

**NORTH CAROLINA ASSOCIATION OF BLACK LAWYER'S**  
**LAND LOSS PREVENTION PROJECT**

**REPORT ON PRIOR STATE FISCAL YEAR PROGRAM  
ACTIVITIES, OBJECTIVES, AND ACCOMPLISHMENTS AND  
ITEMIZED EXPENDITURES AND FUND SOURCES**

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**Receiving Entities:**

- The Joint Legislative Commission on Governmental Operations
- The Fiscal Research Division

**Submitting Entity:**

- Land Los Prevention Project

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**PERIOD:** This final report covers the fiscal year of the state of North Carolina from July 1, 2010 through June 30, 2011.

**MISSION:** The Land Loss Prevention Project was founded in 1982 by the North Carolina Association of Black Lawyers to curtail epidemic losses of Black-owned land in North Carolina. The organization was incorporated in the state of North Carolina in 1983. The organization broadened its mission in 1993 to provide legal support and assistance to all financially distressed and limited resource farmers and landowners in North Carolina.

**GOALS OF THE STATE GRANT:** The original goals and expectations for the activity supported by the state grant encompass the protection of North Carolina's financially distressed and limited resource family farmers and landowners from actions that may result in the loss of their land and livelihoods. These goals and objectives are achieved through the provision of free and/or reduced cost legal assistance to North Carolinians eligible under this grant. These goals have not been revised during the course of this project.

**OFFICE LOCATION & ASSISTANCE LINES:** The office of the Land Loss Prevention Project is located at 400 West Main Street, Suite 204, Durham, North Carolina 27701. The office can be reached toll free at (800) 672-5839, and locally via (919) 682-5969.

**ORGANIZATIONAL STRUCTURE:** The LLPP is a non-profit corporation, tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. A Board of Directors consisting of attorneys, farmers, laypersons, and community advocates governs the organization. The LLPP has two focal units – the Litigation Unit and the Sustainable Development and Environment Unit. The Litigation Unit performs debt restructuring for farmers in crisis and multi-faceted legal work designed to preserve land tenure for traditionally underserved individuals and families. The Litigation Unit consists of the executive Director, Deputy Director, five staff attorneys, and one paralegal. Encompassed within these efforts is

the work of the SmartGrowth Business Center, an internal resource, dedicated to assisting farmers through the provision of both legal representation and outreach on business law issues. The creation of SmartGrowth broadened the organization's approach to saving the family farm through the provision of proactive legal services and education focused on risk management and sustainable business development. Provided services include direct legal assistance and education on business entity formation, contractual review, counseling concerning program availability and requirements, and the addressing of credit management. SmartGrowth's practice is primarily transactional. The Sustainable Development and Environment Unit helps family farmers and landowners explore sustainable agricultural alternatives and guides business development that is environmentally friendly and economically viable for rural communities. This Unit consists of the executive director and deputy director, plus one of the above-mentioned staff attorneys as needed. The Sustainable Development and Environment Unit works with state, regional and national coalitions that support sustainable agriculture practices, sustainable development, and policy innovations.

#### **SUMMARY OF SERVICES PROVIDED:**

Litigation, advice, and brief counsel were the primary methods to meet the identified goals. In State fiscal year 2010 - 2011 (7/1 to 6/30 of the following year), the LLPP addressed legal matters in the following areas: agricultural; environmental; real property; consumer protection; wills/estate planning; civil rights; zoning, municipal services, and related issues; bankruptcy as a last-resort alternative to foreclosures (farms and/or homes); and business/agricultural business issues. The SmartGrowth Business Center addressed a variety of matters including those involving rural economic development and farmers' cooperatives. In fiscal year 2010 - 2011, the Litigation Unit handled 396 legal matters and served 71 of North Carolina's 100 counties based on client location and 75 counties based on land location. In the past two fiscal years, the Land Loss Prevention Project gained \$3,290,368.57 in debt

relief, loan modifications, and awards for clients across its practice areas. In 2010, the LLPP and its partners targeted outreach and technical assistance to individuals in the persistently poor 43 counties of North Carolina. These efforts were conducted through workshops, forums and seminars organized by LLPP and collaboration with other organizations. In the 2010 - 2011 fiscal year, the LLPP provided in-person outreach to over 643 farmers, landowners, and individuals serving the agricultural community.

The LLPP's outreach activities included a strong risk management component. The LLPP continued to broaden the work of the SmartGrowth Business Center, which is of increasing importance in providing business law services to limited resource farmers to improve the management and profitability of their operations.

#### **Legal Assistance: Selected Case Summaries**

The following summaries present a sample of the cases/matters handled by the LLPP staff which are in addition to those of the SmartGrowth Business Center reported below:

- A husband and wife sought the Land Loss Prevention Project's assistance after they went into default on a USDA guaranteed farm loan that secured their home and farm. The couple went into default after the poultry integrator that was providing them with chickens cancelled their poultry contract and they were facing foreclosure. The LLPP procured a stay of the then-slated sale of the property, allowing the clients to procure a pheasant contract for their farming operation and gain leverage. The LLPP continued to represent the clients during mediation through the North Carolina Agricultural Mediation Program. As a result of the LLPP's advocacy in mediation, the lender, with the approval of the guarantor, agreed to enter into a debt writedown agreement and shared appreciation agreement with the clients. An agreement was finalized in August 2010 whereby the lender agreed to write down the sum of \$102,559, thereby

reducing the client's payments to a manageable amount and allowing them to continue their farming operation and save their home.

- In another instance, the Land Loss Prevention Project had previously been successful in assisting a farmer to complete a transfer and assumption of his farm to his brother, thereby avoiding a foreclosure by the USDA and allowing the farmer to keep the farm in the family while providing a means for loan repayment to the government. During 2010, the farmer was denied debt writedown by the USDA, based on the Department's belief that the farmer had assets that could be liquidated to achieve a level of debt repayment. Through successful advocacy at mediation, the LLPP convinced the USDA to change its position. At the end of December, the Farm Service Agency recommended that all but \$1,000 of the farmer's debt of \$210,458.55 be written down and that the farmer pay only the sum of \$1,000 to release all of his debt, which he had the ability to do. Another governmental department was also involved and its input was awaited. Since then in May 2011, the farmer received his written notification that that department had approved the writedown in the amount of \$209,458.55.
- A Robeson County farmer with over 50 years of farming experience sought the LLPP's assistance in appealing a 2010 Farm Service Agency decision. In that decision, the local county committee approved the farmer for participation in a USDA program addressing losses to his 2008 crop. However, the FSA and the client disagreed as to the calculation of the payment with the FSA finding that using its methodology the farmer would receive no money. The Land Loss Prevention Project represented the farmer through the National Appeals Division hearing citing the Agency's failure to advise him appropriately concerning the program and, following an adverse decision, then submitted a Request for Director Review. In June 2011, the LLPP

prevailed and obtained relief for the client with the farmer's calculus being adopted to determine payment through the program.

- In its ongoing work to further sustainability as well as economic development, the Land Loss Prevention Project assisted a farmer who had started a specialty crop farm on land that previously farmed by his parents. Of his 20 acres of available land, a division of the United States Department of Agriculture had classified half of the acres as wetlands, resulting in a potential loss of farming acreage and income available to him if he wanted to cultivate this land and still be eligible for USDA programs. Through the LLPP's persistent advocacy in negotiation, in February 2011 the farmer gained the right to utilize the 10 acres classified as wetlands for the production of blueberries or other vine crops and still be in compliance with wetlands regulations. In addition, the LLPP secured a commitment from the division to provide technical assistance and access to a soil scientist to allow business expansion while maintaining the integrity of the wetlands.
- In another matter, a family had purchased a one-acre tract of land from a seller about three years prior, with the understanding that the seller would obtain a release from her existing mortgage loan of the small parcel sold. The family had made substantial improvements on the land, including grading and septic installation, in order to reside there in his mobile home. However, the father learned that the lien had not been released on his parcel when he began receiving notices of a foreclosure of the seller's mortgage. The Land Loss Prevention Project defended against the foreclosure and negotiated a lien release, saving the client's home. This resulted in the preservation of a now unencumbered parcel of land, in addition to avoiding homelessness for the client and his children.

- The Land Loss Prevention Project successfully resolved a land use issue, addressing the compensation offered by a North Carolina city through the eminent domain process for a pipeline easement across two adjoining residential lots. The client, a retired military veteran, previously purchased the lots for the purpose of eventually building a residence for him and his family. This matter was in litigation and mediated and on the day of trial the LLPP was successful in negotiating a settlement offer that provided the client with compensation of almost twice the amount the city had offered, plus a provision in the settlement that would allow the two small lots to be grandfathered in to the previous zoning classification to permit the building of a single family residence on the combined lots.
- The Land Loss Prevention Project removed a cloud on the title of a landowner and her fellow co-tenant family members. A non-family member had a deed purporting to convey full ownership. The LLPP brought a superior court action and secured an order clarifying ownership in the client's favor which is now recorded with the register of deeds.

### **Outreach, Education, and Collaborative Efforts**

In addition to the SmartGrowth Business Center presentations documented below, the Land Loss Prevention Project has been engaged in outreach and education extended to both client and professional communities and covering a variety of its practice areas. New written educational material regarding foreclosure avoidance created by the LLPP as well as collaboratively created material on heirs' property was distributed during the course of outreach. A sampling of events follows.

- On August 5, 12, and 19, 2010, the Land Loss Prevention Project participated in three related heirs' property workshops held in Raleigh, each treating a range of diverse topics related to land preservation. The workshops addressed trends in statewide and national land loss and the



importance of estate planning as well as other subject areas including, for example, Medicaid and timber contracts.

- On November 11, 2010, a Litigation Unit attorney presented on the topic of beginner's bankruptcy law at the National Consumer Law Center's (NCLC) annual conference held in November. The NCLC's attorney trainings are attended by consumer advocates from across the country.
- On March 17, 2011, the LLPP conducted an outreach session in Beaufort, N.C. offering a multi-topic presentation including the subjects of heirs' property, eminent domain, adverse possession, and the prevention of mortgage foreclosures.
- On March 31, 2011, the LLPP presented in Newport, N.C. on heirs' property, eminent domain, adverse possession, and the prevention of mortgage foreclosures.
- On April 9, 2011, the LLPP presented to a local association at their community education workshop in Spring Lake, N.C. on heirs' property, predatory lending, mortgage foreclosure procedures and assistance through government programs and legal intervention, and SmartGrowth.
- On April 11, 2011, the LLPP spoke to a community group in Havelock, N.C. about estate planning, SmartGrowth, powers of attorney, eminent domain, air rights, water rights, and adverse possession.
- On May 5, 2011, the Land Loss Prevention Project conducted small group outreach at the White Grove Baptist Church in Apex, N.C. concerning tornado recovery assistance, Smart Growth, heirs' property, wills, powers of attorney, deeds, adverse possession, eminent domain, foreclosure prevention and procedures.

- On May 26, 2011, the Land Loss Prevention Project was an invited speaker at the American Bar Association's Annual Conference on Affordable Housing and Community Development held in Washington, D.C. The LLPP spoke on community economic development in terms of farm business development, sustainable agriculture, heirs' property challenges and business tools to address those challenges, provision of basic amenities, and environmental justice.
- On June 1, 2011, the Land Loss Prevention Project presented at the Greensboro Public Library in Greensboro, N.C. and addressed foreclosure procedures, deeds, adverse possession, heirs' property, and partition.
- On June 4, 2011, the LLPP again presented at the Greensboro Public Library in Greensboro, N.C. on the same topics and distributed educational materials from a display booth.
- On June 5, 2011, the Land Loss Prevention Project presented at Lambert Chapel in Siler City, N.C. on foreclosure prevention, heirs' property, estate planning, predatory lending, eminent domain, and SmartGrowth.
- On June 20, 2011, the Land Loss Prevention Project presented at a gathering held at the Washington County Cooperative Extension Office in Plymouth, N.C. on LLPP's services, SmartGrowth, predatory lending, foreclosure prevention, cooperatives, business entities in particular limited liability companies, heirs' property, and other land retention issues.
- The LLPP continues to participate in ongoing collaboration and resource building concerning the challenges posed by heirs' property through the Heirs' Property Retention Coalition. The collaborative project has involved representatives from the Central Alabama Fair Housing Center, Alabama Appleseed, the Lawyers Committee for Civil Rights, Alabama Legal Services, the American Bar Association's Property Preservation Task Force, the Federation of Southern

Cooperatives, Self-Help, the Southern Coalition for Social Justice, the Duke Law School Community Enterprise Clinic, and the UNC Center for Civil Rights among others.

The LLPP also continued to be involved in the consortium of organizations nationwide that originally submitted comments to influence the drafting of national model legislation concerning the issue of partition sales. As a result of this, the LLPP was asked to be an official Observer in the drafting process of the National Conference of Commissioners on Uniform State Laws' Partition of Tenancy-in-Common Real Property Act addressing partition statute reform and that participation has been ongoing. Pursuant to the Conference procedure, Observers have the opportunity to participate substantively in committee meetings and are encouraged to submit written comments and suggestions throughout the process.

On July 15, 2010, a proposed uniform state law aimed at preserving home ownership for vulnerable families nationwide was adopted. The Uniform Partition of Heirs Property Act, drafted and approved by the Uniform Law Commission (ULC), establishes a number of important protections for owners of heirs' property. Among the protections adopted by the ULC are improved notification practices, broader judicial consideration - courts, for example, would consider how long a family has owned the land and whether that family would be rendered homeless if it were sold - and the establishment of priorities for buy-out by family members of the interest of the individual requesting sale and physical division of the land before a forced sale would be permitted. Nevada recently became the first state to enact the Uniform Act and it becomes effective in that state on October 1, 2011. The National Conference of Commissioners on Uniform State Laws states on its website: "The Uniform Partition of Heirs Property Act provides an important addition to states' laws governing partition for heirs property, and

provides heirs property owners with significant protections against unexpected and often devastating predatory speculation, including protections that wealthy property owners often have secured through private agreement. The Act will assist heirs property owners, particularly (but not exclusively) low- to moderate-income heirs owners, with preserving the integrity and value of property that has both economic and strong familial significance. It should be adopted in every state as soon as practicable.”

- The Land Loss Prevention Project has played a significant role in advancing local food policies that would benefit minority and other limited resource farmers in North Carolina. The LLPP is an active member of the Sustainable Food NC coalition. The coalition is focused on supporting local, family, and organic farms. The work encompasses, among multiple issues, addressing increased diversity and the inclusion of limited resource farmers and consumers in planning policies and conducting research concerning local procurement policies by government agencies to enhance revenues for limited resource farmers and promote community food systems.
- The LLPP serves on the North Carolina Sustainable Local Food Advisory Council and facilitates the addressing of the rights and needs of low-income and minority landowners in the Council's priorities.

### **SmartGrowth Business Center: Helping Farmers Access Opportunity and Manage Risk**

In keeping with its mission of preserving land for future generations, the LLPP continues to expand the services of the SmartGrowth Business Center, an internal resource, to bolster the health of the family farm. The LLPP took its existing understanding of business issues to develop its expertise further to provide front-end education to the state’s community of small farmers and advocacy focusing on a proactive approach to assisting individual farm families.

During fiscal year 2010-2011, the SmartGrowth Business Center expanded its outreach efforts throughout the state. The focus has been both on publicizing the availability of the resource and its services and providing information to farmers on a variety of business law topics. The initiative has included providing training to others serving the agricultural community. SmartGrowth presented at the following events:

- August 6, 2010: Operation Spring Plant community meeting, Rose Hill, N.C. SmartGrowth presented to farmers concerning business law issues associated with marketing.
- August 11, 2010: community meeting sponsored by the Rural Empowerment Association for Community Help, a Duplin County non-profit, Warsaw, N.C. The LLPP addressed land tenure issues and the SmartGrowth initiative.
- November 30, 2010: Meeting of sustainable agriculture group Common Ground, Kinston, N.C. at The Gate. The LLPP presented a multi-topic overview treating various agriculturalists' issues and foreclosure prevention.
- January 8, 2011: Operation Spring Plant Annual Conference, Raleigh, N.C. Two attorneys from the LLPP presented. One speaker gave an overview of SmartGrowth's services and spoke on cooperative marketing associations and cooperatives. The second speaker addressed estate planning in the context of farm risk management with a focus on the particulars of drafting wills and trusts. There were at least 100 attendees from throughout the state.
- February 18, 2011: "Come to the Table" conference, Winston-Salem, N.C. The session topic was the state of farming in central Carolina. In addition to a range of SmartGrowth topics, the LLPP also discussed heirs' property. Sixty people attended the panel presentation.
- February 25, 2011: "Come to the Table" conference, Kenansville, N.C. The LLPP distributed educational materials from an information booth at the regional conference.

- March 11, 2011: “Come to the Table” conference, Black Mountain, N.C. The LLPP participated in a session on Hunger in North Carolina and presented on the services provided by the LLPP and SmartGrowth. Educational materials were also displayed and distributed.
- April 9, 2011: 12<sup>th</sup> National Black Land Loss Summit, Halifax Community College, Weldon, N.C. Topics included an overview of the services provided by LLPP’s SmartGrowth Business Center and the various types of business entities that can be utilized by farmers. Issues such as protection of personal assets/liability avoidance, pass-through taxation, tax-deductible employee benefits, succession planning, and access to capital were highlighted.

In addition to concentrated outreach listed above, an introduction of SmartGrowth services was routinely incorporated in wider LLPP outreach (covered in previous section) and SmartGrowth brochures were distributed to attendees.

New resource materials also were created for distribution through both in-person and online outreach. Resources currently available online on the SmartGrowth website include “Advocacy to the National Appeals Division”, “Business Entity Options”, “Business Start Up Checklist”, “Cooperative Associations”, “Cooperative Option Overview”, “Your Farm, Your Business”, and an electronic version of the SmartGrowth tri-fold brochure ([www.smartgrowthnc.com](http://www.smartgrowthnc.com)).

The SmartGrowth Business Center continues to broaden its client services. Examples of legal assistance by SmartGrowth in 2010 include consultation with a group of farmers regarding the formation of a cooperative and drafting articles of incorporation for their organizer’s review; business plan review for a beginning cattle farmer; and exploration of business and heirs’ property issues for a beginning farmer who wants to use family land for his farming operation. Farmers are increasingly seeking SmartGrowth’s assistance regarding cooperative formation and operation in the framework of what the legal rights and obligations are both of the collective and the individual. A significant portion of

SmartGrowth's assistance to clients is geared to risk management through the application of the law. Spotlighting one of multiple matters in 2010, SmartGrowth counseled a Lenoir County resident seeking to establish a non-profit to advance sustainable agriculture, access to healthful foods, and dissemination of agricultural knowledge in a more urban setting. He envisions the establishment of a community garden and an associated training program geared to younger people interested in farming. The individual has been energetic in his pursuit of this goal and continues to set and reach milestones with the ongoing support of the Business Center. SmartGrowth drafted bylaws for the fledgling organization. In the first half of 2011, matters handled by SmartGrowth include assisting an individual in Mecklenburg County seeking legal consultation to winnow through funding and production issues confronting beginning farmers. SmartGrowth also reviewed the articles of incorporation for a Buncombe County non-profit that grows produce for low-income individuals in anticipation of an upcoming land purchase to increase their growing capacity and providing contract review for proposed purchase of additional farmland in addition to a proposed gifting of a parcel adjoining that land. In another project, the LLPP provided an aspiring farmers cooperative with a draft letter of intent to enter into a lease agreement for land to use for wheat farming.

### **Fellowships and Academic Internships**

As previously reported, in September 2008, a same-year graduate of the University of Virginia School of Law joined the LLPP for her two-year Skadden Arps fellowship. Her project focus was on providing outreach to communities throughout the state concerning wills and estate planning as a land retention tool, which encompasses addressing heir property issues. The LLPP utilized her growing expertise to address the challenges of co-ownership before involuntary partition threatens land through community education concerning advance planning and provision of legal assistance. Her work included accessing the public health community to extend land retention services to underserved

individuals. She also participated in the LLPP's ongoing collaborative efforts with member organizations to promote land tenure within Halifax County. Her various educational efforts expanded and included penetrating additional communities during outreach. In the summer of 2010, she completed her two-year Skadden Fellowship. That project furthered LLPP's ongoing work on behalf of landowners seeking assistance with succession planning and asset retention.

In the summer of 2010, the LLPP hosted two legal interns from North Carolina Central School of Law in an effort to encourage more law students to practice public interest law or provide *pro bono* legal assistance once they become practicing attorneys. One of the interns continued on as an academic year intern based on his performance and expression of interest. The LLPP routinely provides short-term projects to students in coordination with local law schools, most recently the University of North Carolina at Chapel Hill and N.C. Central University. This summer (2011), the Litigation Unit hosted one intern from NCCU, who recently began an academic semester internship due to her strong performance.

### **Sustainable Development and Environment Unit: Small Farm Policy Report**

The Sustainable Development and Environment Unit performs the agricultural policy work of the LLPP. The Sustainable Development and Environment Unit works collaboration with state, regional and national coalitions that support sustainable agriculture practices, sustainable development, and policy innovations. Through this Unit, the LLPP co-led the Farm and Food Policy Project Diversity Initiative which was composed of a range of civil rights and land-focused organizations throughout the U.S. working to improve equity for socially-disadvantaged farmers and ranchers within the food system. The Diversity Initiative's work resulted in significant gains in the 2008 Food, Conservation and Energy Act (Farm Bill), an omnibus piece of legislation which is implemented by the United States Department of



Agriculture and represents the federal government's investment in agriculture and rural development. The 2008 Farm Bill required the United States Secretary of Agriculture to resolve all civil rights claims and class actions brought against the department by socially disadvantaged producers in a fair and expeditious manner. This has led to the settlements of the *In Re Black Farmers (Pigford II)* and the *Keepseagle* (Native American farmers) class actions and the administrative settlement offers in the *Love* (women farmers) and *Garcia* (Latino farmers) cases. The LLPP and its small farm partner organization consider these settlements to be a culmination of years of advocacy and outreach work. It is a defining victory for our minority farm communities and organization. The Pigford II and Keepseagle are class action settlements and claimants are represented by a consortium of major national law firms with an appointed class council. The LLPP is not a party to these actions but is performing limited outreach to inform the minority farm community of the settlement processes due to the need for timely filing of claims.

### **Selected Highlights of Policy Framework**

The samplings are representative of the nature of collaborative policy framework of the Sustainable Development and Environmental Unit (SDE) engagement in furthering equitable access and increased participation of limited-resource farmers and low-income communities in the program and activities of the United States Department of Agriculture. The SDE Unit works within North Carolina to ensure that established food policy boards and organizations are reflective of the interest that socially-disadvantaged farmers and landowners have in sustaining their livelihoods and rural communities. In this regard, the LLPP is a member of the North Carolina Sustainable Local Food Advisory Council. A legislatively established body charged with promoting local agriculture and economic development within the food sector. A sample of events follows:

- In October 2010, participated in and addressed the 9<sup>th</sup> Annual American Indian Mothers, INC, “Walking in Many Worlds, Spirit of One 2010 conference held at the University of North Carolina at Pembroke, on the topic of using the Farm Bill provisions to advance limited-resource farmers participation in USDA programs. The LLPP was represented with a recognition award during the conference.
- In November 2010, attended and participated in conferences to strategize and build local support for the upcoming 2012 Farm Bill Congressional deliberations.
- In December 2010, participated in a national meeting of community-based organizations as part of the Small Farm, Food and Rural Outlook Forum. The Farm Bill and current federal budgetary concerns were addressed by the Chief Economist of the U.S. House Agriculture Committee and the discussion on outlook of farm programs and small framers was moderated by an official from the USDA. A timely overview of commodities, conservation and disaster programs were presented. NC farm organizations participated in all levels at this meeting.
- In January 2011, participated in Operation Spring Plant’s Annual Conference for Limited Resource Farmers (Raleigh, NC). This conference is an important meeting for limited resource farmers from eastern North Carolina.
- Through out the spring of 2011, the SDE participated in conferences, meeting with the USDA and local small farms organization and community groups. The SDE submitted comments to Explore USDA Policy Options Designed to Create and Sustain “New and Beginning Farmers and Ranchers to the USDA Advisory Committee on beginning Farmers and Ranchers.
- In April 2011, participated in the Mentor Farm Workshop at Accokeek Foundation, to develop farm mentorship programs for socially-disadvantaged new and beginning farmers. This model can be replicated in North Carolina.

- In June 2011, participated in the National Rural Gathering: Water, Land, Energy and Food. NC had a strong delegation of aspiring young farmers and farmer leaders. Class council for Pigford II, USDA officials and representatives from regional and international organization presented information on agriculture programs, equity, and access to justice for limited-resource farmers.

North Carolina's small and limited resource farmers have increased access to federal farm programs. Multi- year strategies pursued by Land Loss Prevention Project and its regional and national small farm policy partners have resulted in the ongoing settlement of longstanding civil rights discrimination law suits against the U.S. Department of Agriculture. The long awaited Jackson Lewis Report on "Civil Rights Assessment" was released by the Department of Agriculture and its implementation team is currently considering recommendations incorporated in this report by our small farmer policy groups to further assist the USDA do a better job serving all its clients. Secretary of Agriculture, Thomas Vilsack's stated: "From the day I took office as Secretary, I made it a department-wide priority to ensure that all eligible Americans receive equal access to USDA programs, and this report provides a roadmap that will help us continue moving forward in this effort," .

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**DETAIL DESCRIPTION OF STATE FUNDED QUARTERLY EXPENDITURES**

(1) Please complete the detail schedule for expenditures paid with State funds received from NC Commerce *only*.

(2) Please add and highlight any expenditure descriptions not listed.

(3) Attach a brief description of each expenditure category reported.

EXPENDITURE DESCRIPTION	1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER	YTD TOTAL
<b>PERSONAL SERVICES</b>	<b>125,428</b>	<b>110,518</b>	<b>141,312</b>	<b>116,895</b>	<b>494,153</b>
Salaries & Wages	88,525.57	75,340.79	100,316	80,488	344,671
Fringe Benefits	36,902	35,176.89	40,996	36,407	149,482
Other Purchased Services	-	-	-	-	-
<b>PURCHASED SERVICES</b>	<b>22,591</b>	<b>37,325</b>	<b>30,508</b>	<b>26,128</b>	<b>116,552</b>
Travel	3,479	11,181	3,600	4,581	22,841
Communications/Data Processing	904	1,065	1,650	1,895	5,513
Postage/Freight/Deliveries	1,389	653	814	1,165	4,021
Printing/Advertising	63	567	82	-	712
Repairs/Maintenance/Utilities	4,153	108	1,690	1,224	7,174
Contracted Services	11,176	8,816	17,022	13,057	50,071
Other Services	1,428	14,936	5,651	4,206	26,221
<b>SUPPLIES &amp; MATERIALS</b>	<b>5,788</b>	<b>3,680</b>	<b>1,735</b>	<b>1,765</b>	<b>12,968</b>
General Administrative Supplies	2,938	3,620	1,011	1,524	9,092
Other Administrative Expenses	2,850	60	724	242	3,876
<b>FIXED CHARGES &amp; EXPENSES</b>	<b>6,832</b>	<b>7,668</b>	<b>12,270</b>	<b>17,990</b>	<b>44,761</b>
Rent/Leases	6,832	7,668	8,769	8,067	31,336
Insurance/Bonding	-	-	3,501	9,924	13,425
Other Fixed Charges/Expenses	-	-	-	-	-
<b>CAPTIAL OUTLAY</b>	<b>-</b>	<b>8,636</b>	<b>-</b>	<b>-</b>	<b>8,636</b>
Office Equipment	-	8,636	-	-	8,636
Office Furniture	-	-	-	-	-
Buildings/Other Structures/Improvements	-	-	-	-	-
Land	-	-	-	-	-
Motor Vehicles	-	-	-	-	-
Other Captial Outlay	-	-	-	-	-
<b>GRANTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Grants to Other Entities (Sub-Awards)	-	-	-	-	-
<b>DEBT SERVICE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Principal Payments	-	-	-	-	-
Interest Payments	-	-	-	-	-
<b>OTHER EXPENDITURES</b>	<b>76</b>	<b>1,556</b>	<b>3,793</b>	<b>210</b>	<b>5,635</b>
Other Expenditures	76	1,556	3,793	210	5,635
<b>GRAND TOTALS</b>	<b>160,715</b>	<b>169,383</b>	<b>189,618</b>	<b>162,988</b>	<b>682,704</b>

The totals for the detail expenditures should agree with the Summary of Activity (State Expenditures by Quarter and State Expenditures To Date).