



North Carolina Agricultural Development & Farmland Preservation Trust Fund

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ADFP Trust Fund 2010 - 2011 Annual Report To

The Joint Legislative Commission on Governmental
Operations

The Environmental Review Commission

The House and Senate NER Subcommittees on Natural and
Economic Resources

June 30, 2011

Pursuit to G.S. 106.744 (i) ... The Advisory Committee shall report no later than October 1 of each year to the Joint Legislative Commission on Governmental Operations, the Environmental Review Commission, and the House of Representatives and Senate Appropriations Subcommittees on Natural and Economic Resources regarding the activities of the Advisory Committee, the agriculture easements purchased, and agricultural projects funded during the previous year. (1991, c. 734, s. 1; 2000-171, ss. 1, 2; 2005-390, ss. 4, 17; 2006-252, s. 2.12; 2007-495, s. 23; 2009-303, ss. 1, 2, 3; 2009-484, s. 12.)

Steven W. Troxler
North Carolina Commissioner of Agriculture

The Agricultural Development and Farmland Preservation Trust Fund 2010-11 Fiscal Year Report

The primary objective of the ADFP Trust Fund is to fund projects that encourage the preservation of qualifying agricultural, horticultural, and forestlands while fostering the growth, development, and sustainability of family farms. The Trust Fund was established by the General Assembly in 2005 with an initial \$50,000 appropriation. A 19 member Advisory Committee which is chaired by the Commissioner of Agriculture advises the NC Department of Agriculture & Consumer Services on the administration of grant funds provided to county governments and non-profit conservation organizations. Grants are provided for the removal of development rights through perpetual and term easements. Grants are also provided for agricultural development projects and plans.

North Carolina Agricultural Development & Farmland Protection Program

- House Bill 607 established the NC ADFP Trust Fund in 2005.
 - Established Trust Fund Advisory Committee to advise the Commissioner of Agriculture



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Who is eligible to submit a proposal?



North Carolina counties



Non-profit conservation groups

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Historical Funding

The General Assembly appropriated \$8 million for the 2007-08 fiscal year, \$4 million for 2008-09 fiscal year, \$2 million for the 2009-10 fiscal year and \$2 million for the 2010-11 fiscal year. For the 2010-11 fiscal year, the ADFP Trust Fund returned \$2,173,989 at the request of the Office of State Budget and Management.

The ADFP Trust Fund has awarded approximately \$13.7 million for 95 grant contacts in the first three grant cycles. As of June 30, 2011, seventy seven of the contracts have been completed and closed out. The ADFP Trust Fund has paid out \$8.9 million and has an additional \$3.7 million still under contract for grant cycles I, II, & III. Matching funds for closed grant projects is more than \$39.3 million and the estimated matching funds associated with the current open contracts is more than \$8.2 million. The current ratio of matching expenditures to grant expenditures for the closed projects is 4.4 to 1.

Achievements to Date

Approximately 76% of all grant funding has been awarded to easement projects for a total of 46 easement contracted projects of which 31 projects have been closed. These closings accounted for 4,232 acres having received perpetual easements and 1,177 acres having received term easements which removed development rights while allowing the continuation of farming and forestry practices on the land. Attached is a listing of recorded ADFP Trust Fund easements during the 2010-11 fiscal year. The other 15 open easement contracts have 2,206 acres of land awaiting the recording of a perpetual easement.

ADFP Trust Fund Easement Acres

As of June 30, 2011



- Cycles I (07-08), II (08-09) & III (09-10)
 - Recorded Conservation Acres: 5,409
 - 4,232 Perpetual
 - 1,177 Term
 - Conservation Acres Under Contract: 2,206
 - All Perpetual
- Cycle IV (11-12)
 - Easement Acres To Be Contracted: 740
 - 708 Perpetual
 - 32 Term

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Completed ADFP Projects For Cycles I, II, & III

As of June 30, 2011



Conservation Easements: 31
Total acreage protected: 5,409
Amount Awarded: \$6,721,807
Match Funding: \$15,283,563

Development Projects / Plans: 46
Amount Awarded: \$2,181,911
Match Funding: \$24,063,017

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Open ADFP Projects Remaining From Cycles I, II, & III

As of June 30, 2011

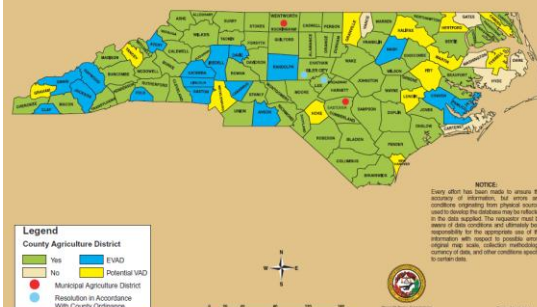
Conservation Easements: 15
Total acreage protected: 2,206
Amount Awarded: \$2,901,679
Anticipated Match Funding: \$7,953,676

Development Projects / Plans: 3
Amount Awarded: \$800,000
Anticipated Match Funding: \$248,250

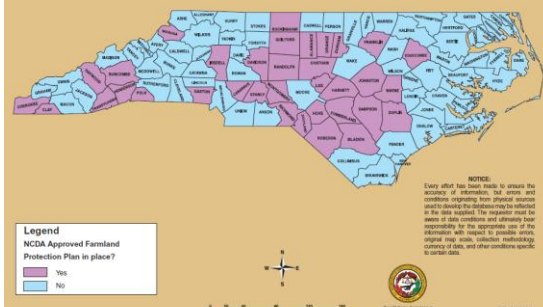
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The remaining 24% of the grant funding has been allocated to 49 projects and plans of which 46 have been closed out. These funds have been targeted to local county agriculture programs such as farmland protection planning and agriculture value added marketing projects. Currently 81 of 100 North Carolina counties have an established Voluntary Agricultural District and /or Enhanced Voluntary District program which is up from the estimated 35 active programs in 2005. County Farmland Protection Plans have been developed and adopted by 35 North Carolina county governments since the conception of the ADFP Trust Fund. All of these County Farmland Protection Plans have been approved by the ADFP Trust Fund as meeting all state statute requirements. These programs are essential components of an overall support system based upon the local community being the initial cornerstone. These farmland protection programs are the principle building blocks of support where the local agriculture community is threaten by an ever increasing metropolitan population. North Carolina's economy is dependent upon the existence of these agricultural resources such as the cropland and forestland to maintain the state's number one industry, agriculture and agribusiness, which provides more than 17% of all jobs and contributes approximately \$70 billion to the state's economy.

VOLUNTARY AGRICULTURE DISTRICTS



FARMLAND PROTECTION PLANS



A few of the more prominent development projects that have received ADFP Trust Fund assistance in the first grant cycles include WNC Regional Livestock Facility in Waynesville and the Piedmont Food Processing Center in Hillsborough. These types of facilities have provided improved marketing opportunities and profits for farmers in those regions by adding additional values to the products being sold or establishing a market that allows the farm products a more visible and creditable marketing outlet. These types of activities are essential in maintaining profitability for a producer to stay on the land and be a key contributor to the local community economically. These projects not only enhance the competitiveness of North Carolina agriculture products but also help our citizens with a local supply of healthy produced products. By producing locally our dependence on foreign resources including foreign oil is reduced due the reduction of transportation costs which also helps to decrease our carbon footprint.



Piedmont Processing Facility



WNC Regional Livestock Facility

Future Plans & Projects

Cycle IV have been reviewed and recommendations made by the ADFP Advisory Committee and accepted by Commissioner Steve Troxler. Selected applicants have been notified and will be awarded contracts using the \$1.7 million state appropriation for 2011-12 and anticipated grant returns from current open grants from grant cycles I, II, and III. ADFP Trust Fund Cycle IV has 46 applicants requesting \$12.6 million with estimated matching resources of \$26.5 million. From these 46 applications, 19 grantees were selected for grant awards totaling \$1,805,323 for an overall estimated project value of \$5.1 million. Ten of the grants to be awarded totaling \$503,000 were for projects and plans. The remaining nine awarded grants were for 8 perpetual easements and 1 term easement totaling \$1,302,323 to be placed on 740 acres of crop and forest land. For the fiscal year 2011-12, the ADFP Trust Fund has plans to solicit requests for proposals (RFPs) for a cycle V granting program. These proposals will be used to select and award grants from anticipated state appropriations for fiscal year 2012-13.

Rollans Farm Easement

The Land Trust for Central North Carolina
Recorded on 7/08/2010 @ Book 1164, Page 385, Rowan County Registry
266.23 acres

Starnes Farm Easement

Rowan County Soil and Water Conservation District
Recorded on 7/14/2010 @ Book 1163, Page 792, Rowan County Registry
150.82 acres

Bunn Farm Easement

Triangle Land Conservancy (a nonprofit corporation)
Recorded on 9/24/2010 @ Book 3896, Page 10, Johnston County Registry
287.83 acres

Hickory Nut Gap Farm Easement (II)

Southern Appalachian Highlands Conservancy (a nonprofit corporation)
Recorded on 9/27/2010 @ Book 4820, Page 1078, Buncombe County Registry
28.337 acres

Whitaker Farm Easement

Piedmont Land Conservancy (a nonprofit corporation)
Randolph County
Recorded on 10/26/2010 @ Book 2205, Page 557, Randolph County Registry
97.710 acres

Gainey Farm Easement

Sandhills Area Land Trust (a nonprofit corporation)
Scotland County
Recorded on 11/08/2010 @ Book 1287, Page 122, Scotland County Registry
171.360 acres

New Lake Farm Easement

Hyde County Soil & Water District
Hyde County
Recorded on 11/09/2010 @ Book 243, Page 744, Hyde County Registry

Wilkie Farm Easement

Fishing Creek Soil & Water District
Halifax County
Recorded on 12/29/2010
34.36 acres

Snelson Farm Easement

Buncombe County Soil & Water District
Buncombe County
Recorded on 12/29/2010
139.07 acres

Henson Easement

Southwestern NC RC&D Council
Haywood County
Recorded 4/20/2011
13 acres

Gainey II Easement

Sandhills Area Land Trust

Scotland County

Recorded on 6/2/2011 @ Book 1308, Page 16, Scotland County Registry

94.86 acres; \$159,940.00

Petch Easement

Brunswick County Soil and Water Conservation District

Brunswick County

Recorded on 6/21/2011 @ Book 3170, Page 260, Brunswick County Registry

101.15 acres

Rising Meadows Easement

Piedmont Land Conservancy

Randolph County

Recorded on 6/29/2011 @ Book 2239, Page 846, Randolph County Registry

63.94 acres

Lois Knox Farm Easement

Land Trust of Central North Carolina

Rowan County

Recorded on 6/30/2011 @ Book 1182, Page 259, Rowan County Registry

196.0 acres