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Opinion

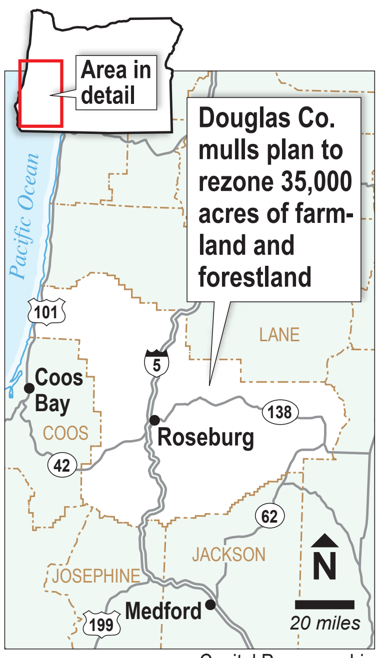
Our View

Douglas County plan raises plenty of questions

A land use fight is shaping up in Oregon's Douglas County that pits the broader interests of agriculture against the interests of urban developers — and perhaps the interests of specific land owners who might want to sell.

Douglas County commissioners are considering changing the designation of nearly 35,000 acres in farm and forest zones to "non-resource transitional lands." That would allow up to 2,300 20-acre home sites to be carved out of land now reserved for agriculture and timber harvests.

According to the county, the sites are of low quality for commercial farm production and taken together represent only about 1 percent of farm and forestland in the county.



Capital Press graphic

They speculate that no more than half the lots would ever be developed.

The county contends that current zoning doesn't support the demand for "rural lifestyle" dwellings.

It's unclear who is clamoring for these types of properties, but it's a safe bet there would be demand from wealthy retirees and out-of-towners looking for vacation properties to take advantage of the area's good weather and scenic beauty.

Not so fast. State land use regulators and farmland preservation advocates are concerned by the proposal.

Advocates at 1,000 Friends of Oregon say the county hasn't proven the need for more rural housing stock and is pulling a fast one by misapplying authority it's granted under Oregon's land use laws to meet its objectives.

Oregon's Department of Land Conservation and Development shares some of the group's concerns.

As in many of these land use issues, we are conflicted.

We have always maintained that private property owners should generally be allowed to use their land for the purpose that provides the highest return. For an owner, land suited for only marginal crop production might well be worth more as a sizable plot for a "rural lifestyle" dwelling.

At the same time, we know that once truly productive farmland is used for something other than farming the soil is often lost forever to agricultural production. Significant loss of production leads to a loss of infrastructure that supports farming — storage, processing, packing, transportation. And that hurts farmers with otherwise viable operations.

We haven't heard much from the people who own the land, which is scattered around the various cities in the county. That could explain the county's low estimate of just how much of this land could ever go on the block.

Willing buyers need willing sellers.

Indications are good that this dispute will end up with the state Land Use Board of Appeals.

We'd like to know, on a plot-by-plot basis, the true productive potential of the land. Is any of it improperly categorized?

That question is moot if the county is exceeding its authority.

Anyone hoping to pull up stakes in favor of a prime "rural lifestyle" dwelling in Douglas County will just have to wait for these issues to be resolved.

Our View

Gary King, center, pours wine for patrons in the tasting room at Chateau St. Jean winery in Kenwood, Calif., on Nov. 24. The winery reopened in mid-November after being closed because of a wildfire in October that burned an adjacent hillside and forested area.
Tim Hearden/For the Capital Press

It's about public perception

When it comes to the public, perception is reality.

Even the facts don't get in the way of how John Q. Public views an event or issue.

Take, for example, the wildfires that burned parts of California wine country. The images and stories on the fires two months ago showed horrific scenes of whole neighborhoods and thousands of acres that were decimated. One could hardly fault members of the public for assuming all was lost in Napa, Sonoma and Mendocino counties, three of the crown jewels of the West Coast wine world. State officials estimated the insured damages at $3.3 billion. Combined with the stories of destruction and death, the public assumed the area was a total loss.

Except for one thing: That is wrong.

While the property damage and death toll — 43 people died in the fires — were awful, the vast majority of vineyards and wineries remained untouched.

Better yet, they were still open for business. The down side: Customers were staying away.

It's bad enough being the victim of a terrible natural disaster. It's almost worse not to be a victim, only to have the public stay away in droves because of some assumed damage.

It's almost worse not to be a victim, only to have the public stay away in droves because of some assumed damage.

Some blame "the media" for such assumptions. They are missing the point. Newspapers, websites and television stations cover the action when and where it occurs. They really don't have the resources to cover the wineries that don't catch fire. You never see a news story about the bank that wasn't robbed.

That's where the power of advertising and social media can pick up the ball. Through promotions and social media wineries are reaching millions of people in the Bay Area and elsewhere who might enjoy a visit to wine country.

Fallout from disasters and other occurrences often hurts innocent bystanders. Eleven years ago, spinach was identified as the source of food-borne illness and the California farm where it was grown issued a recall. But the widespread fallout from that recall was amazing. Farmers in Washington state reported that customers refused to buy their spinach — even though it was grown 1,000 miles from the fields linked to the recall.

It's all about public perception. There was no conceivable way that Washington-grown spinach had anything to do with the recall, yet consumers steered clear of it.

Similarly, only 11 of 1,200 wineries were destroyed by the wildfires in California, yet customers assumed the worst.

But by promoting themselves and the fact that they are open for business wineries are overcoming those inaccurate public perceptions.

The other good news: The public has a famously short memory.

Here's how ag lenders can help farmers succeed

By CRAIG CARPENTER
For the Capital Press

Guest comment
Craig Carpenter

The agricultural industry is the backbone of Oregon in many ways, but it's hardly for the faint of heart. Commodities markets ebb and flow, the weather changes from year to year, long days stretch from sun up to sun down, and the need for new equipment and technology is constant.

More than anything, being a farmer or rancher is personal. It's generational, and often multi-generational. And each farm is unique, with needs that are different for each producer.

This makes a rock-solid relationship with your financial institution all the more valuable. Farm businesses go through cycles and your ag lender has to be a partner you can trust for the long-term, through thick and thin.

Finding the perfect fit is not always easy. Many large, for-profit commercial banks struggle to understand the agricultural industry. As Oregon has grown increasingly urban over the years, many of the state's most familiar commercial banking institutions have either disappeared — swallowed by larger banks based outside Oregon — or now avoid agricultural lending altogether. For many in the farm business, it can feel like commercial lenders don't even speak the same language.

The evidence of a changing financial industry is hardly anecdotal. In 2006, 36 banks were chartered in the state, according to Oregon's Department of Consumer and Business Services. That number had been cut nearly in half by the end of 2016, dwindling to just 20. By contrast, the number of credit unions chartered in Oregon has remained steady at 21 over the same time period.

This makes locally based community credit unions and banks all the more important, particularly in the agricultural industry. At local credit unions and community banks, consumers tend to receive more personalized service at branches that are typically more intimate, and people who live and work in the community make decisions locally.

Smaller, community-based financial institutions tend to have deeper insights into what drives the local market, but with an eye on the larger world markets that affect us all. For this reason, community banks and credit unions are typically better positioned to serve agricultural producers. Those relationships tend to live on a more personal level, in which the decision-makers for both the business and financial institution work directly with one another, which is critical for the health of a farm or ranch.

Of course, the needs of a producer in Ontario, Ore., are often not the same as one in the Willamette Valley. Whether you're farming alfalfa, wheat, hops, onions, grapes, or something else, loan decisions are made locally — where they belong. They aren't shipped off to a corporate office in Seattle or San Francisco.

The result is a streamlined process, with relationships that are forged face-to-face, so you always know with whom you are dealing. And from operating lines of credit, machinery and equipment term loans, and real estate term loans, everything community banks and credit unions do is tailored to each farmer's individual needs.

In our experience, what most producers want is an ag lender who will listen to your needs, truly understand your plans, and who builds a deep understanding of your business. A truly personal relationship with your lender can be so important, so when the inevitable storm comes, your financial institution can help you weather it by remaining nimble.

The financial system is healthiest when there is a diverse mix of institutions of all sizes that can adequately meet the needs of all producers, both big and small. And the farmers and ranchers of Oregon should know that strong local financial institutions remain committed to serving the agricultural industry.

To put it simply, producers are at their strongest with a financial partner that understands the local landscape and the business they are trying to build.

Craig Carpenter is senior vice president of lending and business solutions for SELCO Community Credit Union. A graduate of Eastern Oregon University and a native of Ontario, Ore., he is an expert in agricultural lending with more than 30 years of experience in the banking industry.