

Growth and Change in the Bitterroot Valley and Implications for Area Agriculture and Ag Lands

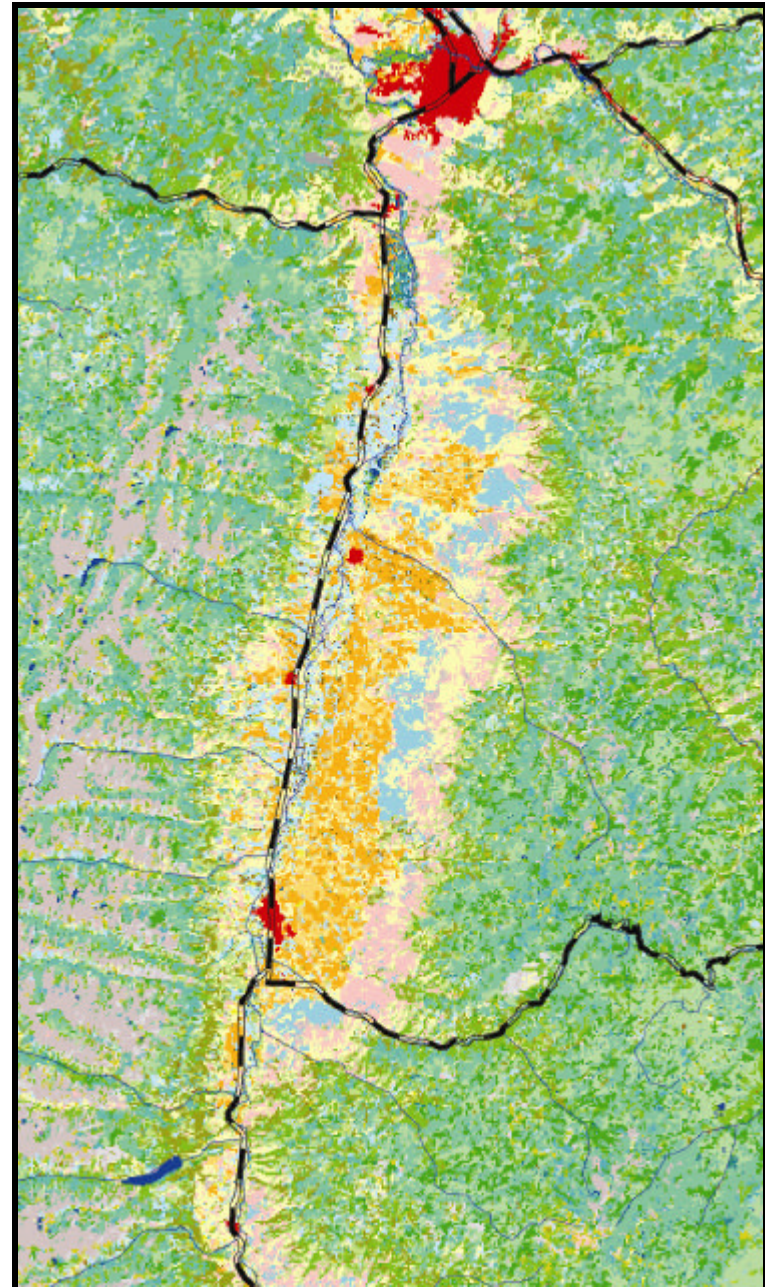
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This report examines implications of population growth and housing and other development in Montana's Bitterroot Valley for area agriculture and, in particular, loss of area ag land. Ravalli County - the Bitterroot Valley - is one of the fastest growing areas of western Montana, growth that the area shares with many other areas of the Interior West and Rocky Mountains. Growth in the region greatly accelerated in the last fifteen years and while slowing more recently, is continuing to pose many challenges for communities like those of the Bitterroot Valley. These communities are not alone in facing these challenges and in the years ahead, a great deal can be learned by leaders from mountain communities throughout the region sharing their experiences with each other.

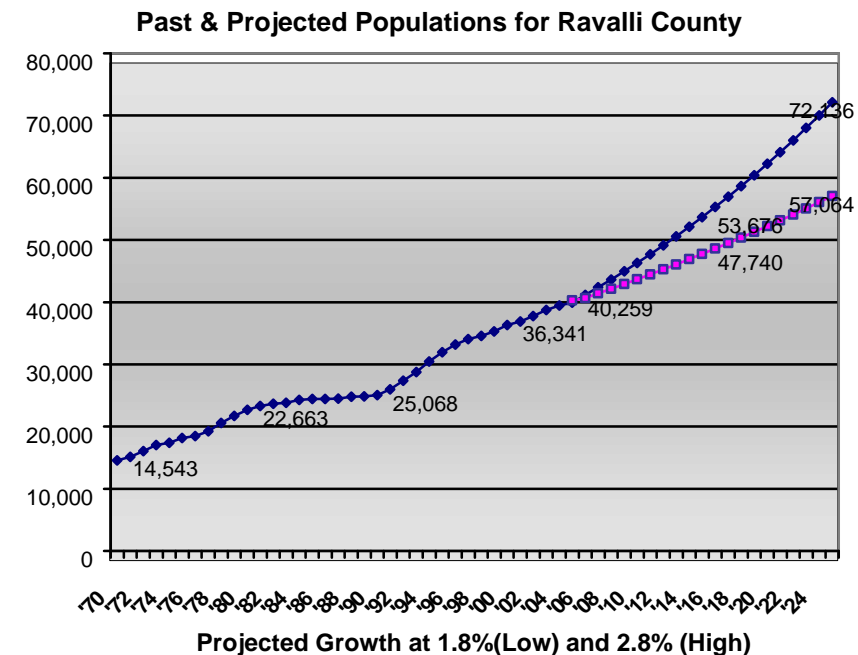
In the mid-90s, agricultural lands accounted for roughly 70 percent of all land in Ravalli County that is outside of Forest Service lands. As the population of the valley has grown and the number of homes and other development has increased, there has been a steady decline in valley ag land. Ag land acreage totaled 216,000 acres recently, down from 240,000 acres in the early '90s, which was down from 257,000 acres in the early '80s. Without greater care and planning, another 40,000 acres of valley ag land will be lost by 2020.



Summary: Major Findings and Recommendations

Past and Projected Population Growth in the Bitterroot Valley –

The latest population estimate for Ravalli County is 39,940 (July 1, 2005). This is an increase of 3,870 persons since the 2000 Census, growth of 10.7% with 92% of this growth resulting from net in-migration (more people moving to Ravalli County than the number moving away, considering only those actually changing their county of permanent residence). In the mid-‘90s, growth rose to as high as 5 to 6% annually, which is extremely fast growth. Growth more recently has ranged from as high as 2.7% in 2002-03 to as low as 1.2% in 2004-05. Future growth will hinge upon evolving migration patterns since net migration is accounting for much of Ravalli County’s growth. Growth at 1.8 to 2.8% a year into the future would result in the population rising to 57,000 to 72,000 people by 2025.



Recent population projections by the U.S. Census Bureau for states expect that the rate of net in-migration into Montana will fall over the course of the next ten years. If this comes to pass, this may translate into a lower rate of population growth in the Bitterroot Valley, placing more likely future growth at around 2%.

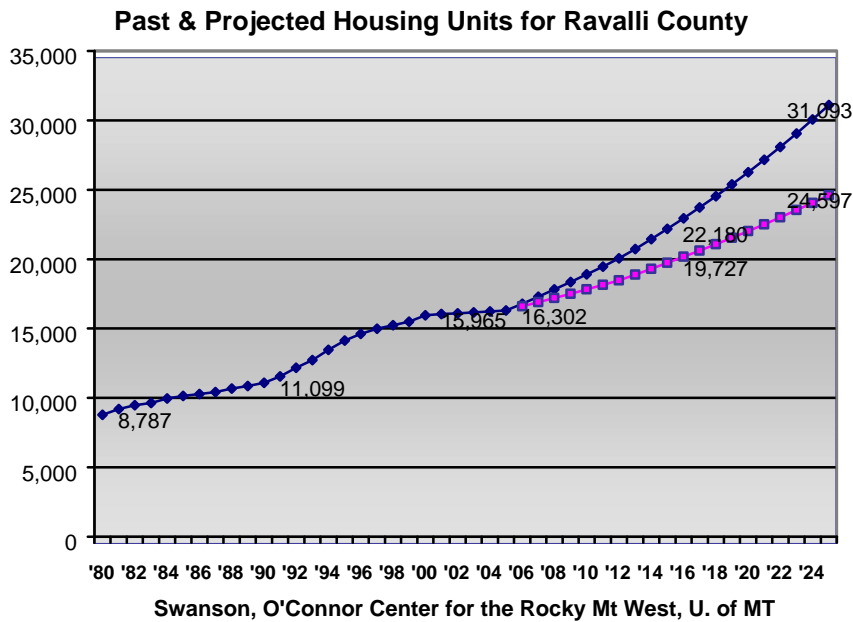
Population growth in the Bitterroot Valley can be seen as part of a larger pattern of growth in the Interior West and in mountain counties throughout the Rocky Mountains. Growth in the region surged in the early and mid-‘90s, spurred by a virtual sea change in population migration patterns. Growth has tended to be greatest in areas that can be considered “high amenity” areas, including areas nearby mountains and national parks and national forests. Largely non-metro areas with these amenities that also have quality communities and attractive nearby landscapes and that are also nearby larger cities with good air service and other urban amenities, have been particularly fast-growing. These are the types of features that make Ravalli County and the Bitterroot Valley relatively fast-growing.

Population Aging – The population of Ravalli County is steadily aging and this trend will continue. This pattern is consistent with many other areas in the Interior West that have experienced surges in population growth. Much of this growth is resulting from domestic net in-migration – that is, from people in other areas of the U.S. moving to the Interior West. Many of the new migrants have been persons in their 40s and 50s (classic “baby boomers” or persons born between 1947 and 1963). As these boomers continue to age, the populations of many of these fast-growing areas are becoming quite old.

The median age of persons residing in Ravalli County has steadily increased from 32 in 1980 to 38 in 1990 and to 41 in 2000. And the counties most recent growth is concentrated among persons between 45 and 70 years of age. Montana’s statewide population is relatively old in comparison to other states and is projected to be one of the five oldest populations among states by 2025, as measured by the share of the total population that is 65 years of age and older. Ravalli County’s population is older than the state as a whole with 15.6% of its population 65 and older versus 13.7% for the

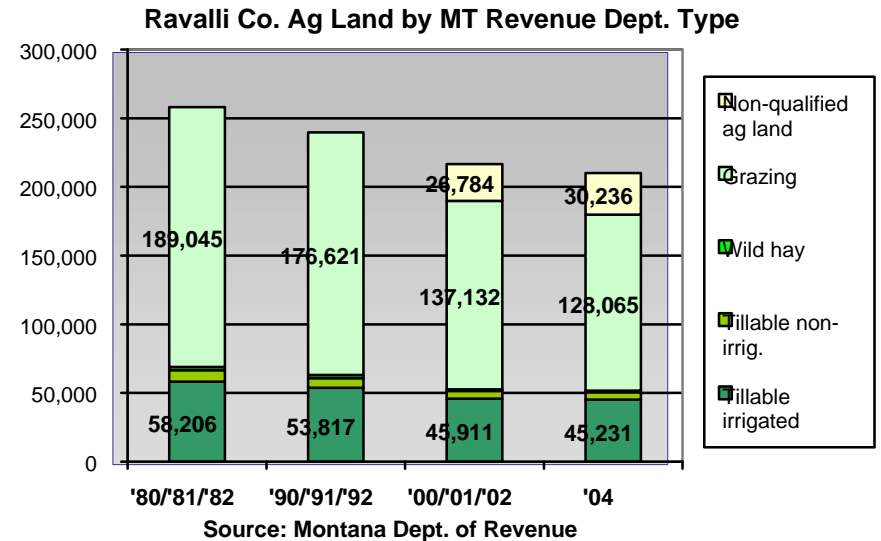
state and 22% of its population 50 to 64 years of age versus 19.5% statewide.

Past and Projected Housing Growth in the Bitterroot Valley – One of the more immediate and visible impacts of population growth in the area is the steady expansion of housing, although more non-residential development (more retail stores, office buildings, and other commercial establishments) also is occurring. The number of housing units of all types in the valley, which totaled less than 9,000 in 1980, currently stands at about 16,300 (2005 figure) and is projected to increase to between 24,600 and 31,000 units by 2025.



Steady Loss of Ag Land in the Valley – As the population of the valley has steadily grown resulting in more housing and other types of development, various types of agricultural land have steadily decreased in acreage. Agricultural land of various types around the state is classified and estimated by the Montana Department of Revenue annually. Ravalli County ag land has steadily declined in acreage, falling from nearly 260,000 acres in the early '80s to around

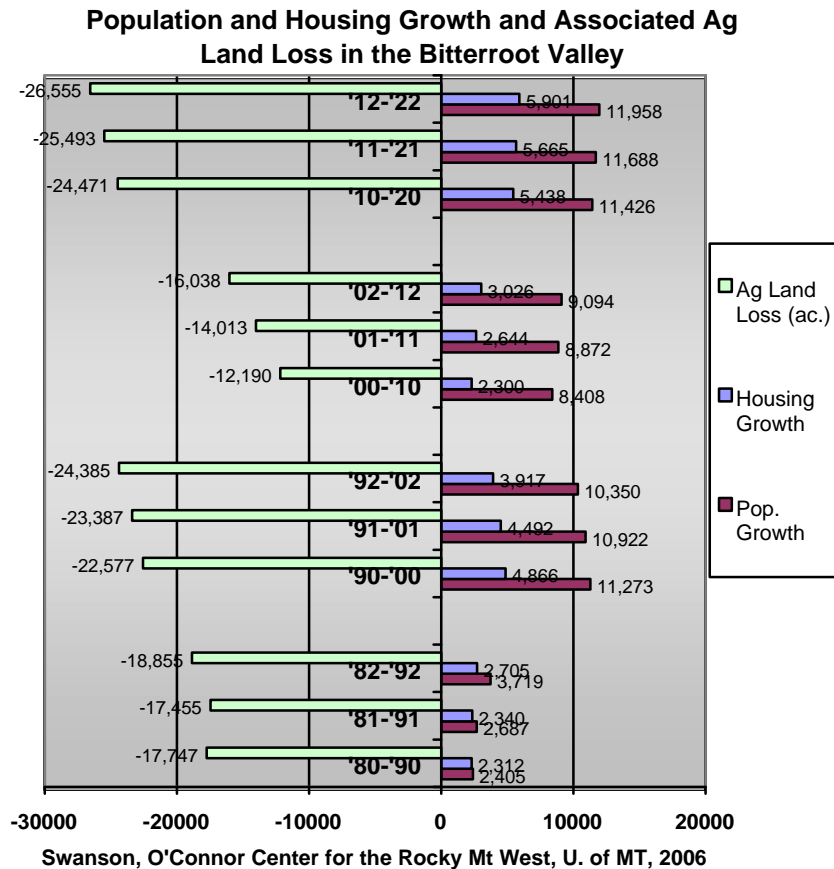
240,000 acres in the early '90s and to about 210,000 acres in 2004. This represents a loss of nearly 50,000 acres of agricultural land in the county or roughly 18% of the total.



The greatest category of ag land loss is in land used for grazing or pasturing on working farms and ranches (those actually producing a minimal amount of agricultural product for marketing), where more than 60,000 acres have been lost. The amount of tillable irrigated acreage in the valley used for agricultural production has declined from over 58,000 acres to about 45,000. And another 30,000 acres of potential ag land is now classified by the Montana Revenue Department as “non-qualified ag land”. These are parcels of land 20 to 160 acres in size under one ownership that are not producing at least \$1,500 a year in agricultural produce.

Possible Loss of Ag Land in the Future – In the mid-'90s ag land of some type accounted for about 70% of all land in Ravalli County that was not inside or part of Forest Service lands. Because of this, as the valley’s population has grown, spurring housing construction and other types of development, ag land has steadily declined. While the relationship between population growth and housing expansion is not simple and straightforward, analysis of past trends

in the valley have established general associations between this growth and loss of ag land. Matched sets of data examining ten-year periods for different points in time show how population and housing growth are in part translating into ag land losses.



Under past growth trends and development practices, an average of roughly 7 acres of ag land was lost for every additional housing unit in the valley during the '80s. During the '90s this fell to 5 to 6 acres lost per housing unit. Under current population and housing growth projections, the valley would lose another 38,000 acres of ag land between 2004 and 2024 if current development patterns and planning practices are largely followed – roughly 18% of the current

ag land total. This would reduce ag land in the valley from about the current 210,000 acres to a little over 170,000 acres.

The Role of Agriculture in the Bitterroot Valley Economy –

Production agriculture or the work and businesses of farmers and ranchers in the Bitterroot is an important industry in the valley for a number of reasons. First, area farmers and ranchers expend roughly \$30 million a year on production expenses. These include payments for bank loans, machinery purchases and payments for machinery repair and maintenance, purchases of fuel and fertilizer and other inputs, and payments to hired workers who assist in farm work. And in recent years, ag producers in the valley have produced livestock and crops that bring roughly \$30 to \$33 million a year to the valley in the form of cash marketing receipts.

There are over 1,200 farm proprietors operating farms and ranches and several more “corporate” or non-proprietor farms in the valley. Another 100 or so persons are employed in a variety of ways working on valley farms. Together, these 1,320 proprietors and farm workers account for roughly 7 percent of all jobs and all employment in the valley. The U.S. Department of Agriculture has estimated that there are more than 1,400 farms and ranches operating in the valley (2002 Ag Census). About two-thirds of these farms are very small – less than 50 acres in size - and these farms account for less than 7% of all farmland in the valley. At the other end of the spectrum, there are only a little over 50 farms and ranches that are larger than 1,000 acres in size, but these larger operations account for over half of the county’s agricultural acreage.

Additional Significance of Area Ag Land - While agriculture has great economic importance simply because of the food that it produces (everyone has to eat), in fast-growing areas of the Rockies the presence of working farms and ranches can take on greater significance. This is because the growth and vitality now occurring in many of these areas is in part the result of people and businesses choosing to live in these areas because of their attractiveness. In many ways, the Bitterroot Valley and many other areas of the Interior West are becoming “amenity-based economies.” Amenities such as nearby mountains, plentiful forests, high quality streams and lakes,

abundant fish and wildlife, and other features are becoming the foundations upon which area economic life is being built. Attractive, well-managed farms and ranches and the relatively open landscapes they contain add appreciably to these quality landscapes and area attractiveness. As these lands are lost through development, many times unnecessarily, many of these values are degraded. The value of development itself can be degraded and devalued.

Challenge for the Future - Attractive areas with fast-growing populations where virtually anything goes with respect to development soon begin to look like places where anything does in fact “go”. They can lose their attractiveness very quickly with cluttered, poorly planned, poorly designed, and poorly located development. They can become less desirable places to live and work. The “trick,” if there is one, is to find ways to accommodate growth that brings and sustains area economic vitality without unnecessarily or inordinately degrading if not losing altogether important area amenities and aspects of quality of life.

Areas that lack highly valued amenities and that are not growing may not have to worry about the appearance and substance of growth. However, areas that are growing relatively rapidly because of their attractiveness must find ways to protect their attractiveness if for no other reason they are to sustain growth. Plain and simply, areas that can do growth well will be more likely to continue to grow in the future.

Recommendations – There is little doubt that population growth in the Bitterroot Valley will continue and it is very likely to continue at a relatively fast pace of 2% growth or more a year. At 2% growth, the valley will add roughly 800 people each year and along with them an additional 325 new homes. Additional commercial development will accompany this growth. In 2002 a report was prepared identifying a general strategic framework for key leadership in the valley to follow in charting the valley’s future economic development. Among the report’s recommendations was the following:

One of the most important things valley leaders can do to assure a positive economic future for the area is to work to maintain and improve community livability in the valley. As such, the greatest potential threat to the valley’s economic future may be that the very qualities drawing more and more people to the valley are being degraded and lost as the number of new residents grows under current patterns of development. [. . .] Measures taken to better manage growth during periods of rapid growth will greatly enhance the area’s capacity and desire to sustain this growth into the future.

- Ravalli County Economic Needs Assessment, August 2002

The valley should adopt a three-pronged approach to incorporating into its planning for the future protections for ag land. These would include the following:

Public Education about Area Agriculture In order for the larger public to embrace any efforts at ag land protection, they will need to better understand why agriculture is important in the valley. And area agriculture is important both for the food products and commodities it produces as well as the role working farms and ranches play in enhancing the quality of life in the valley.

Ag Marketing and Promotion Financial conditions in area agriculture are precarious, as is the case throughout the larger region and nation. The Bitterroot Valley contains some of the most productive agricultural land in the entire western United States. Ways of advancing area ag producers and improving their economic conditions need to be continually explored and pursued. Possible initiatives include producer cooperatives aimed at “branding” the area’s high quality agriculture. Such cooperatives also could be used to assist area farmers and ranchers in purchasing inputs, marketing outputs, and jointly promoting key agricultural products produced in the valley. Smaller producers in the valley should continually explore ways to “move themselves up the food chain” by producing and marketing “food products” to promising retail outlets rather than “commodities” that are shipped to faraway processors who make them into food. Finally, the Ravalli County Fair and Western Montana Fair should be aggressively used by area producers to tell more and more people about area agriculture.

Planning for Growth Growth in the Bitterroot is predicated upon the attractiveness of the valley and the valley's quality of life. At least part of the valley's attractiveness is attributable to landscapes that are maintained on working farms and ranches. Area leaders should work together in identifying possible planning measures and tools that can reasonably protect these lands from undue development and unnecessary loss as subdivisions are proposed, adopted, and pursued. Well-conceived planning measures can act to both preserve tracts of productive ag land and simultaneously elevate the quality of development. This will help maintain the attractiveness of the valley, even as it grows and help protect area property values that can be adversely impacted by haphazard and poorly conceived development.

Possible planning and development tools to consider are:

1. Attempt to guide more of the new housing and commercial development in the valley into and nearby established population centers. Quality development must have quality infrastructure and it is much more cost-effective to provide infrastructure (good streets, sewerage, water supply, electrical supply, etc.) for well-planned developments nearby existing infrastructure.
2. In outlying areas or more rural portions of the valley, keep development relatively sparse or create incentives for "clustering" development. For example, the total number of densities or new units that may be built on larger parcels of 40 to 50 acres or more in size could be clustered into portions of these tracts rather than spread across the entire tract of land. This would allow development to occur, but keep larger tracts of land open or undeveloped, including tracts of land that could be retained in some type of agricultural use. "Planned, rural, neighborhood developments" could be used allowing landowners or developers seeking subdivisions to cluster such development. If done carefully following good design principles, landowners could do some development without converting all or even most of their land in the process.
3. Scattered development one or two houses at a time or one acreage at a time is chopping the Bitterroot's land base up into pieces. This type of development results in the greatest loss of agricultural land. Many residents, new and old, want to have small acreages, both for open space and to have animals including horses. Developers and planners in the valley should find ways to accommodate these desires on larger scale developments that cluster homes and maintain larger areas for pastureland that can be used by all of the homeowners in a development. Something like "pasture commons" (similar to common areas that are included as parks in more urban developments) could be incorporated into many new developments. These would help keep in tact larger pastureland areas that are more readily managed and cared for than multiple small pasture areas often found on small acreages in rural portions of the county.
4. Valley elected officials should move forward with an "open space" bond of some type to create a money source for purchasing or otherwise protecting key open landscapes in the valley. Funds from such a bond could be used to protect what otherwise cannot be protected through other planning measures.
5. One of the outstanding features of the Bitterroot Valley are the multitude of small and large, year-round and intermittent streams and waterways that lace through the valley. There is no reason why development in most areas cannot proceed without overly encroaching into channel and streamside areas to the point where access is reduced or eliminated and water quality is threatened. Streamside setbacks for new development would help protect these high valued amenities that also are vitally important for area agriculture.

The key question for future development in the Bitterroot is not whether growth will occur, but how it will occur. Can the valley strive to become a better place as it becomes a bigger place? That is the question.