



## Oregon Agricultural Heritage Commission Meeting Agenda

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Thursday, March 8, 2018

Room 1868

152 NW 4th St.

Prineville, OR 97754

Directions: <https://goo.gl/maps/VTzC9K84hWK2>

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For each agenda item, the time listed is approximate. The commission may also elect to take an item out of order in certain circumstances. Anyone wishing to speak to the commission about the Oregon Agricultural Heritage Program (OAHP) during the public comment period from 11:30am until noon is asked to fill out a comment request sheet (available at the information table). This helps the commission know how many individuals would like to speak and to schedule accordingly. Persons are requested to limit their comments to 3 to 5 minutes. Written comments will also be accepted on any item before the commission. Written comments from persons not attending the meeting should be sent to Nellie McAdams, [nellie.mcadams@oregon.gov](mailto:nellie.mcadams@oregon.gov).

### Welcome, Housekeeping, and Introductions (8:00 a.m.)

Chair Doug Krahmer and OWEB Executive Director Meta Loftsgaarden will welcome the commission and public. *Information item.*

### Review and Approval of Minutes (approximately 8:10 a.m.)

The minutes of the February 22, 2018 meeting will be presented for approval. *Action item.*

### Succession Planning Grant Draft Rules (approximately 8:15 a.m.)

OAHP Coordinator Nellie McAdams will present revisions to draft Succession Planning Grant rules resulting from the commission's discussion at its February 22, 2018 meeting.

### Conservation Management Plan (CMP) Rulemaking (approximately 9:30 a.m. – 3:00 p.m.)

The commission will discuss and refine draft rules from the commission's discussion at its February 22, 2018 on CMPs, including sections on: components of a CMP, process for mutual modifications to a CMP, term of years, and monitoring for plan adherence. The commission will also discuss next steps for rules related payments for CMPs.

OWEB staff will introduce the topic of ranking CMPs. The OAHP Context Technical Committee will then present the OAHP work group's recommendation letter on ranking CMPs and receive questions from the commission.

OAHP Context Technical Committee members who may be in attendance:

- **Kelley Beamer:** Executive Director of the [Coalition of Oregon Land Trusts \(COLT\)](#) and OAHP work group member
- **Mary Anne Cooper:** Public Policy Council at [Oregon Farm Bureau](#) and OAHP work group member
- **Mike Gerel:** Director of Programs/Water Program Director at [Sustainable Northwest](#) and OAHP work group member
- **Dylan Kruse:** Policy Director at [Sustainable Northwest](#) and OAHP work group member
- **Laura Masterson:** Oregon Board of Agriculture member, OWEB Board member, [East Multnomah Soil & Water Conservation District](#) Director, and farmer at 47<sup>th</sup> Avenue Farm
- **Jerome Rosa:** Executive Director of the [Oregon Cattlemen's Association](#) and OAHP work group member
- **Jay Udelhoven:** Executive Director of [East Multnomah Soil and Water Conservation District](#)

For the remainder of the morning and afternoon, commission members will discuss CMP ranking criteria, with the minimum ranking criteria described under Section 6(3) of HB 3249.

#### Public Comment (11:30 a.m.)

Members of the public who have signed up to give public comment will speak to the commission about OAHP.

#### Lunch (12:00 p.m.)

This is for the commission, OWEB staff, and invited presenters only.

#### Summary of Commission's Discussions, Location in the Process, and Next Meeting (3:00 p.m.)

OAHC Facilitator Liz Redon will help the commission summarize the day's discussion, list items for follow up, and remind the commission that their next two meetings will focus on working land covenants and easements. *Information item.*

The commission's next meeting is on Thursday, April 5, 2018.



# Oregon Agricultural Heritage Commission Meeting Minutes

Oregon Agricultural Heritage Commission (OAHC) Meeting  
Thursday, February 22, 2018  
Room 1868  
152 NW 4th Street  
Prineville, OR 97754

## MINUTES

### OAHC Members Present

Allen, Chad  
Angima, Sam  
Bailey, Ken  
Bennett, Mark  
Jackson, Nathan  
Loop, Lois  
Neuhauser, Will  
Taylor, Bruce  
Wahl, Mary  
Wolfe, Woody

### OWEB Staff Present

Loftsgaarden, Meta  
McAdams, Nellie  
Redon, Liz  
Williams, Eric

### Others Present

Charette, Amy  
Klock, Claire  
Martino, Amanda  
Masterson, Laura  
May, Andrew  
Moberg, Dean  
Salzer, Tom

The meeting was called to order at 8:05AM.

### Welcome, Housekeeping, and Introductions

OWEB Executive Director Meta Loftsgaarden welcomed commission members. Meeting facilitator and OWEB Staff, Liz Redon, explained housekeeping measures, and outlined again for commission members the process the commission will follow throughout the spring for rule-making. In addition, staff noted that there will be some components of the rules that are consistent across all programs. These will be summarized into one general rule and provided to the commission for their consideration as well.

### Minutes

Commission members reviewed the minutes from the February 1 meeting. Mark Bennett moved to adopt the minutes, with a second from Ken Bailey. Minutes were approved unanimously.

### Succession Planning

OAHP Coordinator Nellie McAdams and Liz Redon reviewed previous discussion by the Commission relating to succession planning rules. Staff reminded commissioners they will not vote on the rules until after all rules have been discussed, allowing additional opportunities for changes. The Succession Planning Rules 'redline' document, available in the [materials for the commission's third meeting](#) on March 8, outlines specific changes that were proposed for consideration. Rules discussion included:

## General

Commission members recommended consistency in language regarding farmers/ranchers and suggested the use of owners/operators throughout. Definitions should include one for 'succession planning service providers'. Finally, commission members recommended that the rules refer back to the statutory purpose of the program to make sure both agriculture and conservation components of the program are addressed in succession planning proposals.

## Eligible Entities

Commission members recommended adding tribes to the list of eligible entities, as well as making this section of the rules more general to capture all intended eligible entities.

## Eligible Activities

Commission members recommended adding a section that outlines eligible activities, removing that language from the current 'criteria' section of the rules.

## Reporting

Commission members had a number of technical changes to the reporting section. These are reflected in the redline document.

## How to Solicit for Grants

Commission members recommended that both options (solicitation and invitation) be available for grantees.

## Match

Commission members recommended that match be encouraged and used in evaluation.

## Evaluation

Commission members recommended technical changes to this section as noted in the redline document.

## Guidance

Commission members also recommended additional guidance related to the succession planning program that may not necessarily be captured in rule, but needs to be addressed. Items include:

- Applications should consider additional partners – Farm Credit Services, commodity commissions, NRCS, banks and others when developing their applications
- While the rule will be general in terms of who can apply, guidance should call out more specifically the types of organizations who are likely to apply
- Guidance should note that organizations should build on and learn from successful existing programs (like Ties to the Land)
- Applicants should receive guidance on the questions to put into surveys for consistency

## Conservation Management Plans

Staff outlined the plan for rule-making on conservation management plans, noting that rule-making around ranking projects will not be addressed until the March 8 meeting. Staff also noted that the rules discussion may result in as many questions as answers. Staff will gather those questions and work on responses for future meetings.

Nellie McAdams presented a staff report and issue paper to initiate the conversation about conservation management plans. The report is available under [meeting materials for this meeting](#), and includes information about the Conservation Reserve Enhancement Program as an example of a long-term agreement for conservation.

The commission then received presentations from a technical committee who provided a summary of their perspectives on conservation management plans. Technical committee members included:

- Amy Charette, Confederated Tribes of the Warm Springs Indian Reservation (CTUIR)
- Tom Salzer, Clackamas Soil and Water Conservation District
- Dean Moberg, Natural Resources Conservation Service
- Laura Masterson, East Multnomah Soil and Water Conservation District, Board of Agriculture, Oregon Watershed Enhancement Board

Each presenter outlined their conservation planning programs and other funding available for conservation practices. Presenters discussed a range of conservation plan experience, including the development of plans for their own properties (CTUIR), payment to landowners for practice implementation (NRCS and SWCDs) and the components of a conservation plan.

Commission members then initiated a discussion around the first set of components to be included in rule around conservation management plans. Flipchart notes for each section are provided below under separate headings.

## Landowner and Conservation Perspectives Regarding Conservation Management Plans

### Landowner Perspective

- Continue as working land
- Landowners should receive compensation for public benefit
- Different approaches for small farms (acreage or income)
- Recognition of value (ecological) of ag lands
- What is impacted/benefitted
- Scale assistance for smaller operations
- Impact of connectivity
- Plan changes over time – ensure flexibility
- Is this a way to show agriculture contribution to reducing climate change?
- People are part of landscape

### Habitat Perspective

- Mechanism to fund gains in conservation
- Need Gap Analysis to understand the gaps we are trying to address
- Easier to understand conservation management plans when connected to easement
- How do we describe public benefit
- How is this not a “hall pass”
- How do we divide between easements/management plans
- CMP is good because NRCS/SWCD don’t always have staff for this
- Quality of habitat is important

### Organizational Perspective

- Add to existing partner programs/compatibility
- Work together with succession planning
- Include groups that are already doing this and have landowner acceptance
- We (OAHP) are the ‘tool’ providers
- CMPs could be a way to help “triage” work with landowners
- Ensure consistency between plans

### Components of a Conservation Management Plan

The commission identified a suite of components that should be in any conservation management plan based on NRCS, SWCD and tribal programs. These include:

- Description of OAHP and statutory purpose – this will help remind applicants that plans are tied to the statutory purpose of the program
- Contact information and property location
- Background/Larger Context
- Landowner Goals
- Management Concerns
- Inventory/Site characteristics including current management
- Resource Analysis, identification of resource concerns, analysis and quality criteria
- Alternative development
- Alternative selection
- Implementation (including a way to track actions)
- Evaluation and adaptive management
- Supporting documentation

In addition, commissioners discussed ensuring that the plan addresses the appropriate farm unit size (e.g. consisting of consistent management and equipment), including leases as appropriate as long as the operator would have control of the land for the life of the agreement. This may include using the definition of 'farm unit' from FSA. Other considerations include an understanding of what other funders (i.e. NRCS and common SWCD and tribal plans) would consider as a 'management unit'. It will be important to have the farm unit size be adaptable to USDA requirements if they change.

### Public Comment

Public comment was given by Clair Klock about the prioritization of permanent easements over 20-50 year covenants. The written comment is in OWEB's records.

### Payment for Conservation Management Plan

Commission members met in small groups to discuss ways to pay for conservation management plans. The commission did not reach specific conclusions on the best way to pay landowners for a plan, and discussed continuing to work on this component of the program over the summer and fall, given that the earliest funding would be available for the program is July of 2019. Flip chart notes from each group included:

#### Green Group, Facilitator Nellie McAdams

- Types
  - Base payment/ plan/ term
  - Per acre – depends on natural resource
  - Ecosystem service
  - Net: cost of practice implementation; lost productive value
- Annual makes sense for both parties
  - Income ongoing
  - Opportunity to monitor/enforce
- Net cost
  - Long-term cost
  - Depends on practice- equipment or initial investment then no cost but incentive
- Ongoing cost e.g. cover crop
- One option is that an organization implements a practice (not farming practice) and leases land from the landowner for the right. Incentive and implementation
- Consider supply and demand but geographic diversity affects cost
- Pay for: (might be different)
  - Land for practice
  - Implementation cost
- Consider if the payment is 1099- taxable income

- Taxpayer expectations
  - If plan is out of compliance, don't pay
  - Demonstrated public benefit
  - Large payment to few not perceived as benefit
- Cap?
  - Yes, cap
  - Annual or lifetime
  - Important for public perception
- Net cost is hard to measure and disincentives projects with mutual benefits for agricultural productivity and conservation
- Consider modified ecosystem services
- Landowners may receive points for practices - add them to calculate per/acre payment
- If incentive is not a specific practice, but rather a result, e.g. percent of erosion prevented, this incentivizes landowner ingenuity. But how can you monitor this?
- Combine payment for outcomes and practices- periodically reexamine conservation benefit
- If landowner can demonstrate increasing production and ecosystem benefits, give them additional points – they are testing systems and setting examples
- Research
  - Examples of ecological and production synergies
  - Valuation of ecosystem services (not much has been done)
  - Final range/ranking system, if used to calculate payment
  - Tie back to practices – NRCS model calculated impacts on phosphorous leaching per practice, not per farm
- There is a value to self-reporting/monitoring

#### **Orange Group, Facilitator Meta Loftsgaarden**

- Consider both “idled” and working lands
- Option
  - Consider conservation actions and compensate landowners for those
  - Cover costs of “stewarding” conservation gains (Prop analysis record)
  - Pay for the ecosystem value – public benefit
- Difference between conservation actions on working lands and set-aside
- Is there a rating/score? Higher score = higher payment = higher likelihood of money



### Yellow Group, Facilitator Eric Williams

- Identify the main goal of CMP
- Payment should be based on ecosystem services, regardless of other landowner benefits
- How do you measure opportunity cost to landowner?
- How do you develop \$ value of conservation?
- Passive vs active ecosystem services (additionality of landowner contribution to conservation value)
- Less inclined to pay by acre, unless scaled and capped to provide equity for smaller property
- Should have both minimum and maximum payments
- There should be a minimum threshold of ecosystem services provided
- Payment should be based on a combination of lost landowner revenue and ecosystem service value
- Ecosystem service values change from region to region and by habitat type

### Mutual Modification

The commission continued to work in small groups to address how conservation management plans would be modified. Flipchart notes include:

### Green Group, Facilitator Nellie McAdams

- Annual review and opportunity to modify. Maybe specifically discuss major review every 5 or 10 years
- Should be easy - database driven and mediated
  - App with conservation data for monitoring
  - Landowner allowed to enter data on their own
  - Landowner or organization should be allowed to proposed change in database (or by phone for those who do not feel comfortable with computers)
- When to modify: When circumstances change and are contrary to plan
  - Change of ownership/management
  - Change of science
  - Natural disaster
  - New practice or benefit
  - Falling out of ag production
- How should undepreciated investment in infrastructure be treated in modification? Include re payment in contract
- If paid based on a combination of practices, you should be able to modify specifics as long as you meet the same outcomes, different by region

- Require succession plan?
  - ACEP- ALE does
  - Require a way to evaluate OAHP long-term. Is there a correlation over time between succession planning and agricultural and conservation benefits?
- Penalties of modification:
  - Enforcement can be tied to the purpose of the agreement.
  - People know if you don't enforce term of years and practices

#### **Orange Group, Facilitator Meta Loftsgaarden**

- Change in cropping rotation not identified in plan
- Annually
- Change in markets/economics
- If core conservation purposes change - may need new plan
- Annual reporting of plan implementation – easy and flexible
- Purchasing/ selling – if adding to plan, if it reduces plan acres
- Natural disaster (act of God)
- Impacts outside landowner control (grazing)
- Change of management

#### **Yellow Group: Eric**

- Document OAHC modifications with local organization and landowner
- Have a clear approval process for OAHC
- Organizations need long-term capacity to administer landowner agreements
- Need due process for modifications if there are changes to the organization that may impact the landowner.
- Consider whether landowners have an appeal process
- Need clear direction in rules
- Annual communication between the landowner and the organization should be required, while implementation changes may occur on a different timeline
- The timing of the annual conversation should sync with landowner financial planning
- A “significant event” (e.g. fire, etc.) or transfer of ownership or management should trigger communication between the landowner and the organization
- There should be a mandatory meeting in the event of default of terms
- Allowable types of modification:
  - Change in term
  - Practice changes
  - Change in natural conditions
  - Change in ag practices
  - Recalculation due to the time value of \$

## Monitoring

Next, in small groups, the commission discussed how to monitor conservation management plans if payments are associated with the plan. Flipchart notes include:

### Green Group, Facilitator Nellie McAdams

- Doesn't have to be on site – can be by drone or mapping. Remote-sensing can be useful but be clear and have landowner consent
- One element of monitoring can be landowner self-reporting with organizational spot checks based on those self-reports. Self-reporting should be simple with checklist and % of spot checking for basic compliance AND outcomes
- Monitoring is costly,
  - Extension uses trained retired volunteers to assist with spot checks.
  - Maybe bring in local conservation groups in technical team
- Outcome vs compliance monitoring: both are required. Outcome monitoring in particular can lead to innovation
- Whole system vs each contract or practice
- Perception of compliance professionals as enforcers. Talk about contract differently from regulatory enforcement
- Use reporting information to help with public relations about conservation and as an educational opportunity about conservation and other programs
- Checklist and requirements in contract

### Orange Group, Facilitator Meta Loftsgaarden

- Could there be a reporting 'app' to help reporting – leverage technology
- Annual modification visit includes annual report of what was done
- Important that this is an even playing field - it is a conversation between landowner and organization
- Consider 'scale' if there are lots of participants
- At minimum (if no modifications) 3-5 years go to property
- More frequent for adaptive management (learning) – this is a conv for new practices
- Clear expectation communications

### Yellow Group, Facilitator Eric Williams

- Monitoring should be integrate with required annual communication and should use a checklist form
- Coordinate/ integrate inspection/monitoring with other programs
- Monitor critical habitat elements
- Need metrics in the CMP to drive what is monitored
- Landowner and organization should be clear about what will be monitored and when
- More complex plans can have elements reviewed each year
- Determine how well self-reporting in CSP is working for NRCS and apply any lessons learned
- Comprehensive monitoring review should occur every 5-7 years
- Spot checks on organizations by OAHP
- Checklist varies by habitat type, includes
  - Photo points
  - Species diversity (trend line)
  - Changes to ag practices

### Match

The commission initiated discussion regarding match for the program. Members discussed the importance of considering match from a public perception perspective, and the challenges of determining what match would be given that no other program currently pays for conservation management plan implementation. Some SWCD or NRCS programs could be considered as match. Commission members decided to hold this conversation to be discussed with the funding conversation as it develops.

The meeting was adjourned at 3:00 p.m.

Division XXX

~~Farm and Ranch~~ Succession Planning Grants

XXX-XXX-XXXX

Purpose

The Oregon Agricultural Heritage Commission (commission) shall provide funding recommendations to the Legislative Assembly, or recommendations for grant funding to the Oregon Watershed Enhancement Board (OWEB board), to provide training and support to owners of working land, or persons advising owners of working land, regarding succession planning for the lands. The purpose of this program is to contribute to the public benefits of:

- (1) Increased economic viability of Oregon agricultural operations and economic sector,
- (2) Reduced fragmentation of Oregon’s working land,
- (3) Reduced conversion of Oregon’s working land to nonfarm uses, and
- ~~(1)~~(4) Enhanced fish and wildlife habitat and other natural resources on Oregon’s working land.

**Comment [NM1]:** Since “farm and ranch” are not defined, this could be renamed to something that is defined, or remain undefined as the program name.

**Comment [ML2]:** Changed throughout to match statute. I understand this is more general, but am not really worried that someone will come in and apply to do succession planning for grocery stores given the purpose. Even if they did apply, it would never rank

**Comment [NM3]:** From HB 3249 Section 10(f)

**Comment [NM4]:** Drawn from the “Whereas” statements at the beginning of HB 3249, stating the purpose of the bill

XXX-XXX-XXXX

Definitions

(1) “Owner of working land” means an “agricultural owner or operator” as defined in statute.

~~(1)~~(2) “Person advising owners of working land” means a person or an organization that provides training and resources to persons who provide succession planning services to owners of working land.

(3) “Succession planning” means an ongoing process for ensuring the continuation and economic viability of a business. It may include strategies to identify, develop, and empower the next generation of owners and operators, a plan to divide business and family assets, and arrangements for each generation’s retirement and long-term care. Succession plans are fluid and may be reviewed and updated throughout the existence of the business.

~~(2)~~(4) *Additional definitions to be determined.*

**Comment [NM5]:** In relation to succession, the statute names “owners of working land” which is not defined. The closest defined term in statute is “Agricultural owner or operator,” but this requires responsibility for exercising control over the day-to-day operation and some intended beneficiaries of the program may not have this control.

**Comment [NM6]:** a landowner, operator, manager or other person having responsibility for exercising control over the day-to-day operation of a farm or ranch.

**Comment [NM7]:** Individuals are not eligible to apply, but can be beneficiaries of funded projects.

XXX-XXX-XXXX

Succession Planning Priorities

The commission may establish priorities for ~~the Farm and Ranch~~ Succession Planning Program Grants in guidance, which may be used to solicit and rank program grant proposals and make recommendations to the legislature. The commission may modify these priorities from time to time at its discretion.

XXX-XXX-XXXX

Applicant Eligibility

- (1) Eligible applicants for ~~Farm and Ranch~~ Succession Planning Program Grants ~~are:~~ may be the Oregon State University Extension Service, universities, colleges, community colleges, non-profits including land trusts and agricultural organizations and professional

~~organizations that represent succession planning or business service providers, or soil and water conservation districts.~~

- ~~(i) Public institutions of higher learning,~~
- ~~(ii) Not-for-profit organizations,~~
- ~~(iii) Units of local government, and~~
- ~~(iv) Tribes~~

~~(1)(2) Individual owners of working lands and individual persons advising owners of working land are **not eligible** to apply for a **Farm and Ranch** Succession Planning Grant.~~

### XXX-XXX-XXXX

#### Application Requirements

~~Farm and Ranch~~ Succession Planning Grant applications shall:

- (1) Be consistent with general program guidance {similar to ORS XXX Division 005}.
- (2) Not require match contributions.
- (3) Be submitted on the most current form and process prescribed by the commission.
- (4) *Other application requirement in general administrative section.*

### XXX-XXX-XXXX

#### Eligible Activities

~~The following activities benefitting owners of working land in Oregon and the persons who advise them are eligible for **Farm and Ranch** Succession Planning Grants:~~

- ~~(1) Education and outreach about the importance of **farm and ranch** succession planning and available resources,~~
- ~~(2) Trainings on topics related to **farm and ranch** succession planning,~~
- ~~(3) Development and distribution of educational materials and curriculum related to **farm and ranch** succession planning, and~~
- ~~(4) Advising owners of working land on **farm and ranch** succession planning.~~

Comment [ML8]: Deleted to match statute

### XXX-XXX-XXXX

#### Evaluation Criteria

~~Farm and Ranch~~ Succession Planning Grant applications will be evaluated on:

- ~~(1) The extent to which the application demonstrates a clear succession planning benefit for Oregon farmers and ranchers proposed project would help achieve the purpose of this grant program. The extent to which the application utilizes methods identified by the Commission including, but not limited to, outreach about the importance of succession planning and available resources; trainings for farmers, ranchers, and succession service providers; development and distribution of training materials and curriculum; and advising of farm and ranch families on succession planning options;~~
- ~~(2) The success of the applicant's prior projects funded through this grant program,~~
- ~~(3) The cost-effectiveness of the proposed project,~~

Comment [NM9]: Moved to Eligible Activities section

~~(4)~~ The extent to which the application reaches diverse audiences, including: producers of diverse commodities, owners of working lands in diverse and geographic locations in Oregon, and participants in diverse stages of succession planning. The commission may also consider the extent to which a suite of approved grant projects will combine to reflect this diversity.

**Comment [NM10]:** An attempt to include success over the long-term through different stages of succession

~~(5)~~ The extent to which the project introduces participants to conservation tools as resources for succession planning.

~~(1)~~ The commission may also consider if a suite of given projects combine to reflect ~~(3)~~.

**Comment [ML11]:** I think we wanted this to stay – but let me know if I'm wrong

### XXX-XXX-XXXX

#### ~~Farm and Ranch~~ Succession Planning Grant Application Technical Review and Funding Process

~~(1)~~ The commission may fund projects submitted through an open solicitation for proposals, or by requesting proposals from a specific eligible entity or entities.

**Comment [NM12]:** Allowing open solicitation or project selection.

~~(1)~~~~(2)~~ Technical review of ~~Farm and Ranch~~ Succession Planning Grant applications shall occur based on information provided in the grant application.

~~(2)~~~~(3)~~ Applications shall be evaluated according to criteria described in OAR XXX-XXX-XXXX.

~~(3)~~~~(4)~~ The commission may use technical committees to evaluate ~~Farm and Ranch~~ Succession Planning Grant applications.

~~(4)~~~~(5)~~ If a technical committee is used, the technical committee shall provide funding ranking recommendations to OWEB staff. OWEB staff will review technical committee recommendations and provide recommendations to the commission.

~~(5)~~~~(6)~~ The commission may rank projects and shall provide funding recommendations to the board.

~~(6)~~~~(7)~~ The board may fund a grant application in whole or in part.

### XXX-XXX-XXXX

#### Grant Agreement Conditions

(1) The grantee must submit a report at completion of the project describing the work completed as described in OAR XXX-XXX-XXXX.

(2) The grantee must agree to complete the project as approved by the board and within the timeframe specified in the grant agreement unless proposed modifications are submitted and approved by the director prior to the beginning of any work proposed in the modification.

(3) The director will consider project modifications, including expansion of funded projects with moneys remaining from the original project allocation, if the purpose and intent of the amendment remains the same as the original project.

XXX-XXX-XXXX

**Grant Reporting Requirements**

- (1) Upon project completion, the grantee will provide the commission and OWEB's Board with a copy of the project completion report. Final project accounting and reporting are due no later than 60 days following the project completion date.
- (2) The project completion report and annual reports shall demonstrate how the grantee's funded project(s) demonstrated clear succession planning benefits to Oregon ~~farmers and ranchers~~owners of working land and their service providers. Evidence of this may include, but is not limited to:
  - (i) The number of people who participated in the program;
  - (ii) The geographic, commodity, and other demographic diversity of participants in the program;
  - ~~(iii)~~ Documented improved understanding of ~~farm and ranch~~ succession planning by program participants; Documented measurable changes in behavior of participants, including the percentage or number of ~~farmer and rancher~~owners of working lands participants who take the next step toward succession planning, complete a plan, and implement the plan;
  - ~~(iv)~~ Documented improved understanding by participants of tools to prevent fragmentation of working land and promote economic viability and ecological sustainability of agricultural operations; and
  - ~~(iii)~~(v) Other documentation of the project's success in contributing to achieve the purpose of this grant program.
- (3) The OWEB Director or the commission may authorize an independent performance audit of any ~~Farm and Ranch~~ Succession Planning ~~Program~~ Grantee, and if the director determines the grantee is not complying with the rules of the Farm and Ranch Succession Planning Grant program, may restrict future grant funds.
- (4) In addition to project evaluations, the commission may conduct program evaluations that may include changes in USDA Census of Agriculture or similar data that would indicate a change in adoption of succession planning, surveys of ~~farmers and ranchers~~owners of working land on the status of succession plans, and other trends in farmland ownership and use.

XXX-XXX-XXXX

**Waiver and Periodic Review of Rules**

The director may waive the requirements of Division XXX unless required by statute, when doing so will result in more efficient or effective implementation of the Farm and Ranch Succession Planning Grant program. Any waiver must be in writing ~~and~~, included in the grant file to which the waiver applies, and reported to the commission within a reasonable time. The administrative rules for Farm and Ranch Succession Planning Grants shall be periodically reviewed by the commission and revised as necessary and appropriate.



Division XXX  
Conservation Management Plans

**XXX-XXX-XX01**

**Purpose**

An agricultural owner or operator may enter into a conservation management plan with an organization for working land to be managed in a manner that supports one or more natural resource values. Conservation management plans must be for the purpose of developing and implementing conservation measures or other protections for maintaining or enhancing fish or wildlife habitat, improving water quality or supporting other natural resource values in a manner consistent with the social and economic interests and abilities of the agricultural owner or operator. The plan may include provisions for addressing particular priorities related to natural resource values, including but not limited to soil, water, plants, animals, energy and human need considerations.

Comment [ML1]: From statute

**XXX-XXX-XX02**

**Definitions**

- (1) "Agricultural owner or operator" means a landowner, operator, manager or other person having responsibility for exercising control over the day-to-day operation of a farm or ranch.
- (2) *Definitions to be determined.*

**XXX-XXX-XX03**

**Eligibility**

Eligible applicants for Conservation Management Plan Grants include:

- (a) A conservation easement or covenant holder, as defined in ORS 271.715, other than a state agency;
- (b) A watershed council; or
- (c) An entity who is tax exempt under section 501(c)(3) of the Internal Revenue Code

Comment [ML2]: From statute

**XXX-XXX-XX04**

**Application Requirements**

Conservation Management Plan Grant applications shall:

- (1) Be consistent with general program guidance {similar to OAR XXX Division 005};
- (2) Be submitted on the most current form and process prescribed by the commission;
- (3) Include the duration or terminating event for the plan; and
- (4) *Other application requirements included in general administrative section.*

Comment [ML3]: Sstandard language

**XXX-XXX-XX05**

**Eligible Activities**

Funding can be utilized to purchase, implement and monitor conservation management plans.  
*(Additional information to be developed as a part of payment conversation.)*

**Comment [ML4]:** This language may change in a technical statutory fix

**XXX-XXX-XX06**

**Term of Payment for Conservation Management Plan Implementation**

*To be finalized by commission – must be between 20-50 years; and must be consistent with conservation covenant if they are associated with each other. May be unspecified and of any duration between 20 and 50 years.*

**XXX-XXX-XX07**

**Conservation Management Plan Components**

At minimum, conservation management plans will include:

- (1) A summary describing how the conservation management plan meets OAHHP purpose;
- (2) Contact and location information for the operation;
- (3) Relevant background and context;
- (4) Inventory, including site characteristics and current management;
- (5) Goals of the agricultural owner(s) or operator(s);
- (6) Resource analysis and identification of resource and management concerns;
- (7) Alternative identification and selection;
- (8) The implementation plan; and
- (9) How the conservation management plan will be evaluated and adaptively managed.

**XXX-XXX-XX08**

**Evaluation Criteria**

*To be determined by commission*

**XXX-XXX-XX09**

**Conservation Management Plan Technical Review and Funding Process**

- (1) Technical review of Conservation Management Plan Grant applications shall occur based on information provided in the grant application.
- (2) Applications shall be evaluated according to criteria described in OAR XXX-XXX-XX08.
- (3) The commission may use technical committees to evaluate conservation management plan grant applications.
- (4) If a technical committee is used, the technical committee shall provide ranking recommendations to OWEB staff. OWEB staff will review technical committee recommendations and provide funding recommendations to the commission.

**Comment [ML5]:** Standard language

- (5) The commission may rank projects and shall provide funding recommendations to OWEB's board.
- (6) The board may fund a grant application in whole or in part.

### XXX-XXX-XX10

#### Grant Agreement Conditions

- (1) For grants that fund conservation management plan implementation, the grantee must receive and provide to the commission at least annual reports from the agricultural owner or operator regarding plan implementation.
- (2) The grantee must submit a report at completion of the project describing the work completed. Monitoring must be completed as described in OAR XXX-XXX-XXXX
- (3) The grantee must agree to complete the project as approved by the board and within the timeframe specified in the grant agreement unless proposed modifications are submitted and approved by the Director prior to the beginning of any work proposed in the modification.
- (4) The director will consider project amendments including expansion of funded projects with moneys remaining from the original project allocation if the purpose and intent of the amendment remains the same as the original project.

Comment [ML6]: Addition from flipchart notes

### XXX-XXX-XX11

#### Conservation Management Plan Mutual Modification

If funding is provided for conservation management plan implementation:

- (1) Conservation management plans must include provisions that provide for flexibility and allow for mutual modification as necessary to reflect changes in practices or circumstances.
- (2) Any change must be mutually agreed to by both the agricultural owner or operator and the grantee.
- (3) All changes must be reflected in writing and provided to the Oregon Agricultural Heritage Commission.
- (4) To ensure consistent review of all conservation management plans, the grantee and the agricultural owner or operator must review the conservation management plan at least annually and mutually modify the conservation management plan if necessary.
- (5) The agricultural owner or operator must contact the grantee at any time if any of the following changes occur:
  - (a) A natural disaster occurs that will impact implementation of the conservation management plan;
  - (b) Changes occur in the grazing/cropping system(s) not identified in the plan;
  - (c) Changes occur in management or ownership of the property; or
  - (d) Other changes occur that are outside the agricultural owner or operator's control.

Comment [ML7]: This section taken from flipchart notes

Comment [ML8]: COMMISSION: not discussed is this ok?

- (6) The grantee must contact the agricultural owner or operator if changes in science significantly affect the effectiveness of conservation management plan implementation.
- (7) Modifications may include:
  - (a) Addition of new conservation practices, measures or conservation benefits;
  - (b) Changes in practices, measures or benefits based on changes in science;
  - (c) Changes in practices, measures or benefits based on changes to farm; management or grazing/cropping systems; or
  - (d) Changes in practices, measures or benefits based on natural disasters.
- (8) Conservation management plan modifications are not required if both the agricultural owner or operator and the grantee determine the new conservation measures proposed will achieve the same conservation outcomes as identified in the conservation management plan.

**XXX-XXX-XX12**

**Conservation Management Plan Monitoring**

If funding is provided for conservation management plan implementation:

- (1) The agricultural owner or operator must provide a written report of conservation management plan activities completed each year to the grantee on a form approved by the commission. Reports may also include photo points or other methods that appropriately track plan implementation.
- (2) Annual reporting must identify any mutual modifications to the conservation management plan.
- (3) Site visits by the grantee to the property must occur at least every (3? 5? 10?) years.
- (4) The agricultural owner or operator and the grantee may agree to establish specific monitoring protocols to identify trends in habitat, water quality or other natural resource values. Protocols must be in writing and agreed to by both the agricultural owner or operator and the grantee. The commission may provide guidance for consistent monitoring protocols.
- (5) If funding is provided for conservation management plan implementation, the commission may conduct spot checks to ensure management plan implementation as identified in the plan and associated reporting.
- (6) The commission may also develop monitoring protocols to evaluate the outcomes of conservation management plan implementation.

**Comment [ML9]:** This section taken from flipchart notes

**Comment [ML10]:** COMMISSION: guidance is suggested to keep this reporting simple. Suggestions included checklist, other simple reporting approaches

**Comment [ML11]:** COMMISSION: preference?

**XXX-XXX-XX13**

**Grant Reporting Requirements**

Upon development of a conservation management plan or completion of conservation management plan implementation, the grantee will provide the commission and OWEB's Board with a copy of the project completion report. Final project accounting and reporting are due no later than 60 days following the project completion date.

**Comment [ML12]:** Possibly move to the OAHP administrative rules that apply to all of the various programs and leave it out of this specific division.

XXX-XXX-XX14

**Waiver and Periodic Review of Rules**

The director may waive the requirements of Division XXX unless required by statute, when doing so will result in more efficient or effective implementation of the Farm and Ranch Succession Planning Grant Program. Any waiver must be in writing, included in the grant file to which the waiver applies, and reported to the commission within a reasonable time. The administrative rules for Farm and Ranch Succession Planning Grants shall be periodically reviewed by the Commission and revised as necessary and appropriate.

**Comment [NM13]:** Might also belong in OAHF Administrative Rules section

# Recommendations of the Oregon Agricultural Heritage Program (OAHP) Work Group to the Oregon Agricultural Heritage Committee Regarding Conservation Management Plans

## Background

During its 2017 session, the Oregon Legislature passed HB 3249: legislation that creates the Oregon Agricultural Heritage Program (OAHP). This legislation was developed with the input of a work group of agricultural and conservation organizations and representatives. The work group's conversations about the ranking of working land covenants ("covenants"), working land easements ("easements"), and conservation management plans resulted in the 6 statutory criteria listed in Section 6(3) of HB 3249.

The work group re-convened after HB 3249 was passed to write this document, which gives context to those criteria and offers recommendations for how those criteria could be defined in rules. The following recommendations are provided with the intent of aiding the Oregon Agricultural Heritage Commission ("the Commission") in their decision making on **conservation management plans**. A subsequent letter will share the work group's recommendations on working land easements and covenants.

It is fully understood by the work group that the Commission and ultimately the OWEB Board have complete decision-making authority over OAHP's rules and administration, and that the final decisions may vary from what is recommended here.

## 1. Match Recommendation

The work group recommends not requiring a cash match contribution for conservation management plans, since there is currently no known cash match program. If match were required, it would likely come from the landowner's work on the property.

## 2. Recommendations for Ranking Criteria

Regarding the OAHP conservation management plan ranking criteria listed in Section 6(3) of HB 3249, the work group offers these recommendations for the Commission's consideration:

- Section 6(3) of the statute states that "ranking of conservation management plans to be separate from the ranking of working land conservation covenants and working land conservation easements." However, the statute does not distinguish the ranking of applications for conservation management plans on their own compared to applications for working land easements or covenants that also include conservation management plans. Therefore, the work group recommends creating separate ranking pools for projects that include only a conservation management plan, and projects that include easements and/or covenants and which may or may not also include a conservation management plan. The ranking criteria might be different for these two pools.

## Recommendations of the Oregon Agricultural Heritage Program (OAHP) Work Group to the Oregon Agricultural Heritage Committee Regarding Conservation Management Plans

- Limiting the ranking criteria to the 6 outlined in statute, and potentially clarifying these criteria in rules and guidance.

For most of the 6 statutory ranking criteria, the work group recommends refining them with qualitative sub-criteria that applicants may describe using factors that are applicable to the project. If this approach is used, these factors would be optional and customizable to each project, giving applicants flexibility in their narrative response. The work group felt that this flexible approach would best reflect the diversity of Oregon agriculture, landscapes, and landowners. The work group recommends locating these factors in rule, rather than only in guidance or the application, because rules receive public comment and are less likely to change over time.

Below are specific recommendations. Some are for conservation management plans only, some are for easements/covenants only and some are for both. Applicability is listed at the beginning of the recommendation.

### 3. Recommendations for Each Ranking Criterion

#### Statutory Criterion b

The extent to which the plan, covenant or easement would protect, maintain or enhance fish or wildlife habitat, improve water quality or support other natural resource values

**For both easements/covenants and conservation management plans:** The work group suggests that the Commission consider:

- Whether the project is in alignment with federal, state, tribal and/or county natural resource/conservation plans or strategies.
- Whether the applicant is compliant with, or will be implementing actions to meet or exceed, applicable point source and non-point source laws and regulations including applicable requirements such as USDA's highly erodible/wetland determinations, Oregon Agricultural Water Quality Act, Confined Animal Feeding Operation permits, etc.
- The extent to which the project protects, maintains, or enhances fish and wildlife habitat, water quality, and other natural resource values, which could be demonstrated through factors including but not limited to the applicant's plans to maintain or restore habitat; the size of habitat and its connectivity to adjacent habitat corridors; conservation practices to improve water quality or reduce water use; or other benefits to fish, wildlife or water quality.

Recommendations of the Oregon Agricultural Heritage Program (OAHP) Work Group to the Oregon Agricultural Heritage Committee Regarding Conservation Management Plans

Statutory Criterion c

The extent to which the plan, covenant or easement would protect agricultural outcomes, benefits or other investment gains

**For both easements/covenants and conservation management plans:** The work group suggests that the Commission consider:

- How the project aligns with federal, state, tribal and/or county natural resource/conservation plans or strategies that protect agricultural lands, where applicable.
- The community benefits that would result from the project, including but not limited to those related to jobs and agricultural land use, such as how the farm contributes to the local economy, the farm's long-term viability, sufficient water rights, or other relevant information.

Statutory Criterion d

The capacity of the organization that filed the application to enter into a conservation management plan, accept a working land conservation covenant or working land conservation easement, and the competence of the organization

The work group suggests that the Commission consider:

- **Currently for easements/covenants only; could be modified for conservation management plans:** Whether the organization holding a conservation management plan has language in its mission statement, vision statement, strategic plan, and/or organizational goals indicating its dedication to protecting agricultural land and related conservation values by limiting conversion of agricultural land to nonagricultural uses.
- **For both easements/covenants and conservation management plans:** Whether the organization applying for the conservation management plan has the capacity to acquire, manage, monitor, enforce, and steward the project. This could include information about the number of conservation management plans the organization has; their staff or other capacity; how they fund long-term monitoring and enforcement; or other organizational capacity.



#### Statutory Criterion e

The extent to which the benefit to the state from the investment may be maximized, based on the ability to leverage grant moneys with other funding sources and on the duration and extent of the conservation management plan, working land conservation covenant or working land conservation easement

As referenced above, the work group recommends separate ranking pools – one for conservation management plan-only projects, and another for easement/covenant projects with or without an associated plan.

**For both easements/covenants and conservation management plans:** The work group suggests that the Commission consider whether the project leverages or builds off of prior public, private, or voluntary investments in the property, which may be demonstrated through factors including but not limited to participation in soil, water, habitat, or other natural resource conservation programs.

#### Statutory Criterion f

The extent and nature of plan, covenant or easement impacts on owners or operators of neighboring lands

**For both easements/covenants and conservation management plans,** the work group suggests that the Commission ask applicants:

1. What impacts (positive and negative) the proposed conservation project is likely to have on project neighbors. Examples of impacts could include changes to hydrology, e.g. too much (flooding), or too little (diversion or reduced flows), and whether these changes may also lead to changing wildlife impacts; or increased weed or other pest pressures.
2. The Commission should also ask applicants to share the extent of their interaction with neighbors regarding these impacts, and what will be done to mitigate any negative impacts.



# Oregon Agricultural Heritage Commission

Thursday, March 8, 2018

# Materials for Today's Meeting

- ▶ Agenda
- ▶ Minutes
- ▶ Succession Planning Draft Rules
- ▶ Conservation Management Plan Draft Rules
- ▶ Work Group Recommendation Letter
- ▶ Written public comment

# Succession Planning Rules

The background of the slide is white with abstract green geometric shapes on the right side. These shapes include overlapping triangles and polygons in various shades of green, from light lime to dark forest green. A thin, light gray line runs diagonally across the white space, starting from the bottom left and extending towards the top right.

## Added to purpose:

- ▶ Increased **economic viability** of Oregon agricultural operations and economic sector,
- ▶ Reduced fragmentation of Oregon's working land,
- ▶ Reduced conversion of Oregon's working land to **nonfarm uses**, and
- ▶ Enhanced **fish and wildlife habitat** and other natural resources on Oregon's working land.

Drawn from the "Whereas" statements at the beginning of HB 3249, stating the purpose of the bill

# Applicant Eligibility

- ▶ Public institutions of higher learning,
- ▶ Not-for-profit organizations,
- ▶ Units of local government, and
- ▶ Tribes

Individual owners of working lands and individual persons advising owners of working land are not eligible to apply for a Succession Planning Grant.

# Eligible Activities

- ▶ **Education and outreach** about the importance of succession planning and available resources,
- ▶ **Trainings** on topics related to succession planning,
- ▶ Development and distribution of **educational materials and curriculum** related to succession planning, and
- ▶ **Advising** owners of working land on succession planning.

# Evaluation Criteria

- ▶ The extent to which the proposed project would help achieve the **purpose** of this grant program ,
- ▶ The success of the applicant's **prior projects** funded through this grant program,
- ▶ The **cost-effectiveness** of the proposed project,
- ▶ The extent to which the application reaches **diverse audiences**, including: producers of diverse **commodities**, owners of working lands in diverse **geographic locations** in Oregon and participants in **diverse stages of succession planning** . The commission may also consider the extent to which a suite of approved grant projects will **combine to reflect this diversity**.
- ▶ The extent to which the project introduces participants to **conservation tools** as resources for succession planning.



# Other

- ▶ Open solicitation *or* application allowed
- ▶ Reporting
  - ▶ “Improved understanding by participants of tools to prevent fragmentation of working land and promote economic viability and ecological sustainability of agricultural operations”
  - ▶ Achieving purpose of the grant program
- ▶ Director *or commission* may authorize audit
- ▶ Director must report to the commission after waiving requirements

# Conservation Management Plan Rules

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the slide, creating a modern, layered effect. The text is positioned on the left side of the slide, set against a plain white background.

# Minimum Components (XX07)

- ▶ Summary describing how the conservation management plan meets OAHP's purpose;
- ▶ Contact and location information for the operation;
- ▶ Relevant background and context;
- ▶ Inventory, including site characteristics and current management;
- ▶ Goals of the agricultural owner(s) or operator(s);
- ▶ Resource analysis and identification of resource and management concerns;
- ▶ Alternative identification and selection;
- ▶ The implementation plan; and
- ▶ How the conservation management plan will be evaluated and adaptively managed.

# Mutual Modification (XX11)

- ▶ Must be mutual
- ▶ Must be in writing and approved by commission - **OK?**
- ▶ Owner/operator must contact grantee if:
  - ▶ Natural disaster
  - ▶ Changes in grazing/cropping not identified in plan
  - ▶ Changes in management/ownership
  - ▶ Other changes outside the ag owner/operator's control
- ▶ Grantee must contact owner/operator if changes in science affect plan

# Mutual Modification (XX11) Continued

Modifications may include:

- ▶ Addition of new practices, measures or conservation benefits
- ▶ Changes based on
  - ▶ science
  - ▶ changes to farm or ranch
  - ▶ natural disasters

Modification not required if the new measures will achieve the same conservation outcomes as identified in the conservation management plan

# Monitoring & Reporting (XX12)

- ▶ Landowner report to grantee - form and photo points
- ▶ Include mutual modifications
- ▶ Site visits every **3, 5, 10 years?**
- ▶ May create monitoring protocols
- ▶ Commission may spot check and/or develop monitoring protocols.

# Term of Payment

- ▶ Must be between 20-50 years
- ▶ Must be referred to in conservation covenant if they have the same duration
- ▶ May be unspecified and of any duration between 20 and 50 years

# Payment Structure





# Conservation Management Plan Ranking

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the slide, creating a modern, layered effect. The text is positioned on the left side of the slide, set against a plain white background.

# CMP Alone versus CMP with easement or covenant

“ranking of conservation management plans to be separate from the ranking of working land conservation covenants and working land conservation easements.”

# Recommendations

Recommend only the 6 statutory criteria - Section 6(3)

1. protect, maintain or enhance *farming or ranching* on working land
2. protect, maintain or enhance fish or wildlife *habitat*, improve *water quality* or support other *natural resource values*
3. protect *agricultural outcomes*, benefits or other investment gains
4. the *capacity* of the organization that filed the application
5. Maximize public benefit with *leveraged funds* and *duration/extent*
6. impacts on owners or operators of *neighboring lands*.

Potentially refine in rules

Recommend narrative with list of possible sub-criteria to demonstrate

# Statutory Criterion b

The extent to which the plan, covenant or easement would protect, maintain or enhance *fish or wildlife habitat, improve water quality* or support other *natural resource values*

- ▶ alignment with federal, state, tribal and/or county natural resource/conservation plans or strategies.
- ▶ compliant with, or will be implementing actions to meet or exceed, applicable point source and non-point source laws and regulations
- ▶ Demonstration of statutory criterion by means including:
  - ▶ plans to maintain or restore habitat;
  - ▶ the size of habitat and its connectivity to adjacent habitat corridors;
  - ▶ conservation practices to improve water quality or reduce water use; or
  - ▶ other benefits to fish, wildlife or water quality.

# Statutory Criterion c

The extent to which the plan, covenant or easement would *protect agricultural outcomes, benefits or other investment gains*

- ▶ alignment with federal, state, tribal and/or county natural resource/conservation plans or strategies *that protect agricultural lands*
- ▶ The **community benefits** that would result from the project, including but not limited to those related to jobs and agricultural land use, such as:
  - ▶ how the farm contributes to the local economy,
  - ▶ the farm's long-term viability,
  - ▶ sufficient water rights, or
  - ▶ other relevant information.

# Statutory Criterion d

The *capacity of the organization* that filed the application to enter into a conservation management plan, accept a working land conservation covenant or working land conservation easement, and the competence of the organization

- ▶ **Easement/covenant:** language in its mission statement, vision statement, strategic plan, and/or organizational goals indicating its dedication to protecting agricultural land and related conservation values by limiting conversion of agricultural land to nonagricultural uses.
- ▶ **Capacity to acquire, manage, monitor, enforce, and steward the project, including information about:**
  - ▶ The number of conservation management plans the organization has; their staff or other capacity;
  - ▶ How they fund long-term monitoring and enforcement; or
  - ▶ Other organizational capacity.

# Statutory Criterion e

The extent to which the benefit to the state from the investment may be maximized, based on the ability to *leverage grant moneys* with other funding sources and on the *duration and extent* of the conservation management plan, working land conservation covenant or working land conservation easement

leverages or builds off of prior public, private, or voluntary investments in the property, which may be demonstrated through factors including but not limited to participation in soil, water, habitat, or other natural resource conservation programs.

# Statutory Criterion f

The extent and nature of plan, covenant or easement impacts on owners or operators of *neighboring lands*

- ▶ Examples of impacts could include
  - ▶ changes to hydrology, e.g. too much (flooding), or too little (diversion or reduced flows),
  - ▶ whether these changes may also lead to changing wildlife impacts; or
  - ▶ increased weed or other pest pressures.
- ▶ Share the extent of their interaction with neighbors regarding these impacts, and what will be done to mitigate any negative impacts.