

# 'There's an impact to the historic social fabric'

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is a concern especially in areas with "amenity values." Daggett's scenic Willowa County is an example, "Where the primary reason to live out there is to be there, and the secondary reason is to farm," Johnson said.

Ag property purchased to be a recreational site, he said, inflates land values and makes it more expensive for farmers and ranchers to buy or rent.

New owners who aren't interested in farming themselves might gain more revenue by enrolling land in the federal Conservation Reserve Program, in which they receive payments for taking it out of production, rather than leasing crop land to other farmers, said Walter Powell, a Condon, Ore., wheat farmer. In that case, there's a reduction to the farming infrastructure: the seed and fertilizer dealer, the equipment store, local employment and more, Powell said.

Jim Wood, a cattle rancher near Post, in Central Oregon, said the biggest threat to high-desert cattle ranching is the fragmentation of grazing ground. Ranching in his area requires big acreage to be ecologically and economically sustainable, and segmentation or development for other uses cuts into that and increases land prices, Wood said.

"If you overgraze, this landscape is quick to be unforgiving, and you're going to be out of business," he said.

Oregon's land use laws — adopted to preserve farm and forest land from urban sprawl — generally preclude rapid, wholesale development of agricultural land. Statewide, counties approved 473 houses on farmland in 2014 and 522 in 2015, the most current figures provided by the Oregon Department of Land Conservation and Development.

Daggett, whose Willowa County property was sold, acknowledges an argument could be made that the "highest and best use" of her family land could be as a "view property."

But ownership changes can ripple deep in rural communities.

"This is very personal for me," said Daggett, who was Willowa County's planning director in the late 1990s and, ironically, now sells real estate. She said her son had hoped to run cattle on the family land, but now leases land from others. "Like a sharecropper," Daggett said.

The giddy buyer who called her husband in the Caymans has yet to build a dream home on the property. It appears someone is leasing the pastures.

"There's an impact to the historic social fabric, there's this disruption socially," Daggett said.

"It's more than a question of who's buying," she said. "It's who's buying, and then what?"

## Big properties

Some of the listings carried by Whitney Land Co. are breathtaking.



Eric Mortenson/Capital Press

Sue Doroff, president of Western Rivers Conservancy in Portland, said traditional uses can be retained and rural communities can benefit when farms and ranches change hands. Her group bought the Murtha Ranch along the John Day River and sold it to the state, which developed it into Cottonwood Canyon State Park.

The Pendleton, Ore.-based real estate company specializes in farm and ranch properties, especially big ones.

Until the owner took it off the market this spring, one of Whitney Land's offerings was called the Kinzua Ranch, in Wheeler County: More than 39,000 acres with a \$28 million asking price.

The property included much of what used to be the timber holdings and former community of Kinzua, a company mill town that ceased operation in 1978. Timber industry reps have expressed interest, but the property hasn't sold yet.

Whitney Land Co. has other big properties to sell, including the Maurer Ranch at Clarno, along the John Day River, which is listed for \$19.7 million. It includes more than 29,000 deeded acres plus 18,000 acres of Bureau of Land Management and U.S. Forest Service grazing leases, which hold significant value.

The property has been in the same family for more than 90 years, has been used for cattle, grain and hay production, and includes nine fenced pastures and eight miles of river frontage. The owners may break it into smaller parcels and sell it that way, said Todd Longgood, a Whitney broker.

While cautious about characterizing possible clients, Longgood said Oregon farms and ranches catch the attention of what he called "corporate ag" or "intense ag" buyers. Some potential buyers are looking for "longterm holds," figuring the land will increase in value and they can resell later; others pursue crop land "knowing there will always be a market for food." Some buyers bring with them the resources to develop or expand irrigation systems, critical for high-value crops.

"In the corporate ag world, there is more money available for ag land than there is supply," he said.

## Sales add up

At Portland State University, land use and urban planning professor Megan Horst is assembling ground-break-

ing data on Oregon farm and ranch sales. Working with a graduate research assistant, she asked county clerks for information on sales from 2010 to the end of 2015 of land zoned Exclusive Farm Use, or EFU.

Horst is compiling land sales in the eight agricultural regions defined by the Oregon Department of Agriculture. In Northeast Oregon, 360,265 acres of EFU land sold during the 2010-15 time period. In the Willamette Valley, 169,572 acres sold, and along the Coast, 13,397 acres sold.

Oregon has slightly more than 17 million acres of farmland. Over the six-year study period, the acreage sold in the three ag regions analyzed so far amounts to only 3.2 percent of the state's total farmland.

In some cases, however, significant money was involved. According to Horst's figures, the median sales price per acre of Willamette Valley EFU land was \$21,909. On the coast, it was \$10,299, while in Northeast Oregon the median price per acre dipped to \$2,451. The values include permanent crops such as orchards and vineyards and other infrastructure.

Individual sales raise as many questions as they answer. In the Northeast Oregon ag region, an entity called Antone Acquisitions LLC apparently paid \$25 million for 12,000 acres. The company is listed in Oregon corporation records, but little other information is available. The company's registered agent, who appears to be with an asset management firm in Portland, did not return a call from the Capital Press seeking information.

Meanwhile, Horst is still assembling data on land sales in the Columbia Plateau, southeast Oregon, southern Oregon, central Oregon and the mid-Columbia regions, where ag production ranges from wheat, hay and cattle to tree fruit, vegetable seed and winegrapes. Horst hopes to finish and publish the project next fall.



Megan Horst

Horst said the sales figures compiled so far raise issues Oregonians ought to be discussing. Among them: Who has access to agricultural land, and what happens if food production is concentrated in the hands of the few who can afford to buy large swaths of land?

The research follows a study Horst co-authored with five others: "The Future of Oregon's Agricultural Land."

The report, produced by Oregon State University, PSU and Rogue Farm Corps, an advocacy group, noted that the average age of Oregon farmers is now 60.

"As older farmers retire over the next two decades, over 10 million acres, or 64 percent of Oregon's agricultural land, will pass to new owners. How that land changes hands, who acquires it, and what they do with the land will impact Oregon for generations," the authors wrote.

## Creating a park

In Portland, Sue Doroff nods in understanding at some of the concerns expressed over Oregon farm and ranch land sales. People "go to their fearful place" pretty quickly when they hear of big acreages listed for big money, she said.

Doroff is a co-founder and president of Western Rivers Conservancy, which has had a very public role in significant farmland transitions.

In 2008, Western Rivers bought the 8,000-acre Murtha Ranch, along the John Day River 25 miles north of Condon, for \$7.9 million. The purchase included an 8,000-acre BLM grazing lease. The organization then began selling the ranch in stages to the Oregon Parks and Recreation Department for the same price, completing the process in 2011.

Cottonwood Canyon State Park, one of the largest in the state, opened two years later. The ranch's barn, corals and other infrastructure are incorporated into the park. Hunting and fishing are allowed in the park, and a grazing management plan is in the works.

The sale cost Gilliam County some property tax revenue as the land went from private ranch to tax-exempt public park. County Assessor Chet Wilkins said the property was mostly low-value range ground that was specially assessed. The approximate total yearly tax loss to Gilliam County is \$2,080, Wilkins said in an email.

In 2014, Western Rivers again bought John Day River property, this time the 14,148-acre Rattray Ranch, and its 10,530-acre BLM grazing lease.

Western Rivers is primarily concerned with improving water quality and river habitat for salmon and steel-

head runs, but Doroff said there are "lots of opportunities" for compatible conservation work, crops and livestock grazing.

"When we take sensitive lands and make them better, it takes some of the stress off the ecosystem," she said. The Rattray Ranch purchase will provide public river access, hopefully reducing trespassing problems that bothered other landowners. That and the park opening also bring more economic activity to nearby Condon, as visitors choose places to stay and eat.

Even though there is some "parsing of the landscape" through sales, Doroff said big buyers are likely to continue traditional uses such as grazing cattle and growing wheat.

"Who is going to spend that much and not generate some revenue from it?" she asked. "The adjustments are smaller than the fear."

## Traditional uses

Tom Peterson lives in The Dalles and commutes 90 miles a day to and from his job at Cottonwood Canyon State Park, where he's the park manager. When Western Rivers Conservancy bought the Murtha Ranch and resold it to the state parks department, honoring the traditional, public uses of the property that were at the top of people's list "from the get go."

In community meetings, "hunting and fishing definitely came up," he said. "We tried to listen as best we could."

There were other considerations. Making a park out of what had been a private ranch meant a lot more people would be on the land, with an accompanying increased risk of injury, fire, trespassing or other incidents. Gilliam and Sherman counties, which border the park, have only about 2,000 people each.

"If you add on a bunch of medical calls and fire calls, that's a huge undertaking for a small community that runs on volunteers," he said.

Peterson meets with the county public safety departments to plan for and mitigate problems. So far there have been only a handful of incidents.

Planning for a grazing pilot project is underway and it could begin in spring 2018, Peterson said. He believes it would be the first grazing lease in a state park, and said it is important for the department to pull it off. "We wanted to hold true to our promise about preserving historic uses," he said.

Grazing would take place in Esau Canyon, up off the river and about four miles downstream from the park's campground. Peterson said properly managed grazing could control weeds, help restore native grasses and reduce the fuel load in case fire sweeps the canyons.

"I think we've got to do it, study it, and see if it's an advantageous way of taking care of the land," Peterson said.

## Groups: Ecology failed to uphold Clean Water Act

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A coalition of environmental groups allege Ecology has fallen short of upholding the federal Clean Water Act.

The two sides agreed to combine their grievances into one appeal and also agreed on a list of legal issues to raise.

One complaint by the environmental groups is that Ecology failed to identify the dairies that need CAFO permits.

According to Ecology, dairies that discharge pollutants into groundwater or surface water must have a permit. Since Ecology maintains that pollutants seep from manure lagoons, the rules potentially apply to all 229

dairies in the state with more than 200 cows. Smaller dairies are exempt unless Ecology determines they are a "significant" source of pollutants.

As of May 8, 16 dairies with a total of 37,170 mature cows and heifers had obtained permits, according to Ecology. The USDA's National Agricultural Statistics Service estimated Washington had 395,000 dairy cows and heifers last year.

According to Payne, agriculture department inspectors will notify farmers if they should apply for a permit. Ecology will follow up if the farmer doesn't apply for a permit, she said.

The dairy industry alleges

that Ecology's disregard for NRCS standards and demand for more soil tests lacks scientific backing. The industry also alleges Ecology failed to consider reduced yields, loss of acreage and increased production and operating costs before adopting the rules.

Environmental groups allege Ecology should have set strict limits on residual nitrate and phosphorous levels in the soil and water. They also complain Ecology failed to mitigate against climate change and to provide enough information on the permit's development to non-English speakers and communities of color.

## 'Whatever happens has to have some bipartisan support'

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Kamala Harris of California — hope their proposal can be part of a larger bipartisan immigration reform package, she said.

Such a package would please the American Farm Bureau Federation, spokesman Mace Thornton said.

"We continue to believe a comprehensive, bipartisan bill would be the best way to secure the kind of reform our farmers need," Thornton said in an email.

Frank Gasparini Jr., executive vice president of the National Council for Agricultural Employers, told Capital Press he's always happy when anyone in Congress tries to improve the labor situation but that Feinstein's bill, like

others, addresses only pieces of the problem.

"We are not going into a lot of effort to push those bills because we need something to stabilize the current workforce and make it legal but also to improve H-2A (guestworker program) for longterm flow," said Gasparini, a board member of the Agriculture Workforce Coalition.

Year-round labor for dairies and herders, not just seasonal work, needs improvement, he said. The pathway to citizenship in Feinstein's bill is a "tough sell" in the House, and House bills are tough to get through the Senate, he said.

"We need a full fix solution by working together," he said. "Whatever happens has to have some bipartisan support."

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