



N.C. Department of Agriculture & Consumer Services
N.C. ADFP Trust Fund
Requests for Proposal Guidelines for Local Agricultural Growth Zones (AGZ)



Overview

Purpose

According to the American Farmland Trust, North Carolina is the second-most threatened state for farmland loss in the United States. According to a 2020 American Farmland Trust study, 732,000 acres of agricultural land in North Carolina were 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.

The purpose of the Local Agricultural Growth Zones (AGZ) program is to allow counties and conservation nonprofit organizations to enhance local investments in the acquisition of agricultural conservation easements by applying for matching funds from the state.

Different regions in North Carolina have varying agricultural landscapes, land use pressures, and community needs. Local AGZs allow for strategic approaches to farmland preservation at the community level.

For additional resources, go to

<https://www.ncagr.gov/divisions/farmland-preservation/applicants>

Description

According to research by the American Farmland Trust and the University of Pennsylvania, large blocks of permanently protected land are one of the most effective sprawl management tools. AGZs are local or regional areas of concentrated agricultural conservation easements.

Large blocks of protected farmland can be a physical barrier to urban and suburban sprawl. AGZs are permanently protected from development, creating a buffer between urban areas and agricultural lands. These protected farms and forests can slow down encroachment and preserve the rural character of an area.

The fragmentation of farmland results in inefficient land use patterns, increased infrastructure costs, and loss of prime agricultural soils. Fragmentation of working lands is a threat to the agricultural economy of communities because it makes it more difficult for farmers to manage their operations and reduces the economic viability of their farms. AGZs reduce the fragmentation of working landscapes by protecting land resources in concentrated areas.

The local agricultural economy can benefit from reduced fragmentation through increased efficiencies in production, distribution, and marketing. When large blocks of farmland are protected, it supports the long-term viability of agribusinesses and contributes to the community's overall economic health.

Large blocks of protected farmland are most effective when they are coordinated with other planning efforts at the local, regional, and state levels. This includes comprehensive land use planning, zoning, and other policy mechanisms that promote smart growth, land preservation, and sustainable agricultural practices. Coordinated planning efforts can help ensure that large

blocks of protected farmland are strategically located in areas vulnerable to sprawl and are managed in a way that maximizes their impact in mitigating sprawl and preserving agricultural viability.

Eligibility

- All applicants must be nonprofit conservation organizations or county governments. (G.S.106-744)
 - Farmers, landowners, and others interested in applying must partner with a nonprofit conservation organization or county government to participate in an ADFP Trust Fund grant proposal.
- 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, agricultural growth zones, additional easement purchase funds).
- Contract awards are based on funding availability.
 - If total grant requests exceed 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, agricultural growth zones, additional easement purchase funds) 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.
- Current grantees are subject to the Grantee Risk Assessment Guide. High-risk grantees will have the review of proposed grant requests discontinued, and no grant contract may be offered.

Application Format and Documentation Requirements

Application Summary

The AGZ application is a narrative-driven proposal where applicants detail how county governments and nonprofit conservation organizations can strategically focus conservation funding for agricultural conservation easements in rural communities.

Application Structure

The ADFP Trust Fund staff reviews each application. The AGZ application process consists of two parts, each with its own deadline.

Once a form is submitted, it cannot be edited or resubmitted. Late submissions or failure to complete either part by its deadline may result in the application being deemed ineligible.

After all parts of the application have been received in full, the applicant will be contacted to schedule an interview.

Part 1: Intent to Apply

- Opens: First Business Day of August
- Closes: Last Business Day of August

- Purpose: This short form confirms basic programmatic eligibility as well as documents the anticipated outcomes of the plan.

Part 2: Eligibility, Background, and Purpose

- Opens: Second Monday of September
- Closes: Last Monday before Christmas
- Purpose: This form captures details on the implementation behind the proposed plan.

Scoring

AGZ scoring is derived from three components: the application, the budget, and the interview. The paneled interview portion of the application process is an opportunity for reviewers to gather additional information related to AGZ implementation.

Each eligible application must complete the interview process to be considered for a grant award.

After scores are finalized, the Commissioner of Agriculture, in consultation with the ADFP Trust Fund Advisory Committee, determines which applicants will receive ADFP Trust Fund grants.

Application Scoring

Scoring Question	Scoring Metrics	Points Awarded	Explanation
Does the county identify agricultural land as a standalone land use in the most recent county or focus area land use plan? If yes, upload the most recent land use plan.	Yes	20	Agricultural lands are unique due to their economic and natural resource contributions to a local community, and should have different land use considerations than open or green spaces.
	No	0	
Does the Local AGZ proposal have a scoring rubric to prioritize agricultural conservation easement applications? If yes, upload the scoring rubric.	Yes	20	An established scoring rubric will provide an open and fair system for determining which parcels are selected for agricultural conservation easement funding. Aligning these with funding sources may increase the likelihood of additional funding.
	No	0	

Does the Local AGZ proposal have a Property Priority Zones Map that identifies focus areas for funding? If yes, upload the map with the priority zones or focus areas.	Yes	20	Large blocks of permanently protected land are one of the most effective sprawl management tools. AGZs are local or regional areas of concentrated agricultural conservation easements.
	No	0	
Is the Local AGZ proposal open to any willing landowner with a qualifying farm or forest? If yes, upload county program eligibility rules.	Yes	5	Although resources may be prioritized for focus areas, this public program should be available to any willing landowner with parcels that meet the land eligibility requirements.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize beginning, limited resource, or veteran farmers or ranchers, as defined by the U.S. Department of Agriculture? If yes, upload the scoring rubric.	Yes	5	Providing additional scoring points or prioritizing historically underserved producers may help with potential barriers or constraints to enrolling the parcels.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize Got to Be NC members? If yes, upload the scoring rubric.	Yes	5	Providing additional scoring points or prioritizing Got To Be NC members may help promote and expand markets for North Carolina agricultural products both domestically and internationally.
	No	0	

Does the Local AGZ proposal provide additional scoring points or prioritize Century Farm program members? If yes, upload the scoring rubric.	Yes	5	Providing additional scoring points or prioritizing Century Farm members may help preserve the agricultural heritage of communities by preserving farms that have continuous ownership by a family for 100 years or more.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize parcels enrolled in the Voluntary Agricultural Districts (VAD) or Enhanced VAD program? If yes, upload the scoring rubric.	Yes	5	Voluntary Agricultural Districts are the first step in Farmland Preservation at the parcel level, and enrollment may strengthen the viability of agricultural communities.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize members or parcels with American Tree Farmers, Forest Stewardship Program, or Sustainable Forestry Initiative Certification? If yes, upload the scoring rubric.	Yes	5	Providing additional scoring points or prioritizing working forests with sustainable management plans may help with the long-term viability of timber operations.
	No	0	
Does the Local AGZ proposal provide additional scoring points or prioritize parcels within five miles of an existing agricultural conservation easement? If yes, upload the scoring rubric.	Yes	5	Providing additional scoring points or prioritizing areas of established agricultural conservation easements may provide a head start on creating large blocks of permanently protected land.
	No	0	

Does the Local AGZ proposal provide additional scoring points or prioritize parcels within five miles of local, state, or federally owned lands that are managed for the protection and use of agriculture, plants, forestry, wildlife, historical, or cultural sites? If yes, upload the scoring rubric.	Yes	5	Providing additional scoring points or prioritizing compatible land uses in a specific geographic area may provide a head start on creating concentrated conserved areas.
	No	0	

Property Eligibility

If awarded a Local AGZ grant, agricultural conservation easement projects may be submitted on a rolling basis during the Local AGZ grant contract period.

- 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, in working lands use (agriculture, horticulture, forestry), and with ownership in agreement to participate in the program. At least one tract must meet the following minimum acreage requirements:
 - 5 acres in actual horticultural production (actively engaged in the commercial production or growing of fruits and vegetables or nursery and floral products);
 - 10 acres in actual agricultural production (actively engaged in the commercial production or growing of crops, plants, or animals; which includes dairying and the raising, management, care, and training of livestock, including horses, bees, poultry, and other animals for individual and public use, consumption, and marketing. The raising, management, care, and training of horses includes the boarding of horses);
 - 20 acres in actual forestry production (actively engaged in the commercial growing of trees).
- 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.

All agricultural conservation easements through a Local AGZ grant contract must work with a private nonprofit conservation organization or county government that will be responsible for agricultural conservation easement deliverables and will be the easement-holding entity

The contracted entity will submit each agricultural conservation easement project to the ADFP Trust Fund for review. The ADFP Trust Fund will verify property eligibility. Once property eligibility is confirmed, a subcontract for the property will be executed with the private nonprofit conservation organization or county government that will be the easement-holding entity.

To complete an agricultural conservation easement project with Local AGZ funding, all ADFP Trust Fund program requirements must be completed.

During the development of the Baseline Documentation Report (BDR), a staff member from the ADFP Trust Fund will accompany the preparer of the BDR to verify on-site conditions.

Budget

Grant Amount Requests

Qualifying entities (county governments or private conservation nonprofit organizations) may request up to \$2 million per Local AGZ application.

Local AGZ applications may request ADFP Trust Fund grant funds for transactional costs to complete the agricultural conservation easements. Grant requests for transactional costs are limited to 10 percent of the total Local AGZ request, and each line item is capped at the maximum cost average for the region.

Local AGZs are restricted to the boundaries of a single county. Applications may be countywide or for priority zones or focus areas within a county.

Example Budget:

Line Item	ADFPTF Grant Request	Secured Cash Match	Secured In-Kind Match
Easement Purchase	\$900,000.00	\$900,000.00	-
Stewardship Endowment	\$27,000.00	\$27,000.00	-
Appraisal	n/a	\$40,000.00	-
Transactional and Due Diligence Costs	\$73,000.00	-	\$20,000.00
TOTAL	\$1,000,000.00	\$967,000.00	\$20,000.00

Minimum Matching Funds Information

Local AGZ applications must include a cash contribution for agricultural conservation easement purchase equal to or greater than the ADFP Trust Fund grant request for agricultural conservation easement purchase. Future projections for cash contributions for agricultural conservation easement purchase may be considered.

Higher consideration will be given to Local AGZ applications with secured cash contributions for agricultural conservation easement purchase and other funds available to complete agricultural conservation easement projects.

Federal funding for agricultural conservation easement acquisition may not supplant or replace dedicated funding as identified in the Local AGZ grant contract.

If federal funds are secured for an agricultural conservation easement project approved under a Local AGZ grant, the funding from the local source and the ADFP Trust Fund must be reduced proportionally. Local and AGZ funding must maintain a 1:1 ratio.

Match Requirements

Local AGZ grant contracts must identify the source of cash contributions. These may be sourced from a local government, a conservation nonprofit organization, private funding, or a combination. Federal, state, or in-kind sources of funding are ineligible.

- 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.

Future budget projections of cash contributions for agricultural conservation easement purchase may be considered for budget planning purposes, but grant funds will only be expended for secured funding.

If a Local AGZ grant contract does not have secured cash contributions for agricultural conservation easement purchase, no grant funds may be expended until those funds are secured.

Grantees are limited to the start of the next fiscal year after the execution of a grant contract to secure cash contributions for agricultural conservation easement purchase. If cash contributions for agricultural conservation easement purchase from a local government or a private conservation nonprofit organization are not secured during this time period, the grant contract will be canceled.

Example: If a Local AGZ grant contract is awarded on October 1, 2025, the contracted entity has until July 1, 2026, to secure matching funds. The secured funds may be in whole or in part, but the maximum grant expenditures are limited to the secured matching funds.

Non-allowable Costs:

- Personnel/Administrative Services
- Appraisals
- Alcoholic beverages
- Bad debts
- Contingency provisions
- Contributions and donations
- Entertainment costs
- Fines, penalties, damages, and other settlements
- Fundraising and investment management costs
- General costs of government
- Goods or services for personal use
- Lobbying

- Losses on other awards or contracts
- Organization costs
- Selling and marketing costs
- Student activity costs
- Telecommunication costs

If there are questions about allowable costs or match, please email Allison Rodriguez at Allison.rodriguez@ncagr.gov.

Local AGZ Renewal

A Local AGZ MOA is eligible for renewal under the following circumstances:

- The Local AGZ MOA expends all funds before the end of the agreement period;
- The Local AGZ MOA has obligated all funds under a subcontract for an agricultural conservation easement project before the end of the agreement period;
- There are not enough remaining funds in the Local AGZ MOA for a new subcontract for an agricultural conservation easement project.

If renewal eligibility is met, the MOA holder may apply for renewal during the ADFP Trust Fund application period. The MOA holder will complete the standard AGZ application and provide the necessary documentation to demonstrate eligibility for renewal.

The Local AGZ MOA will remain active during the renewal application evaluation period.

The Local AGZ renewal request is limited to \$2 million, with a maximum of 10 percent eligible for transactional, due diligence, and stewardship endowment funds.

Local AGZ MOAs are active for three years, with two one-year extensions, for a maximum of five years. Local AGZ MOA holders may apply for renewals within that five-year term.

Local AGZ MOAs in the final year of a five-year term are ineligible for renewals. In this scenario, eligible entities must apply for a new Local AGZ.