



## 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

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.



Madeleine Fairbairn

“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 institu-



Sierra Dawn McClain/Capital Press

Lyle Spiesschaert on a hill overlooking his farm, which has been in his family for more than a century.

tional 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.

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, Ore., 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 the school construction project. It was too difficult to farm next to the school, so the

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Sierra Dawn McClain/Capital Press

A hill overlooking Lyle Spiesschaert’s farm, which has been in his family for more than a century.

## Economists: Inflation to persist in ag economy

By BRAD CARLSON  
Capital Press

Inflation will continue to challenge food producers next year, an agricultural economist says.

“We are moving to a new and higher level, and we are going to be there for a long time,” Brett Stuart of Global AgriTrends, based in Preston, Idaho, told a University of Idaho Ag Outlook videoconference Dec. 13. “I would suggest that without some major event, it’s going to be a soft landing. Inflation is going to weigh on us. It could



Brett Stuart

carry us into stagflation,” which is inflation with a slowing economy.

Price increases since August 2020 include 166% for natural gas, 110% for fertilizer, 101% for crude oil and 54% for diesel, he said. Gains in the prices of agricultural commodities include 85% for corn, 75% for wheat (Kansas City benchmark), 61% for chicken breasts, 57% for pork bellies, 44%

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for hogs, 34% for beef and 30% for steers.

The surges reflect pent-up demand as COVID-19 restrictions ease, port congestion and other supply-chain challenges, and a money supply that grew by about 40% in two years, Stuart said.

Cheese prices are down 22% since August 2020. Stuart said Class III milk futures improved recently, and there is room for optimism next year.

Dairy producers “have been late to the party,” he said. “I hope they get a piece of this.

“The game is now: How do you manage cost, and how do we keep revenue going up and even try to hope that we can keep pace with inflation?” Stuart said.

He said the U.S. government can’t afford to increase interest rates substantially to combat inflation, as it did in the early 1980s, given its debt load.

“We’re going to see interest rate hikes next year,” Stuart said. “Maybe a quarter point in

the first quarter, maybe a quarter point in the second quarter. What that equates to is a BB gun. I don’t think it’s going to slow it down. Inflation is going to run hotter and longer than most people realize.”

China is a big importer of U.S. meats and other commodities. China’s rising incomes and a phase one trade agreement with the U.S. are factors in recent and anticipated demand, he said. China reduced its swine herd due to disease in 2018-19.

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## \$40M approved for forgivable disaster loans for Oregon farmers

By MATEUSZ PERKOWSKI  
Capital Press

SALEM — Oregon farmers who’ve suffered from drought and other disasters will gain access to \$40 million in forgivable loans under a legislative package approved Dec. 13.

The money will serve as a “bridge” to keep farmers afloat while they wait for USDA assistance, but the loans will be forgiven if growers don’t qualify for

federal disaster relief.

“We’re telling farmers and ag workers across the state that we acknowledge how hard it’s been to survive this year,” said Rep. Bobby Levy, R-Echo, before the House floor vote.

Throughout 2021, farmers have been plagued by winter storms, drought, heat waves, insect infestations, wildfires and flood damage, all during a global pandemic.

“It’s been the hardest year for natural disasters in many

Oregon producers’ memories,” said Mary Anne Cooper, Oregon Farm Bureau’s vice president of public policy, during a legislative hearing on the bill.

The forgivable loans are intended to allow farmers to stay in business, but won’t actually result in a profitable year, she said. “I just think that’s out of reach for the 2021 year.”

The Oregon Farm Bureau estimates about \$75 million was made available to disas-

ter-afflicted growers in the legislative package, which was passed during a Dec. 13 special session.

The idea for forgivable loans sprang from concerns that niche Oregon farmers face “gaps” in USDA disaster programs, which are primarily designed for major commodity crops.

For example, damage from the ice storm and heat wave this year may not directly kill hazelnut trees or nursery stock. However,

yields and marketability are adversely affected.

“Assistance is needed to help producers with losses not covered by federal programs,” said Megan Kemple, director of policy advocacy for the Oregon Climate and Agriculture Network nonprofit.

Farmers with adjusted gross incomes of less than \$500,000 will qualify for loans of up to

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