



Oregon Agricultural Heritage Commission Meeting Agenda March 10, 2019

OWEB

775 Summer St NE, Suite 360

Salem, OR 97301

Directions:

<https://www.google.com/maps/place/775+Summer+St+NE,+Salem,+OR+97301/@44.9454445,-123.0297005,17z/data=!3m1!4b1!4m5!3m4!1s0x54bfff057d711df3:0xaef90e0cd0b7168b!8m2!3d44.9454407!4d-123.0275118>

The time listed for each agenda item is approximate. The commission may also elect to take an item out of order in certain circumstances. During the public comment period at 1:15 p.m., anyone wishing to speak to the commission about the Oregon Agricultural Heritage Program (OAHP) 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 at any time before the commission meeting. Written comments from persons not attending the meeting should be sent to Eric Williams, eric.williams@oregon.gov.

- A. Welcome, Housekeeping, Introductions, Working Lunch, and Commissioner Updates (1:00 p.m.)
Chair Doug Krahmer will welcome the commission and public. *Information item.*
- B. Review and Approval of Minutes (approximately 1:10 p.m.)
The minutes of the September 24, 2019 meeting will be presented for approval. *Action item.*
- C. Public Comment (approximately 1:15 p.m.)
Members of the public who have signed up to give public comment will speak to the commission about OAHP.
- D. Debrief from 2020 Legislative Session (approximately 1:30 p.m.)
Commission members will discuss 2020 legislation impacting the Oregon Agricultural Heritage Program, and if any, discuss potential actions relative to OAHP programs. *Information Item and possible Action Item.*
- E. Other Business/Next Meeting (approximately 3:50 p.m.)



Oregon Agricultural Heritage Commission

DRAFT Meeting Minutes

September 24, 2019

OWEB

775 Summer St NE

Suite 360

Salem, OR 97301

Commissioners attending Sam Angima, Ken Bailey, Nathan Jackson, Barbara Boyer, Mary Wahl, Bruce Taylor, Doug Krahmer, Lois Loop.

Staff attending: Meta Loftsgaarden, Liz Redon, Eric Williams

Public attendees: Jim Fox, Barbara Wyse, Sherri Noxel

1. Welcome, Housekeeping, Introductions, and Commissioner Updates

Commissioners provided updates on items of interest.

2. Review and Approval of Minutes

The minutes of the March 6, 2019 meeting were approved. Moved by Lois, seconded by Mary. Motion approved unanimously.

3. Public Comment

There were no public comments.

4. Feasibility Report on Valuing CMP Implementation

Barbara Wyse, Highland Economics, provided an overview of the [report](#). Given the importance of agricultural lands and agricultural practices on the provision of environmental benefits, there is a large body of research from scientists in our state and throughout the Nation on agricultural land management and the environmental benefits of specific agricultural conservation practices. To a lesser extent, there is research on the social and economic value of these environmental benefits resulting from conservation practices. This research serves as the basis for the determination of feasibility of a payment system based on benefits provided by agricultural conservation practices. Doing this analysis on a statewide scale was challenging. First, Highland Economics looked at the environmental benefits of practices on the ground, and then looked at the economic value, which varies a lot by location.

Barbara described the contents of the report and the conclusion that it is feasible to develop valuation methodologies for the public benefits provided by conservation management practices for water quality, water quantity, carbon, and wildlife habitat

Ken Bailey asked about research on the benefits of growing crops, even annual crops, for soil erosion for example. There is also habitat value there.

Barbara noted that these values are indirectly addressed in the habitat benefit. Conservation practices such as tillage would have different water quality values. Highland Economics did not look at soil fertility benefit as that is a benefit to the landowner rather than the public. They also did not directly address shifting cropping systems.

Lois Loop asked whether the carbon benefit of perennial vs annual crops should be considered.

Barbara noted that they looked at soil storage, but not at the crop itself. The largest carbon storage comes from soils, and the connection between that and farming practices is a stronger connection than looking at carbon storage in crops.

Lois clarified that soil disturbance releases carbon, so switching from perennial crop to annual would have an impact on annual carbon release. There is a benefit to maintaining perennial crops.

Barbara noted that there is not an NRCS practice for switching from annual to perennial.

Bruce Taylor asked about next steps in funding the valuation methodology.

Eric Williams noted that it is dependent on future revenue sources. Meta Loftsgaarden noted that this program could provide a basis for funding from other sources, including climate programs.

Ken agrees and would like to see us show others the value of this work.

Barbara noted that the process and conversations with landowners would be really important at this stage. Outreach about possible future direction and getting feedback would be a really good step. Also, what is the baseline for which you are considering uplift? Is it the average carbon storage in a county, or for a particular crop? Do you average across all crops? How do you know you are doing something extra?

Meta noted that the challenge with incorporating existing programs, like EQIP, is that you only get paid for the uplift. What landowners are doing is caring for water quality through their current actions. We don't want to leave behind those that are already providing public benefits.

Barbara noted that defining the baseline should be based on what is typically done, not based on those already going above and beyond the norm. You could pay for things landowners are already doing.

Bruce noted that we have talked about being able to pay people for avoided losses.

Lois noted that farmers work hard at what is necessary to make a living, and what is best for their land. Farmers would like the public to recognize the social and environmental benefits that are not currently recognized.

Ken recommended that we recognize all benefits, even if only paying a portion.

Mary Wahl asked how close this is to beta testing.

Barbara said the feasibility report is the step prior to developing something to beta test.

Meta noted that we are unlikely to be able to pay the full value of public benefits that farmers provide. We will have to figure out what is reasonable.

Bruce suggested seeking a \$100,000 grant to fully develop the valuation methodology.

Meta noted that OWEB could potentially fund work to develop methodology related to habitat and water quality. While OWEB cannot commit to this, we are willing to have a conversation about what could be eligible for OWEB funding.

Bruce mentioned NRCS's Conservation Innovation Grants. Lois thought this would be worth pursuing. Ken agreed as well.

Mary asked to clarify OWEB's potential role. Meta said that conservation management plans are the place where OWEB's role intersects with OAHP programs.

Ken noted that on p. 20, the Columbia Basin products should include grain and beef in addition to fruit.

Jim Fox commented that when the legislation passed, he was concerned that with likely funding available, only doing a few conservation easements or plans would have minimal impact. This work helps leverage future investment by this program and other programs.

5. Funding Strategies for OAHC Programs

Eric asked what principals should guide our funding strategy.

Mary noted that at the core, having a land base for natural resources, habitat, and agriculture is the base principal.

Lois said that we should pay attention to both agriculture and conservation needs, although always necessarily at 50/50.

Bruce thinks that criteria should be any money we can get. We do not want to wait two years for funding to come through.

Meta noted that staff, commissioners, and others are willing to seek funding sources, but we would like to have some basic principles grounding this broader search for funding.

Ken would like to see the state make some kind of commitment. Most commissioners would be willing to push forward with no money, but we won't get very far unless the state makes a commitment.

Sam recommended sticking to the rules developed for the program, so that funds are used for those purposes.

Meta asked about leveraging investment, for example, with CIG. What if we are not able to find funding for easements, or other programs? Is the commission OK with piecing funding sources together?

Doug Kraemer recommended that the commission be flexible, or disciplined, enough to invest the money in the program the funder requests money to be used in. So if an investor wants to invest in succession planning, they will need a guarantee that the money stays in that program.

Mary agreed that this is critical. This would not apply if funder only wanted to support one side, agricultural or natural resources. Lois agreed.

Sam recommended that we have a restricted fund policy, so that we can accommodate funders' wishes.

Meta presented the counter argument that the work group was held together by people who only supported one piece, succession planning, conservation easements, or CMPs. We will want to develop clear messaging about this.

Ken reiterated the importance of getting funding from any source.

Doug asked if we get funding from the legislature, would they specify that funds are only for administration and require us to get other sources?

Meta replied that the statute says that OWEB can only use 12% of funding for administration. The legislature could separately say that they are not providing program

dollars while the commission continues to work on programmatic funding outside of the legislative process.

Doug mentioned the possibility of legislation that would put a fee on land changing from agricultural use to another use. It would not happen when the land is sold or transferred; it would happen when they apply to the county for a change of use. For example, a \$1,000/acre fee could fund easements.

Ken noted that this would be in addition to the land use change tax penalty, and could be collected at the same time.

Lois likes this idea as well. She has seen an entire agricultural area turn into a small community due to holes in the land use law. These areas are now hard surfaced, or unproductive lands. While the loopholes are becoming more glaring, she feels that such a scheme is likely to be challenged in court.

Meta asked whether the change would be applied to a change from EFU zoning to something else, or whether it would apply to permitted exceptions within the EFU zone.

Doug noted that it should apply when building permits are applied for. For example, conversion to labor housing requires approval from the county.

Mary noted that NRCS applies for ALE money when there is a request. There could be more money for CEs if there were more applications. We have intersecting objectives with NRCS, including the feasibility report on valuing CMP implementation. A pilot approach could demonstrate how the program could bring in more national money.

Meta noted that ALE applications must already have match in hand. OAHP was going to be the match in hand. Taking this to the next step, who should we go to to talk about the need for match in hand?

Bruce asked where the Governor's office is on this.

Meta noted that short session is focused on carbon and other budget priorities, and they are not soliciting for more OAHP funds.

Bruce noted that it's hard to ask others to fund when the state is not contributing.

Doug noted that Nellie set up a meeting with Sen Johnson and Sen Heywood-Steiner, who are on ways and means, to discuss \$1.5 - \$2 million in short session.

Meta asked what the commission would like to see as next steps from staff. We could discuss options with DOJ, NRCS, or other options if staff time is available.

Bruce asked about the governor's focus on carbon, and speculation that natural/working lands conservation could receive targeted revenues. Is there anything we should be doing to prepare for this opportunity?

Meta noted that a team of people have been engaged in these discussions, including OWEB, ODA, ODF, and others. They have not figured out the mechanics, but Renee Davis, OWEB Deputy Director, has conveyed the availability of OAHP programs to carry out potential carbon benefit work. It is likely that existing programs would be looked at closely. If the OAHC is interested, we will make sure that we advocate for it.

There was consensus from commissioners that we should pursue this with caution due to the concerns of stakeholders about carbon programs.

Ken said that OWEB is working on dealing with conversions from a restoration perspective, and that OAHC can work with OWEB due to joint interest. OWEB can call a meeting on farmland conservation and the commission could be one of the entities invited.

6. Next Meeting

The next meeting will be held as needed, with the possibility of meeting after the short session ends, in March, if there is something for the commission to act on.

The meeting was adjourned at 10:40 a.m.