In the market for dirt

Even though some farmers have benefited, critics say financialization of farmland is moving high-value soil out of ag

By SIERRA DAWN McCLAIN
Capital Press

SALEM — Madeleine Fairbairn, a University of California-Santa Cruz professor and author of the 2020 book, "Fields of Gold: Financing the Global Land Rush," recalls attending a conference in a "stately hotel" with men in suits at tables shrouded in white tablecloths under a crystal chandelier discussing investment opportunities.

"The subject being discussed among all this finery was not the future of international banking or the latest in high-frequency trading," writes Fairbairn. "It was farming. These well-heeled men were in the market for dirt."

In recent years, more and more domestic investors have set their sights on farmland. Some have been high-net-worth individuals like Warren Buffett and Bill Gates. Corporations, as well as institutional investors — including university endowments, private foundations and pension funds — are also increasingly adding farmland to their investment portfolios.

Oregon, known for its high-value cropland, has been a hot commodity.

Sierra Dawn McClain/Capital Press

Lyle Spiesschaert looks at a development — a neighborhood and school — where he used to farm wheat.

Some farmers have benefited, but critics say the financialization of farmland is moving high-value soil out of agriculture, raising land prices and de-localizing rural communities.

So, who is buying farmland in Oregon?

Researchers have identified several actors: family-based farm operations scaling up, wealthy individuals, institutions, corporations and real estate developers and "amenity owners" who buy farmland to live in the country and perhaps run a hobby farm but not a commercial operation.

Urban growth

Historically, experts say, the majority of outside investment in farmland came from developers.

According to the American Farmland Trust, between 1992 and 2012, 62% of development occurred on farmland. Nationwide, almost 31 million acres of agricultural land was lost.

This is the story for Lyle Spiesschaert, 74, a fourth-generation Forest Grove farmer.

On a recent December morning, Spiesschaert climbed out of his UTV on a hillside and looked down on the valley.

Straight ahead lay cropland that had been farmed by his family for more than 100 years.

To the southeast, bordering his property, stands Forest Grove High School and scores of homes surrounding it.

"When I was a kid in FFA, I used to grow wheat right there," said Spiesschaert.

Spiesschaert's family lost 20 acres under imminent domain to a school construction project. It was too difficult to farm next to the school, so the family sold the surrounding 47 acres to a developer and retained about 300 farm acres.

In 2014, House Bill 4078, dubbed a land-use "grand bargain," expanded urban growth boundaries in Washington County, pulling Spiesschaert's property into Forst Grove's UGB. The developable label raised his land value about 20 times higher per acre: unaffordable for beginning farmers, and a disappointment to Spiesschaert since he had hoped to pass on the land.

Locals say the region is now crawling with developers and speculators.

Spiesschaert, whose farm is under intense development pressure, said he's searching for a way to preserve as much land as possible, such as through a conservation easement.

"Urban growth isn't bad. Change will happen," said Spiesschaert. "The question is: Where's the balance? Oregon has generally good laws that protect farmland, but at what point do we say: 'Stop. We have our carrying capacity of people in an area and shouldn't grab more farmland'?"

Conversion of farmland into housing developments isn't the only kind of investment.

Investment 'comes of age'

According to Fairbairn, the UC researcher, farmland investment has slowly been building since the 1980s, but the sector really "came of age" in 2008.

According to USDA economists, between 2006 and 2008, crop prices were high, foreign demand for U.S. agricultural products was on the rise and food security was a growing concern, factors making farm-

See, Dirt/Page B8

The view from a hill overlooking Lyle Spiesschaert's farm, which has been in his family for more than a century, shows the effects of urban growth.
Sierra Dawn McClain/Capital Press

Oregon among last states to join opioid agreement

By ANDREW SELSKY
The Associated Press

SALEM — Oregon, one of the last holdout states in joining a $26 billion settlement with the three largest distributors of opioids and drugmaker Johnson & Johnson, is on the verge of signing on, the state's attorney general said Monday, Dec. 20.

The state had argued with cities and counties over disbursement of Oregon's expected $329 million share and how much should go to attorneys fees. But agreement is now "imminent," said Attorney General Ellen Rosenblum.

The national settlement, which would be the second-biggest in U.S. history, would address damage wrought by opioids.

As of just over one week ago, at least 45 states had signed onto the settlement or signaled their intent to, and at least 4,012 counties and cities had confirmed participation, according to plaintiffs' attorneys.

The three drug distributors — AmerisourceBergen, Cardinal Health and McKesson — and Johnson & Johnson agreed in July to pay the combined $26 billion to resolve thousands of state and local government lawsuits. But if the defendants feel there's a lack of participation by states and local jurisdictions, it could cause them to back away from the landmark agreement, or eventually reduce the settlement amount.

Plaintiffs' lawyers, who have been working the settlement on the national level and urging cities, counties and states to sign on, applauded the breakthrough in Oregon.

"As more communities join in from each state, the greater the funds these communities will receive," lawyer Joe Rice said. "This national settlement is the most efficient way to bring urgently needed resources into communities, with funds being delivered as early as April 2022."

In exchange for the payout, participating states, counties and cities would have to drop any lawsuits against the defendants and agree not to sue them in the future for the opioid epidemic.

But some feel the settlement isn't enough and doesn't cover the damage caused by opioids, which were overprescribed in massive

See, Opioid/Page B2

Oregon adopts 'Climate Protection Program' to limit emissions

By SIERRA DAWN McCLAIN
Capital Press

SALEM — Oregon's Environmental Quality Commission, or EQC, a governor-appointed panel, voted 3-to-1 Thursday, Dec. 16, to approve the "Climate Protection Program," a sweeping plan aimed at cutting greenhouse gas emissions by regulating fuel-related pollution.

The move is controversial and sparked more than 7,600 comments from Oregonians during the public comment period, according to Department of Environmental Quality staff.

Climate activists say the new rules are long overdue and may not be extensive enough. Critics say the program has the potential to significantly increase fuel prices, impacting all Oregonians and disproportionately hurting sectors that rely on transportation, including agriculture.

The plan, which will be phased in starting Jan. 1, will require fuel suppliers in Oregon to reduce greenhouse gas emissions from the products they sell 50% by 2035 and 90% by 2050.

Farm Supply/Contributed Photo

A semi-truck and trailers filled with grain prepare to move out. Farm Supply, of Enterprise, hauls farm commodities all over the Northwest — and beyond.

DEQ will issue free compliance credits to fuel suppliers covering each metric ton of carbon dioxide emitted from burning the fuel they sell.

The allowable emission cap will become smaller each year, forcing suppliers to substitute "cleaner" options for fossil fuels, raise prices to lessen demand or purchase alternative credits.

The plan was developed by DEQ after Republican walkouts in 2019 and 2020 killed efforts to pass economy-wide "cap and trade" legislation.

After the walkouts, Gov. Kate Brown outflanked Republicans with a far-reaching use of her executive powers to achieve the same general goals. March of 2020, she signed an executive order directing agencies to craft a plan to regulate emissions.

A year and nine months later, commissioners voted to approve the new rules.

"I'm proud that today, Oregon is taking the historic step to put tools in place to dramatically reduce greenhouse gas emissions," Brown said in a statement.

In a press conference, Richard Whitman, director of DEQ, said Oregon's move to "get off fossil fuels" sets a positive example for

See, Climate/Page B2