



N.C. Department of Agriculture & Consumer Services
N.C. ADFP Trust Fund
*Requests for Proposals Guidelines for Conservation Easements,
Agricultural Development Projects, and Agricultural Plans*



- **Overview**

- **Mission**

- To fund projects to encourage the preservation of qualifying agricultural, horticultural, and forestlands to foster the growth, development, and sustainability of family farms.

- **History**

- Although the 2012 USDA Census of Agriculture showed that the rate of farmland loss in North Carolina has slowed in the five years prior to the census, North Carolina is still losing farms and farmlands. North Carolina had 2,200 fewer farm operations in 2016 than in 2012, while losing 210,000 acres in farming during the same period.

Today, approximately 90 percent of all North Carolina lands are privately owned. The U.S. Census Bureau predicts that our state's population will expand from 9.5 million to more than 12 million by 2030, and this growth threatens our farm and forestland. Preserving farmland also protects our natural resources, wildlife habitat, and water resources.

- **Eligibility**

- All applicants must be non-profit conservation organizations or county agencies. (G.S.106-744)

- Farmers, landowners, and others interested in applying must partner with a non-profit conservation organization or county agency to participate in an ADFP Trust Fund grant proposal.

- Agricultural Plan grants are limited to requests that develop a Voluntary Agricultural District (VAD) or Enhanced Voluntary Agricultural District (EVAD) program, a County Farmland Protection Plan, or a County Cost of Community Services Study.

- For conservation easements, the property must be privately-owned, located within the borders of the State of North Carolina, and in working lands use (agriculture, horticulture, forestry). Minimum acreage requirements should follow the present-use value guidelines: Five acres for horticulture, 10 acres for agriculture (row crops or pasture), 20 acres for forestry, or a combination of working lands use. If there are existing easements that have removed the development rights from the property, those easement areas will be ineligible for our program.

- **Funding Purposes**

- To secure agricultural conservation easements on agricultural, horticultural, and forestlands for active production of food, fiber, and other agricultural products.

- Conservation easement applications include three options for funding:

- Donated conservation easements. These applications are not eligible for conservation easement purchase grant funds as the landowner is providing an in-kind contribution of easement value.

- Appraised conservation easements. If awarded grant funds, these applications require an appraisal of the proposed conservation easement in accordance with rules of the funding sources.

- Present-Use Value conservation easements. If awarded grant funds, these applications do **not** require an appraisal of the proposed conservation easement. The conservation easement purchase grants funds are based on a calculation of the property tax value.
 - Donated and Appraised conservation easements include the following options:
 - Perpetual
 - 50-year term
 - 40-year term
 - 30-year term
 - 20-year term
 - 10-year term
 - Present-Use Value conservation easements include the following options:
 - Perpetual
 - 50-year term
 - To support public and private enterprise programs that will promote profitable and sustainable agricultural, horticultural, and forestlands through assistance to farmers in developing plans for:
 - production of food, fiber, and value-added products
 - agritourism activities
 - marketing and sales of agricultural products produced on the farm
 - agriculturally-related business activities
 - other programs approved by the NC ADFP Trust Fund, including, but not limited to:
 - Market or feasibility studies
 - Pilot programs
 - Training, demonstrations, certification, professional education, and vocational-agricultural education programs
 - Shared-use equipment and low-cost equipment rentals
 - Construction and site development projects
 - To support the preservation of agriculture/military-designated uses through conservation easements.
- **Funding Priorities**
 - Funding priority will be given to projects that involve the following affiliations:
 - Counties to establish a Voluntary Agricultural District program or Farmland Protection Plan
 - Counties with Farmland Protection Plans
 - Donated conservation easements
 - Got to Be NC/ American Tree Farm/ Forest Stewardship Program Members
 - Enhanced Voluntary Agricultural District Farmers
 - Voluntary Agricultural District Farmers
 - Groups and Individuals with Conservation Plans
 - Groups and Individuals with Forest Management Plans
 - Limited Resource Farmers
 - Beginning Farmers
 - Socially Disadvantaged Farmers
 - Century Farm Members
 - Projects with emphasis on job creation
 - Properties that are in agricultural use and are of military importance

- **Grant Amount Requests**

- The maximum acceptable grant request per application is capped at \$500,000.
- Conservation Easement applications may include grant requests for the purchase of the easement and other allowable costs. ADFPTF grant funds for the purchase of the conservation easement are limited to 50% or less of the estimated value.
 - If a proposed conservation easement project exceeds the potential ADFPTF grant amount, the applicant may submit a multiple-phase plan for completion of the easement. ADFPTF will give priority consideration during the next request for proposals (FRP) for the next phase of the conservation easement project, provided the first phase is awarded for contracting and no infractions or late reports have occurred. Multiple phase conservation easement projects shall be limited to only two (2) active ADFPTF grants at the same time.
- It is recommended that applicants follow a “50/25/25 Funding Model” for conservation easement grant requests.
 - The recommended funding model is as follows: 50% Partnership Funding (Federal, Local, and/or Nonprofit), 25% ADFP Trust Fund Grant, 25% Landowner Donation.
 - If the grant request only has an ADFP Trust Fund grant request, it is recommended that there is a 50% landowner donation or greater.
- County Farmland Protection Plans are limited to \$14,000 per county and must be accompanied by a letter of request from the County’s Board of Commissioners and/or County Manager in support and plans to implement when completed.
- Agricultural Plan grants are limited to the development and adoption of a county Voluntary Agricultural District, Enhanced Voluntary Agricultural District, County Farmland Protection Plans, or Cost of Community Services Studies.
- Agricultural Development grants are restricted to public or public-private enterprise programs that will promote profitable and sustainable farms by assisting in developing and implementing plans for the production of food, fiber, and value-added products, agritourism activities, marketing and sales of agricultural products produced on the farm, permanent agricultural job creation, and other agriculture-related business activities.

- **Match Requirements**

- Documentation of match will be required in the reporting process.
- Public funds from the State of North Carolina will not be considered for any match requirements.
- Statutory match requirements must be expended during the grant contract period. Match expended before the execution of the grant contract will not be considered.
- For ADFP Trust Fund general appropriations grants:
 - Non-profit conservation organizations must match a minimum of **30%** of ADFP Trust Fund monies received. These monies must be from sources other than the ADFP Trust Fund or State of North Carolina.
 - A Tier Two or Tier Three Enterprise County (as defined in G.S. 143B-437.08)
 - **With** an NCDA&CS approved County Farmland Protection Plan (G.S. 106-744(e)), must match a minimum of **15%** of ADFP Trust Fund monies received. (G.S. 106-744(c2)) These monies must be from sources other than the ADFP Trust Fund or State of North Carolina.
 - **Without** an NCDA&CS approved County Farmland Protection Plan (G.S. 106-744(e)), must match a minimum of **30%** of ADFP Trust Fund monies received. (G.S. 106-744(c2)) These monies must be from sources other than the ADFP Trust Fund or State of North Carolina.
 - A Tier One Enterprise County (as defined in G.S. 143B-437.08)

- **With** an NCDA&CS approved County Farmland Protection Plan (G.S. 106-744(e)), is **not required** to acquire matching funds. (G.S. 106-744(c2))
- **Without** an NCDA&CS approved County Farmland Protection Plan (G.S. 106-744(e)), must match a minimum of **30%** of ADFP Trust Fund monies received. (G.S. 106-744(c2)) These monies must be from sources other than the ADFP Trust Fund or State of North Carolina.
- Note: List of tiers is available on the application website.
- Preference will be given to grant requests that meet or exceed a 1-to-1 match ratio to state funds. This may include federal, local, nonprofits, and/or private landowner donations.
 - Grant requests with high matches will result in higher scores in the scoring category.

- **Allowable Costs**

- ADFP Trust Fund monies may not be used to reimburse for appraisals, administrative or personnel costs. Approval of necessary specialized services will be determined by ADFP Trust Fund staff when reviewing application.
- No travel requests are approved for easements applications. However, travel can be used as match.
- Plans and Projects are allowed travel requests. Travel reimbursement must follow the requirements in the State Budget Manual North Carolina Office of State Budget and Management (OSBM).
- ADFP Trust Fund may approve Subcontract Expenditures with approved subcontractor form.
- Allowable and non-allowable costs for reimbursements:

Allowable Costs	Non-allowable Costs
Equipment (Exceeding \$5,000)	Travel (for easements grants only)
Consultant and Specialized Services	Personnel/Administrative Services
Office Supplies	Promotional Materials (unallowable costs include gifts, memorabilia, models, and souvenirs)
Printing and Binding	Appraisal
Promotional Materials (<i>see exceptions listed in Non-allowable costs</i>)	
Site Development (Plans & Land Preparation)	
Construction	
Special Program Supplies (Less than \$5,000)	
Survey	
Baseline Documentation Report	
Environmental Assessment/Audit	
Legal Fees	
Closing Costs	
Stewardship endowment (Funding is limited to 3% of the appraised easement value being purchased by the ADFP Trust Fund and must be equally matched with cash. Donated easements are eligible for funds equal to 1.5% of the appraised easement value being donated.)	
Workshops and Conferences	

- ★ For Match Purposes Only: All reimbursement for travel, meals, rentals including meeting facilities, etc. for agricultural development related expenditures shall follow the State of North Carolina reimbursement guidelines. Prudence must be demonstrated by grantee for reimbursement to be granted. (See NC Budget Manual at <https://www.osbm.nc.gov/state-budget-manual>)

- **Number of Proposals Allowed**
 - Non-military proposals:
 - Each organization or agency may submit an unlimited number of proposals per funding cycle regardless of category (perpetual easements, term easements, agricultural development projects/agricultural plans). ADFPTF will fund up to four (4) applications per category per grant cycle per applicant.
 - Donated conservation easement proposals only:
 - Applications for donated easement proposals requesting only transaction cost assistance are not considered as one of the maximum of four (4) funded applications per category per cycle limit.
 - Each organization or agency may submit up to four (4) donated easement proposals per funding cycle.

- **Incomplete Applications**
 - All information requested in the application is required. Incomplete applications may be considered ineligible for funding.

- **Evaluation of Applications**
 - The ADFP Trust Fund staff reviews each application. If eligible, in-office and in-person evaluations are conducted. The evaluation includes a review of the application and all the documents submitted with it. On-site visits and interviews will be conducted for all eligible applications.

- **Selecting Recipients**
 - The Commissioner of Agriculture in consultation with the ADFP Trust Fund Advisory Committee selects the applicants who will receive an ADFP Trust Fund grant.

- **ADFP Trust Fund on the Web**
 - The ADFP Trust Fund application is completed online. Application portal link, materials, and additional information are available at www.ncadfp.org.

- **Funding Period**
 - All general appropriation grants during funding Cycle XV will have an expiration date of September 30, 2024.
 - Any extension requests for a grant must be received 60 days prior the contract expiration date to be eligible for an extension.

- **Questions about Filling Out the Application**
 - If you have questions about filling out this application, please contact the ADFP Trust Fund office by email at coleman.simpson@ncagr.gov or by phone at 919-707-3074.

- **Application Deadline**
 - **Applications must be submitted online no later than 5:00 PM on December 17, 2021.**

- **Definitions**

- **Agricultural Conservation Agreement:** A conservation agreement is a binding contract between a property owner and a qualified organization that accomplishes the same restriction regarding the use of the land as a conservation easement through contractual terms. A memorandum of agreement is recorded in the public records as notice to the public that the agreement exists.
- **Agricultural Conservation Easement:** A negative easement in gross restricting residential, commercial, and industrial development of land for the purpose of maintaining its agricultural production capability (G.S. 106-744(b)).
- **Beginning Farmer:** A farmer who has not operated a farm or who has operated a farm for not more than 10 years and who will materially and substantially participate in the operation of the farm.
- **Buffers (military):** Lands around the installation that serve the interests of the US Armed Services in a manner to eliminate or minimize encroachment to and provide a protective buffer zone for the installation, its mission, and operations. This includes Military Training Routes (MTR).
- **Countywide Farmland Protection Plan:** A plan that satisfies all the following requirements:
 - (1) The countywide farmland protection plan shall contain a list and description of existing agricultural activity in the county.
 - (2) The countywide farmland protection plan shall contain a list of existing challenges to continued family farming in the county.
 - (3) The countywide farmland protection plan shall contain a list of opportunities for maintaining or enhancing small, family-owned farms and the local agricultural economy.
 - (4) The countywide farmland protection plan shall describe how the county plans to maintain a viable agricultural community and shall address farmland preservation tools, such as agricultural economic development, including farm diversification and marketing assistance; other kinds of agricultural technical assistance, such as farm infrastructure financing, farmland purchasing, linking with younger farmers, and estate planning; the desirability and feasibility of donating agricultural conservation easements, and entering into voluntary agricultural districts.
 - (5) The countywide farmland protection plan shall contain a schedule for implementing the plan and an identification of possible funding sources for the long-term support of the plan. (G.S. 106-744(e))
- **Limited Resource Farmer:** A farmer with direct and indirect annual gross farm sales that do not exceed one hundred fifty five thousand two hundred dollars (\$155,200) in each of the previous two years and with an adjusted household income in each of the previous two years that is at or below the greater of the county median household income, as determined by the United States Department of Housing and Urban Development, or two times the national poverty level based on the federal poverty guidelines established by the United States Department of Health and Human Services and revised each April 1.
- **Option to Purchase an ADFP Agricultural Easement:** A written and notarized agreement of understanding between the landowner and the request for proposal applicant to place a conservation easement on a defined land parcel(s).
- **Voluntary Agricultural District (VAD):** Farmland as defined voluntary agricultural district or an enhanced voluntary agricultural district as noted under Article 61 of Chapter 106 of the North Carolina General Statutes.

For additional resources, go to <http://www.ncadfp.org>.