

Investors: ‘It’s just the tip of the iceberg’

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about 35 million acres, that’s assuming every foreigner who ever bought farmland held onto it. And that’s just not the case.

The database, cross-referenced with public business filings and sales records, reveals that many foreign investors have sold farmland they once held. Dozens of foreign owners have dissolved businesses, sold land to domestic or international buyers, gone bankrupt or experienced foreclosure.

Behind the numbers

Foreign investment comes in many flavors: from individuals, corporations, institutions, associations, estates, trusts and partnerships.

Tracking names recorded in USDA’s database, the Capital Press called and emailed dozens of foreign buyers across the West, revealing a tapestry of people and stories.

Some buyers have big names, like the Haub Brothers Enterprise Trust, which is associated with Erivan Haub, a German grocery store magnate whose trust bought thousands of acres of Washington farmland.

Other buyers have straddled continents, like a young British farmer running a bio-gas business and operating farm properties in both Oregon and the United Kingdom.

Still others have been immigrants headed West to build a dream, like a Dutch flower grower who, with his wife and baby in tow, took out loans to build a bulb business.

Oregon

Foreign buyers have purchased 1.2 million acres of Oregon farmland — roughly 7.5% of the state’s farm acreage, according to the 2017 U.S. Census of Agriculture.

Top investors are from Canada, Luxembourg, Sweden, Portugal and the U.K. Investors from the first three countries have invested mainly in timber, investors from the latter two in wind and solar power.

Reflecting microclimates and the character of the land, investments vary from county to county. Gilliam and Umatilla counties, where foreigners have bought the largest number of parcels, have mainly seen renewable energy developments. Polk County has seen timber and wine investments.

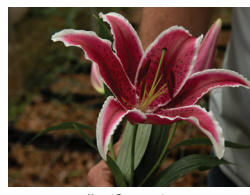
Whether foreign investment is good or bad is a matter of disagreement among Oregon farmers.

Solar power on farmland is especially controversial, and groups including the Oregon Farm Bureau and 1,000 Friends of Oregon have raised alarms.

“We’re constantly fighting the misconception that agricultural land is vacant land. It’s not,” Kathryn Jerne, president of Friends of Yamhill County, told the Capital Press this summer.

Foreign Holdings in the West

• In which states did overseas investors buy the most land, and why?



Bulbs (flowers)



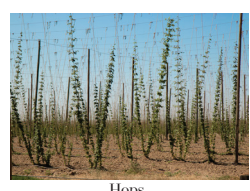
Solar power



Wind turbines



Winegrapes



Hops



Real estate

WASHINGTON

Most acres

COUNTRY	TOTAL ACRES
Canada	705,661
United Kingdom	238,947
Netherlands	157,253
Portugal	120,113
France	89,234
Luxembourg	46,909
Germany	46,546
Australia	25,249
Denmark	11,789
Japan	6,616

Washington counties where largest number of parcels bought

County	# of parcels
Whatcom	294
Yakima	138
Garfield	65
Skagit	54
Columbia	52
Klickitat	52
Kittitas	38
Lewis	37
Okanogan	34
King	30

Foreign land use in Washington

Country by acres	Land use investment type
Canada	timber; tree fruit; berries
United Kingdom	wind power; solar power; timber
Netherlands	timber; bulbs (flowers)
Portugal	wind power
France	wind power
Luxembourg	timber
Germany	timber; hops
Australia	timber
Denmark	timber
Japan	manufacturing

OREGON

Most acres

COUNTRY	TOTAL ACRES
Canada	436,985
Luxembourg	241,323
Sweden	140,032
Portugal	124,025
United Kingdom	77,562
Netherlands	41,883
Denmark	32,517
Japan	12,308
France	7,047
Germany	5,155

Oregon counties where largest number of parcels bought

County	# of parcels
Gilliam	34
Umatilla	28
Polk	26
Washington	26
Yamhill	25
Clackamas	21
Douglas	19
Jackson	18
Union	16
Klamath	14

Foreign land use in Oregon

Country by acres	Land use investment type
Canada	timber
Luxembourg	timber
Sweden	timber
Portugal	wind power
United Kingdom	wind power; solar power
Netherlands	timber
Denmark	timber
Japan	foodpacking; tree fruit; manufacturing
France	winegrapes; wind power
Germany	timber

IDAHO

Most acres

COUNTRY	TOTAL ACRES
France	62,544
United Kingdom	14,468
Germany	12,589
Canada	8,650
Liechtenstein	5,221
Netherlands	1,581
Mexico	1,111
Denmark	628
Turks & Caicos Islands	593
Ireland	514

Idaho counties where largest number of parcels bought

County	# of parcels
Caribou	12
Teton	11
Canyon	10
Twin Falls	9
Ada	6
Kootenai	6
Gem	5
Shoshone	5
Bingham	4
Bonner	3
Fremont	3
Jerome	3
Latah	3
Power	3

Foreign land use in Idaho

Country by acres	Land use investment type
France	wind power
United Kingdom	manufacturing, guest ranches, crops
Germany	fertilizer; chemicals; seeds
Canada	fertilizer; chemicals
Liechtenstein	real estate
Netherlands	ag financing; real estate
Mexico	mining; manufacturing
Denmark	manufacturing
Turks & Caicos Islands	guest ranches
Ireland	construction industry

CALIFORNIA

Most acres

COUNTRY	TOTAL ACRES
United Kingdom	340,980
Netherlands	158,053
Japan	112,014
France	100,921
Canada	81,286
Germany	73,652
Liechtenstein	67,108
Panama	39,390
Switzerland	38,584
Liberia	22,963

California counties where largest number of parcels bought

County	# of parcels
Kern	311
Fresno	132
Madera	120
Tulare	114
Napa	90
Riverside	82
Sonoma	65
San Joaquin	47
Solano	40
Sutter	40

Foreign land use in California

Country by acres	Land use investment type
United Kingdom	timber; wine; water; real estate
Netherlands	cattle; olives; oil and gas
Japan	real estate; rice; tree fruit
France	winegrapes; wind power
Canada	real estate; winegrapes; nut trees
Germany	nut trees; manufacturing; real estate
Liechtenstein	annual crops
Panama	cattle; oil and gas
Switzerland	orchards
Liberia	annual crops; real estate

Capital Press graphic

Farmers view other investments more favorably.

Before the 1970s, Oregon’s wine industry was virtually nonexistent. But as pioneers started making high-quality wine, it grabbed the attention of international investors.

The first French family to buy an Oregon vineyard was the Drouhin family, which has been making wine since 1880 in the Burgundy region of France.

After visiting Oregon, Robert Drouhin and his daughter, Veronique, decided to buy land in 1987.

“The Oregon wine community was so welcoming to the family,” said David Millman, the company’s CEO and president. “This wonderful, respected family investing in Oregon of all places was this huge, huge boost — a sort of validation.”

Today, more than a dozen European companies own Oregon vineyards.

Critics, including Maxwell of Family Farm Action, said there should be a distinction between control and investment. Investment is good, he said — a foreign entity investing dollars and receiving a percentage of profits. But Maxwell said foreigners should not hold land or management positions.

Most leaders in Oregon’s wine industry disagree.

“While foreign investment has caused some concern within the Oregon wine community, overall, it has been viewed as a positive,” said Sarah Murdoch, spokeswoman for Oregon Wine Board. “Our wines are now recognized as being world-class.”

“These newcomers,” she said, treat Oregon growers with respect and have brought “new energy, new ideas and greater national and international marketing capacity.”

Oregon’s legislature has made no laws restricting foreign ownership of private farmland.

Washington

Foreign buyers have purchased even more farmland in Washington: 1.5 million acres. Top investors are from Canada, the U.K., the Netherlands, Portugal and France.

Canadians mainly invested in timber, tree fruit and berries; investors from the U.K. are focused on wind, solar and timber. Portugal and France are in wind power. The Netherlands mainly holds land as part of a pension plan favoring conservative investments.

Investments vary by county. In Whatcom County, where foreigners have bought more than 294 parcels, buyers have mainly invested in manufacturing, oil and gas, trucking and wind power. Most oil

and gas investments came from BP, a British company that runs the Cherry Point Refinery near Bellingham. It’s the largest oil refinery in Washington state.

Yakima County has big investments in tree fruit, wind power and hops.

John I. Haas, a European entrepreneur, bought tens of thousands of acres for hops production in Yakima from the 1970s to the 2010s. Today, John I. Haas Inc. is one of the largest hop companies in the West.

Many beer industry leaders say foreign investment has helped boost the state’s reputation.

But other farmers are concerned.

Frank Lyall, an orchardist in Grandview, said acquisitions in the tree fruit industry worry him.

Lyall said he’s concerned wealthy foreign investors will outbid young and beginning American farmers for land. It doesn’t help, he said, that investors are also better poised to navigate Washington’s complex regulatory environment.

“We’ve lost that deal where you have generations of people staying in farming,” said Lyall. “If people think they don’t have the opportunity to own land and farm for themselves, they might look for another career. A lot of

young people don’t want to be part of a giant conglomerate.”

Maxwell, of Family Farm Action, agrees.

“The real problem is not just that (investors are) outbidding the farmer. It’s that they’re paying more for the land than the actual production value of the land, which drives up overall land prices,” said Maxwell.

Washington state does not ban foreign ownership, but in 2016, the legislature passed a law requiring foreign businesses to register with the secretary of state.

California

California’s top five investors are from the U.K., Netherlands, Japan, France and Canada.

U.K. buyers have mainly invested in timber, wine, real estate and water rights. The Netherlands has invested mainly for its pension plans in cattle, olives, oil and gas. Japan has focused on real estate investments, rice and tree fruit. France is in wind power and winegrapes. Canada has channeled dollars into real estate, wine and nut trees.

Each county, once again, has tasted a different flavor of investment.

Kern County, where foreigners have purchased more than 311 parcels, has seen investors buy land for oil and gas development through

subsidiaries of international giants such as Royal Dutch Shell, headquartered in the Netherlands.

Kern County has also seen investments in almonds, nurseries and renewable energy.

Fresno County, ranking second for the largest number of parcels owned by foreigners, has seen investments in wine, almonds, cattle and gas and oil development.

California’s Central Valley is becoming a major hub for renewable energy.

“The Central Valley could become a mega-center for energy production and storage,” said Richard Waycott, president and CEO of the Almond Board of California.

Waycott said he doesn’t necessarily see that as a bad thing. It reflects the reality, he said, that farmers are selling off drought-prone, less-productive farmland and consolidating operations in more productive regions.

Under California law, only citizens or those on the path to citizenship can lease public land. But regarding private land, officials told the Capital Press there are no regulations.

Idaho

Of the four Western states, Idaho has the least foreign investment: 122,598 acres.

The biggest five investors have been from France, the U.K., Germany, Canada and Liechtenstein.

French investors, as usual, are involved in wind power. The U.K. has focused on manufacturing, “dude” ranches and cropland. Germany and Canada have bought land mainly for chemical, seed and fertilizer production. Liechtenstein is primarily in real estate.

Caribou County in southeastern Idaho has the most foreign-owned parcels.

One of the biggest investments in Caribou County came from NU-West Industries Inc., a fertilizer and ag chemical company owned by Nutrien, an international corporation based in Canada.

Another large Caribou County investment was from P4 Production LLC in 2018. P4, a scientific research and development company, is a subsidiary of Monsanto Co. The German company Bayer AG bought St. Louis-based Monsanto in 2018.

In nearby Teton County, investments have a different purpose. There, west of Wyoming’s Grand Teton National Park and Jackson Hole, lies farmland that often sells for upwards of \$15,000 per acre, according to property tax records. The average 2021 U.S. cropland value is \$4,420 per acre, according to USDA’s National Agricultural Statistics Service.

According to filings, Teton County has seen tremendous investment from international buyers acquiring the valuable real estate.

Idaho currently has no laws limiting foreign purchases of private farmland.

Wildfires: Forest thinning projects crucial for lowering fire intensity

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and high temperatures, we can expect these fires to show active, if not aggressive, fire behavior,” Rickert said. “It will take a substantial precipitation event for conditions to really improve.”

Dry easterly winds can also amplify fire behavior, Rickert said — as happened last Labor Day in western Oregon, which contrib-

uted to multiple conflagrations that quickly overwhelmed firefighters and forced entire communities to evacuate.

Forecasts had called for light to moderate easterly winds the weekend of Aug. 28-29, though Rickert said it was “in no way, shape or form” comparable to the disastrous 2020 firestorm.

Darron Williams, regional fire management officer for the Bureau

of Indian Affairs, said firefighting resources are spread thin as crews battle large fires in other parts of the West.

The National Interagency Fire Center is currently at Preparedness Level 5, with at least 80% of all fire management teams around the country now deployed. The center reports 92 large fires burning 2.5 million acres in 13 states.

“That, in fact, has cre-

ated a drawdown of firefighting resources,” Williams said.

On top of that, agencies are contending with a rise in COVID-19 cases at fire camps and facilities due to the spread of the delta variant.

Alex Robertson, regional director of fire, fuels and aviation management for the Forest Service, said they are seeing an uptick in cases among firefighters, though it

has not significantly impacted their presence on the fire lines.

“What we have been able to do is keep them isolated to small numbers,” Robertson said. “Overall, it hasn’t really affected our workforce to a large extent.”

The first priority for firefighting remains catching new fires while they are still small to prevent them from becoming major incidents, Robertson said.

Plan: ‘We should be doing things that enhance agriculture’

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not subsidize carbon sequestration on natural and working lands, such as through no-till farming and the planting of cover crops. While DEQ is not opposed to carbon sequestration, McConnaha said the primary focus of the program is reducing fossil fuels in homes, vehicles and businesses.

“The primary drawback in the context of this program is simply that it would take funding away from invest-

ments in hastening Oregon’s clean energy transition,” McConnaha said.

That decision is not sitting well with some members of the rules advisory committee tasked with helping DEQ to develop the draft rules.

Jan Lee, executive director of the Oregon Association of Conservation Districts, said carbon sequestration is not only a critical tool for addressing climate change, but can benefit rural communities that are disproportionately impacted by creat-

ing healthier, more resilient landscapes.

Lee said from the beginning the committee discussed carbon sequestration within the CCI program. Then, at the final meeting in July, it was suddenly removed without explanation.

“It was very difficult at the end to drop it out,” said Lee, whose association represents 45 soil and water conservation districts across Oregon. “Sequestration was one of the few things that could be done in rural areas to deal with the

impact of climate change.”

Under Gov. Brown’s executive order, the Oregon Global Warming Commission has also drafted a natural and working lands proposal that calls for a net sequestration of 9.5 million metric tons of carbon dioxide per year by 2050.

Not connecting sequestration with the Climate Protection Program’s source of funding “is a big missed opportunity,” Lee said.

The Climate Protection Program sets the initial price

of CCIs at \$81 per metric ton of carbon. At 9.5 million metric tons, that adds up to \$769.5 million worth of investment that could be coming in to rural Oregon, said Wallowa County Commissioner John Hillock.

“If you leave out sequestration, the rural communities aren’t going to be able to share in this money,” Hillock said.

Jeff Stone, executive director of the Oregon Association of Nurseries, said he was likewise disappointed

to see carbon sequestration excluded from the draft rules.

If the Climate Protection Plan has winners and losers, the question then becomes what Oregon wants its economy to look like in 25-30 years, Stone said.

“We should be doing things that enhance agriculture, and that enhances carbon sequestration,” Stone said. “I think there’s a missed opportunity here in trying to build more bridges rather than walls between urban and rural.”