting agriculture, farmland is still being lost at an alarming rate. Since 1974, Oregon has lost nearly 11 percent of its agricultural production land. In that same period, the number of farms has increased by 32 percent, due primarily to a surge in hobby farms.\(^1\) Changes in land use between 1974 and 2009 are shown in Figure 7. Changes in farmland acreage and the number of farms are shown in Table 2.

<table>
<thead>
<tr>
<th>Table 3. Farms and Farmland Acreage in Oregon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms</td>
</tr>
<tr>
<td>Acres</td>
</tr>
</tbody>
</table>


Between 1984 and 2009, counties with the highest levels of farm, range, and forestland loss included Deschutes County (which lost 10 percent of its farmland and 11 percent of its forestland). Farmland losses also mounted in Multnomah (-28%), Washington (-11%), and Clackamas (-7%) counties which each also lost approximately 3-4 percent of their forestlands during this period.\(^2\)

Between 1974 and 2009, a total of 615,000 acres in Oregon shifted from working lands to low-density residential or urban uses. Approximately 434,000 acres converted to low-density residential use, and 95 percent of this change occurred on private land.\(^3\) However, land use plans (described in Section 4), which were mandated in the 1970s and implemented in the mid-1980s slowed average annual loss of workings lands. While the average annual rate of loss was 0.184 percent between 1974 and 1984, it dropped to 0.041 percent annually between 1984 and 2009.\(^4\) The Oregon Department of Forestry noted in a recent report that nearly 80 percent of forestland loss over the past 35 years occurred in western Oregon and concentrated in the southwest counties, the southern Willamette Valley, and the Portland metro area.\(^5\)

The USDA Natural Resource Conservation Service’s (NRCS) National Resource Inventory estimates that between 2007 and 2010, approximately 59,300 acres of crop land were converted to other uses, including urban and rural development. These recent conversions were concentrated on some of Oregon's best soils. Jim Johnson from the Oregon Department of Agriculture notes that “while overall agricultural land loss has slowed down quite a bit over the years, the land that we are losing the most is in crop production that generally takes place in prime land – the best of the best.” Prime farm land has

---

\(^{1}\) U.S. Agricultural Census (2012).
\(^{2}\) Farmland Protection Program, 25.
\(^{3}\) Resource land uses: wildland forest, wildland range, intensive agriculture, mixed forest/agricultural and mixed range/agriculture uses. Oregon Department of Forestry, Land Use Change on Non-Federal Land in Oregon and Washington (2013): 5-6, accessed July 7, 2014,
\(^{4}\) Ibid. pg. 12.
\(^{5}\) Oregon Department of Forestry (2010), Statewide Forest Assessment, 18, accessed July 7, 2014.
decreased by nearly 7 percent since 1982.\(^76\) Most forest loss has occurred because of residential or commercial development. Between 1974 and 2000, nearly 200,000 acres of private forestland in Oregon were converted to other uses, primarily low density housing.\(^77\) Table 4 shows changes in farmland by land cover and use.

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>2010</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cropland</td>
<td>2,433,000</td>
<td>2,050,000</td>
<td>-16%</td>
</tr>
<tr>
<td>Conservation Reserve Program land(^78)</td>
<td>n/a</td>
<td>191,000</td>
<td>n/a</td>
</tr>
<tr>
<td>Pastureland</td>
<td>511,700</td>
<td>435,700</td>
<td>-15%</td>
</tr>
<tr>
<td>Rangeland</td>
<td>189,100</td>
<td>238,200</td>
<td>26%</td>
</tr>
<tr>
<td>Forestland</td>
<td>252,300</td>
<td>247,000</td>
<td>-2%</td>
</tr>
<tr>
<td>Other rural land</td>
<td>66,700</td>
<td>133,900</td>
<td>101%</td>
</tr>
<tr>
<td>Total</td>
<td>3,452,800</td>
<td>3,296,000</td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

Source: NRI\(^79\)


\(^{78}\) The Conservation Reserve Program (CRP) is a land conservation program administered by the Farm Service Agency (FSA). In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and plant species that will improve environmental health and quality. Contracts for land enrolled in CRP are 10-15 years in length. The long-term goal of the program is to re-establish valuable land cover to help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat, http://www.fsa.usda.gov/FSA/webapp?area=home&subject=coopr&topic=crp.

* Land use data for 2009 and land use change data provided by U.S. Forest Service Pacific Northwest Research Station.
Case Study: Wolfe Ranch

The Wolfe Ranch has been in Woody Wolfe’s family for six generations. Until 1878, a Nez Perce fishing village stood on the site. Comprising 454 pastoral acres and rich Native American history, the ranch sits near the confluence of the Lostine and Wallowa rivers in Wallowa County.

Residential developers had their eye on the picturesque property. But the Wolfes wanted the ranch’s agricultural character preserved, even long after they are gone. So in 2008, Woody approached Wallowa Land Trust. With the support of the local community, the land trust secured grant funding to purchase a conservation easement on 197 acres of the ranch in 2011.

The easement allows the Wolfe family to continue to own and farm their land, while knowing it will be conserved as open space forever. The easement also helps improve water quality and habitat for salmon and other fish and wildlife populations. The project underscores Wallowa Land Trust’s commitment to working farms and ranches. It delivers economic, environmental and historical benefits to rural Wallowa County.

Image 5: Wolfe Ranch Lostine and Wallowa Confluence / Photo credit: Rick McEwan

6. Why is Oregon Losing Working Lands?

In Oregon, conversion of working lands is closely related to population changes, and this relationship is strongest in those regions experiencing the highest growth rates. Ultimately, loss of working lands is caused by a number of different and interconnected forces including demographic shifts, expansion of urban areas, rezoning of working lands to other rural uses, expansion of other allowed uses in EFU zones, increasing operational costs and decreasing access to agricultural infrastructure, regulatory impacts, and the creation of wetlands and wildlife habitat. These factors are described below.

Succession Issues

The average age of a farm operator in Oregon in 2012 was 57.5, more than one year older than the national average of 56.3.\textsuperscript{81} Seventy-four percent of all operators in Oregon were over the age of 50.\textsuperscript{82} Passing on farm and forestland to the next generation can be complicated by many factors, including unwillingness or inability of potential heirs to manage working farms, forests, or ranches. Frequently there are multiple heirs or potential heirs with diverse interests, some of whom may want to continue working the land and some of whom may want to sell the land for the largest possible profit. Working forests in particular may be more valuable when sold for non-forestry purposes.\textsuperscript{83} As one interviewee noted, if a farmer has “someone near and dear that wants to continue to farm, a clear successor, that makes the difference.” If potential producers do not inherit land, they often have difficulty accessing affordable capital and land to start new farms, ranches, or working forests.

Urban Expansion and Rezoning

As described in Section 4 (Land Use Protections), each incorporated community in Oregon has an urban growth boundary (UGB) to control urban expansion onto farm and forestlands. The boundary is not meant to be fixed, but encourages the efficient use of lands within the boundary and the preservation of rural land outside. Communities conduct a review of their urban growth boundaries every five to fifteen years. Across Oregon, agricultural land is moved into UGBs at a rate of about 802 acres per year and forestland at a rate of approximately 202 acres per year.\textsuperscript{84} In 2009, approximately 33 percent of the land added to UGBs was zoned EFU (14,840 acres).\textsuperscript{85}

Once working lands are included within a UGB, there is a very strong financial incentive to sell them for urban development. Property values within UGBs are many times those of farmland in EFU zones just outside UGBs. One interviewee described the recent incorporation of this family’s farm into the City of Hillsboro’s UGB. He noted that while he was frustrated because he believed that the city included more land in the UGB than it really required for growth, he had been planning for the eventual expansion of the UGB for his entire life because the farm had always been within one mile of the city. As a result, his family had already purchased another farm to the west, and he was confident that his son would be able to stay in agriculture.

Land is also rezoned outside of UGB areas. When land is rezoned from EFU or exclusive forest use to any more developed land class it becomes easier to develop. Each year approximately 700 acres of designated agricultural land is rezoned for rural residential, rural commercial, or rural industrial development outside of urban growth boundaries.

Low-Density Residential Development

Low-density residential development is occurring on farm and forestland throughout Oregon without the land being rezoned. Between 1984 and 2009, nearly 147,000 acres of farmland fell out of farm

\textsuperscript{81} U.S. Agricultural Census (2012).
\textsuperscript{82} U.S. Agricultural Census (2012).
\textsuperscript{84} The 2010 Farm and Forest Report reveals that between 2001-2010, approximately 802.3 acres of agricultural land moved into Urban Growth Boundaries per year while 202 forest lands moved into Urban Growth Boundaries.
classifications, but only 34,856 acres were rezoned from farm to other rural and urban zones. During that same period, approximately 121,000 acres of forestland fell out of forest classifications, while only 12,000 acres were rezoned from forest to other rural and urban zones.

Between 1984 and 2009, almost half of all farmland conversion occurred in Central Oregon and nearly one-quarter took place in the Portland Metro Area and one-quarter in the Willamette Valley. According to the Oregon Department of Forestry, "forest and agricultural areas less than one-quarter mile from low-density residential areas [are] five to ten times more likely to be developed than areas further than one mile from low-density residential areas." While Oregon’s large minimum lot sizes for forestland have significantly reduced the potential fragmentation and conversion of the forests, there is a growing market for 160-acre home sites for buyers who do not want to manage their property as working forest. In working forests, fragmentation and conversion due to low-density residential development directly affects timber management and harvest viability. Fragmentation reduces log supplies, increases the danger of wildfires, and affects mill viability. Suburban and exurban development patterns also burden their communities because the provision of public facilities and services costs more than suburban and exurban developments pay in property taxes.

As 1000 Friends of Oregon argued in their “Too Many Homes on the Range” report that “while houses and hobby farms may blend into the countryside, they take land out of agricultural production and contribute little or nothing to the state’s agricultural economy.”

Non-Farming Allowed Uses

The first statutory EFU zone was established in 1963 and included only six allowed non-farm uses. Today, over 50 different non-farming uses are allowed in an EFU zone. Non-farming uses require a county finding that the proposed use will not have significant adverse impacts on nearby farmland. Some common non-farm uses approved by counties include commercial activities associated with farm use and home sites for farm dwellings. Examples of other potential uses of farmland include: mining of mineral and aggregate resources, solid waste disposal sites, rural transportation facilities, and private and public parks. Some of these and other non-farm uses are restricted in "high value" farm areas.

---

86 2010-11 Farm and Forest Report, 24.
87 Ibid.
88 Ibid.
90 2012-13 Farm and Forest Report.
93 2010-11 Farm and Forest Report, 10.
95 2010-11 Farm and Forest Report, 10.
Non-forest uses that are potentially permitted in exclusive forest zones include accessory uses, telecommunication facilities, farm-related buildings, parks and campgrounds, and reservoirs.\textsuperscript{97}

**Operational Costs**

In 2012, the average net income of Oregon farm operations was $22,954, and nearly 37 percent of farms reported net losses.\textsuperscript{98} These losses stemmed from a number of causes including increasing production costs and uncertainty in the labor market.\textsuperscript{99} For example, the operational costs needed to maintain a farm on an annual basis increased by 27.2 percent between 1997 and 2007.\textsuperscript{100}

The annual operational cost of maintaining a farm increased by 27.2 percent between 1997 and 2007.\textsuperscript{101} Growers in Washington and Idaho have farm incomes more than double those of Oregon. California's net income is nearly five times higher.\textsuperscript{102} Costs impacting farms and ranches include the high cost of labor (Oregon has the second highest minimum wage in the country), energy costs (including electricity, fuels, and fertilizers), market fluctuations, commodity prices, and taxes.\textsuperscript{103}

The Oregon Integrated Water Resources Strategy reports an upward trend in the number of Oregon agricultural producers adopting changes resulting in energy and cost savings. In the 2012 report, nearly 5,000 Oregon farms reported making changes in the past five years to their equipment or management practices that reduced energy use or conserved water.\textsuperscript{104} Nevertheless, high operational costs continue to cause farm and forest operators to seek other ways to make a living, including selling or developing their property, thereby taking it out of agricultural production.

**Farm and Timber Infrastructure**

Agricultural and forest products processing and support are vital components of the state's economy. Working land support services, wholesale trade, and transportation create the vital network that moves agricultural products to market.\textsuperscript{105} When agriculture flourishes, sectors such as frozen food manufacturing; dairy, fruit and vegetable canning, pickling, and drying; breweries, wineries and distilleries; and bakery goods, pasta and tortilla manufacturing thrive.\textsuperscript{106} When working lands suffer, processing and support sectors contract, impacting both the industries they support and the communities in which they operate.

When too much residential development encroaches on forest or farmland, it can cause a downward "cycle of conversion." The cycle of conversion begins when residential development causes farms to

\begin{thebibliography}{99}
\bibitem{97} Ibid.
\bibitem{98} U.S. Agricultural Census (2012).
\bibitem{100} Oregon Ag & Economy, 4.
\bibitem{101} Ibid.
\bibitem{103} Agriculture Industry Report.
\bibitem{104} Oregon Water Resources Department, Oregon’s Integrated Water Resources Strategy, accessed on July 7, 2014 \url{http://www.oregon.gov/owrd/pages/law/integrated_water_supply_strategy.aspx#Other_Resources}.
\bibitem{105} Oregon Ag & Economy, 4.
\bibitem{106} Ibid.
\end{thebibliography}
experience conflicts with neighbors and leads to a contraction of vital, job-producing farm infrastructure such as feed stores and processing facilities.\textsuperscript{107}

As a result of changing markets and rising forest management costs, timber industry infrastructure has declined dramatically.\textsuperscript{108} Nearly fifty primary wood manufacturing facilities have closed their doors in Oregon. In 2012, \textit{The Forest Report: An Economic Assessment of Oregon's Forest and Wood Products Manufacturing Sector} stated that the remaining facilities were operating well below capacity.\textsuperscript{109} Coupled with the decline in the productivity of Oregon's federally managed forests, there has been a drastic loss of the "mills, skills, and people" involved in manufacturing and forestry in eastern and southern Oregon over the past two decades.\textsuperscript{110} Without locally available mill infrastructure to process logs, the thinning of private and public forests is simply not commercially viable.

\subsection*{Regulations}

Oregon's land use laws and environmental regulations have served to slow the tide of working land conversion. However, land use laws have also created tension between those who view land use planning as vital to the long-term protection of working lands and those who argue that land use regulations unfairly burden private landowners. Environmental laws such as the Endangered Species Act, which may require landowners to protect habitat and change management practices, have caused similar tensions. In some cases, environmental regulations may make traditional farming, ranching, and timber-harvesting practices economically unviable.

\subsection*{Conservation}

There has been a great deal of controversy in Oregon about the role of conservation in the loss of working lands. Conservation organizations and public agencies in Oregon and elsewhere work with willing land owners to purchase working lands or conservation easements on working lands.

While other states have strong programs and funding for preservation of working lands through conservation easements, in Oregon conservation easements have generally been used for protection of wildlife habitat and other environmental amenities. In many cases, conservation easements may restrict the ways in which encumbered working lands may be used. In some cases, conservation easements or full-fee acquisition or working lands by conservation organizations may lead to active farming, ranching, or commercial timber harvesting being eliminated entirely.

Working lands in Oregon have been removed from production for conservation in areas where there are vulnerable floodplains, contain less productive soils, and provide opportunities to restore important habitats for fish and wildlife. Although retiring these lands and restoring them for habitat may have substantial environmental benefits, it may still contribute to the types of problems described above under Farm and Timber Infrastructure. Interviewees expressed concern about the role of programs such as the Wetland Reserve Program (described below in Section 7) in contributing to declining farm communities and the spread of invasive weeds from unmanaged farms.

\textsuperscript{107} Farmland Protection Program.  
\textsuperscript{108} 2010-11 Farm and Forest Report, 13.  
\textsuperscript{110} ibid., pg.iv.
Sometimes, as in the Goose Lake Valley Ranch case study, traditional agricultural practices, including flood irrigation, actually provide important wildlife habitat. In those cases, conservation easements may be able to protect conservation values without affecting traditional management approaches.\textsuperscript{111}

### 7. Protecting Working Lands

“Show me an area where landowners are going bankrupt and the land is healthy. Why are we creating hostilities with the people who want to live in these places? We need to help them conserve these places that are important to all of us.” Klamath Valley Rancher

Protecting working lands benefits all Oregonians. Working lands supply food and timber, support the social and economic fabric of local communities, and can safeguard clean water, shelter wildlife, sometimes provide opportunities for public recreation.

No comprehensive data is currently available about the acreage of working lands protected by conservation easements or how many of these easements are focused on continued agricultural or forestry production as a conservation goal. The Coalition of Oregon Land Trusts (COLT) estimates that there are at least 460 easements in Oregon, currently protecting about 156,000 acres, but COLT does not track which of these easements protect working lands. Washington has at least 3,500 easements protecting 300,000 acres, and California has at least 2,600 easements protecting more than 1.3 million acres.\textsuperscript{112} Maryland, a much smaller state than Oregon, has made public funding of conservation easements a priority and has 4,000 easements protecting 400,000 acres or 5 percent of the state’s land mass.\textsuperscript{113}

One land trust representative contacted for this research noted that Oregon’s land use system complicates and diminishes the value of conservation easements to the extent that they are not used the way they are in other states. A state report on working land conservation easements determined that in many cases Oregon landowners may not have sufficient financial incentive to sell or donate an easement because, as a result of zoning restrictions, their properties do not have high development potential.\textsuperscript{114}

Still, interviewees expressed concern that the weakening of land use laws has been creating more urgency for the preservation of working lands. One interviewee argued that “politicians seem ready to give away the farm with the siren song of jobs.” Another contended that while the “glory [of land use laws] is that we’ve lost less, the downside is that people think that the land use system will protect all [working] lands from development, and it won’t.” Interviewees were upset that in many areas working forests or ranches may be purchased by wealthy buyers who do not want to continue working the land, but instead end up being absentee owners of luxury homes on vacant lands and “taking the land out of the community.”

\textsuperscript{111} Oregon SONEC, (March 2014) “Farm Bill Conservation Programs Can Help Meet the Needs of Spring-Migrating Waterfowl in Southern Oregon-Northeastern California.”

\textsuperscript{112} Oregon: OR looks at easement to protect working ag lands, NADSA, December 2014, \url{http://www.nasda.org/News/statePR/31073.aspx}.

\textsuperscript{113} Ibid.


Oregon Working Lands 30

May 2015
As noted earlier, much of the funding for conservation of working lands in Oregon has been focused on conservation of wetlands and habitat rather than on maintaining working farms, ranches, and timber operations. This is in large part because the state’s most substantial source of money for conservation, the lottery-funded grants from the Oregon Watershed Enhancement Board (OWEB), are directed specifically to protection of fish and wildlife habitats. Like OWEB, the Bonneville Power Administration also funds habitat conservation with its wildlife mitigation program.115 There is no dedicated source of state funding for working lands preservation in Oregon, as there is in many other states.

In 2011, OWEB published a report addressing the possibility of expanding the use of lottery funds for conservation of working lands. The report notes that acquiring and managing conservation easements on working lands, particularly easements that are intended to protect ecological values as well and agricultural production, is very complicated for several reasons. First, these easements involve complex negotiations between landowners, grantees and funders because of the potential difficulty of balancing habitat protection with farming, ranching or forestry. In addition, it may be challenging to design easements that allow for and anticipate long-term social, economic and ecological changes. There are also technical and logistical hurdles involved in combining the multiple funding sources that are often necessary.116

Though there are no dedicated sources of state funds in Oregon, there are a number of federal Farm Bill programs that are focused on working lands conservation. Some of these programs are focused on keeping land in production and other programs are focused on retiring agricultural land that is seen as having marginal value for production, but potentially high value for wetlands and wildlife habitat. Several Farm Bill programs provide funding for permanent conservation easements or for shorter term easements; others primarily fund technical assistance for conservation and restoration activities. There is more information about Farm Bill conservation programs in Appendix A of this report.

The 2014 Farm Bill increased the share of conservation funding for working lands while reducing the share of funding for land retirement. This recent Farm Bill consolidated 97 percent of conservation funding into five programs: the Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), and Regional Conservation Partnership Program (RCPP).117 According to the 2012 USDA Agricultural Census, there are 1,837 farms and 521,170 acres are enrolled in Conservation Reserve, Wetlands Reserve, or Conservation Reserve Enhancement programs.118 None of these three programs involve conservation easements intended to keep working lands in production.

In addition to the Farm Bill conservation programs, the federal Forest Legacy Program funds conservation easements that preserve privately owned forestlands. The program is administered by the states. Oregon has participated in the Forest Legacy Program only since 2007, but Forest Legacy funding has helped with several large, high-profile conservation acquisition projects on working lands.119 One of the major limitations of both Farm Bill programs and the Forest Legacy Program for protecting working lands.

---

lands in Oregon is that because the state does not have a dedicated funding source for working lands protection, matching funds required by the federal programs for conservation may not be available.

In an attempt to fill the gap in incentives for working lands protection, the Oregon legislature authorized local governments to develop and adopt Transfer of Development Rights programs in 2009. So far the DLCD has not received any requests from local governments to create pilot programs under the law. A 2013 report determined that the lack of interest in TDR programs was likely a result of the real estate and development downturn that began in 2008.

8. Conclusions

While land use laws have kept them more intact than those of surrounding states, Oregon’s working lands are still imperiled. Population estimates and migration data indicate that growth pressures will continue. This puts working lands at risk, especially near population centers and in more remote areas that are desirable for wealthy buyers of large tracts of land for luxury home sites.

It is critically important to ensure that Oregon maintains the healthy working lands that support the state’s economy and its cultural and natural heritage. Preserving a productive land base of working farms and forests is a key to ensuring long-term prosperity for all Oregonians.

To date, conservation easements have seen limited use for protecting Oregon’s working lands, and there is no dedicated state source of funding for protection of working lands. Because conservation tools are seen as having removed land from production in Oregon, there is animosity toward conservation easements in some working lands communities. While conservation easements have affected the management of some working lands, development is a much greater threat.

Permanent conservation easements can be a powerful tool for protecting working lands and the many economic, social, and environmental benefits they provide. As a result, it is important that the private land trusts and public agencies that are already promoting and funding conservation in Oregon expand their missions to focus more on working lands and create new incentives to keep working lands working.

120 A Transfer of Development Rights Program allows a community to designate high-priority lands for preservation (called “sending areas”), within which landowners may voluntarily sell and transfer the right to develop land to areas that have been identified by the community as more appropriate for development (called “receiving areas”).

http://www.oregon.gov/LCD/pages/tdr_pilot_program.aspx#What_is_TDR

121 Department of Land Conservation and Development, Report to Legislature on the Oregon Transfer of Development Rights Pilot Program (2013), https://www.oregonlegislature.gov/citizen_engagement/Reports/2013_DLCD_Oregon%20Transfer%20of%20Development%20Pilot%20Program.pdf. Please note that there are federal programs that can provide some funding for working lands conservation in Oregon. Federal Farm Bill programs are described in Appendix A.

122 Ibid.

123 Conservation Easement Assessment Project.
Appendix A: Federal Farm Bill Conservation Programs in Oregon

The 2014 Farm Bill increased the share of conservation funding for working lands while reducing the share of funding for land retirement. This recent Farm Bill consolidated 97 percent of conservation funding into five programs: the Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), and Regional Conservation Partnership Program (RCPP).124

<table>
<thead>
<tr>
<th>Program</th>
<th>Before 2009 Number</th>
<th>Before 2009 Acres</th>
<th>2009-2012 Number</th>
<th>2009-2012 Acres</th>
<th>Total Number</th>
<th>Total Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRP</td>
<td>191,849</td>
<td></td>
<td>191,849</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSP</td>
<td>619</td>
<td>1,409,053</td>
<td>619</td>
<td>1,409,053</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EQIP</td>
<td>2,027</td>
<td>658,401</td>
<td>2,027</td>
<td>658,401</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FRPP</td>
<td>5</td>
<td>15,908</td>
<td>5</td>
<td>15,908</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HFRP</td>
<td>22</td>
<td>2,348</td>
<td>22</td>
<td>2,348</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHIP</td>
<td>109</td>
<td>48,120</td>
<td>109</td>
<td>48,120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WRP</td>
<td>138</td>
<td>45,212</td>
<td>198</td>
<td>81,925</td>
<td>336</td>
<td>127,137</td>
</tr>
</tbody>
</table>

The Conservation Reserve Program (CRP) provides annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland. Acreage enrolled in the CRP is planted to resource-conserving vegetative covers, which protects millions of acres of topsoil from erosion, improves water quality by reducing runoff and sedimentation, and provides wildlife habitat.

The Conservation Stewardship Program (CSP) is a voluntary conservation program that encourages producers to address resource concerns in a comprehensive manner by undertaking additional conservation activities, and improving, maintaining, and managing existing conservation activities. CSP represents a significant shift in how USDA provides conservation program payments. CSP participants receive an annual land use payment for the operation-level environmental benefits they produce. Participants are paid for conservation performance - the higher the operational performance, the higher the payment.

The Environmental Quality Incentives Program (EQIP) is a voluntary program that provides financial and technical assistance to agricultural producers through contracts up to a maximum term of ten years in length. These contracts provide assistance to help plan and implement conservation practices that address natural resource concerns to improve and conserve soil, water, plant, animal, air and related resources on agricultural land and non-industrial private forestland.

The Farm and Ranch Lands Protection Program (FRPP), which was repealed in 2014, provided matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses. Working through existing programs, USDA partners with State, Tribal, or local governments and non-


governmental organizations to acquire conservation easements or other interests in land from landowners. USDA provides up to 50 percent of the fair market easement value of the conservation easement.

The **Wildlife Habitat Incentive Program (WHIP)** helps conservation-minded landowners who want to develop and improve wildlife habitat on agricultural land, non-industrial private forestland, and Tribal land. The USDA Natural Resources Conservation Service (NRCS) administers WHIP to provide both technical assistance and up to 75 percent cost-share assistance to establish and improve fish and wildlife habitat.

The **Wetlands Reserve Program (WRP)** provided funds for landowners to protect, restore, and enhance wetlands on their property. The USDA Natural Resources Conservation Service (NRCS) provided technical and financial support to help landowners with their wetland restoration efforts. The purpose of the WRP was to achieve the greatest wetland functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. The Wetland Reserve Program is now part of the Agriculture Conservation Easement Program.

The **Agriculture Conservation Easement Program (ACEP)** provides financial and technical assistance to help conserve agricultural lands and wetlands and their related benefits. Under the Agricultural Land Easements (ALE) component, NRCS helps Indian tribes, state and local governments and non-governmental organizations protect working agricultural lands and limit non-agricultural uses of the land. Under the **Wetlands Reserve Easements** component, NRCS helps to restore, protect and enhance enrolled wetlands. WRP program includes permanent easements, 30-year easements, term easements, or 30-year contracts. The ALE component combines the purposes and functions of the Farm and Ranch Lands Protection Program (FRPP), Grassland Reserve Program (GRP) to protect working agricultural lands by providing financial assistance to eligible entities toward the purchase of Agricultural Land Easements. The WRE component replaces and operates like the Wetland Reserve Program (WRP) and will provide financial assistance directly to private and Tribal landowners to restore, protect and enhance wetlands through the purchase of Wetland Reserve Easements.  

The **Healthy Forests Reserve Program (HFRP)** assists landowners in restoring, enhancing and protecting forestland resources on private lands through permanent easements, 30-year contracts and 10-year cost-share agreements. The objectives of HFRP are to promote the recovery of endangered and threatened species under the Endangered Species Act (ESA), improve plant and animal biodiversity, and enhance carbon sequestration.

---

Appendix B: List of Studies, Data, Research and Reports Reviewed

Plans in Oregon Related to Working Farms and Forests

Oregon maintains a robust set of plans, policies and efforts geared towards the protection and preservation of working lands. They are available for review on Oregon State University's Oregon Explorer in the Natural Resources Digital Library: http://oregonexplorer.info/OregonsTopNaturalResourcePlans.


Reports and Studies

1. Oregon Department of Forestry:


4. 1000 Friends of Oregon Reports


Sources of Data

1. Oregon Explorer (managed by Institute for Natural Resources), available at http://oregonexplorer.info/


4. Oregon Water Resources – water right information, location of irrigation canals, diversion dams

5. Natural Resources Conservation Service:
   a. Oregon soils data
   b. Locations of farm land enrolled in CREP, CRP and WRP

6. Oregon Department of Agriculture
   a. NRCS Natural Resources Inventory


7. Oregon Department of Fish and Wildlife – data layers for the intersection of working lands and habitats.
   a. West Crucial Habitat Tool, available at https://nrimp.dfw.state.or.us/compass/.

8. Oregon Department of Forestry,

### Project Interviews

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Organization</th>
<th>Location</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen Amabisca</td>
<td>Land Trust</td>
<td>Helvetia Community Association</td>
<td>Washington County</td>
<td>4/3/15</td>
</tr>
<tr>
<td>Becky Hyde</td>
<td>Rancher</td>
<td></td>
<td>Klamath Basin</td>
<td>4/9/15</td>
</tr>
<tr>
<td>Bob Vanderzanden</td>
<td>Farmer</td>
<td></td>
<td>Washington County</td>
<td>4/21/15</td>
</tr>
<tr>
<td>Claire Fiegener</td>
<td>Land Trust</td>
<td>Greenbelt Land Trust</td>
<td>Benton County</td>
<td>3/10/15</td>
</tr>
<tr>
<td>Dave Vanasche</td>
<td>Farmer</td>
<td></td>
<td>Washington County</td>
<td>3/9/15</td>
</tr>
<tr>
<td>Larry Maxwell</td>
<td>Rancher</td>
<td></td>
<td>Lake County</td>
<td>4/21/15</td>
</tr>
<tr>
<td>Lisa Phipps</td>
<td>Conservation</td>
<td>Tillamook Estuaries Partnership</td>
<td>Tillamook County</td>
<td>3/4/15</td>
</tr>
<tr>
<td>Mary Wahl</td>
<td>Ranching Family</td>
<td></td>
<td>Curry County</td>
<td>3/17/15</td>
</tr>
<tr>
<td>Miriam Hulst</td>
<td>Agency</td>
<td>Oregon Watershed Enhancement Board</td>
<td></td>
<td>4/10/15</td>
</tr>
<tr>
<td>Nancy Chase</td>
<td>Real Estate</td>
<td></td>
<td>Curry County</td>
<td>3/13/15</td>
</tr>
<tr>
<td>Sarah Deumling</td>
<td>Zena Forest</td>
<td></td>
<td>Polk County</td>
<td>3/5/15</td>
</tr>
</tbody>
</table>

### Advisory Committee Participants

<table>
<thead>
<tr>
<th>First Name</th>
<th>Last Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brad</td>
<td>Paymar</td>
<td>Land Trust</td>
</tr>
<tr>
<td>Jim</td>
<td>Johnson</td>
<td>Oregon Department of Agriculture</td>
</tr>
<tr>
<td>Bruce</td>
<td>Taylor</td>
<td>Oregon Habitat Joint Venture</td>
</tr>
<tr>
<td>Frank</td>
<td>O'Leary</td>
<td>Oregon Rangeland Trust</td>
</tr>
<tr>
<td>Mary</td>
<td>Wahl</td>
<td>Wild Rivers Land Trust</td>
</tr>
<tr>
<td>Rick</td>
<td>McMonagle</td>
<td>East Multnomah Soil and Water Conservation District</td>
</tr>
<tr>
<td>Alice</td>
<td>Williamson</td>
<td>United States Forest Capital</td>
</tr>
<tr>
<td>Katherine</td>
<td>Daniels</td>
<td>Oregon Department of Land Conservation and Development</td>
</tr>
<tr>
<td>Josh</td>
<td>Newton</td>
<td>Karnopp Peterson, LLP</td>
</tr>
</tbody>
</table>
Partial List of Recent and Ongoing Activity Related to Working Lands

- The Land Trust Alliance and Friends of Family Farms have submitted a request to East Multnomah Soil and Water Conservation District to fund a study of alternative valuation scenarios.
- Proposed legislation in the 2013 session aimed at curtailing land conservation on farm land failed, but prompted legislators to urge a thorough study of the prime threats to farmland within the next year.
- At least one piece of proposed legislation restricting conservation on working lands is being considered by legislative subcommittees in the current legislative session.
- The Department of Land Conservation and Development is undertaking a statewide effort to update maps of farm and forestland at risk of conversion.
- The Oregon Watershed Enhancement Board (OWEB) commissioned a study on the role of working lands conservation easements in furthering its mission; the study recommended OWEB increase its investment in working lands conservation and develop new incentives for working land owners to undertake voluntary conservation measures.