



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.

According to the American Farmland Trust, North Carolina is the second-most threatened state for farmland loss in the United States. In an American Farmland Trust study from 2020, it was determined that 732,000 acres of agricultural land in North Carolina was converted from 2001 to 2016. This conversion was the second-most of all the states in the country. In an American Farmland Trust study from 2022, North Carolina was projected to lose the second-most acres of farmland in the United States by the year 2040.

- **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.

- To be eligible for a conservation easement through the ADFP Trust Fund's program, 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 must 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 the program and do not count toward the minimum acreage requirements.

- 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.

- Agricultural Development Projects are limited to public or public-private enterprise programs that will promote profitable and sustainable family farms through assistance to farmers 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, and other agriculturally related business activities.

- **Funding Purposes**

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

- Conservation easement applications include four 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.
 - Additional funds for easement purchase on existing conservation easement grant contracts.
 - 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 public-private enterprise programs that will promote profitable and sustainable agricultural, horticultural, and forestlands through assistance to farmers. These include:
 - Marketing plans and marketing studies
 - Livestock facilities
 - Farmers markets
 - Shared-use equipment and low-cost rentals
 - Slaughter and meat-processing facilities
 - Processing and value-added facilities
 - Vocational-agricultural education and outreach
 - Farm-to-table, local foods, and agritourism initiatives
 - Training and certification programs for farmers
 - Pilot programs to explore cost-effective on-farm practices
 - Agricultural economic development studies and programs
 - On-farm and value-added studies to increase yields, profitability, or sustainability
 - Alternative fuels and sustainable energy for farming practices
 - Climate-resilient farming practices, pilot programs, and demonstrations
 - To support the preservation of agriculture/military-designated uses through conservation easements.
 - To support county-level agricultural plans that promote farmland preservation and the agricultural economy. These include:
 - Voluntary Agricultural Districts
 - Enhanced Voluntary Agricultural Districts
 - Farmland Protection Plans
 - Cost of Community Services Studies
- **Grant Amount Requests**
 - The maximum grant request per conservation easement or agricultural development project application is capped at \$500,000.

- The maximum grant request per Voluntary Agricultural District or Enhanced Voluntary Agricultural District application is \$7,500. The maximum grant request per County Farmland Protection Plans or Cost of Community Services Studies is \$15,000.
 - 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.
 - Agricultural Plan grants are limited to the development and adoption of a Voluntary Agricultural District, Enhanced Voluntary Agricultural District, County Farmland Protection Plans, or Cost of Community Services Studies. These applications must be accompanied by a letter of request from the County's Board of Commissioners, County Manager, Town/City Council, Town/City Mayor, or Town/City Manager in support of the application and plan to implement and adopt when completed.
 - Agricultural Development Project grants are restricted to public or public-private enterprise programs. ***No grants that will provide an individual benefit will be allowed.***
- **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 the application.
- No travel requests are approved for easements applications. However, travel can be used as a 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 | Appraisals |
| Printing and Binding | Alcoholic beverages |
| Promotional Materials | Bad debts |
| Site Development (Plans & Land Preparation) | Contingency provisions |
| Construction | Contributions and donations |
| Special Program Supplies (Less than \$5,000) | Entertainment costs |
| Survey | Fines, penalties, damages, and other settlements |
| Baseline Documentation Report | Fundraising and investment management costs |
| Environmental Assessment/Audit | General costs of government |
| Legal Fees | Goods or services for personal use |
| Closing Costs | Lobbying |
| 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.) | Losses on other awards or contracts |
| Workshops and Conferences | Organization costs |
| | Selling and marketing costs |
| | Student activity costs |
| | Telecommunication costs |

Expenditures of State financial assistance by any recipient or sub-recipient shall be in accordance with the cost principles outlined in the Code of Federal Regulations, 2 CFR, Part 200. Please see <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200> for more information.

- ★ For Match Purposes Only: All reimbursement for travel, meals, rentals, including meeting facilities, Agricultural Plan and Agricultural Development Project 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**
 - Competitive grant cycle 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).
 - Contract awards are based on funding availability. If total grant requests exceeds the funding allocation for the grant cycle, the ADFP Trust Fund will fund a maximum of four (4) applications per category (perpetual easements, term easements, agricultural development projects/agricultural plans) per applicant. Applications for donated easement proposals requesting only transaction cost assistance are not considered in this contract limit. If the funding allocation for the grant cycle is greater than the total grant requests, the contract maximum per applicant is waived for the grant 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 16 will have an expiration date of September 30, 2025.
 - 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 sarah.weavil@ncagr.gov or by phone at 919-707-3074.

- **Application Deadline**
 - **Applications must be submitted online no later than 5:00 PM on December 19, 2022.**

- **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>.