



PLANNING FOR AN
AGRICULTURAL FUTURE:
A GUIDE FOR
NORTH CAROLINA FARMERS
AND LOCAL GOVERNMENTS



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“Where there is no vision, the people perish.” – Proverbs 29:18

Vision.

Great leaders have it, successful businesses embrace it and progressive governments employ it when they plan for the future. Visionary leadership has served North Carolina well and provided a framework for a thriving and diverse economy that has weathered significant changes brought about by the global marketplace.

Even with dramatic shifts in the state economy and the rise of successful research and biotechnology companies, agriculture has remained the state’s number one industry, generating \$68 billion a year, employing nearly a fourth of the workforce and supporting jobs in rural areas of the state where industry and businesses are sorely needed. The decisions we make today regarding agriculture are as significant as the decision to create the Research Triangle Park and the Biotechnology Center.

Planning for an Agricultural Future: A Guide for North Carolina Farmers and Local Governments exemplifies the kind of foresight agriculture needs. Every day our farmland faces growing pressure from development. Since 2000, North Carolina has lost a staggering 310,000 precious farm acres to development—100,000 of them in 2004 alone. Experts estimate our population will increase 50 percent by 2030. Where will these people live? And what will be the loss of farmland to housing? If our experience holds true, many will live in subdivisions and shop in malls sprouted from former fields. Growth is good, but growth that is not managed comes at a price, particularly in the quality of life and in the community’s ability to provide services and classroom space.



Photo: NC Department of Agriculture & Consumer Services

As our farming population ages and young people move away from the farm, we must prepare for the transfer of land to accelerate in the coming years. Most of our natural resources belong to private landowners—in many cases, farmers. Protecting the family farm and preserving farmland have been the top priority of my administration. I strongly believe that we must maintain the ability to feed ourselves so we don’t have to rely on other countries to sustain us.

I want to thank American Farmland Trust for creating this guide, and I appreciate the cooperation of all the groups involved in its development.

The tools and strategies available to farmers and local governments outlined in these pages can help us achieve common goals. The decisions we make today in planning a future for agriculture reflect our vision for the quality of life, the value we place on agricultural production and open space, and our determination to preserve our agricultural heritage and strengthen North Carolina’s economy.

If you fail to plan, you're planning to fail. This is common wisdom to any farmer who has ever attended a workshop on business management. Farmers know that foresight and the management of the farm business are just as important as the ability to produce a consistent yield. With uncertainties about weather, markets, labor and production, farmers use planning to minimize risk and evaluate their progress toward long-term goals.

Local governments also appreciate the importance of planning. While citizens and leaders create a vision of what they would like their future to be, it is the role of local government to develop plans to achieve that vision. Local policymakers must not only provide for the current needs of their citizens, they must also understand how economic, demographic and land use trends will affect their jurisdiction in the future. Since these changes will create the need for additional services, governments must balance economic growth with their capacity to ensure the amenities necessary to maintain the quality of life for all residents. Healthy and productive farms and forests provide North Carolina's citizens with many amenities, including fresh, local food, open space and economic activity.

Planning for Agriculture

Planning for agriculture is just as important as planning for development. It establishes a framework for an economically and environmentally sustainable agricultural industry. Planning for agriculture protects farm and forest lands from other uses and provides support for the businesses that rely upon the land for their economic survival.

Most North Carolina farms include forestland along with the agricultural operation. The tools and examples outlined in this guide primarily address farms and the farming community. However, the challenges, benefits and importance of planning for the future apply equally to privately held forestland. Therefore, we use the term "agriculture" broadly, and landowners and planners can use the tools described in this guide to address concerns about the larger landscape of working lands.

With growing consumer concerns about health, national security and the value of supporting local economies, farmers have the chance to capture a larger share of the local food dollar, while communities have a window of opportunity to strengthen the links between their citizens and agricultural sectors. However, it will take a collaborative effort to achieve these objectives.

The Benefits of Working Lands

Working farms and forests provide communities with a broad set of benefits, some immediate and tangible, and others more subtle and long lasting. At minimal cost, local citizens enjoy the economic, environmental, cultural, open space and fiscal amenities that agriculture provides, in addition to a safe and abundant supply of locally produced food.

With the land as their most important productive asset, farmers and foresters have a huge stake in the

long-term changes taking place in many of North Carolina's cities and counties. At the same time, local governments depend on a healthy agricultural sector for much more than food and fiber. To ensure a successful working landscape, communities must plan for their agricultural future.

A Changing Landscape

Many local communities are beginning to see the importance of private working lands. Several factors point to an increasing need for collaboration between farmers and local governments to implement proven, flexible tools that can support the evolving agricultural sector while protecting the needs of the broader citizenry:

- An aging landowner population, changes in the tobacco economy and an influx of new residents are creating pressures on many families to sell their land for development.



Photo: NC Department of Agriculture & Consumer Services

- Modern farming and forestry practices and increasing residential development in rural areas create potential conflicts. Improved communications among agricultural, residential and other sectors can lead to mutually beneficial solutions for the entire community.
- The face of North Carolina agriculture is changing, with more direct marketing, agritourism, local processing and generational change on the horizon.
- The creation of new programs at the state level could provide resources to bolster local efforts to support the ongoing viability of working lands.

Working Together

With all of these changes taking place, it is clear that neither farmers, planners, concerned citizens nor elected officials can address these challenges alone. We hope that community members will seek each other out with copies of this guide in hand to identify barriers and opportunities for the development of stable and viable agricultural sectors ready for the next generation of farmers and citizens.

Planning for an Agricultural Future: A Guide for North Carolina Farmers and Local Governments mixes general discussion of existing tools with specific examples from communities around the state that have developed innovative ways to support their agricultural sector. We encourage you to contact other cities and

counties that have found win-win solutions in planning for a future for agriculture and to use the many resources available to you in North Carolina.

The guide is organized in five sections. Notes providing sources of additional information are placed at the end of each related section. Potential funding sources are listed on page 32, followed by contact information for the agencies and organizations referenced in the guide.

I. PLANNING FOR AGRICULTURE – what American Farmland Trust means when we talk about *planning for agriculture* and why it is important for your community

II. LOCAL GOVERNMENT TOOLS – planning, regulatory and financial tools that local governments use to guide future development and land use

III. PLANNING FOR CONSERVATION AND THE ENVIRONMENT – conservation programs that can help farmers in their role as stewards of land and water resources

IV. PROTECTING FARMLAND FOR THE FUTURE – land protection options available to landowners as they prepare for the future of their farms

V. PROMOTING LOCAL FARM VIABILITY – actions that local governments can take to promote future opportunity and a stable investment climate for the farming sector

Planning for an Agricultural Future and a resource index with the sample documents, resources and laws referenced in the guide are available in PDF format at AFT's Farmland Information Center at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

I. PLANNING FOR AGRICULTURE

Planning is a positive, forward-looking and locally driven process. It is based on a shared community-based vision of the future. Planning for agriculture recognizes the value of agriculture as a land use and a business.

What is Planning for Agriculture?

Planning for agriculture establishes a framework for an economically and environmentally sustainable agricultural industry. It steers growth away from active farming communities, reduces regulatory barriers, encourages policies that support appropriate infrastructure development and new farming opportunities, and addresses farm tenure and transfer. Increasingly, it must address the public's desire for environmental protection at the local level. Thus, it is essential for community leaders to understand the needs of the farm and forest sectors and provide support for the businesses that rely upon the land for their economic survival. Community planning is not complete without a plan for agriculture.

Planning for agriculture at the local level can be challenging because North Carolina is a Dillon's Rule state. This means that the local governments derive their authority for planning and land use regulation from the state; the state retains all authorities that are not preempted by federal legislation (such as national defense or interstate commerce), unless specifically given to local governments. Determining how property owners can use their land is one important area for which the state has delegated some authority to towns, cities and counties. This is important because land use and development patterns have enormous impacts on the responsibilities of local governments in services as diverse as road construction, water and sewer line installation and maintenance, environmental protection, school construction, public safety and taxation.

With growing consumer concerns about health, national security and the value of supporting local



Photo: Department of Communication Services, NC State University

economies, farmers have the chance to capture a larger share of the local food dollar, while communities have a window of opportunity to strengthen the links between their citizens and agricultural sectors. But it will take a cooperative effort to achieve these objectives.

Why Is Agriculture Important?

With an increasingly global marketplace and a plentiful year-round supply of food, some North Carolinians may feel that local agriculture isn't as important as it once was. However, farms today provide much more than cheap food to their communities. Well-managed farms bring a range of amenities that all citizens can enjoy at no cost.

The Benefits of Working Lands

- *Economic:* Farming and forestry are major economic activities in North Carolina. According to the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) agriculture provides \$7 billion in direct sales and contributes a total of \$62 billion in economic activity to the state's economy. The forestry sector adds an additional \$19 billion in economic activity.¹
- *Environmental:* North Carolina's farm and forest landowners manage 23 million acres, over 83 percent of the non-federal land base in the state. All citizens depend on farmers to be stewards of our natural resources, providing clean water and wildlife habitat across the state.
- *Rural Heritage:* Agriculture is a major part of the state's cultural heritage, with farm families anchoring rural communities and providing an important piece of North Carolina's unique historical character.
- *Open Space:* Farms and forests provide wildlife habitat, green space and beautiful views. North Carolina's well-known scenic beauty attracts tourist dollars from around the world.
- *Tax Savings:* Privately owned working lands provide fiscal benefits, helping keep property taxes low due to their minimal need of public services.
- *Local Food:* North Carolina farms are increasingly valued as a source of fresh, safe and healthy food. The growth of farmers' markets, Community Supported Agriculture and farm-to-school programs around the state point to strong consumer demand for locally grown fruits, vegetables, wines, meats and dairy products.

Is Your Community Planning for Agriculture? A Checklist

Practical Land Use Policy

Does your city or county...

...have a detailed section on agriculture and forestry in the Comprehensive Plan? The Comprehensive Plan is the big picture view of what land uses will be encouraged, protected or excluded in the future. Does the plan refer to “maintaining rural character,” but overlook agriculture as the primary component? Agriculture shouldn’t be an afterthought!

...have a completed Agricultural Development and Farmland Preservation Plan? These plans identify the important land use challenges that the working lands sector will face in the future, designate areas where agriculture should be encouraged, and identify investment and infrastructure needs for increased profitability. They also improve the opportunities for the county to receive matching funds from the state Agricultural Development and Farmland Preservation Trust Fund.

...define and allow agricultural uses under more than one land use classification? Agricultural businesses are not the same as other commercial development. Some cities and counties confine agricultural businesses to commercial zones only, while others may prohibit such uses in the commercial area. Farm enterprises are often hybrids of several different uses; ordinances and regulations should allow flexibility for farm businesses.

...require buffer zones between farmland and residential uses? The old saying “good fences make good neighbors” has a modern corollary that says “good buffer zones help new neighbors get along.” New development should not place the burden on existing farms to give up productive land as a buffer zone between agricultural and residential uses. New residential development should provide for its own buffer zone and/or landscape plantings for screening when necessary.

...encourage the agricultural use of open space land created by innovative residential subdivisions? Some localities have adopted innovative subdivision regulations like cluster housing or conservation subdivisions that set aside significant open space around new residential development. This land can be productive agricultural land and at the same time contribute to the ecological health and scenic quality of the area—instead of becoming grown over with brush. Ideally, such land would have productive soils, be big enough for commercial agricultural purposes, and allow long-term agricultural use that provides consistent resource management. Smaller plots of land could accommodate community gardens.

Reasonable Local Regulations

Does your city or county...

...allow roadside stands or pick-your-own operations by right? Consider amending the local zoning ordinance so that certain agricultural operations are allowed by default and are not considered non-conforming uses as areas are annexed or brought into an extraterritorial zoning jurisdiction. Agricultural and forestry uses need to be (1) defined in the zoning ordinance, (2) listed as permitted uses and (3) allowed in districts throughout the planning jurisdiction wherever reasonably possible. Write flexibility into ordinances or regulations that may apply to agricultural land uses so the intent is clearly to promote such use, not to deny it because the rules don’t fit the unique situations that frequently arise with agricultural businesses.

...use definitions such as “agricultural accessory uses” in a broad and inclusive manner? Remember, it’s not just the farmland that makes farming possible: businesses related to agriculture (veterinarians, equipment and supply dealers, custom farm providers, feed milling and delivery, etc.) have to be close enough to serve farmers’ needs. “Agricultural accessory uses” can refer to everything from machinery sheds to housing for seasonal workers. Various agricultural businesses have very different needs that can test the balance of rules and exceptions. Flexible ordinances and regulations can help farmers diversifying their operations.

...allow rural businesses compatible with farming in agricultural areas? Home-based occupations such as farm machinery repair shops, sawmills and other rural businesses are an important piece of the income stream for many farms today. The state definition of bonafide farms was expanded in 2005, and local ordinances should reflect this broader view.

...allow simpler design standards for Site Plan Review regulations on agricultural businesses limited to seasonal use? Simpler standards for certain aspects of Site Plan Review regulations make sense for agricultural uses, such as parking requirements for seasonal retailing or events. When agricultural uses are limited in scope and impact, they need not be treated as if they were year-round permanent businesses. Does your planning department apply the same site design requirements to a seasonal farm stand, open for only a few months in the daylight hours, as to a 24-hour grocery store?

...allow flexibility to accommodate the unusual needs of agricultural businesses? Do local regulations provide farm retailers with reduced restrictions on hours

of business operation, temporary signs, parking near pick-your-own fields or on-street parking? Both the land use impact and the off-site impact of a seasonal farm business are much less than that of a full-time business. Pick-your-own strawberries or Christmas tree farm businesses will have a tough time surviving when required to meet the same standards as full-time retail establishments.

...allow off-site signs to attract and direct farm stand customers? Farm stands are often seasonal businesses that need to capture potential sales at harvest time. Signs that give directions to the farm stand and let customers know what items are available are vitally important.

Encouraging Farming and Forestry

Does your city or county....

...have a good idea of how much agriculture there is in town? Consider having a local committee formulate an Agricultural Profile to demonstrate the economic, cultural and natural resource value of agriculture in your community. People often carry the misconception that “there’s no agriculture in our town” if they don’t see cows and barns on their daily commute. The changing face of agriculture in North Carolina needs to be accurately understood.

...promote and encourage good stewardship of the land, including conservation easements and other programs? There is a range of financial and technical assistance programs that can help landowners achieve their goals for the land, while protecting the natural resource base. Agricultural conservation easements can help by establishing a stable and affordable block of land that will forever be available for farming.

...have an active Voluntary Agricultural District (VAD) program? This program informs county leadership and the public about the location and needs of active agricultural communities. The VAD board should hold regular meetings and provide feedback to the local elected officials on the impact of policies on the farming sector.

...have any visible demonstration of the value of agriculture? Local events such as Agriculture Appreciation Week, fairs, tours and regular media coverage keep the public aware of the farm sector. Making agriculture visible to the general public helps establish the economic, cultural and resource stewardship value of having active farms in a town.

...have farmers serving on local boards and commissions? There are few better ways to incorporate agricultural concerns into local land use ordinances and regulations than having farmers serve on local boards. Help decision-makers keep a broad perspective by asking, “Have you thought of the consequences...?”

Supporting Farm Profitability

Does your city or county....

...provide education on sales and property tax incentives available to farmers? Present Use Value Assessment allows for agricultural and forested land to be taxed at its use value for farming, rather than its market value for development; in addition, North Carolina provides state income tax credits for property taxes paid for farm machinery and the donation of conservation easements. Finally, purchases of most farm equipment and inputs are exempt from sales tax.

Knowledge of these incentives can be very important to the viability of individual farm operations, and local tax assessors can provide assistance in helping landowners understand the requirements for eligibility.

...support the purchase of local foods? Farmers’ markets, farm to school programs and farm to institution sales (hospitals and nursing homes) all support family farmers by increasing demand for their product. By minimizing travel and connecting with the local community, local product sales contribute to the bottom line and strengthen relationships between farmers and the general public.

...include agriculture as a part of the local economic development strategy? Agricultural businesses are frequently undervalued in terms of their effect on the local economy. Most of the economic activity generated by farms stays within the community. Public and private economic development efforts can look toward adding value to farm products, agritourism promotion, transportation and handling sites, and providing needed infrastructure for the farm economy.

...know where to go to get advice and assistance on farm questions? Make the connection to resources such as the NC Department of Agriculture and Consumer Services, Cooperative Extension Service, Soil and Water Conservation District, Natural Resources Conservation Service, Grange or Farm Bureau. They provide a range of services for farmers, citizens and policymakers that can increase the long-term benefits and viability of agriculture for everyone.

This questionnaire was based on a section of Preserving Rural Character through Agriculture, written by Gary Matteson for the New Hampshire Coalition for Sustaining Agriculture.

How Planners Can Engage the Farm Community

It is crucial to engage local farmers and landowners early in the planning process. Getting their involvement can be challenging due to farmers' schedules, interests and concerns. Any meetings targeting farmers should be held at times, dates and locations that are compatible with their work schedules. Getting advance feedback from a few key farm leaders on meeting logistics and agendas can help ensure that events are better attended and more effective. In addition to individual farmers, local farm leadership can be found through the Cooperative Extension Service, Soil and Water Conservation District, Voluntary Agricultural District, Grange and Farm Bureau boards.

Some strategies for increasing farmer participation:

- Establish an agricultural advisory committee (in many counties, this could be the existing Voluntary Agricultural District (VAD) board, see p. 19).
- Hold farmer focus groups at times and locations convenient for farmers.
- Invite local farm organizations to participate in the planning process.
- Conduct interviews or surveys of individual farmers.

How Farmers Can Participate in Local Planning

To understand their city's or county's vision for the future, farmers should first contact their local government's planning department. This gives them an opportunity to meet planning staff and to see whether the county has a comprehensive plan for future growth. The provisions of this plan, and the associated regulations that may be used to implement it, may affect their farming or forestry operation. Planning and zoning staff also can advise farmers on how to participate most effectively in planning processes and regulatory proceedings.

Next, farmers can explain to local officials how the city or county could better support their efforts on the farm, such as limiting high-density residential development adjacent to commercial farms. Local government leadership can be found through county commissions, city councils, regional councils of government, economic development authorities and Chambers of Commerce.

Landowners can seek appointment to Planning Boards and Boards of Adjustment from county commissions or city councils. Planning Boards work with local government staff to recommend plans and regulations to the commissioners or council members for adoption; they also review development proposals for adherence to planning and zoning codes. The Board of Adjustment approves conditional uses and variances to zoning under certain circumstances.

Farmers may also serve on local advisory groups. Local governments often establish advisory groups in areas of special interest—such as trees and greenways, transportation, environmental affairs, farmland protection, tourism, and economic development. To spread the workload, several farmers working together could serve on important committees or could simply attend board meetings to comment on behalf of agriculture.

Planning Partners

North Carolina's farmers and planners both work with the land but from different perspectives. Planners operate in a very public setting, while farmers make decisions as independent business operators. They often share an interest in keeping land in production, but they may have different reasons for wanting to see agriculture succeed.

One perspective that farmers and planners share is a view of the long term; farmers are working to improve the productivity of their land, while planners are working for the benefit of all local citizens for the years ahead. If they share the goal of protecting working lands and agricultural communities, farmers, planners and elected officials can be strong partners in planning for an agricultural future.

For More Information

¹ North Carolina Cooperative Extension Service "Forests and the North Carolina Economy," available at http://www.ces.nsu.edu/nreos/forest/pdf/forests_NC_economy.pdf.

II. LOCAL GOVERNMENT TOOLS

Local governments have a set of tools they can use to guide development and support farm operations. These range from local regulations to tax incentives.

The process of determining how land use will be controlled locally is known as planning. Planning enables civic leaders, businesses and citizens to play a meaningful role in creating communities that enrich people's lives. It helps create communities that offer choices for where and how people live. Good planning helps citizens envision the direction their community will grow and assists them in finding the right balance of new development, essential services, protection of the environment and innovative change.

Comprehensive Plans

The Comprehensive Plan is a community's road map to the future. It provides the legal framework on which local government makes land use decisions, explains to the public the county's position on development policy and provides a basis for public decisions on spending over the next 10 to 20 years. North Carolina state law requires jurisdictions that use zoning to have a comprehensive plan to guide development and administration of local zoning.

Comprehensive plans are developed by county staff through an extensive and organized citizen input process. As implied by the name, a comprehensive plan covers a wide range of topics from private land use, to parks and recreation, to housing. Updated approximately every five years, the plan helps elected officials make decisions about development applications, infrastructure development, zoning (where applicable) and other concerns about the county's long-term priorities.

The comprehensive plan can be a crucial document in determining the long-term viability of the agricultural sector. Through maps, it gives a visual picture of where the future needs of agriculture and development are likely to intersect or collide. It often discusses various communities—and even a smaller subset of land area—and the preferred approach for future development in each one. This allows more specific citizen input and detail for the planned development of a particular section.

The plan also can create the framework for a stable investment environment for agricultural operations, providing important feedback to the local government about the future direction of the farm sector. Some

jurisdictions dedicate a chapter of their plan specifically to agriculture to ensure that the local government creates a farmer-friendly environment while protecting the public's health, safety and welfare.

Comprehensive plans will vary in specifics but have roughly similar structures. A plan should outline a jurisdiction's goals and vision, objectives, policies to meet those objectives, implementation strategies and the schedule for updating the plan. The plan also may include separate *elements* to address specific areas of concern, such as agriculture. Individual elements are collected to form the entire comprehensive plan.

Agricultural Element in the Henderson County Comprehensive Plan

While flat land is in short supply in the mountains, the wide valley of the French Broad River helped make Henderson County one of the most productive agricultural counties in the state. The annual apple festival is a major social and economic event. With agriculture recognized as an important pillar of the county economy, the Board of Commissioners devoted a chapter in its comprehensive plan specifically to agriculture.

The county planning department conducted a series of community meetings with both farmers and the general public to prepare for drafting the agricultural chapter. The single largest topic of discussion was a desire to protect the county's agriculture and rural landscape. While the economic importance of agriculture was recognized, comments focused mainly on the quality of life and the aesthetics that thriving local farms provided.

An accompanying mail survey found scenic rural character and open space protection just behind water and air quality protection as top issues for county residents. Residents consistently indicated a willingness to address these issues through policies, regulations and even increased spending.

Responding to the strong public interest in agriculture, the County Commissioners chose to focus on three areas—reducing farmland loss, economic development support for agricultural enterprises, and the hiring of an agricultural facilitator within county government.²

Zoning

Zoning is a common land use planning tool. This local law divides a county or town into districts, or “zones” that specify allowable or conforming land uses. For example, manufacturing may be allowed in the industrial district but housing is not, whereas housing is allowed in a residential district but manufacturing is not. Zoning codes usually specify the intensity of the use as well, such as *20 residential units per acre* or *apartment buildings no more than 80 feet high*. Conditional uses are sometimes allowed with requirements to provide added protections to neighboring property owners. The official zoning map allows property owners to see the type of restrictions that apply to their land. As zoning codes are developed or amended, farmers should look carefully at the list of allowed uses to be sure that all farm activities of interest in that area are included.

According to North Carolina state law, bona fide farms are exempt from county zoning (see *What Is a Farm?*, page 12). New agricultural uses that are deemed to be bona fide farm purposes are generally allowed in most county zoning districts. However, as agricultural processing approaches the scale of a manufacturing

facility, questions may arise about the agricultural nature of the land use. In addition, counties do not have the right to regulate forestry activity, as long as that activity is a bona fide farm activity or meets the requirements to be exempt from county regulation under state law (N.C. GEN. STAT. § 153A-452 (2006)).

Cities and towns still retain the right to exercise zoning powers (N.C. GEN. STAT. § 160A-381(2006)), and their zoning codes often do not allow certain agricultural uses within city limits. Except for planning and zoning authority specified in local laws and for state and federal requirements, cities are prohibited from restricting forestry activities when the landowner is following a forestry management plan or the land is taxed on the basis of its present use value as forestland (N.C. GEN. STAT. § 160A-458.5 (2006)).

Under the 2005 Agricultural Development and Farmland Preservation Enabling Act (House Bill 607), cities may amend their ordinances applicable to their planning jurisdiction to provide flexibility to farming operations that are part of VAD programs (N.C. GEN. STAT. § 160A-383.2 (2006)). Some municipalities have also received authority through state bills to provide

Cost of Community Services

Cost of Community Services (COCS) studies³ in five North Carolina counties have determined that residential properties actually cost each county more in needed services than they provide in revenue, while farm and forest landowners pay more than their fair share of taxes.

There is a simple explanation for this surprising result: *cows don't dial 911*. Farms don't require much from their counties, while new housing developments spread out across the countryside require a great deal of public funds for new infrastructure and services.

COCS studies have important implications for policymakers charting a future course for their communities. It doesn't mean that communities should pursue a single type of land use only for fiscal health, but it is important for them to consider the importance of balancing various community goals that include a range of housing and employment options, as well as open space and working lands. With good planning, these goals can be balanced for the benefit of all citizens.

North Carolina Cost of Community Services Studies [cost of providing services, per dollar of revenue]				
County	Residential	Commercial/Industrial	Farm/Forestland	Source
Chatham	\$1.11	\$.47	\$.92	Renkow, 1998
Wake	\$1.54	\$.18	\$.47	Renkow, 2001
Union	\$1.30	\$.41	\$.24	Dorfman, 2004
Orange	\$1.31	\$.24	\$.72	Renkow, 2006
Alamance	\$1.47	\$.23	\$.59	Renkow, 2006

exemptions for farming or forestry operations that meet certain criteria.⁴

Zoning is considered a “four-letter” word in some areas due to concerns about the infringement of individual property rights, so some rural counties may choose not to use zoning. While farmers often worry that zoning will result in a loss of equity and freedom, some communities have found agricultural protection zoning actually supports their farm economy. Agricultural protection zoning can keep land affordable for farming purposes, keep incompatible development away from the borders of farms and help streamline the regulatory process for buildings associated with the agricultural operation.

Cities, Counties and Extraterritorial Jurisdictions

Cities and towns are given special authority to regulate land use just outside their boundaries. This territory is known as their *extraterritorial zoning jurisdiction* (ETJ), and it provides cities some control over the patterns of development on land that they someday may annex or use to provide city services. This authority can extend up to a mile outside the city limit for all cities of up to 10,000 in population, while larger cities may zone an area up to 3 miles into the county. If the county is already exercising its zoning and subdivision authority and enforcing the State Building Code, the city must obtain county permission before exercising ETJ beyond 1 mile.

Farmers on the urban fringe may want to pay particular attention to proposed annexations and extensions of city zoning jurisdiction because these actions may affect their ability to expand farm operations in the future. When a farm is annexed into a new city zoning district that doesn’t include agriculture among its permitted uses, the farm activities will usually be grandfathered in and permitted to continue as a *non-conforming use*. However, it may be prohibited from expanding or altering those activities. An action as simple as including farming as an allowed use in a zoning district can provide the flexibility needed to change a farming operation in the future.⁵

Subdivision Ordinances

Municipalities and counties typically have local laws to control how property owners divide land into smaller parcels. These subdivision ordinances include



Photo: Department of Communication Services, NC State University

minimum requirements for water supply, road construction and other public safety considerations. Pasquotank County’s subdivision ordinance requires developers to provide 75-foot vegetative buffer strips between residential subdivisions and existing agricultural uses.⁶ Ordinances usually require a map that shows all the new parcels being created. Minor subdivisions may be exempt from formal review, but the Planning Commission typically reviews all subdivision proposals. It often calls a public meeting as part of the review process to provide community members—including farmers—an opportunity to comment. Once approved, a subdivision map is recorded at the courthouse as a permanent record of the change in property lines. If a VAD is nearby, some local laws require a notice of that district to be recorded with the subdivision map.

Special Purpose Land Use Ordinances

Some jurisdictions enact land use ordinances for specific purposes that may affect agriculture. These may include agribusiness, floodplain, animal control, nuisance, and minimum housing codes. It is prudent for farmers to attend meetings where ordinances that have an impact on agriculture are developed or amended.

Cities and counties can demonstrate flexibility in examining their regulatory requirements. The seasonal nature of many farming operations can make major investment in infrastructure difficult for smaller farms. Rules for commercial operations on areas such as parking, signage and restrooms typically are written without agriculture in mind.

Agritourism is one growth area of the farming sector that can benefit from special provisions through land use ordinances. It often doesn’t fit cleanly into a list of permitted uses in rural areas. (See Agritourism, page 27.)

What Is a Farm?

The definition of a farm is very important for determining the applicability of land use restrictions and eligibility for incentives and programs. Bona fide farms are exempt from county zoning, with the exception of swine operations.

The state statute (N.C. GEN. STAT. § 153A-340 (2006)) defines *bona fide farm purposes* to include:

...the production and activities relating or incidental to the production of crops, fruits, vegetables, ornamental and flowering plants, dairy, livestock, poultry, and all other forms of agricultural products as defined in G.S. 106 581.1 having a domestic or foreign market. For purposes of this subdivision, the production of a nonfarm product that the Department of Agriculture and Consumer Services recognizes as a "Goodness Grows in North Carolina" product that is produced on a farm subject to a conservation agreement under G.S. 106 743.2 is a bona fide farm purpose.

Several court cases have looked at specific issues related to this definition. In general, greenhouse production was considered to be farming, but waste treatment using farmland was not. Farm worker housing may be exempt from zoning, but a farmer's residence is probably not. Livestock operations are generally exempt from county zoning, but dog kennels are not.⁷

Swine production is treated as a special case under North Carolina law. Local governments may regulate swine facilities designed to handle 600,000 pounds of livestock or more annually.

North Carolina's use value taxation law (N.C. GEN. STAT. §§ 105-277.2 to .7 (2006)) allows county tax offices to assess agricultural, horticultural and forest land at its value as farmland rather than its value in another possible future use, such as a residential subdivision. Agricultural land is defined as: *Land that is a part of a farm unit that is actively engaged in the commercial production or growing of crops, plants, or animals under a sound management program.* Horticultural land is defined as: *Land that is...engaged in the commercial production or growing of fruits or vegetables or nursery or floral production.*

N.C. GEN. STAT. § 105-277.3 (2006) provides more specific requirements for farms under the three classes of farmland. Agricultural and horticultural land must produce an average gross income of at least \$1,000 and be under a sound management program. Forestland must be following a written sound forest management plan for the production and sale of forest products. Agricultural land must include 10 acres, forestland must include 20 acres, and horticultural land must include 5 acres in production.

Right-to-Farm Laws (Nuisance Suit Protections)

North Carolina has a state right-to-farm law (N.C. GEN. STAT. §§ 106-7: 700 to 701(2006)) protecting farm and forestry operations from being declared a nuisance as long as they have been in operation for at least one year. However, they are not protected if there is evidence of negligence or improper operation.

While this law is important, many farmers remain concerned that new neighbors who don't understand the realities of modern agriculture may bring a complaint anyway, requiring costs of time and legal defense. (See *Country Living*, page 20, on how to prevent these conflicts.)

Other protections may include the notice of proximity provision (N.C. GEN. STAT. § 106-741 (2006)) provided as a benefit for participating in a VAD program and the prelitigation mediation of farm nuisance disputes

(N.C. GEN. STAT. § 7A-38.3 (2006)). With state authorization, counties also can adopt stronger local right-to-farm laws.

Taxes

Tax incentives are tools local governments can use to support agriculture. Property taxes typically rise when rural land comes under pressure for new residential, commercial and industrial development—often beyond the reach of farmers. Furthermore, as business operators, farmers make major expenditures on equipment and inputs, so sales taxes also can take a significant bite out of their bottom line. Finally, as their land and other farm assets increase in value over time, farmers face estate planning concerns when passing on the farm to the next generation.

Property – Present Use Value assessment allows for agricultural and forested land to be taxed at its use value for farming, rather than its market value for

development. There are specific requirements on the ownership, size, income and management requirements to participate in this program. Landowners should contact their local Cooperative Extension office or local tax assessor's office for information. When land being taxed at this use value is no longer in agricultural production, the owner is subject to a rollback penalty of the deferred taxes for the year of disqualification and the three preceding years, with interest. This penalty can be avoided if buyers of land enrolled in Present Use Value apply for continuation of that status within 60 days of property purchase, as long as the land continues to meet the requirements of the program. Owners of agricultural land need to apply to the county tax assessor to receive this special assessment. Farmers are entitled to a state income tax credit equal to the amount of property tax paid on farm machinery, attachments and repair parts.

Sales – Commercial farms can receive an exemption from sales tax on certain items used in their farming operations. Farm machinery, containers, tobacco drying equipment, grain storage facilities, fuel, potting soil, feed, seed and fertilizer are completely exempt from state and local sales taxes. To utilize the exemption, farmers must obtain an exemption number from the North Carolina Department of Revenue.

Estate – The donation or sale of an agricultural conservation easement usually reduces the value of land for estate tax purposes. To the extent that the restricted value is lower than fair market value, the estate will be subject to a lower tax. In some cases, an easement can reduce the value of an estate below the level that is taxable, effectively eliminating any estate tax liability. The Internal Revenue Code also contains certain valuation exemptions, which can reduce estate taxes for qualifying working farms.

Income – Farmers pay state and federal income taxes, just like everyone else. Farm income and expenses are recorded on the Internal Revenue Service Schedule F. Local jurisdictions can use tax policies to stimulate investment in their agricultural sectors. In other states, local governments have chosen to provide incentives such as the reduction of property taxes for participants in the VAD program or the elimination of business taxes for value-added processing facilities.

Davie County Agribusiness Ordinance

On June 5, 2006, the Davie County Commissioners approved an Agribusiness Use amendment to the county zoning text, allowing a streamlined permitting process for the construction of buildings, signs and parking areas associated with an existing farm operation.

"We saw new wineries popping up all over the county, and we realized that farmers saw new agritourism opportunities," says Davie County Planning Director Andrew Meadwell. "Ninety percent of our land is zoned rural-agricultural, and we didn't have any guidelines that addressed these situations that would encourage consumers to go directly to farms for sales or festivals. Our permitting process was too cumbersome, and we wanted to speed up the process for new investments."

As Meadwell looked around North Carolina, he couldn't find any county ordinances that could be used as a model; therefore, he began with draft language from Midwestern states. To craft an ordinance that fit local conditions, he turned first to the agricultural community.

Greg Hoover, Davie County Cooperative Extension Director, gathered a group of farmers to help guide this process. Hoover and Meadwell explained the goals of a new ordinance, gathered input on the needs and challenges of developing new agritourism enterprises, and got feedback on early draft language.

With a thorough input and feedback process, the ordinance sailed through the planning board and county commissioners to approval. "There was plenty of give-and-take from stakeholders all along," says Meadwell. "We found farmers to be very supportive of the planning process, as long as they have a voice from the start."

"We don't specialize in anything," says Hoover. "We're a small county with a diverse agricultural economy, so we're always open to new opportunities that come along. We appreciate the efforts of the county to hear our needs and to support the farm sector." ⁸

Buffering Bases

Cumberland County is using an innovative conservation agreement with landowners to encourage compatible land use around Fort Bragg, the largest army installation in the world.

With residential development creeping up to the fence line of the base and conservation organizations expressing concern over the loss of habitat for the endangered Red Cockaded Woodpecker, the military and local governments began collaborating on policy ideas that would allow the military to continue its testing and training activities around the base. When the Regional Land Use Advisory Commission recommended a 5-acre minimum lot size to limit development within 1 mile of the base's borders, Cumberland County leadership realized that another approach might be more effective.

The county developed a unique solution that offers all landowners with 5-acre tracts a compensation payment equivalent to a percentage of their property taxes, in exchange for 5- or 10-year conservation agreements to limit urban and residential development. County Commissioners noted that since they provide economic development incentives to other businesses, it made sense to support farming operations that were compatible with the needs of the military installation.

Cumberland County's first agreements, covering about 1,500 acres, were with McCormick Farms, a 100-year old diversified agricultural operation that farms several thousand acres adjoining Fort Bragg. McCormick Farms was interested in the conservation of land and supporting the mission of the base, but it wanted flexibility in an agreement that would allow it to develop new farming activities and enterprises over time; its ultimate goal was to pass along a viable operation to the next generation.

Cumberland County attorney Grainger Barrett and Tom Brooks of McCormick Farms developed an agreement that allows all manner of agricultural and silvicultural activities, including retail and processing facilities, as long as they are associated with the farming operation.⁹ The county is currently negotiating agreements with other landowners, realizing that each individual has specific objectives for the future of his or her property.

For More Information

² See the Agricultural Element of the Henderson County 2020 Comprehensive Plan in the Guide's resource index at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

³ See Farmland Information Center fact sheet, "Cost of Community Services" (Northampton, Mass.: American Farmland Trust, 2006), http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

⁴ An example, amending the Charter of the Town of Wentworth, is at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

⁵ For more information on extraterritorial jurisdictions, see David W. Owens, *The North Carolina Experience with Municipal Extraterritorial Planning Jurisdiction* (Chapel Hill, N.C.: School of Government, The University of North Carolina, 2006), Special Series No. 20. Available at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

⁶ See the Pasquotank County Subdivision Ordinance at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

⁷ A more thorough discussion of the bona fide farm legislation and related court cases is available in "Agricultural Uses and Zoning," an article by David Owens, professor at the University of North Carolina at Chapel Hill, School of Government, at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

⁸ See the Davie County Agribusiness Use Ordinance at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

⁹ See the Cumberland Conservation Agreement at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

III. PLANNING FOR CONSERVATION AND THE ENVIRONMENT

North Carolina landowners have access to a wide range of programs that can help them achieve their goals of conserving natural resources and increasing the economic viability of their farms. Funding for these programs comes from federal and state agencies, and eligibility varies widely by county, region and type of farm. Some programs pay for conservation planning on individual properties, others provide cost-share funding for the installation of new vegetation or technologies, and others pay annual rental rates for landowners to maintain various land management practices.

Within each program description, the agency that administers the program is underlined and its contact information is provided in the Resources listing on the inside back cover of the guide. Programs also can be accessed through local offices of the Division of Soil and Water Conservation and the Division of Forest Resources. These agencies are important partners for local jurisdictions developing strategies to protect natural resources and open space.

Federal Programs

Conservation Reserve Program

The Conservation Reserve Program (CRP) is administered by the Natural Resources Conservation Service (NRCS) to encourage farmers to convert highly erodible cropland and other environmentally sensitive land to vegetative cover such as wildlife friendly cool season grasses or native grasses, wildlife plantings, trees, filter strips, habitat buffers or riparian buffers. Authorized by the 1985 Farm Bill, the CRP is one of the nation's oldest conservation programs. Participating landowners

receive annual rental payments for the term of their 10- to 15-year contracts. The CRP provides cost-share funding for the installation of approved vegetative practices on eligible cropland. Landowners also may receive funding to fence streams that exclude livestock and to build grass waterways.

Conservation Security Program

The Conservation Security Program (CSP) was established in the 2002 Farm Bill to provide financial and technical assistance to support conservation efforts on tribal and private agricultural land. The program, administered by the NRCS, helps producers maintain existing conservation practices and encourages them to implement new practices that will provide additional levels of conservation benefits. All participants must develop a conservation stewardship plan that outlines the conservation and environmental benefits that the land will provide while enrolled in the program. Producers choose to participate at one of three tiers. Higher tiers require a greater commitment to conservation but also offer higher payment rates. All privately owned land that meets established soil and water quality criteria is eligible.

Debt for Nature

The Debt for Nature Program is available to landowners with Farm Service Agency (FSA) loans secured by real estate. The program reduces a borrower's debt in exchange for a conservation contract with a term of 10, 30 or 50 years. Participants may not develop land placed in the Debt for Nature Program, use it to raise livestock or for agricultural production. Eligible lands include wetlands, highly erodible lands and areas of high water quality or scenic value.



Photo: Jeanine Davis, NC State University



Photo: Bob Nichols, USDA NRCS

Emergency Watershed Protection

Created by the 1996 Farm Bill, the Emergency Watershed Protection Program (EWP) responds to emergencies caused by natural disasters. The program has two components. Under the cost-share component, the [NRCS](#) provides communities or local sponsors with up to 75 percent of the funds needed to restore the natural functions of the watersheds. Projects on private land require a local sponsor from state, county or city government. Under the EWP's floodplain easement component, landowners sell the NRCS a permanent conservation easement that allows the NRCS to restore the natural functions of the floodplain.

To be eligible for an EWP easement, land must have been impaired from flooding during the past 12 months or have a history of repeated flooding. Landowners, with permission from the NRCS, may continue to use the land for haying, grazing and managed timber harvests.

Environmental Quality Incentives Program

The Environmental Quality Incentives Program (EQIP) pays up to 50 percent of the cost for producers to implement structural and management practices on eligible agricultural land. Higher cost-share percentages may be available to Limited Resource Producers and Beginning Farmers (<10 years in business).

Authorized by the 1996 Farm Bill, the EQIP is open to any producer engaged in livestock, forestry or crop production on eligible land. The EQIP provides technical and financial assistance to producers to plan, design and install conservation practices that have been approved for use in the local area. Examples of such practices include animal waste storage facilities, grassed waterways, grade stabilization structures, livestock watering facilities and stream bank stabilization. In North Carolina, the [NRCS](#) offers EQIP cost sharing on a county-by-county basis. The state Technical Committee

has identified a set of natural resource concerns that landowners can use EQIP funds to address. EQIP allocations may vary between counties.

Forest Land Enhancement Program

This is a voluntary program for non-industrial private forest (NIPF) landowners. It provides for technical, educational and cost-share assistance to promote sustainability of non-industrial private forest lands. In North Carolina, the Forest Land Enhancement Program (FLEP) reimburses 40–60 percent of the cost of specific forestry and wildlife habitation improvement practices. It is unique among other forestry cost-share programs in that it emphasizes practices that will improve the condition of an existing forest stand. Such practices can include pre-commercial thinning, prescribed understory burning, and release of seedlings from vegetative competition.

Any individual who owns at least 5 acres of forestland and is not principally engaged in the processing of wood products, or engaged in fee hunting operations, is eligible to participate. Cost sharing is based on approval by the [NC Division of Forest Resources](#) of a forest management plan that explains the need for the proposed practices. A maximum of \$10,000 annually may be received by any landowner.

Wetlands Reserve Program

Authorized by the 1996 Farm Bill, the Wetlands Reserve Program (WRP) provides landowners with technical and financial assistance to protect, restore and enhance wetlands on their property. Landowners can receive as much as 100 percent of the appraised agricultural market value of the property for permanent conservation easements or 75 percent for 30-year easements. They also can participate in a restoration cost-share agreement. These 10-year agreements pay for 75 percent of the cost of restoration activities and do not place an easement on the property. Eligible land includes wetlands cleared or drained for farming or pasture and must be restorable and suitable for wildlife. The [NRCS](#) accepts applications for the WRP on a continuous basis.



Photo: Department of Communication Services, NC State University



Photo: Department of Communication Services, NC State University

Wildlife Habitat Incentives Program

Authorized by the 1996 Farm Bill, the Wildlife Habitat Incentives Program (WHIP) provides cost-share assistance and technical assistance to develop and improve habitat for fish and wildlife on private land. Landowners work with the [NRCS](#) to create wildlife habitat management plans that list the goals and practices needed to improve wildlife habitat. As part of their conservation plans, landowners agree to implement habitat practices and maintain the enrolled acreage for a period of five to ten years. In exchange, NRCS provides up to 75 percent in cost-share assistance to implement the plan.

State Programs

Conservation Reserve Enhancement Program

The Conservation Reserve Enhancement Program (CREP) seeks to protect land along watercourses that is currently in agricultural production. Landowners of existing agricultural land within the Tar-Pamlico, Neuse and Chowan river basins and the Jordan Lake watershed are eligible to participate in the CREP, which is administered by the [Division of Soil and Water Conservation](#). Under the CREP, landowners can voluntarily enroll eligible land in 10-year, 15-year, 30-year and permanent contracts. The state will pay additional bonuses to landowners that enroll land in 30-year and permanent agreements. Cost sharing is available for installation of forested riparian buffers, grassed filter strips, wetlands restoration practices, water control structures, livestock

exclusion and remote livestock watering in order to increase the efficiency of enrolled practices. Program funding will combine federal CRP funding with state funding from the Clean Water Management Trust Fund and Agriculture Cost Share Program.

North Carolina Forest Development Program

The North Carolina Forest Development Program (FDP) is a reforestation cost-sharing program administered by the [NC Division of Forest Resources](#). Under the FDP, a landowner is partially reimbursed for the costs of site preparation, seedling purchases, tree planting, release of desirable seedlings from competing vegetation or any other work needed to establish a new forest. To qualify for this assistance, the landowner must have a forest management plan approved by the Division of Forest Resources. Any private individual, group, association or corporation may qualify on 1–100 acres per year.

North Carolina Forest Stewardship Program

The North Carolina Forest Stewardship Program helps forest landowners realize the objective of managing their forests for the benefits they desire. Landowners receive technical assistance from the [North Carolina Division of Forest Resources](#) in developing a stewardship management plan. The forest stewardship plan is based on the landowner's objectives, and activities are scheduled to enhance the forest for wildlife, soil and water quality, timber production, recreational opportunities and natural beauty.

North Carolina Agricultural Cost Share Program

The North Carolina Agricultural Cost Share program provides funding assistance to help landowners address nonpoint source pollution concerns related to their farming operations. The program is administered by the Division of Soil and Water Conservation in the Department of the Environment and Natural Resources and delivered locally by Conservation District supervisors and employees, with the assistance of NRCS District Conservationists.

Cost-share funds are allocated to local Districts based on the annual level of state appropriations and water quality protection priorities. Cost-share funding decisions by District Boards are based on their written strategy plans, which are used to prioritize the Best Management Practices in terms of effectiveness for water quality protection. District Boards review applications from landowners for cost-share funds and decide who will be funded, based on the most cost-effective water quality protection measures.



Photo: Department of Communication Services, NC State University

IV. PROTECTING FARMLAND FOR THE FUTURE

A crucial requirement for an agricultural future is an adequate supply of affordable productive land. North Carolina offers a range of voluntary programs for landowners to ensure that their land will not be converted to non-farm uses. These programs require local partners to help landowners achieve their goals, and they can also help local governments meet their objectives of controlling growth, protecting natural resources and supporting their agricultural businesses. Protected farmland gives localities a good sense of where their stable agricultural communities are located, helping them craft policies to steer appropriate services toward those areas.

Voluntary Agricultural Districts

Local VAD programs allow farmers to form areas where commercial agriculture is encouraged and protected. Authorized by the North Carolina General Assembly in the 1985 Farmland Preservation Enabling Act and implemented at the county level, VADs form partnerships between farmers, county commissioners and land use planners (N.C. GEN. STAT. § 106: 735-744 (2006)).

As of August 2006, 50 of North Carolina's 100 counties and one municipality had passed farmland preservation ordinances establishing VAD programs. When a local jurisdiction passes a VAD ordinance, commissioners appoint a board of people who are familiar with local agriculture to administer the program. The board determines eligibility and guidelines for enrollment, selecting the incentives and the restrictions that are most appropriate for local farming conditions.

Landowners receive a locally determined set of benefits in exchange for restricting development on their land for a 10-year period. They maintain the right to withdraw from the program at any time.

VAD ordinances can offer any of the following set of benefits authorized at the state level or additional benefits not listed here under a county's or municipality's other authorities:

1. Notification to buyers of neighboring property that they're moving into an agricultural area
2. Abeyance of water and sewer assessments

3. Public hearings on the condemnation of farmland
4. A stronger protection from nuisance suits in those counties that have computerized land record systems and that have adopted a record notice of proximity provision as part of their ordinance
5. Representation by an appointed board regarding concerns on threats to the agricultural sector¹⁰

VAD programs establish a quantifiable presence for farmers in counties with active farming communities, raise public awareness of agricultural activity and help leaders plan future development that will support and encourage the continued viability of local agriculture.¹¹

A primary driver for many VAD ordinances was a wish to prevent conflicts between established farming operations and new neighbors. A major goal of some VAD programs is to increase public understanding of the realities of living near a farm. *Country Living* on page 20 can be adapted as a sample flyer for newcomers to your area. This could be distributed through your local Cooperative Extension office, realtors association and Chamber of Commerce.

Enhanced Voluntary Agricultural Districts

In 2005, the General Assembly authorized a new Enhanced Voluntary Agricultural Districts (EVAD) option that counties and cities can add to their local Farmland Preservation ordinances (N.C. GEN. STAT. § 106-743(2006)). This EVAD option created a new category that would offer landowners an additional tier of benefits, if they were willing to waive their right to withdraw from the VAD program at any time. Those landowners who wished to retain their right for immediate withdrawal could continue under current guidelines.¹²

For those landowners willing to waive that right and enroll in the EVAD category, counties could offer an increased set of benefits:

1. Enrolled farms can receive up to 25 percent of revenue from the sale of other non-farm products, while still retaining their bona fide farming exemption from county zoning.
2. Enrolled farms would have lower cost-share requirements for NC Agricultural Conservation Cost Share funds.

Country Living

Many North Carolinians share the dream of living in the country. People who enjoy the beautiful green fields, the grazing livestock and peaceful feel of the rural countryside on a Sunday drive may decide that they're ready to escape the rat race of city living. Farmland is less expensive than in-town acreage, and families may feel that they can afford "more house" if they move a bit farther out.

Farmers generally make wonderful neighbors. They often have multiple generations of a family living nearby, they watch out for each other, and they have heavy equipment that can help move trees and other large objects when a weather disaster strikes.

Farmers take their role as stewards of the land seriously. Many have been on the land for several generations, and they take pride in continuing the family legacy tending their land and improving its productivity for future generations; their children drink the water from the well, and they hunt and fish in the woods and streams.

Nonetheless, there are several realities about farms that anyone considering moving to the country should understand.

- Modern agriculture can be noisy at times. That heavy equipment your neighbors may use to clear trees from the road during the ice storm is really there to help them till the soil or harvest a crop. Farmers operate at the mercy of the weather and the maturity of their crop, and they may need to run that equipment in the middle of the night or when you're having a garden party. Cows don't know when you want to sleep, and their calves may express their unhappiness loudly when they're being weaned from their mothers.
- Farming can be smelly. Those peaceful cows and clucking chickens produce manure, which sometimes is spread on the field as a source of organic fertilizer.
- Country life doesn't always mean pristine air. Farm equipment can produce large clouds of dust, agricultural chemicals may be sprayed on a crop, and landowners may sometimes burn ditches or wooded areas to get rid of undesirable vegetation.

So if you're thinking about moving to the country, here are some things that you can do:

- Check out your county's VAD program map, which should be available at the Planning Office, the Register of Deeds or the SWCD office. This will tell you where the farms are located.
- Visit with your local Cooperative Extension office. Tell them the area where you are considering living and find out what type of farming goes on there. If you're particularly sensitive to a certain kind of noise or smell, you may want to avoid some sections of the county.
- Attend a service at a local church or another community event in the area where you are considering living. You'll get the chance to talk to local folks and get a feel for who they are. Some rural communities feel more comfortable to newcomers than others, and you'll find you depend more on your neighbors when you live in a sparsely populated area.

3. Counties and cities may hold all utility assessments in abeyance for any enrolled farms that choose not to connect to the utility lines.
4. State and local agencies are encouraged to tie additional future benefits and funding priority to participants in the EVAD, given their commitment to maintain their farms.
5. Municipalities are explicitly authorized to adopt their own VAD ordinances, including the EVAD option.
6. Cities are authorized to amend their zoning ordinances to provide greater flexibility and stability to farming operations. This can be particularly important to farms that are newly included within expanded extraterritorial jurisdiction lines.¹³

Agricultural Conservation Easements

An agricultural conservation easement¹⁴ is a voluntary deed restriction that landowners can place on their land. It permanently limits subdivision and non-agricultural development. Landowners retain ownership of the property and can continue to farm however they choose. Public access is not required, and the land can be sold or passed along to heirs. However, future owners must abide by the terms of the easement. This ensures that the land always will be available for agricultural use.

An agricultural conservation easement is *not* the same as a conservation agreement that is used in VAD programs. A conservation agreement used in VAD programs has a duration of 10 years; it also is revocable in a VAD program but irrevocable if used in an EVAD program.

Landowners who choose to place an agricultural conservation easement on their land are known as *easement grantees*. The grantee must find a government entity, such as the county or SWCD, or a conservation organization, such as a land trust, to agree to monitor the property forever to be sure that the terms of the easement are fulfilled in perpetuity. This organization is known as the *easement holder*.

Landowners who *donate* an agricultural conservation easement may receive a federal income tax charitable deduction, as well as a reduction in the value of the property for estate tax purposes. North Carolina also has a unique state conservation tax credit available for donations of property or easements for conservation purposes.¹⁵

Alamance County Voluntary Agricultural District Board

The Alamance County VAD board, composed of seven active farmers appointed by the county commissioners, has taken the lead in providing information to the county on the importance of protecting its agricultural sector. With over 10,000 acres of farmland enrolled, the farming community has demonstrated its support to this program as a voice for agriculture in the county. The board has fulfilled this responsibility of making the case for an agricultural future in multiple ways.

First, the board commissioned a Cost of Community Services (COCS) study by Mitch Renkow of NC State University, showing that for every dollar of property taxes paid, farm and forest land required only 59 cents worth of services.

Next, the board received a grant from the NC Agricultural Development and Farmland Preservation Trust Fund to complete the state's first approved local farmland protection plan. The plan will be completed in the spring of 2007 and will provide guidance to the county on steps to protect a strong agricultural landscape while also increasing the county's eligibility for farmland protection funding, once it is allocated on the state level.

The county commissioners have begun to look to the VAD board for advice on issues concerning farming. The VAD board led the outreach efforts as the county solicited input from rural areas for its community meetings on a future land use plan. It requested that the board review and comment on the draft of a polluting industries ordinance to ensure that it didn't negatively impact existing farming operations.

Lastly, Alamance County has passed a Farmland Preservation Ordinance that will allow the county to purchase and hold development rights on farmland.¹⁶ By unanimously passing the Farmland Preservation Ordinance, the commissioners have shown the value they place on the VAD board, farmland, and in protecting the quality of life in the county.

The quarterly board meetings have become important forums for the various agencies involved with the county's working lands. In addition to the diverse group of producers that comprise the board (poultry, cattle, grains, vegetables, wines, timber, greenhouses), meetings include representatives from Cooperative Extension, USDA Natural Resources Conservation Service, NC Forest Service, American Farmland Trust, One North Carolina Naturally, and the Chamber of Commerce. This collaborative opportunity familiarizes partners with the multiple issues impacting local landowners and the services available to meet those needs.

Local Governments, Land Trusts and Conservation Easements

North Carolina landowners have a variety of partners they can work with to protect their land. These include land trusts, local governments and SWCDs.

North Carolina has an active network of *land trusts* that work with private landowners to protect their lands from future development. These private nonprofit organizations help property owners consider aspects of their land that they would like to protect, find professional advice, and apply for funding to assist in their legal transactions.

With the rising interest among North Carolina's landowners in conservation options and an increasing awareness among communities of the multiple benefits that privately owned working lands can provide, local governments are considering an expanded role in the land protection process, including the possibility of becoming the holders of conservation easements themselves.

Counties are expressing an increasing level of interest in developing partnerships and programs based on conservation easements. Some have established official Open Space or Farmland Protection programs, assigning staff and resources to develop strategic goals and expand relationships with individual property owners. Other counties use their SWCDs to expand outreach to landowners. The SWCDs administer local, state and federal conservation programs, and their longstanding relationships with agricultural landowners provide an important level of trust that can be beneficial in working on permanent conservation options.

As of 2007, five county governments hold conservation easements: Buncombe, Durham, Forsyth, Orange and Wake. In addition, eight SWCDs hold conservation easements: Duplin, Durham, Gaston, Hyde, Rowan, Haywood, Polk and Surry.

Holding a conservation easement is a perpetual legal obligation, and grantees must establish procedures and commit resources to ensure that they fulfill their responsibility. This involves a clear record-keeping system, an annual visit to monitor the property, communication with any new landowners or heirs to be sure they understand the terms of the easement, and a willingness to enforce and defend the easement in court, should there be any major violations that cannot be remedied by discussion with the landowner. Staff time and long-term



Photo: Bob Nichols, USDA NRCs

risks can be significant, and the decision to undertake a conservation easement program should not be taken lightly. Land trusts, counties and SWCDs frequently work together to achieve common goals.

Purchase of Agricultural Conservation Easements

North Carolina has several opportunities for landowners to receive cash compensation for placing an agricultural conservation easement on their farm. This is known as the purchase of agricultural conservation easements (PACE) or purchase of development rights (PDR). Funding for these programs can come from the state, local or federal level. Each of these programs has different goals and eligibility requirements, and funding is generally in short supply.

State Programs

Agricultural Development and Farmland Preservation Trust Fund

Since the state's original farmland preservation legislation was passed in 1985, the North Carolina Department of Agriculture and Consumer Services has operated the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF), the primary state-wide fund for the purchase of agricultural conservation easements. From 1998–2002, the ADFPTF gave out a total of \$2.4 million in five grant cycles, protecting

Rowan County

Perched along I-85 within commuting distance of Charlotte, Greensboro and Winston-Salem, Rowan County is squarely in the path of development pressure from all sides. In 2000, local leadership realized that the conveniently located community with a small town feel, great natural beauty, historic downtown and affordable land was on the verge of major changes. The Rowan County Sustainable Community Development Commission began to explore farmland preservation programs, hosting a series of meetings with local farmers, bringing in experts from across the country and building consensus about the importance of an agricultural future for the county. Through this, the Rowan County Board of Commissioners chose to create a Purchase of Agricultural Conservation Easements program to demonstrate the county's investment in its agricultural future.

A unique collaboration between the County Commissioners, the Planning Office, the Soil and Water Conservation District, the Cooperative Extension Service, the Land Trust for Central Carolina, and the Catawba College Center for the Environment helped develop guidelines and a ranking system for the program. They field test it with farmers in the community to gauge whether it met their priorities and encouraging them to *take ownership* of the program.

In 2003, the county allocated \$140,000 to the PACE program, to be followed by \$200,000 in 2004. Together, these funds leveraged additional state dollars through the Clean Water Management Trust Fund and federal money through the Farm and Ranch Lands Protection Program, which has enabled Rowan County to protect 2,400 acres of productive farmland. The Rowan Soil and Water Conservation District and the Land Trust for Central North Carolina are working together on development of the easement documents and stewardship of the farms, demonstrating an effective local public/private partnership.

Coupled with the 7,230 acres currently enrolled in the county Voluntary Agricultural District program, the county is well on its way to its goal *to conserve and protect agricultural lands, maintain sustainable agriculture operations and promote the agricultural heritage and culture of Rowan County.*

4,412 acres on 33 farms. However, the General Assembly has only appropriated minimal funding since then.

The passage of House Bill 607 in 2005 revamped and revived the fund, which is now guided by a 19-member advisory committee providing recommendations to the Commissioner of Agriculture. Its mandate also has been expanded to fund a range of conservation agreements and enterprise programs that could improve long-term viability for the farming operation, with particular emphasis on supporting local VAD programs. In 2006, five pilot projects received grants, promoting local partnerships, conservation easements and the development of VADs. Local governments and nonprofit organizations are eligible to submit applications to the ADFPTF.

Clean Water Management Trust Fund

The Clean Water Management Trust Fund (CWMTF), funded by annual appropriations from the General Assembly, issues grants to local governments, state agencies and conservation nonprofits to help finance projects that specifically address water pollution problems. This funding can be used to purchase

conservation easements on farms that serve as riparian buffers to priority waterways.

Tobacco Trust Fund

The North Carolina Tobacco Trust Fund Commission receives funding as part of the state's Phase I tobacco settlement allocation. The commission has funded several projects to increase landowner understanding of farmland protection options. The Tobacco Trust Fund also has provided funding to land trusts to purchase development rights on tobacco farms in transition.

Local Programs

Planners can work with farmers and elected officials to create local PACE programs to keep land available and affordable for farming. Currently seven counties have set up programs to purchase conservation easements: Orange, Buncombe, Currituck, Durham, Forsyth, Alamance and Rowan. Funding depends on annual allocations from county government. Interested landowners should contact their local Soil and Water Conservation District (SWCD) office for information.

Federal Matching Funds

The NRCS provides matching funds for PACE through its Farm and Ranch Lands Protection Program (FRPP). To qualify, landowners must work with state and local governments or land trusts to secure a pending offer with funding at least equal to 50 percent of the land's fair market easement value. The FRPP can provide the remaining 50 percent for qualified applications. Only parcels large enough to sustain agricultural production are eligible. With NRCS assistance, participants develop a conservation plan that outlines the management strategies that they propose to use on the enrolled land. The North Carolina NRCS accepts applications from eligible entities during an annual application period.

The North Carolina NRCS receives a portion of a national FRPP allocation annually to be distributed in the state. This funding is based in part on North Carolina's history of commitment to farmland protection. Unfortunately, the shortage of consistent state matching funding hurts North Carolina's allocation from the federal pool.



Photo: Department of Communication Services, NC State University

For More Information

¹⁰ For additional information on VADs, visit <http://www.farmlandinfo.org/programs/states/NorthCarolinaVAD.asp>.

¹¹ For examples of innovative VAD provisions used by various counties around the state, see the Guide's resource index at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

¹² For additional information on EVADs, visit <http://www.farmland.org/programs/states/NC-EVAD.asp>.

¹³ For examples of EVAD elements used by Cabarrus County and Polk County, http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

¹⁴ See the Farmland Information Center fact sheet, "Agricultural Conservation Easements," (Northampton, Mass.: American Farmland Trust, 2006) at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

¹⁵ For details on North Carolina's conservation tax credit, visit <http://www.enr.state.nc.us/conservationtaxcredit>.

¹⁶ See Alamance County Farmland Preservation Ordinance at http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.

V. PROMOTING LOCAL FARM VIABILITY

Agricultural Economic Development

Traditionally, agriculture and local economic development have existed in two separate worlds. Although counties appreciate the important contribution that the agricultural sector has made to total economic activity, farmers generally have been on their own for basic business infrastructure needs, relying on state agencies such as Cooperative Extension and the NCDA&CS rather than on their local communities for assistance in diversification, marketing and business planning. As agriculture has become increasingly mechanized and hired fewer workers, local economic development offices focused instead on the recruitment of new businesses that create more direct employment, such as the manufacturing sector. Local economic development efforts forgot that “a bird in the hand is worth two in the bush,” neglecting agriculture in an effort to attract new industries and residents.

When farmers focus on national and international markets for their commodities, there isn't as great a need for support from their local governments. Agricultural service businesses such as equipment dealers and feed-and-seed stores provide farm inputs, and local banks provide the necessary ownership and operating loans for traditional row crop and livestock activities.

In the rapidly changing economic realities of North Carolina agriculture, however, local government support for agricultural enterprise development has become increasingly important. Direct market and value-added enterprises present a unique set of challenges and opportunities that towns and counties can help address. The diversification of the farm economy

has given rise to a growing set of examples of agricultural economic development:

- Public investment in farmers' market facilities can create opportunities for farmers, consumers and other businesses. The location of farmers' markets near downtowns can lure customers to other local businesses as well.
- Review of regulations and simplification of permitting requirements for roadside stands can stimulate on-farm sales in rural areas.
- Farmers interested in selling to local schools, hospitals or other institutions can use assistance with regulatory and logistical hurdles.
- Shared-use processing facilities and community value-added kitchens can help small farmers find outlets for their products, as well as cultivating new value-added food businesses for non-farming entrepreneurs.
- Local promotional efforts have reaped great benefits in encouraging support for area farms. This can include the creation of maps and Web sites for direct marketing, pick-your-own and agritourism activities; slogans and marketing campaigns to help consumers remember and seek out local foods; and the creation of local farmers' market facilities.
- New farmers, or even experienced farmers developing new activities, may need help with business planning, record keeping and computer technology to keep pace with the challenges of

Blue Ridge Food Ventures

Blue Ridge Food Ventures (BRFV) is a shared-use food processing center serving food entrepreneurs in western North Carolina. As enterprising farmers seek a larger share of the food dollar, they face several obstacles—new marketing avenues to explore, scaling up from a few pots on the kitchen stove, and a wide array of regulations related to food safety.

The BRFV physical facility contains four separate processing areas that enable producers to make sauces, bake, dry and juice. They offer large steam kettles, pasteurization equipment, food processors, bottle fillers, labeling equipment, meat slicers, large ovens and cold storage. This equipment is available around the clock on an hourly basis—currently \$20/hour. BRFV also provides support activities like business planning, packaging advice, food safety consulting, small business financial assistance and marketing support. It is a joint venture of the NCDA&CS and Advantage West, a regional economic development organization.

their unique enterprise. Local community colleges or organizations of retired business executives can provide help in these skills.

- New credit needs are emerging for the creation of unique farm activities that may not have an extensive local track record or standard enterprise budget. Creative incentives and assistance in locating grant and loan opportunities can improve cash flow projections for new enterprises and stimulate new investment. The Rural Advancement Foundation International's *Farmer's Guide to Agricultural Credit* is a readable introduction to this challenging and important issue.¹⁷
- Economic development specialists can include input and output businesses for the agricultural and forest sectors as they consider the types of businesses to recruit to their communities. This may include food processors, equipment manufacturers, sawmills or other needs identified by local producers and leaders. Local farm groups can provide guidance on the types of enterprises that would be helpful.

Local Foods

For many years, most North Carolina farmers have been producers of *commodities*—products that are uniform and indistinguishable from those of their neighbor, the farm across the state, or even an enormous operation across the ocean. As trade barriers have fallen and transport technology has improved, North Carolina's small and mid-sized family farms struggle to compete in a global marketplace where price is driven by the lowest cost of production worldwide. With our weather, topography and regulatory climate, North Carolina's farmers find little that they can grow cheaper than anyone else in the world. This leaves them in a precarious spot in the market, with little control over the outcome.

At the same time, North Carolina's increasingly urbanized population is becoming more concerned about health, food safety and where its food is grown. Consumers want to reestablish a connection with the land, and entrepreneurial farmers have seized this marketing opportunity to find new ways to sell their goods. By eliminating several layers of middlemen and transportation costs, some growers have been able to capture a higher share of the consumer's food dollar.

Farmers can have more direct contact with the public, where they can serve as ambassadors for their industry.¹⁸

Increased sales of locally grown food makes sense to farmers, consumers and local governments as a way to keep more dollars at home and improve the quality of life for everyone in the community. Individual citizens, government institutions and private businesses can all play a role in supporting local farmers by changing traditional buying habits, identifying logistical barriers and examining regulations that hinder the development of local sales.

Farmers' Markets and Pick-Your-Own

The number of farmers' markets nationwide has doubled in the last decade, with sales growing at 10 percent per year. Farmers' market nutrition programs provide coupons for senior citizens and participants in the WIC (Women, Infants, and Children) program to purchase subsidized fresh produce from local growers, connecting our most vulnerable population to the most nourishing locally grown food.¹⁹ Pick-your-own operations are experiencing a resurgence for many consumers the combination of freshness and the on-farm experience are as big a selling point as price and convenience.

Appalachian Sustainable Agriculture Project

One example of an organization exploring all opportunities around local foods is the Appalachian Sustainable Agriculture Project (ASAP). ASAP supports local farmers and rural communities in Western North Carolina through the promotion of locally grown food.

Through support of tailgate markets, the development of an Appalachian Grown brand, the publication of the *Local Food Guide*, research and analysis on local markets and future opportunities, organizing an annual marketing conference, and mentoring projects for farmers developing new enterprises, ASAP alters the way farmers and consumers look at local agriculture. ASAP's "Growing Minds" program strengthens links between schools and farms by encouraging local food in the schools, sponsoring farm field trips, coordinating nutritional education and establishing school gardens. Together, these activities have given rise to a wave of new farming operations in the area and a renewed enthusiasm about the future of agriculture.²⁰

Madison Farms

Madison County encompasses an area north of Asheville, in the heart of the Southern Appalachians. This rural community, under heavy threat with the end of the tobacco program, contains 1,500 farms that actively market a wide array of products—hydroponic lettuce, holiday wreaths, artisan bread, llama treks, skeet shooting, organic produce, u-pick berries, woodworking classes, gift boxes, cheese, farm tours, accommodations and many other products and services. A Web site (<http://www.madisonfarms.org/>) directs customers to products at 200 of these area farms.

With so many small operations, it became essential to find ways to help farmers add value to their products. The centerpiece of this effort has been the addition of the Madison Farms Value Added Center to the local Cooperative Extension office. Operated by the nonprofit organization Madison Family Farms, this facility has allowed farmers to wash, sort and package their produce before it heads out to customers. Several farms are now able to market collectively the produce that they grow individually.

A key feature of the Madison Farms effort is its farm-to-school program. The central processing facility ensures consistent products go to customers at area colleges and public school systems. Madison County farmers supply potatoes, lettuce, cabbage, tomatoes, squash, zucchini, bell peppers, watercress, cantaloupes and apples to the schools. Students receive fresh, more nutritious food, and the county economy benefits by keeping local food dollars closer to home.

Community Supported Agriculture

Community Supported Agriculture (CSA) is a marketing arrangement in which a farm sells a share of its output to prearranged customers on a regular basis during the growing season, much like a magazine subscription. Customers receive a weekly box of varied local farm items, such as produce, meat and flowers, while the farm gets a guaranteed market, operating funds for the growing season, and someone with whom to share the risk of production. According to the USDA, over 1,000 CSA arrangements are currently operating across the country, ranging from a handful of seasonal neighborhood subscribers to an urban garden to complex year-round arrangements pooling the production of several farms.

Community institutions such as schools, churches, or private businesses can be valuable partners in the formation of CSAs, serving as customer recruiters or weekly drop-off points. CSAs can play additional valuable roles in strengthening the direct relationship between farmer and consumer, as customers know

exactly who is growing their food and can better understand the impact of local land use decisions on that farm operation.

Farm to Institution

Farm-to-school programs have demonstrated to students that farms are still alive and well in their local community at the same time that parents and school administrators are showing increasing concern about obesity and the health of our children. Groups of farmers also are exploring direct sales to local institutions such as hospitals and nursing homes, developing creative partnerships to overcome the logistical challenges of selling small quantities to kitchens producing a high volume of standardized meals.²¹

Agritourism

When Merriam-Webster came out with its new collegiate dictionary in the fall of 2006, one new entry, *agritourism*, was already a familiar concept to many North Carolinians. Though a few years ago agritourism farms were mostly limited to pumpkin patches, hay rides and choose-and-cut Christmas trees, agritourism now encompasses a wide range of enterprises and activities that showcase farms as an educational as well as a recreational experience. Whether it involves seeing farm animals, pick-your-own produce, wine tasting, camping, ecotourism, on-farm dining experiences, education or pure entertainment, landowners are expanding their vision of what value-added products their farm can sell.



Photo: Department of Communication Services, NC State University

The growth of the public's tourism dollars spent on the farm offers greater economic opportunities for both farmers and rural areas wanting to attract and increase local spending, but special consideration is needed to ensure a safe and profitable experience for all. The Agritourism Office of the NCDA&CS can provide assistance and networking to individuals and local governments on a range of issues that may arise:

- Promotion – The state Agritourism Web site (<http://www.ncagr.com/agritourism/home.htm>) markets over 300 North Carolina farms. A variety of local organizations can help raise public awareness about the existence of farms: school field trips may help bring entire families out on the weekend, local tourism and Extension offices can produce maps and brochures, and local media can play an important publicity role.
- Liability – Local insurance agents may not be familiar with existing policies for the unique liability needs of agritourism. Farmers can network with other farms and the NCDA&CS Agritourism office for ideas about experienced agencies and appropriate policies. The NC General Assembly has adopted liability limitations for farms that post mandated warning language on their farms (N.C. GEN. STAT. §§ 99E: 30 to 32(2006)).

- Local regulations and ordinances – Some local governments are re-examining their local codes to support these emerging and important enterprises.²²

The Agritourism Networking Association serves as a networking and advocacy organization for agritourism farmers, Extension staff and other rural tourism service providers.

Farm Transition

The future of North Carolina family farming lies in the current generation's ability to effectively transition its farm business assets to the next generation of producers, either within the farm family or outside it. Effective farm business transitions require advanced and sustained planning, a process many farm families are slow to begin.

A 2005 survey by the National Agricultural Statistics Service shows that North Carolina's farm community is aging. Since the late 1970s, the average age of a North Carolina farm operator has steadily increased to 59 years, and a third of North Carolina's farmers are 65 or older, compared with 12 percent of the general population.²³ These statistics forewarn of an enormous transfer of farm assets over the next two decades. If steps are not taken now to plan for its continued farm use, a large amount of North Carolina's

Churches and Farms

Religious institutions play an important role in both urban and rural areas. They provide a place where like-minded people can gather both for spiritual concerns and to address common needs. Those religious institutions whose members care deeply about the stewardship of the land and the health of their members can also provide a service to area farmers. For example:

- Church kitchens, with their large capacity and commercial grade facilities, have often been used to provide meals for the hungry and to serve as distribution points for food assistance for needy families.
- Throughout the 1970s, rural churches throughout North Carolina opened their parking lots to growers and consumers with the creation of a network of farmers' markets through the Seeds of Hope Project.
- The Pullen Memorial Baptist Church in Raleigh took this idea one step further: 25 members have come together as customers for the CSA efforts of Castle Rock Gardens in Chatham County. This collaboration provides fresh, local, organically grown food for its members, an opportunity to build community around a common interest, a steady market for a new farm on the urban fringe and strengthened links between urban and rural North Carolina.
- Cedar Grove United Methodist Church in Orange County operates Anathoth Community Garden as a community ministry. With a 5-acre plot, this project brings individuals together across racial, age and economic boundaries to grow healthy food and to learn about how the land provides roots for a community experiencing rapid change.

Orange County

Orange County is the traditional home of UNC–Chapel Hill, a major research hospital, and the new home for many retirees and high-tech employees who work in the Research Triangle Park. The tobacco sector experienced a drastic reduction with the 2004 quota buyout, and its farmland is threatened by growing development pressure in the booming Piedmont region. Nonetheless, the farming sector is experiencing a revival, with innovative small farms marketing directly to consumers, adding value to their products and exploring agritourism possibilities. The county has taken a multi-pronged approach to the future viability of agriculture, assisting farmers in the transition to new enterprises and solidifying the long-term stability and affordability of the land base.

Orange was the first county in the state to hire an Agricultural Economic Development Coordinator. Housed jointly in the Economic Development Commission and the Cooperative Extension Service, this position helps farmers target potential new markets and diversify production to include new products and services, while assisting the county to identify barriers and develop services to cultivate a new generation of farmers.

A second thrust of Orange County's efforts to support the agricultural sector is its focus on the land base itself through the Lands Legacy Program. This program, which pursues multiple objectives of protecting water quality, historical sites, natural areas and farmland, purchases land and conservation easements in priority areas. While county residents were approving funding for public access open space through a November 2001 bond initiative, the county commissioners passed a resolution committing \$3 million to the purchase of conservation easements over the same period of the bond. Barry Jacobs, a county commissioner who was co-chair of the Farmland and Open Space Preservation Work Group of the North Carolina Smart Growth Commission, has led both efforts. "We have farmers lined up and waiting to protect their farms from future development; we have a golden opportunity to support our agricultural industry and preserve open space," says Jacobs.²⁴

most valuable agricultural asset—land—could be permanently removed from production. Of equal concern, only 28 percent of North Carolina farmers are younger than 35, and this percentage is steadily declining.

These statistics also tell us that not enough younger operators are finding entry opportunities into production agriculture. Equally important to our state's farming future is the ability of young and other beginning farmers to overcome the barriers they face in starting and operating a profitable farm business. Prospective new farmers need creative equity-building opportunities and strategies designed to give the entering farmer the assets and management skills he or she needs to run a successful farm business.

The North Carolina Farm Transition Network (NCFTN) was formed to help slow the trend of farm business exits that are caused by poor business succession planning or by the absence of an identified successor. The NCFTN mission is to ensure that working farms remain in agricultural production by assisting retiring and aspiring farmers in the effective transition of farm businesses. It provides a range of educational and technical assistance services to farm families, prospective farmers and professional advisors on their

business decisions and management of productive agricultural assets for the future.



Photo: USDA NRCIS

For More Information

- 17 Rural Advancement Foundation International's *Farmer's Guide to Agricultural Credit* is available online at <http://www.rafiusa.org/pubs/Farmer%27s%20Guide.pdf>.
- 18 Directories of North Carolina agricultural goods and services are available at the NCDA&CS online General Store at <http://www.ncagr.com/NCproducts/index.htm>. Local Harvest provides a directory of CSA farms at <http://www.localharvest.org/>.
- 19 Directories of North Carolina's farmers' markets are available at <http://www.nafmnp.org>.
- 20 Visit <http://www.asapconnections.org/> for ASAP's *Local Food Guide* and "Growing Minds" program.
- 21 Visit <http://www.farmtoschool.org/nc> for details on the North Carolina Farm to School Program, a collaborative effort between the Markets and Food Distribution divisions of the NCDA&CS and the Department of Defense.
- 22 For sample agritourism ordinances from Franklin and Guilford counties, see http://www.farmlandinfo.org/farmland_preservation_literature/index.cfm?function=article_view&articleID=31721.
- 23 See http://www.ncftn.org/about_us/The_Challenge/view.
- 24 Visit <http://www.orangecountyfarms.org>.

PUTTING TOGETHER THE PIECES

This guide has outlined a broad range of tools available to help local governments and landowners plan for agricultural viability and the future of North Carolina’s pastoral landscape. It includes examples of innovations from across the state that can help address specific needs. Since none of these tools is a silver bullet, community leaders and landowners will have to determine the right mix of options for their individual situation.

AFT encourages farmers and planners to glean ideas from throughout the guide, make use of the various resources provided and then to outline a strategy to work together to implement new activities in their communities. While not everyone will agree on specific approaches, honest discussion between stakeholders will lead to greater understanding of differing perspectives. This will create common ground for positive action.

Without a doubt, North Carolina’s agricultural future depends upon creative partnerships, leveraging of local, state and federal resources, and ongoing commitment. By working together, citizens of today can sow the seeds for a bountiful harvest for future generations.

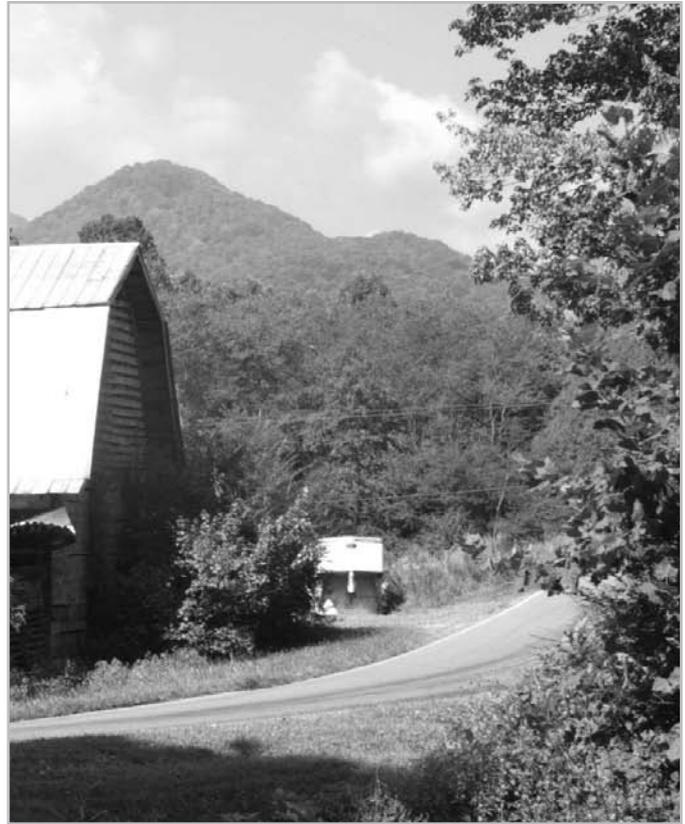


Photo: NC Department of Agriculture & Consumer Services

FUNDING OPPORTUNITIES

New ideas often cost money, and farmers and communities are constantly in search of new funding sources. While there is always more need for capital than its availability, the following options are worth considering in North Carolina. Their priorities and funding cycles change over time, so potential applicants should contact these sources directly for guidelines and deadlines.

Golden Leaf Foundation – <http://www.goldenleaf.org>

Supports projects to strengthen North Carolina's long-term economy, especially in communities that have been tobacco dependent and economically distressed.

North Carolina Department of Agriculture and Consumer Services – <http://www.ncagr.com/>

Provides a full range of services to the state's farmers, including periodic grant or loan programs targeted at specific activities, such as farmers' markets, farmland preservation, specialty crops or small-scale dairy pasteurizers.

Project for Public Spaces – <http://www.pps.org/markets/>

Provides funding for farmers' market development as part of efforts to increase farmer incomes and community partnerships.

Rural Advancement Foundation International (RAFI-USA) Tobacco Communities Reinvestment Fund – <http://www.rafiusa.org/programs/TOBACCO/TOBACCO.html>

Offers technical and cost-share support to innovative producers and communities to help them take advantage of local resources and opportunities.

Tobacco Trust Fund – <http://www.tobaccotrustfund.org/>

Assists farmers and others engaged in North Carolina's tobacco economy by the funding of programs that support, foster, encourage and facilitate a strong agricultural economy in North Carolina or otherwise address needs in the tobacco related segment of the state's economy.

USDA Farm Services Agency – <http://www.fsa.usda.gov/dafl/default.htm>

Provides farm ownership and operating loans to farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution or other lender. Includes specific programs targeted at socially disadvantaged and beginning farmers.

USDA Sustainable Agriculture Research and Education (SARE) – <http://www.southernsare.uga.edu/>

Provides grants and information to improve profitability, stewardship and quality of life, with separate programs targeted for producers, researchers, professionals and communities.

USDA Value-Added Producer Grants – <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

Provides grants for planning activities and for working capital for marketing value-added agricultural products and for farm-based renewable energy.

Farm Credit System – <http://www.farmcredit.com/>

A nationwide financial cooperative that lends money and provides financial services to agriculture and rural America. Between Carolina, Cape Fear, and East Carolina Farm Credit, every county in North Carolina is covered by this lender that focuses on rural enterprises.

Commercial Lenders

Commercial banks are showing an increasing level of interest in innovative agricultural projects. Even if your banker isn't familiar with evaluating a unique new enterprise, a colleague in another state might be.

RESOURCES

Contact information is provided here for agencies and organizations referenced in the guide.

American Farmland Trust

Farmland Information Center

<http://www.farmlandinfo.org>

Southeast Regional Office

<http://www.farmland.org>

Appalachian Sustainable Agriculture Project

<http://www.asapconnections.org>

Blue Ridge Food Ventures

<http://www.blueridgefoodventures.org>

Carolina Farm Stewardship Association

<http://www.carolinafarmstewards.org/>

Conservation Fund

<http://www.conservationfund.org/>

Conservation Trust for North Carolina

<http://www.ctnc.org>

Farm Prosperity Project

http://www.cals.ncsu.edu/specialty_crops/farmprosperity/

Land Loss Prevention Project

<http://www.landloss.org/>

Land of Sky Regional Council

<http://www.landofsky.org>

Land Trust Alliance

<http://www.lta.org>

NC Clean Water Management Trust Fund

<http://www.cwmtf.net/>

NC Cooperative Extension

<http://www.ces.ncsu.edu/>

NC Department of Agriculture & Consumer Services

<http://www.ncagr.com/>

NC Department of the Environment and Natural Resources

<http://www.enr.state.nc.us>

NC Department of Revenue

<http://www.dornc.com>

NC Division of Forest Resources

<http://www.dfr.state.nc.us/>

NC Division of Soil and Water Conservation

<http://www.enr.state.nc.us/dswc/>

NC Farm Bureau

<http://www.ncfb.com/>

NC Farm Transition Network

<http://www.ncftn.org>

NC State Grange

<http://www.ncgrange.com/>

NC Cooperative Extension

Land Preservation Notebook

<http://www.cals.ncsu.edu/wq/lpn/>

Ordinances, Laws, Regulations, and Programs Affecting Forestry in North Carolina

<http://www.ces.ncsu.edu/forestry/ordinance/>

One North Carolina Naturally

<http://www.onencnaturally.org>

Rural Advancement Foundation International – USA

<http://www.rafiusa.org>

USDA Farm and Ranch Lands Protection Program

<http://www.nc.nrcs.usda.gov/programs/FRPP/index.html>

USDA Farm Service Agency

<http://www.fsa.usda.gov/nc/>

USDA Natural Resources Conservation Service

<http://www.nc.nrcs.usda.gov/>



American Farmland Trust (AFT) is a private, nonprofit conservation organization founded in 1980 to protect our nation's strategic agricultural resources. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. AFT provides a variety of services to land-owners, land trusts, public officials, planners, agricultural agencies and others. Services include Cost of Community Services studies, workshops on farmland protection and estate planning, farmland protection program development and agricultural economic analysis.

The Farmland Information Center (FIC) is a clearinghouse for information about farmland protection and stewardship operated by AFT in partnership with the U.S. Department of Agriculture's Natural Resources Conservation Service. The FIC maintains an online collection of agricultural and land use statistics, laws, literature and technical resources. It also offers an answer service to provide direct technical assistance via phone, e-mail and fax.



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Washington, DC 20036
(202) 331-7300
www.farmland.org

FARMLAND INFORMATION CENTER
One Short Street, Suite 2
Northampton, MA 01060
(800) 370-4879
www.farmlandinfo.org

SOUTHEAST REGIONAL OFFICE
24 Court Square NW, Suite 203
Graham, NC 27253
(336) 221-0707