

Preserving Farmland with Conservation Easements

NC Foundation for Soil and Water Conservation
NCDA-ADFPTF



Threats to Farmland

- By 2040, NC is 2nd in the nation for loss of farmland-AFT
- NC loses about 55 acres a day
- NC is on track to lose over 1 million acres, roughly 12%
- 48% of the conversion on Henderson's most productive land
- Henderson stands to lose:
 - Best Case Scenario-7,600 acres=23%
 - Worst Case Scenario-16,900 acres=51%
 - Most Likely Scenario-13,200 acres=40%

Ag Census-2017 to 2022

- 2017-Henderson:
 - 455 farms
 - 41,099 acres
 - Average Farm Size=90 acres
 - Total MV of Ag \$77,375,507
- 2022-Henderson:
 - 520 farms
 - 32,743 acres
 - Average Farm Size=63 acres
 - Total MV of Ag \$103,390,000
 - Domestic Tourism (2020)- \$253,700,000



Why We Need Ag



- Preserve rural character and lifestyle
- Local food production, supply, and access
- Open and green space
- Diverse economy and workforce
- Lower cost of community services and utilities infrastructure
- Natural resource conservation
- Wildlife habitat
- Carbon sequestration
- Less impervious surface/flood resiliency



Question: What can be done about it?

Answer: Farmland Preservation

- VAD/EVAD
- Conservation Agreements
- PUV
- Term Easements
- Permanent Easements
- Cost-Share programs
- Buy/Protect/Sell Programs
- Farm Succession Sessions/Estate Planning
- Farmland Protection Plan
- Ag Growth Zones

Why Conservation Easements?

- Agricultural easements are a tool to help farmers stay viable
- Agricultural easements tend to increase surrounding property values, thereby adding to the tax base
- Agricultural easements generally do not remove property from the tax base anymore than the property being in PUV does
- Agricultural easements are a nice middle-ground of limited development, agricultural operations, land conservation and financial compensation
- 2008 COCS showed that for every \$1 spent on residential areas, the county receives \$0.86, a net loss
- Same study showed that for every \$1 spent on agricultural areas, the county receives \$1.03, a net gain even in spite of PUV

How to Establish a Farmland Preservation Program

- ▶ Decide who is going to be doing the work-County, SWCD or Land Trust?
- ▶ If not the county or SWCD, what role, if any, will you play?
- ▶ If the county or SWCD, create a new position or use existing resources?
- ▶ How will it be funded? How much will it be funded?
- ▶ Legal representation/legal defense fund? Stewardship?



How to Establish a FP Program cont'd

- ▶ SWCD
 - ▶ G.S. 139 empowers districts to hold easements
 - ▶ Numerous districts statewide hold easements
 - ▶ Cost-share programs are somewhat like “temporary easements”
 - ▶ Have existing relationships with farmers
 - ▶ Has the conservation/agricultural expertise
 - ▶ Local board can set direction for land protection priorities
 - ▶ Establishing a dedicated position for FP is one thing all of the successful programs have in common
 - ▶ Examples: Buncombe, Polk, Wake, Cabarrus, Hyde



Haywood Farmland Preservation Program 2008-2023

- ▶ 2008-Participated in ADFP Cycle II, participated in every subsequent cycle
- ▶ 2008-County funds established to support FP program
- ▶ 2008-Farmland Protection Plan
- ▶ 2011-Developed ranking form as interest exceeded applicant spots
- ▶ 2015-Part time FP position established
- ▶ 2017-Full-time FP position established
 - ▶ Position was responsible for VAD/EVAD program, CE program through NCDA/NRCS, CE programs otherwise, grants for FP
- ▶ 2023-21 closed easements with ADFP/NRCS-7 easements under contract-5 easements applications approved
- ▶ 32 easements-2,398 acres-\$5.6 million grant funds



Haywood Cont'd

- Open application period until October
- Ranking through October
- Presentation of results to Ag Advisory Board in early November
- November to December deadline, submission of applications
- Generally, ADFP only, 3 NRCS apps through the years
- District was responsible for BDR, EA, Stewardship, all admin
- District would split funds for project appraisals percentages
- County attorney for legal representation
- Haywood had no stewardship fund*

How to Establish a FP Program cont'd

- ▶ Other county departments-Parks and Rec, Environmental, etc
 - ▶ Counties can of course hold easements; many already hold an assortment of them
 - ▶ Keeps direction of priorities local
 - ▶ A number of counties statewide hold ag easements
 - ▶ Allows for some costs to be incorporated into existing position's responsibilities
 - ▶ Examples: Chatham, Orange, Durham



How to Establish a FP Program cont'd

▶ Partnerships

- ▶ By partnering with a land trust or other non-profit a county can create a program to share the responsibility and workload
- ▶ Qualified non-profits can and do hold easements statewide
 - ▶ Working Lands Trust-33 easements, 18,000 acres approx.
- ▶ Wealth of experience and expertise by land trust staff
- ▶ Partners can potentially bring other private funders to the table
- ▶ Have the capacity and time to administer the program
- ▶ Examples: Chatham and Union
- ▶ Working Lands Trust, Conserving Carolina, Southern Appalachian Highlands Conservancy, etc

Funding Methods Throughout NC



COUNTY
ALLOCATION



BONDS



PUV
ROLLBACK



PARTNER
FUNDERS



County Allocations

- ▶ Numerous counties statewide fund programs through staffing and budget appropriations
 - ▶ Alamance-supporting funding through SWCD staff
 - ▶ Buncombe-staff and county funding
 - ▶ Cabarrus-staff
 - ▶ Chatham-staff and county funding
 - ▶ Haywood-staff and county funding
 - ▶ Hyde-special revenue fund
 - ▶ Orange-staff and county funding
 - ▶ Polk, Rockingham, Wake, Johnston, Union and others



Bonds



- ▶ Buncombe-2022 passed a \$30 million-dollar Open Space Bond, a portion of which is dedicated to conservation easements
 - ▶ \$750,000 annually
- ▶ Chatham-2020 Article 46 local sales tax passes, established the Chatham County Agricultural Preservation & Development Trust Fund
 - ▶ \$325,000 annually



PUV Rollback

Alamance-
\$167,000-\$186,000
annually

Cabarrus-\$125,000
annually

Harnett-None
currently, though
planning for PUV
rollback

Johnston-FY2025 will
be the first year,
amount unknown

Wake-\$4million last
couple of years, on
track for the same
amount FY2025

Union-\$960,000
FY2024, another
\$960,000 due in
FY2025

Funding Partners



- NCDCA - Agricultural Development & Farmland Preservation Trust Fund
- USDA - Natural Resources Conservation Service
- US Department of Defense
- Private Funding

Independently and through joint projects, these and other agencies partner with the land trusts to fund the acquisition of conservation easements to conserve high-priority lands across the state