

OREGON'S AGRICULTURAL LANDS FACE UNCERTAIN FUTURE

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At \$5.4 billion dollars in production, agriculture is Oregon's second largest economic driver.¹ At nearly one billion dollars, cattle tops the list of producers, followed closely by greenhouse and nursery products.² We lead the nation in 13 agricultural product categories, with 27 Oregon agricultural products among the top four.³ While most Oregonians may first think of agricultural production in the soil-rich Willamette Valley, it's the agricultural communities in eastern Oregon, in particular Morrow and Umatilla counties, that lead the state in total agricultural production.⁴

Its prosperity and diversity have not shielded our agricultural sector from a number of pressures that could very well change the nature and culture of our rural communities – in particular, land ownership. Nearly 98 percent of Oregon's farms and ranches are family owned and operated.⁵ However, as reported this year in *The Future of Oregon's Agricultural Land*, the average age among Oregon farmers is 60. Over the next generation, more than 10 million acres – 64 percent of Oregon's agricultural land – will pass to new owners, and a large majority of current owners don't have a succession plan.⁶ This unprecedented, large-scale land transfer has raised concerns among our state's leading agricultural authorities.

According to *The Future of Oregon's Agricultural Land*, the following are at stake:

- The ability of farmers and their families to create a financially secure retirement while passing on a legacy of land that remains in agricultural production
- The opportunity for beginning farmers to start new farms or take over existing farm businesses
- The ability of rural communities to preserve their agricultural economy and way of life
- Maintenance of open space and wildlife habitat that farmland may provide
- The viability of community-based food systems and the food security those systems may provide.⁷

The trends suggest that we cannot wait another generation to address this issue. Increasingly, farmlands are being converted to non-farm use or broken into fragmented parcels too small for profitable farming. Sale of farmland to investors creates uncertainty about future use and local community impact. Since 1974, farmland in Oregon has declined by a half a million acres. Meanwhile, land costs continue to rise at an alarming rate, making it difficult for farm entrepreneurs to purchase farmlands and capitalize startup costs. These trends pose not only a barrier to the next generation of farmers, but also to a growing pool of women and people of color who want to become farmers.

Given the crucial role in Oregon played by our farmers and farming communities, now is the time to direct public attention to these trends.

Recommendations:⁸

- Authorize funding to support landowners with succession planning.

¹ Oregon Farm Bureau, Farm Facts. <http://oregonfb.org/about/oregon-agriculture/>. Based on 2014 data.

² Oregon Agriculture, Facts and Figures. Oregon Department of Agriculture. 2016. https://www.nass.usda.gov/Statistics_by_State/Oregon/Publications/facts_and_figures/facts_and_figures.pdf.

³ *ibid.*

⁴ Christopher Rich. The Un-Fabricated Story of Manufacturing in Eastern Oregon. September 2016. Oregon Department of Employment. Paper on file with author.

⁵ Oregon Farm Bureau, Farm Facts, op. cit.

⁶ Christy Anderson Brekken, Lauren Gwin, Megan Horst, Nellie McAdams, Sheila Martin, Garry Stephenson. *The Future of Oregon's Agricultural Land*. Oregon State University, Portland State University. September 2016

⁷ *ibid.* Page 2.

⁸ Recommendations are taken in part from a workforce convened by Governor Kate Brown designed to meet the challenges facing Oregon's farm and ranching families. "Oregon Agricultural Heritage Program: Summary of Legislative Concepts", <http://www.oregon.gov/OWEB/oahp/pages/index.aspx>

- Authorize the Oregon Department of Revenue to examine the implications of Oregon's tax structure on succession planning and a landowner's ability to transfer lands to future generations, and offer recommendations to the Legislature.
- Establish investment and/or grant opportunities to provide farming families with opportunities to diversify their land management to help them plan for their financial needs into the future.
- Take steps to reduce the regulatory burdens facing small farms.
- Improve trade-related transportation avenues for Oregon's agricultural communities, helping them bring their products to market more efficiently.