

# Davidson County Farmland Protection Plan

Davidson County Voluntary Agricultural District Board



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AND FARMLAND PRESERVATION TRUST FUND**

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Authored by: ACDS, LLC

# Davidson County Farmland Protection Plan

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# Davidson County Farmland Protection Plan

## EXECUTIVE SUMMARY

### Background

The Davidson Farmland Protection Plan has two purposes: 1) to analyze and understand the foundations of the agricultural economy in Davidson County (“the County”); and 2) to create a forward-looking plan that not only addresses a suite of issues facing farmers and citizens in the County today, but also *sets the stage for agricultural growth*. The plan’s recommendations encourage long-term policy formation in support of agriculture. To achieve this, a specific short-term framework and transition plan will help guide local programs on agricultural economic development and land-use initiatives.

### Agriculture and Forestry

Agriculture serves as a small, but growing, element of Davidson County’s economy that has been historically balanced between crop and livestock production, with the northern areas of the county dominated by tobacco production and the southern region dominated by livestock and field crop production. Much of this production occurred on small acreage farms and supported a large number of full-time farmers (approximately two-thirds of all Davidson County farms in 1992.)

With the advent of the tobacco buyout and changing structure of the dairy industry, this mix has changed over the years. Tobacco is slowly giving way to fruit, vegetable, and nursery production. The livestock sector has seen a move from dairy to poultry, with poultry rising from 21 percent of the agricultural economy in 1997 to 51 percent in 2007. For many small acreage farmers, the transition to other production options was facilitated by tobacco buyout payments which eased the financial transition. A general picture of the agricultural economy is presented in Table 1 (below). Additional information can be found in Appendix A, “Agricultural Trends Profile for Davidson County, NC.”

**Table 1: Summary of Agricultural Economic Indicators**

Indicator	1997	2002	2007	Change 1997 to 2007
<b>Total Cropland (Acres)</b>	106,997	104,797	91,475	-14.51%
<b>Number of Farms</b>	1,151	1,138	1,074	-6.69%
<b>Total Sales</b>	\$24,798,000	\$26,027,000	\$36,386,000	46.73%

In 2006, there were 196,000 acres of forest lands in the county, all of which are Piedmont forest types representing a mix of soft and hardwood stands. Very little forested acreage is held in institutional (11,700 acres) or governmental (6,800 acres) ownership, with the balance held in private ownership. The challenge presented by this ownership pattern is the potential for significant forest land fragmentation, as private landowners change their intended use of their forests. Forestry has historically been tied to the nationally recognized cluster of furniture mills in the region, which provided a ready market for wood products until the industry began to transition to offshore manufacturing.

# Davidson County Farmland Protection Plan

## EXECUTIVE SUMMARY

### Agricultural Development Needs

Utilizing its agricultural resources, Davidson County is ideally positioned to create strong market opportunities. Its market-related resources are in viable proximity to a large population and strong food markets. Good access to industrial resources, manufacturing-oriented workforces, and direct access to rail and interstate shipment options make Davidson County a solid candidate for economic development activities.

As agriculture is increasingly marginalized as an economic contributor to the general economy and more elements of the forest products industry move offshore, it becomes ever more important to actively support the industries' economic and business development needs. This is particularly true given the high multiplier effects associated with agriculture and forestry, which highlight the need to leverage upstream and downstream activities.

Until market viability is supported, even the best regulatory and legislative encouragement will fail to support agriculture. With this in mind, the following action steps are recommended.

- 1) **Create a targeted marketing strategy to support upstream and downstream agribusiness and forest products industries.** Such activity will improve the integration of agricultural and forest products industries within the general economy. It will allow Davidson County to expand its employment base, while enjoying the positive community influences associated with agriculture and forestry.
- 2) **Support Davidson Works in the development of an agribusiness workforce readiness program.** This action step will encourage better workforce performance and attract a high quality workforce to the agricultural industry. Ultimately, an improved workforce should lead to an improved bottom-line.
- 3) **Advocate for improved agricultural education in secondary schools.** Designed specifically to prepare future agriculturalists, this action step seeks to invigorate agriculture as a career choice.
- 4) **Create a public outreach and marketing campaign.** This action step will formally bridge information gaps between farmers and the general community, resulting in goal congruence between the economic use of working landscapes and quality-of-life desires of an expanding North Carolina (NC) metropolitan region.
- 5) **Enhance farm transition programming.** This action step offers a programmatic response to the aging of the farm population and the difficulties encountered in transitioning farm real estate in the current economy.
- 6) **Develop an action plan.** Since many economic viability concerns stem directly from regulatory issues, the creation of an action plan is critical to the long-term success of agriculture.

# Davidson County Farmland Protection Plan

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## EXECUTIVE SUMMARY

### Agricultural Protection Needs

Due to steady development pressure created by both internal and external forces, the citizens of Davidson County are being affected, to varying degrees, by the conversion of farmland and the loss of its benefits of job creation, economic stabilization, protection of the environment, and enrichment of the quality of life. Given its highly dispersed effects, suburban sprawl-type development is the most common challenge for farmland.

Davidson County faces three special challenges in protecting its base of working lands: 1) development consists of highly dispersed small-unit developments; 2) the County has limited resources to implement costly land preservation techniques; and 3) the County's population base is growing at a constant rate, but not consistently across the County. Collectively, these issues indicate that no one program may effectively keep pace with the changes in land use; therefore, no one program can achieve critical effect. A multi-tiered preservation program approach using a set of common tools (described below) makes sense for Davidson County.

- 7) **Create a county farm and forest land preservation program.** This program will be designed to improve land owner options for financing intergenerational transfers, thereby enhancing the ability of young and beginning farmers to acquire land and working forest land owners to expand operations.
- 8) **Create a county Right-to-Farm and Forest law.** Farmers and foresters share a concern that standard operating procedures and application of best management practices may be limited in areas where non-farm development is highest. This recommendation seeks to remedy this situation by seeking legislative authority to develop a Davidson County Right-to-Farm law.
- 9) **Develop an action plan in cooperation with agricultural and forestry industry partners.** The recommendation seeks to improve the integration of agricultural and forest product industry needs within the regulatory structure of the County.
- 10) **Conduct outreach and education events on a periodic basis.** Many farmland preservation and protection tools are currently available to land owners in Davidson County, but seem to be poorly understood. This recommendation will expand rural landowners' understanding of the programs and approaches available to them.

# Davidson County Farmland Protection Plan

## EXECUTIVE SUMMARY

### Land Use Controls Needs

Over the last several decades, Davidson County has developed a set of land use controls to address a complicated set of local conditions that include accommodating steady population growth outside of incorporated municipalities; providing infrastructure, services, and real estate to allow for industrial growth; and protecting key watersheds from further degradation as a source of water supply, power, and recreation. With remarkably different growth patterns evident between the northern and southern regions of the County, developing policies to address growth countywide has proved somewhat of a challenge. Proximity to major population centers in the Piedmont Triad, access to sound transportation infrastructure, and a historically strong employment base have made northern areas of Davidson County a target for sprawling, commuter-oriented growth.

South of Interstate 85, Davidson County has experienced a much slower pace of growth and does not face the same challenge of managing development sprawl. The major exception in southern Davidson County is lake-oriented development, which has brought many second home owners to the County. While second home owners do not generally demand the same level of service as do permanent residents, they do encroach on working lands and can have a negative impact on regulated water bodies.

The following recommendations offer a means to facilitate agricultural and forest products industry development within the complex land development environment summarized above.

- 11) Develop a working lands overlay zone to cover critical agricultural and forest resource areas outside of growth areas.** The intent of this recommendation is to extend to agricultural operations additional protections (such as cluster subdivision and Right-to-Farm protections), while preserving underlying densities and rights allowed in the current zoning code.
- 12) Create an agriculturally friendly cluster subdivision.** Clustering of development is one of the primary growth controls in the Land Development Plan, but its implementation at the landowner level is low. Improving understanding of clustering, coupled with offering incentives, may help invigorate this land management tool.
- 13) Conduct landowner seminars on conservation development options.** This recommendation seeks to improve the use of conservation design and cluster development by educating landowners and engineers on the implementation of these practices in small unit subdivisions.

# Davidson County Farmland Protection Plan

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## EXECUTIVE SUMMARY

### **Implementation of the Plan**

Success in protecting agricultural resources requires long-term support and funding at the County and State levels. Given the large fiscal requirements for programs like purchase of development rights and agricultural development-oriented loan funds, the County will likely require outside funding support to implement most of the initiatives outlined. Typically, this funding would be supported through State and federal grants and match programs; however, poor fiscal conditions make this unlikely in the near term. The result is that Davidson County must rely on non-traditional sources of funding and partnerships to implement its programmatic intent.

# Davidson County Farmland Protection Plan

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# Davidson County Farmland Protection Plan

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## Section 1: Agricultural Conditions in Davidson County

### **Purpose of the Plan**

The Davidson County Farmland Protection Plan has two purposes: 1) to analyze and understand the foundations of the agricultural economy in Davidson County (“the County”); and 2) to create a forward-looking plan that not only addresses a suite of issues facing farmers and citizens in the County today, but also *sets the stage for agricultural growth*.

The final recommendations encourage long-term policy formation in support of agriculture. To achieve this, a specific short-term framework and transition plan will help guide local programs on agricultural economic development and land use initiatives. The result of the process is a series of thirteen recommendations for action relative to agricultural business and land use conditions.

This study adopts a broad definition of agriculture to include all aspects of the cultivation and production of plant material and animal products, as well as the marketing, processing, and distribution of these products, and other secondary on-farm activities (e.g., agricultural tourism, forestry, and aquaculture).

This project was funded through the North Carolina Agricultural Development and Farmland Preservation Trust Fund (NCADFPTF).

### **Integration with Other Plans and Policies**

The Farmland Protection Plan (“the Plan”) is not intended to supplant or replace any other planning initiatives that have taken place in Davidson County. Instead, the Plan is intended to support and integrate with existing plans, such as the 2009 Davidson County Land Development Plan.

Furthermore, it is intended that the Plan will serve as a guiding document for inter-jurisdictional planning for the protection of agriculture and the forest products industry.

### **Vision of Agricultural Protection**

Based on the input received through this study, as well as an examination of other publications related to the growth and development of Davidson County, the following plan vision is offered:

#### ***Agricultural Protection Vision***

*To enhance the economic viability of Davidson County’s working lands in a manner consistent with community character, the County’s development needs, and industry growth requirements, while protecting key agricultural assets.*

# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

### Overview of Agricultural and Forest Resources

Agriculture is a small, but growing, element of Davidson County's economy. Production agriculture currently represents less than one percent of the County's employment base and industrial assets. Timber Harvest and Management, the forest products industry's counterpart to production agriculture, offers a similar employment and output impact on the local economy. These industries, however, represent the largest land use category in the County and contribute to the vibrant input and output industries that anchor the local economy.

Historically, Davidson County's agricultural industry has been balanced between crop and livestock production, with the northern areas of the County dominated by tobacco production and the southern region dominated by livestock and field crop production. Much of this production occurred on small acreage farms and supported a large number of full-time farmers (approximately two-thirds of all County farms in 1992).

With the advent of the tobacco buyout and changing structure of the dairy industry, this mix has changed over the years. Tobacco is slowly giving way to other high value horticultural crops such as fruit, vegetable, and nursery production, particularly in the heavily populated northern reaches of the County. The livestock sector has seen a move from dairy to poultry, with poultry rising from 21 percent of the agricultural economy in 1997 to 51 percent in 2007. Poultry's rise is, in part, due to the small farm structure in the County. It also fits the working needs of part-time farmers, who now make up 76 percent of agricultural operations. For many small acreage farmers, the transition to other production options was facilitated by tobacco buyout payments which eased the financial burden of transition.

A general picture of the agricultural economy, including the effects of the quota buyouts, is presented in Table 1. Additional information can be found in Appendix A, "Agricultural Trends Profile for Davidson County, NC."

**Table 1: Summary of Agricultural Economic Indicators**

Indicator	1997	2002	2007	Change 1997 to 2007
<b>Total Cropland (Acres)</b>	106,997	104,797	91,475	-14.51%
<b>Number of Farms</b>	1,151	1,138	1,074	-6.69%
<b>Total Sales</b>	\$24,798,000	\$26,027,000	\$36,386,000	46.73%
Cattle	\$2,639,000	\$3,044,000	\$2,754,000	4.36%
Milk and Milk Products	\$4,531,000	\$4,251,000	\$3,575,000	-21.10%
Poultry and Eggs	\$5,291,000	\$10,288,000	\$18,626,000	252.03%
Tobacco	\$6,300,000	\$3,502,000	\$3,030,000	-51.90%
Vegetables and Fruits	\$374,000	\$741,000	\$2,410,000	544.39%
Grains and Oilseeds	\$2,312,000	\$1,722,000	\$2,468,000	6.75%
Nursery	\$1,013,000	\$1,276,000	\$1,975,000	94.97%
Other	\$6,869,000	\$5,454,000	\$5,123,000	-25.42%
<b>Government Payments</b>	\$260,000	\$610,000	\$560,000	115.38%

# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

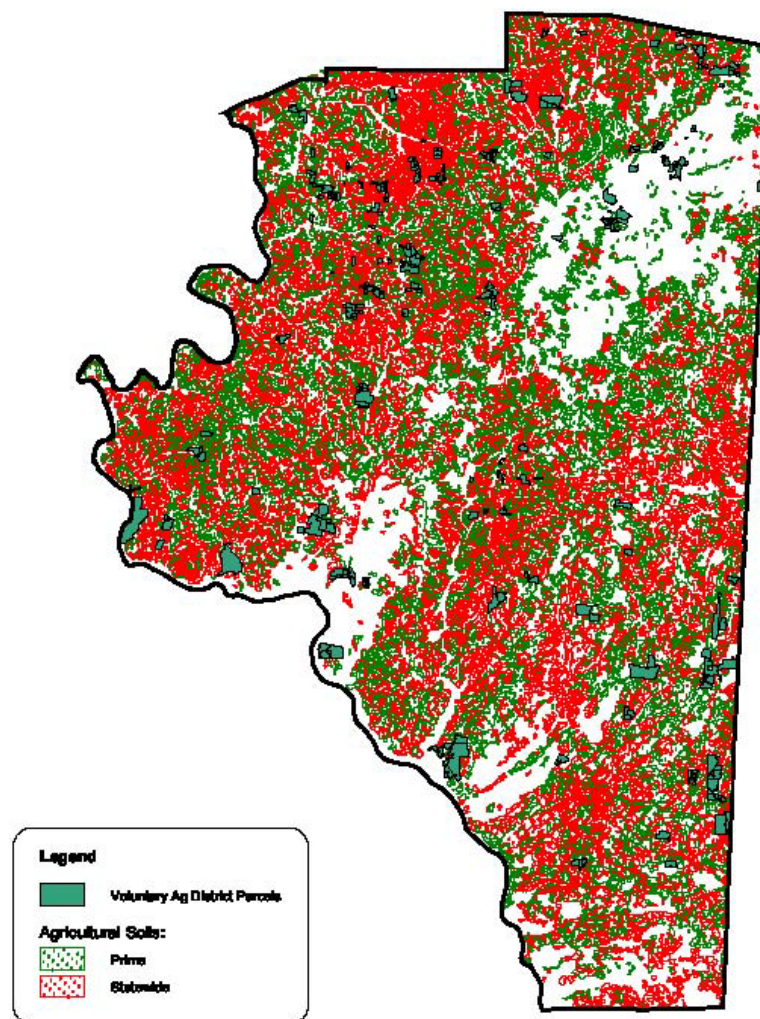
As noted earlier, forestry is another critical foundation industry in Davidson County. Woodland constitutes the largest land cover. Gathering reliable data to classify the production industry, however, is challenging as statistics are not kept in the same manner as agriculture. With that said, there are 196,000 acres of forest lands in the County, all of which are Piedmont forest types representing a mix of soft and hardwood stands. Very little forested acreage is held in institutional (11,700 acres) or governmental (6,800 acres) ownership, with the balance held in private ownership. The challenge presented by this ownership pattern is the potential for significant forest land fragmentation, as private landowners change their intended use of their forests.

Beyond forest land ownership, Davidson and surrounding counties support a robust, though currently depressed, forest products industry. This industry is anchored by primary manufacturers of wood products to include dimension lumber, chips, and fiber board manufacturers.

The area also supports a significant market for woody biomass driven by industrial users in the region, such as Corn Products International in Winston Salem, North Carolina.

Davidson County's agricultural and forestry industries are anchored by strong agricultural production areas in both the northern and southern areas of the County. Good agricultural and forestry soils serve as the basis for these clusters and include both Prime Soils and Soils of Statewide Importance.

**Figure 1: Davidson County Soils Map**



# Davidson County Farmland Protection Plan

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## Section 1: Agricultural Conditions in Davidson County

Wise use of Davidson County's agricultural assets has become the primary focus of the newly created Davidson County Agricultural Advisory Board, which administers the Davidson County Voluntary Agricultural Districts program. This program began in July 2006 with the adoption of a Voluntary Agricultural Districts (VAD) ordinance. The ordinance includes a standard Voluntary Agricultural District program, but does not authorize an Enhanced Voluntary Agricultural District Program. Since its inception, the Davidson County Voluntary Agricultural District Program has enrolled 12,538.6 acres on 331 District properties.

# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

### Characterization of Working Land Viability

A thorough analysis of the agriculture in a community incorporates both land use and industry economics. Background information was collected and assembled from published sources, as well as from interviews with farmers and agribusinesses. Results of the agricultural resources review are summarized in an analysis that covers strengths, potential for improvement, opportunities, and challenges. This strategic planning tool pulls together land use, demographic, and economic conditions to provide a snapshot of the industry at a particular time.

Strategic planners and marketers use this kind of analysis to assess the competitive environment of a region, industry, business, or product. This technique evaluates issues facing agriculture in Davidson County by asking the following questions to farmers, landowners, and those with secondary agricultural functions (including processing, supplies, and distribution):

1. What are the advantages of engaging in production agriculture in Davidson County?
2. What unique local conditions support the agricultural industry?
3. What do Davidson County farmers do well?
4. What do Davidson County farmers do that can be improved on?
5. What can be improved in Davidson County's agricultural community?
6. What are key regional/industrial trends?
7. What are the options and challenges facing Davidson County farmers?
8. How does agriculture fit within the regional context?

For the Davidson County Farmland Protection Plan, strengths, potential for improvement, opportunities, and challenges were assessed for the agricultural industry, including production agriculture and agricultural support industries. The criteria identified are drawn directly from the study team's interviews with the agricultural industry. As such, this analysis should be considered an industry self-assessment.

These factors are used to identify key issues facing an industry. These issues are then incorporated in the design of programmatic and policy responses in Sections 2 through 4.



# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

### Strengths

Overall, the strength of Davidson County agriculture is derived from physical, human, demographic, cultural, and economic resources unique to the County and central North Carolina. These resources are summarized below.

*Market Access* - Davidson County agriculture has the enviable position of being located within the Piedmont Triad and adjacent to the Charlotte metropolitan market place, which is one of the nation's fastest growing food markets. This immediate market access is enhanced by proximate access to the Research Triangle area. Collectively, these three markets represent approximately 7.5 million consumers and more than \$10 billion in food sales, of which nearly 10 percent is serviced by out-of-market supply. As well, this local market is a large consumer of tourism and recreation.

*Diversification* - Despite a heavy reliance on poultry, the balance of Davidson County's agricultural economy is remarkably diverse. This diversity manifests itself in the many small operations throughout the County that produce supplemental income through agritourism, nursery production, fruit and vegetable production, cattle, dairy, and alternative livestock production. This diversification is driven, in part, by the needs of regional direct marketing opportunities.

*Access to Natural Resources* - Access to natural resources, such as wells for livestock and irrigation and a solid inventory of Class I – III soils and Soils of Statewide Importance, is widely available. Davidson County, however, is somewhat challenged in topography, making it more suitable for small farm operations.

*Transportation Infrastructure* - Davidson County's transportation infrastructure is widely diversified, ranging from interstate highways to small rural roads. This infrastructure adequately supports the unique mix of agricultural and forestry operations; however, moving equipment through the current system can be a challenge.

*Presence of Market Innovators* - Davidson County's agricultural operations suggest a trend toward market innovation, which is exemplified by the unique mixed use development of the Childress Winery and Vineyard operation. This condition seems to be a unique mix of the economic wherewithal of the community, combined with the need to push innovation to stay competitive within the area's mature land-use situation. In order for agriculture to remain viable in the face of sustained development, innovation must continue. Some innovations are a result of transition from tobacco as a mainstay of small farm income. Tourism offers similar growth opportunities.

*Public Sector Support* - Davidson County has a supportive public sector that recognizes the importance of agriculture to the County. This support is embodied in the Voluntary Agricultural District ordinance and subsequent success in VAD enrollment.

*Location* - Davidson County is well served by major transportation corridors, as it is located in the Interstate 85 corridor and is within a one-day drive of major east coast markets and southeastern markets.

*Sales Growth* - Farm receipts in Davidson County have been continuously growing each year. The increase is mainly due to the continuous growth in livestock receipts, which accounted for an average of 62 percent of total receipts between 1970 and 2007.



# Davidson County Farmland Protection Plan

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## Section 1: Agricultural Conditions in Davidson County

### Potential for improvement

As with any industry, region, or product, Davidson County agriculture has elements that must be addressed when planning for the industry's economic future.

*Steady Development* - Davidson County maintained a one-percent average population growth rate between 1970 and 2007. There were also no years where growth rates declined, even in contracting economies. The result has been the steady conversion of farmland at a rate of nearly 1,000 acres per year.

*Small Tracts* – Scattered development in parts of the County make it generally difficult for agricultural operations to expand to adjacent or nearby parcels that are of sufficient size to be economically viable. Scattered development also increases the “zone of conflict” between agricultural uses and potentially incompatible retail/commercial uses. This scattered development leads to high levels of competition for Prime Soils. The effect is to stretch limited farm resources and add to operational inefficiency.

*Regulatory Burden* - State and local regulatory structures have an impact on farming. For instance, the expansion of municipalities may place additional controls on farms that are intended to restrict or control residential and commercial development. Because of this, the code does not differentiate between agricultural activities and residential activities, offering a conflicting regulatory environment. An additional area of concern is transportation code, which affects the ability of farmers to safely move equipment.

*Limited Transition Options* - Davidson County's farmers have an average age of 58 and are aging at a faster rate than they are being replaced by a younger generation. This indicates that Davidson County may have a significant issue regarding farm transition. Land values, estate planning issues, and the general health of the agricultural economy are all reasons cited for the concern that a next generation of farmers may be difficult to find.

*Integration within the General Economy* - Davidson County agriculture has insufficient integration within the local economy, as evidenced by its impact on total economic output and its associated low multipliers. Agriculture is thusly left out of economic and industrial development planning and generally not being considered an economic use. The exception to this rule is the forest products sector and regional agricultural manufacturing which are strongly correlated to the local economy and are extant due to the region's agricultural and timber resources.

*Land Competition* - Davidson County is fortunate to have a high quality land base and expanding agricultural operations. However, this is causing competition for land base. In some areas, competition for the resource is between agricultural and non-agricultural uses; in others, it is between competing agricultural uses.

**STATE ISSUES** - *Transportation Corridors* - The road infrastructure within the County consists of several main arterial roads and a wide system of secondary roads. As commuter density and farm equipment sizes have changed, several issues have surfaced. Main arterial speeds and traffic volumes are restricting farm equipment access. Secondary roads and rural bridges are in some cases restrictively narrow, have improper weight limits, or lack adequate shoulders.

# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

### Opportunities

The long-term success of the industry is dependent upon its ability to recognize the opportunities presented by changes in the business environment and its ability to react appropriately. The industry must be willing to look for opportunity in those situations that seem to be challenges.

*Industry Consolidation* - Historically, agribusiness industry consolidation is viewed as a negative element for local farmers and small agribusinesses. However, consolidation, on the input and output side of agriculture, has also created successively larger, underserved niche markets. This opportunity is perhaps best recognized in food processing, where consolidation has led to homogeneity in product offerings. This homogeneity creates locally and regionally significant pockets of underserved consumers and opportunities for aggressive marketers of food products.

*Development Infrastructure* - Both Davidson County and the region have significant vacant industrial properties and industrially oriented infrastructure that can be immediately employed to support growth. There are additional adaptive reuse capacities in many areas that are suitable for milling, food manufacturing, and distribution.

*Product Development/R&D* - Changes in consumer purchasing power and food buying habits, opportunities in agricultural biotechnology, industry consolidation, and regional demographics yield an expanded level of marketing and product development opportunities by which farmers can capture a larger share of the value-added mark-up. R&D activities at the Kannapolis Research Park may add to these opportunities regionally.

*Labor Force Development* - Davidson County does not exist in a labor vacuum. The regional agricultural industry is suffering from the same labor issues of limited availability and declining quality. Many farmers and ACDS, LLC believe that a concerted regional effort to expand and train skilled agricultural labor will uplift the entire industry and provide the region and Davidson County a competitive advantage over other states and regions.

*Consumer Demand* - The current climate in which consumers are changing their purchasing power and food buying habits may yield an expanded level of direct marketing opportunities and product development opportunities locally. An example is the recent growth in demand for local food products by major retailers, which is on pace to outstrip growth in organic and other specialty markets.

*Regional Land Use* - Regional land use patterns may allow Davidson County the opportunity to plan and finance agricultural support and land preservation programs. As development expands from the Charlotte and Piedmont Triad market areas, Davidson County may face a rapid increase in development, making it difficult to react. The key is to plan for expanding development.

*Leadership Development* - In order to build and maintain a strong and supportive policy infrastructure that benefits agriculture, the farming community should seize the opportunity to identify and develop new industry leaders. Davidson County is still a place where agriculture has a voice, but this voice will only be maintained through continual development and invigoration of leadership skills and access.



# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

### Challenges

Challenges represent those elements of the business environment that affect the long-term survival of the agricultural industry. Many of these elements are beyond the control of the industry and frequently require additional resources.

*Regional Development Patterns* - Land use patterns in the region are changing rapidly as the suburban reach of the Raleigh-Durham metropolitan market places pressure on land resources in counties that are critical to maintaining a healthy agricultural infrastructure. This development manifests itself as low-density residential development and attendant retail-commercial development. The challenge posed by this development is four-fold:

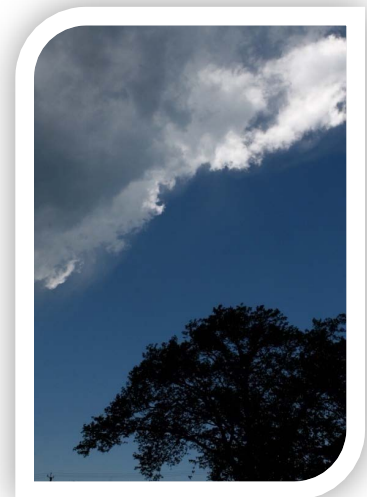
The first challenge comes from the nature of differing land uses. Agriculture, despite providing a pleasant and pastoral landscape, is a commercial and industrial land use that produces dust, odors, slow moving traffic, and other conditions that conflict with residential use. There are true economic costs associated with managing farm operations, especially livestock operations, in close proximity to rural residences. In addition to the direct costs associated with operational changes, there are additional social costs to this conflict that include neighbor infighting, trespass, nuisance suits, and crop damage.

The second challenge from the patchwork of development that is common in the region stems from the high level of small road front parcels. As developed parcels leapfrog existing farms, they limit the expansion capability of existing operations, thus impacting successful intergenerational transfers. In addition, the patchwork of farms requires farmers to travel greater distances between parcels, increasing both the time and expense of farming.

The third challenge involves the quality of land resources being consumed by development. Simply put, the best soils and topography for farming are the easiest lands to develop and generally the first to convert. This is particularly true in northern Davidson County where pressure from Forsyth and Guilford Counties are already limiting the efficiency of farming.

The fourth challenge centers on the increase in land value due to low density development patterns and the demand for recreational housing. As a result of increased demand for land, farmers must compete for land at higher prices. This impacts both operational costs as well as farm transition.

*Limited Capital Investment* - In order for an industry to remain competitive, the industry must make capital investments in plant and equipment. Current economic conditions, combined with issues of impermanence and lack of a next generation, are slowing the rate at which these investments are made. This is especially true for the agribusiness sector which, outside of integrator systems, is making fewer local investments.



# Davidson County Farmland Protection Plan

## Section 1: Agricultural Conditions in Davidson County

*Loss of Critical Mass* - North Carolina is leading the nation in farmland loss. Statewide, all facets of agriculture have been impacted. The most profound impact is lost economic activity, which disallows healthy input and output industries, as well as infrastructure investment. Davidson County has little or no control over this condition, as the economic conditions in metropolitan Charlotte, the Piedmont Triad, and Research Triangle areas have as much influence over demand for farmland as do local policies.

*Labor Availability* - Labor is a fundamental production input for most regional agricultural industry sectors, such as dairy, fruit, vegetable, nursery, greenhouse, and equine, and it is in short supply. Regionally, farmers note labor as one of the most pressing management concerns, and a primary limiting factor in farm business expansion. In addition to availability, labor is also limited by quality with some farmers advertising outside of the region to find qualified labor. As the labor pool gets tighter, it will become more important for farmers to have access to adequate training opportunities and retention strategies.

*Loss of Agricultural Infrastructure* - Consistent with previous trends, the region's agricultural infrastructure is deteriorating as agriculture shrinks in importance relative to other economic uses. For Davidson County, this means that local farmers will have to travel longer distances to go to markets or get supplies, services, parts, and equipment from an ever-shrinking base of input and output industries. In addition, public sector infrastructure, such as extension services, regional research and development, and other farm support programs, are diminishing due to fiscal realities.

*State and County Fiscal Conditions* - Poor fiscal conditions will impact the development of local and regional agricultural development initiatives. Many government officials are currently considering cuts to existing programs, a condition that will likely be in place for the next two to three fiscal cycles. To be given serious consideration in this environment, new initiatives must demonstrate a clear linkage to overarching economic development goals, such as increasing tax base or employment.

*Drain of Management Skills* - Given the better economic returns in other industries, many farmers in the region fear a drain of the best skilled managers and operators. Increasing the professionalism of operators and increasing the bottom line returns of agriculture are possible resolutions to this challenge.

*Urbanization* - Over six million people live within a hundred-mile radius of Davidson County. Most reside in urban settings within the Charlotte, Raleigh/Durham, and Piedmont Triad regions. This market area includes three of the ten fastest growing cities in the United States. With this level of urbanization, the rural culture that has dominated the region's policy making is quickly swinging to a more urban- and suburban-influenced pattern. This may have a long term effect on agricultural policy, such as the Present-Use Valuation, making it more difficult to farm.

# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

### Agricultural Economic Development Needs

As agriculture is increasingly marginalized as an economic contributor to the general economy and more elements of the forest products industry move offshore, it becomes ever more important to actively support the industries' economic and business development needs. This is particularly true given the high multiplier effects associated with agriculture and forestry, which highlights the need to leverage upstream and downstream activities.

Articulating these needs within a coherent action strategy is complicated by a series of regulatory, environmental, finance, and cultural issues that will require a concerted effort of industry, government, and community to overcome. It is also important to recognize that the industry's development needs do not impact all sectors in the same manner. Highlight of the industry's expressed concerns and needs are presented below:

- Expanding development, scattered development, and competition for land with non-operating uses put a premium on agricultural land that makes it less profitable to farm and difficult to expand. As a result, there is direct pressure for farmers – particularly new and expanding farmers – to grow their operations elsewhere.
- For agriculture to expand over the long term, workforce conditions must improve. This can begin with educating and training agricultural entrepreneurs and the agricultural workforce.
- Increasing land values, combined with the end of tobacco buyout payments, heighten concern about farmland transition and highlight the need for education on transition issues.
- Crop damage from trespass and wildlife is a growing concern that requires policy change.
- Increased intermixing of residences within agricultural production areas fuels the possibility of increased nuisance claims against farmers, which can have negative impacts on earnings. Increasing communication and understanding of agriculture, as well as legislative action, are pressing needs.
- Marketing infrastructure needs to be improved. It should include a combination of an economic development attraction effort, on-site development, modernization, and scale-up.
- Extensive off shoring of timber production and manufacturing has a significant negative effect on the local wood products industry similar to the trend in the textile industry. This makes the timber market highly cyclic and deeply dependent on international pricing effects.
- Tax policies at the local, State, and federal levels influence landowner decision making significantly, particularly during intergenerational success planning and during investment decision making. For many local farms and forest stands, this results in a short-term planning horizon or increased pressure to transition out of the industries.
- Regulatory structures, particularly in transportation and development policy, need to improve to be more farm-friendly.

None of the potential responses listed above ensure the continuation of agriculture. An integrated strategy combining land preservation techniques, regulatory changes, and market opportunities is essential. Communities achieving the most success in protecting their agricultural industries are those that employ, in a timely manner, a combination of tools and vigorous regulatory and agricultural economic development programs. These topics will be discussed in sections 3 and 4 of this report.

# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

### Applicable Tools and Programs

Local communities often benefit from structured economic development support provided to regionally important industries. Agriculture is no exception. In fact, public policy efforts to protect the farmland base, such as land use planning and purchase of development rights, are often more effective when combined with economic development programming. Providing this level of support for agriculture in Davidson County is critical to continued growth in the industry.

Given its strong agricultural assets, natural resource base, and committed corps of producers, Davidson County is well situated to leverage growth. In addition, the County has proximity to a large population base both in North Carolina and along the I-85 corridor. But, supporting this industry through the many transitional forces affecting it requires careful use of the scarce tools and resources available to the County and industry alike. Encouraging market viability in all components of agriculture, forestry, food processing, distribution, biotechnology, and related industries is particularly important in Davidson County due to the industries' strong positive linkages to indirect job creation.

Effective economic development tools generally concentrate on supporting the private interest of the industries (i.e., the profit-making potential of individual firms within an industry sector), while providing a clear public benefit such as employment creation, infrastructure improvement, wealth generation, and quality of life enhancement. In the case of agriculture, the greatest public benefit may be the stability of the working landscape and all of the secondary benefits that follow. These tools are highlighted on the following pages.

### **Strategic Marketing**

Strategic marketing is the means by which a community conveys its economic development mission to its various stakeholders, both internal and external. These programs can utilize a wide variety of media and carry a diversity of messages, but all strategic marketing plans in economic development must have two key features. The first is a means to reach the constituent base of the community with a message that keeps the broader community, and therefore policy makers, engaged in economic development. At a minimum, this message must convey the community benefit of the economic development and seek continued/sustained support. Second, the message must reach the intended industry markets in a meaningful way. In other words, a strategic marketing campaign must reach a market that has a willingness to respond to the message, or the message will be lost. Even if the public constituency has bought into an economic development campaign, it will be ineffective if the market does not respond. Similarly, an effort to recruit businesses can be very successful in terms of deal flow, but will fail if the community is not willing to support that type of business or industry. This focus is currently carried out by the local and regional Chambers of Commerce, which does not specifically address the attraction of agribusiness or food cluster businesses.

# Davidson County Farmland Protection Plan

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## Section 2: Using Agriculture as an Economic Development Tool

### Infrastructure Development

A community cannot be effective in retaining or attracting industry if its basic infrastructure, such as water and sewer, cannot accommodate industry needs. When planning infrastructure, accounting for the current and future needs of industry is key to good economic development planning. This is doubly important when a community is engaged in a Business Retention Expansion and Attraction (BREA) effort (or business cluster development), which requires the development or enhancement of specific infrastructure, such as redundant broadband access.

Infrastructure development generally applies to upstream and downstream agribusinesses. For example, Sandpoint, Idaho expanded its sewer and water capacity to accommodate the development of a new dairy processing facility. Such capacity exists in the region, as it was a necessary component of much of the former industry needs in this region of Idaho.

### Real Estate Development

In today's corporate environment, many relocation decisions are made and implemented with very short development cycles. Communities that have worked with the real estate development industry to pre-position built capacity and/or pad sites often have an advantage in attracting and retaining businesses. As with other economic development tools, the target industries must be clearly understood and a marketing strategy must be in place for this tool to be effective. Otherwise, real estate investments may go un-recovered or moved at fire-sale rates.

While modern facilities are not abundant in Davidson County, there are a wide range of existing facilities, as well as Greenfield sites, particularly along the I-85 corridor and within the municipal centers of the County.

### Regulatory and Policy Guidance

As the regulatory environment at the local, State, and federal levels becomes more complex, compliance becomes more costly across all sectors. Many communities have developed responses to this issue through their economic development offices, streamlining processes and improving efficiency in both the development process and in on-going corporate operations. Tools such as one-stop licensing, regulatory ombudsman, and specialized training of enforcement officers have proven both inexpensive and effective.

Some communities utilize economic development staff as regulatory ombudsmen on behalf of farmers. According to local farmers, this process can significantly shorten the development cycle and provides an important feedback loop to politicians regarding the agricultural impact of regulations. This explicit function does not currently exist in Davidson County.

# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

### Business Cluster Development

The United States has experienced a trend of concentrated clustering of industries during the last several decades. This trend was driven by access to key infrastructure, workforce characteristics, concentrations of wealth, advances in information technology, and enhanced telecommunications capacity. Communities have responded by developing targeted strategies to enhance lifecycle development (lifecycle development includes companies at all stages of development, from start-up to mature) of companies within a business cluster (a business cluster includes a primary industry sector as well as its input, output, and support sectors). Because business cluster development is industry-specific and generally forward-looking, it requires, as a precursor to industry development, significant community resources that are speculatively dedicated to targeted assets currently in place. In order for this type of development to be successful, the area must support, or have the capacity to support, at least the minimum needs of the target industry. Otherwise, business cluster development will likely fail.

As a business, agriculture is prone to clustering due to efficiencies of scale and the industry's propensity to spin off new ventures. This is especially true in relation to upstream and downstream industries and marketing. As an example, Lancaster County in Pennsylvania has been successful, through its Chamber of Commerce, in attracting a strong agribusiness cluster. This cluster continues to grow in strength despite high growth pressure in the area.

### Work Force Enhancement

Work force enhancement programs recognize that businesses and economies cannot function without a well-trained and available workforce. When companies, no matter the industry, seek to relocate or expand within a market place, work force conditions, both current and future, are among the first tier of criteria they examine. Communities often seek to address workforce development from a global, economy-wide, or firm level. At the economy-wide level, communities use public financing through the school system, primarily through higher education, to reinforce the skills sets that are required by that community's industrial base. In transitional economies, such as in Davidson County, work force development issues are likely to focus on new job classifications rather than historic job classifications. Firm-level work force development assistance is typically used to assist at-place and relocating employers with discrete training needs and is often supported through loans and grants.

Recent collaborations between agricultural industry associations and community colleges have led to the development of distance learning programs to educate field workers. For example, the Advanced Technology Center for Agriculture at Carroll Community College in Maryland developed a CD-ROM based training program in English and Spanish to teach laborers field identification of plants.

Adult education and workforce training programs of this type are currently offered by the community college system and Davidson Works. The college also offers small business development and entrepreneurship courses and business assistance.

# Davidson County Farmland Protection Plan

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## Section 2: Using Agriculture as an Economic Development Tool

### Business Development

Business development programs focus on the needs of small businesses (generally fewer than 500 employees) by addressing specific needs, such as access to financing or technical and professional services. Nationwide, the U.S. Small Business Administration leads efforts to support small business development through its lending programs, as well as through technical and grant support. In addition, most U.S. counties are supported by technical and professional counseling and mentoring services through a Small Business Development Center (SBDC) and the Service Corps of Retired Executives (SCORE). These services are generally offered through a local community college, as is the case in Davidson County.

In addition to the basic services noted above, some communities choose to provide more directed support to small businesses. Often these services are designed to fill a critical local gap in service provision or are designed to support the unique needs of targeted industry sectors. Examples of this type of enhanced business development programming include:

**Business Incubators** - Business incubators generally provide flexible real estate and business service solutions for selected small businesses. Business service solutions are generally targeted to the needs of high growth industry sectors and may include professional assistance from attorneys, accountants, and marketing specialists; technical assistance from product developers, laboratories, and engineers; as well as administrative assistance with secretarial duties, personnel, and bookkeeping. Business incubators are costly and technically challenging to implement, but when successful, have a proven track record of accelerating small business growth and keeping those businesses in the community. Agribusiness incubators are employed for a variety of uses, ranging from developing biotechnology products (e.g., Monsanto's incubator in Missouri) to supporting value-added food products (e.g., Unlimited Future, Inc. in West Virginia).

**Entrepreneurship Training and Support** - Entrepreneurship training and support is very similar to business incubation in that it provides support services to start-up and early-stage companies that generally have a high need for specialized technical and professional services. However, these programs often support a wider array of business sectors, ranging from agriculture to retail and high technology. These programs rarely offer real estate options or day-to-day business support and are therefore much less expensive to operate versus a business incubator. Agribusiness entrepreneurship training and support programs are becoming popular across the United States, including Cornell University's NxLevel cohort program.

# Davidson County Farmland Protection Plan

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## Section 2: Using Agriculture as an Economic Development Tool

**Small Business Support Networks** - Small business support networks tend to be informal, peer-based systems where small businesses counsel one another. These systems are often sponsored, but not operated, by an agency or organization, such as an economic development office or industry association, and rely on participating businesses to direct their programming. Agribusiness roundtables are popular in many areas of the United States as a means to improve network development among farmers, as well as upstream and downstream industries.

**Business Finance** - Small business finance programs generally target gaps in private sector funding, such as limited access to equity capital, within a region or specific industry sector. Most programs are oriented toward providing revolving credit and include provision of capital for early-stage businesses, farm ownership, interest rate buy-downs, loan guarantees, down payment loans, and operating capital. One of the greatest challenges in making finance programs work is developing enough deal flow to cover the costs of operations. Agricultural finance programs, such as Aggie Bonds, are used nationally to improve farmer access to development capital and to enhance capital availability to new farmers. More recently, Real Estate Investment Trusts are becoming active in agricultural investments, which may prove beneficial to farmers in Davidson County.

The following section recommends means for integrating elements of the above into an effective agricultural development strategy.



# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

Until market viability is assured, even the best regulatory and legislative encouragement will fail to support agriculture. Davidson County is ideally positioned to create strong market opportunities, given its strong market related resources that are in viable proximity to a large population and strong food markets. Good access to industrial resources, manufacturing-oriented workforces, and direct access to rail and interstate shipment options make Davidson County a solid candidate for economic development activities.

### Recommended Actions

- 1) **Create a targeted marketing strategy to support upstream and downstream agribusiness and forest products industries.** The marketplace for attracting solid economic development opportunities is highly competitive. In order for Davidson County to be competitive in the attraction and expansion of such opportunities, it must be prepared to market its many community assets, such as available labor force, ready industrial sites, inexpensive utilities, and solid transportation networks.
  - a. **Goal:** To improve the integration of agricultural and forest products industry within the general economy. This will allow Davidson County to expand its employment base, while enjoying the positive influence of the high output and employment multipliers associated with agriculture, forestry, and tourism.
  - b. **Implementation Strategy:** The Agricultural Advisory board should seek partnerships with local Chambers of Commerce, the Davidson County Community College, industrial developers, brokers, County economic development officials, and similar parties to develop a targeted approach to retaining, attracting, and expanding economic development activities related to agriculture and forestry. At a minimum, the plan should include the following actions.
    - i. Develop a targeted marketing plan focusing on strategic advantages of Davidson County.
      1. transportation and logistics businesses
      2. tourism assets
      3. strong agricultural production sectors
      4. accessible infrastructure
      5. available and qualified workforce.
    - ii. Assess existing incentives, economic development programs, and real-estate suitability for sectors outlined for recruitment and development.
    - iii. Identify key marketing partners and reach out to generators of agribusiness deal flow.
      1. site location consultants and real estate brokers
      2. business park developers
      3. NC Department of Commerce
      4. NC Department of Agriculture
      5. trade associations.
    - iv. Prepare marketing collateral and disseminate critical decision making information through direct mail, industry “ambassador” programs, brokers’ tours, etc.
    - v. Develop a pilot program for streamlining and/or fast-tracking agribusiness development projects with towns within the key transportation corridors or key environmental assets.
  - c. **Funding Considerations:** Initial funding to support planning and development activities should be sought through USDA Rural Development, NCADFPTF, Golden Leaf Foundation, or the Economic Development Administration.

# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

### 2) Support Davidson Works in the development of an agribusiness workforce readiness program.

Based on interview feedback, the industry shares a general concern that workforce skills are declining even as unemployment levels rise. It is recommended that industry-specific short courses be developed. Such courses should target all levels of the workforce.

- a. **Goal:** Encourage better workforce performance and greater attraction of quality workforce to the agricultural industry. Ultimately, an improved workforce should lead to an improved bottom-line.
- b. **Implementation Strategy:** Develop a partnership with the Davidson County Community College and Davidson Works to identify and/or develop needed curriculum. Curriculum targeting management should include the following training: FDA compliance, EPA compliance, computer skills, Spanish language, risk management, finance, and labor management/regulations. Programs targeting the workforce should include both on-site and distance modules on machinery repair, plant and insect identification, registration and licensing training, animal husbandry primers, basic farm English, and others as identified through surveys and outreach to the farm and farm worker communities. Workforce improvement should also address life skills.
- c. **Funding Considerations:** Programs such as this generally require operational support for curriculum development and for initial operations until they reach operational self-sufficiency. Funding possibilities include the USDA's Rural Development office, the US Department of Labor, NC Department of Commerce, and similar organizations.

### 3) Advocate for improved agricultural education in secondary schools. Part of the farmer and farm labor shortage is created by a shortage of preparatory classes and basic agricultural education. New farm labor and farm owner training needs to be reinforced through programs like Future Farmers of America (FFA), as well as curricula designed specifically to prepare future agriculturalists.

- a. **Goal:** To recruit and train a new generation of farmers through FFA and general agricultural curriculum in the secondary school system and increase basic preparedness of the workforce to engage in on-farm jobs.
- b. **Implementation Strategy:** Seek County Commissioner support to add specific vocational and life skills training to the school system that meets the needs of the local agricultural base. Seek funding to expand FFA programming and increase internship opportunities for youth interested in agriculture with a focus on small farm income opportunities. Train the school systems' guidance counselors on the opportunities available to students in modern agriculture.
- c. **Funding Considerations:** Additional funding will be required to support expansion to the school system's curriculum and should be discussed with the school board prior to advancing this recommendation. Some grant resources may be available to start programs, but are unlikely to support on-going operations.

# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

- 4) **Create a public outreach and marketing campaign.** Public support for agriculture is critical to its future success, whether it motivates the consumer to buy local agricultural products or encourages local government to buy development rights, reduce property taxes, or craft farm-friendly local laws.
  - a. **Goal:** To initiate a campaign to formally bridge information gaps between farmers and the general community. The outcome should be goal congruence between the economic use of working landscapes and quality-of-life desires of an expanding North Carolina metropolitan region that now stretches from Johnston County to Mecklenburg County. Strengthening relationships between these interests will enhance regional marketing opportunities and create a positive policy climate for agriculture.
  - b. **Implementation Strategy:** In light of the widespread interest in this issue, a broad-based partnership effort among groups such as the Agricultural Advisory Board, Land Trusts, Farm Bureau, NC State Cooperative Extension, Farm Credit, agricultural associations, the Soil and Water Conservation District, and local governments should move this campaign forward. Outreach samples can be found in Appendix B.
  - c. **Funding Considerations:** A small annual public outreach budget and limited staff time should be allocated to this project. Grant funds through the NCADFPTF may be available to initiate the public outreach program.
  
- 5) **Enhance farm and forestland transition programming.** The majority of farm owners in the region are over 55 years old. In many cases, the next generation is not planning to take over the farming business.
  - a. **Goal:** To provide a greater level of transition support to new farmers, retiring farmers, non-farm landowners, and others with an interest in protecting their assets or preserving farmland for future generations.
  - b. **Implementation Strategy:** Borrow programs from land grant universities, American Farmland Trust, Farm Credit, and others to develop a regional program that addresses mentoring, specialized skills training, estate planning, and farm management. Given the severity of the farm transition issue, this element of the plan should be considered for regional adaptation and may be modeled after successful hands-on programming, such as the Iowa Beginning Farm Center.
  - c. **Funding Considerations:** Program sponsorships should be sought for seminars and mentorship programs. Initial funding may be available through grants from NCADFPTF and the Gold Leaf Foundation.

# Davidson County Farmland Protection Plan

## Section 2: Using Agriculture as an Economic Development Tool

- 6) **Develop an action plan.** Since many economic viability concerns stem directly from regulatory issues, the creation of an action plan is critical to the long-term success of agriculture.
- a. **Goal:** To improve local and state level policy makers' understanding of agricultural issues. Seek immediate relief of policy issues related to tax policy, restrictive watershed protection policies, agricultural nuisance suits, transportation, and land use.
  - b. **Implementation Strategy:** Conduct an annual survey of producers and agribusinesses to determine most critical issues to address in a given year. This process will allow the development of an annual or bi-annual work plan to address State- and County-level regulatory issues. Such a work plan should include regularly scheduled meetings and training sessions with elected and agency officials, as well as a bi-annual report on agricultural conditions.
  - c. **Funding Considerations:** A limited budget for survey development and analysis, as well as a small budget for tours and educational events, is required.

### *Right-to-Farm as an Action Item*

According to US Census figures and the most recent Agricultural Census, one-third of all farms and 18 percent of all farmland are located in or near major metropolitan areas. This does not include farm service firms, such as horse boarders, landscape services, or even farmers' markets. Greater suburban sprawl has also meant that agriculture has had to adapt to increased real estate prices, often resulting in partial or complete farm land sales. Land sales increase the number of non-farm neighbors, who often purchase the land for quiet enjoyment and recreation, which may conflict with neighboring farm use. This can result in conflicts with existing or new residential landowners and serve as the impetus for protracted civil legal actions.

Farmers and foresters in Davidson County are keenly aware of this issue and feel that the operational costs of managing a working landscape in the County have become vastly more complicated as residential development expands. Developing a policy to protect good and accepted agricultural and forestry practices from baseless nuisance suits was therefore strongly encouraged. Working with the County Commissioners, NCDA, NC Forests Association, and the NC Farm Bureau to develop an acceptable county response was therefore strongly advised. An example of a county ordinance is attached in Appendix D.

It is also recommended that Davidson County pursue updates to the State Right to Farm law to provide continuous coverage to farm operations that follow sound agricultural practices regardless of changes made to capital and operating conditions on the farm. This will close a loophole that removes Right to Farm protections from farmers that significantly change operations and farm structure for a period of one year. Similarly, Davidson County should seek to have the State review the impact of required mitigation on the ultimate cost of adjudicating a nuisance claim to determine if the policy adds costs to a farm's legal defense in agricultural practices claims.

# Davidson County Farmland Protection Plan

## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

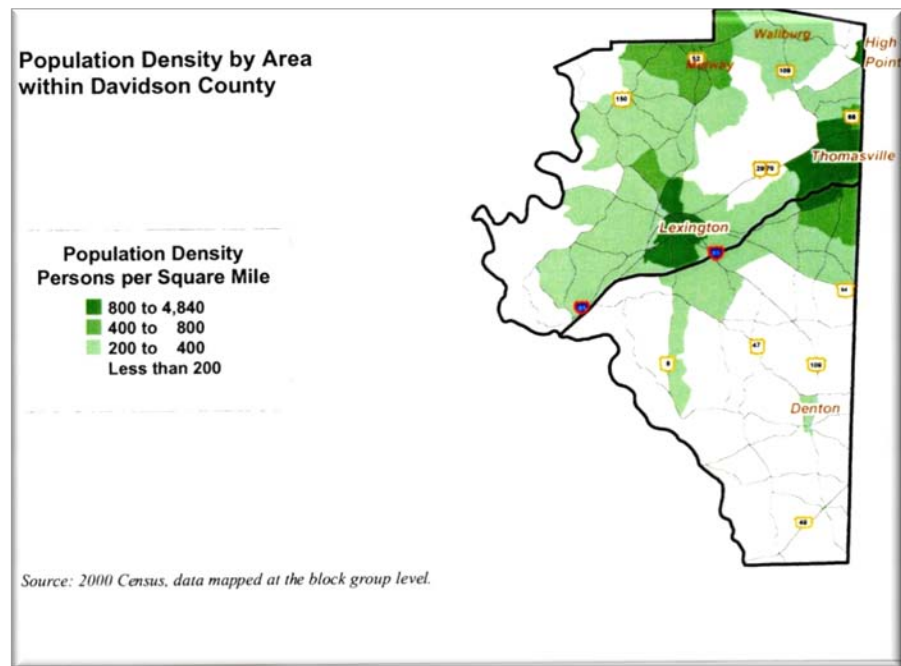
### Working Land Protection Needs

Due to steady development the citizens of Davidson County are being affected, to varying degrees, by the conversion of farmland and the loss of its associated benefits of job creation, economic stabilization, protection of the environment, and enrichment of the quality of life. Given its highly dispersed effects, suburban sprawl-type development is the most common challenge to farmland. These developments and their associated infrastructure are incompatible with agriculture; they leave those pursuing agriculture in a vulnerable position from zoning, land acquisition, and production points of view by limiting access to fertile lands, making equipment transportation difficult, and creating an environment of conflict through trespass and nuisance claims.

As demonstrated in the map below, development pressures are not felt equally across Davidson County. The most significant effects are felt north of I-85 and are driven by the commuter-oriented developments favoring Guilford and Forsyth County employment centers. South of I-85, the primary driver of development is recreationally oriented housing focused on the lake system. This development consists largely of second homes and is more compact.

The conversion pressure represented by this growth pattern has been steady and at an annualized rate of one percent since 1970. This growth rate is expected to continue for the foreseeable future and will contribute to an expected demand of 1,036 acres of land per year to satisfy the new demand for housing between 2010 and 2020 at current land coverage and zoning. Given the scale of development and topographical conditions of the County, it is likely that much of this demand will be satisfied

by active agricultural and forestry parcels that are relatively flat and have well drained soils. The result will be continued conversion of crop ground with residual parcels of lower agricultural value and increased dispersion of agricultural lands, making it more difficult to conduct farm and forestry operations.



# Davidson County Farmland Protection Plan

## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

In response to growth pressure, the state of North Carolina, Davidson County, and other governmental and non-governmental structures have created programs to provide assistance to land owners. These programs and regulatory structures come in many forms, but are all anchored by North Carolina's 1985 Farmland Preservation Enabling Act, which set forth the concept of "voluntary agricultural districts" as an effective and politically viable way to protect North Carolina farmland. Voluntary Agricultural Districts foster partnerships between farmers, county commissioners, and land use planners in order to promote and protect agriculture as an integral part of the County. The law's purpose is to provide local, non-regulatory mechanisms for keeping land in agricultural production and is currently the primary farmland protection tool in North Carolina.

Since 1985, half of North Carolina's 100 counties (including Davidson County) have passed ordinances establishing VADs. In doing so, commissioners appoint a local board to oversee the program. This board determines eligibility and guidelines for enrollment, specific to each county. The program preserves and maintains agricultural areas within the County by:

- informing non-farming neighbors and potential land purchasers that the participating farm may emit noise, dust, and smells (which may help prevent conflicts between neighbors and potential nuisance claims).
- providing the farming community a stronger voice in Davidson County policy affecting farmland.
- assuring farmers that participation in the program is voluntary and that farmers may terminate their participation at any time.
- requiring the Davidson County Commissioners to use farmland "as a last resort" if they are attempting to condemn county lands.
- protecting green space and natural resources as the County's population and development expands.
- maintaining opportunities to produce locally grown food and fiber.

An agricultural district is initiated when interested landowners submit a proposal to the Davidson County Agricultural Advisory Board. The district shall contain a minimum of five acres for horticultural use, ten acres for agricultural use, and twenty acres for forestry use. This includes leased and/or rented land.

Authorized in 2005, Enhanced Voluntary Agricultural Districts (EVAD) created a new category that offers landowners an additional tier of benefits, if they are willing to waive their right to withdraw from the VAD program at any time. Davidson County has not adopted the EVAD at this time.

For a description of the VAD program and other agricultural land preservation techniques authorized for use in North Carolina, see Appendix C.

# Davidson County Farmland Protection Plan

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## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

Davidson County is working with agricultural landowners and operators to determine if the protections and land preservation techniques currently provided through the Agricultural Districts Law are sufficient to meet their needs. These needs were assessed through focus groups and interviews conducted in the winter of 2010. The land preservation issues expressed during these fact-gathering initiatives are outlined as follows:

- The VAD and EVAD are useful tools, but are not universally known or understood by the agricultural community.
- Water quality management rules affect farming practices.
- Few farmers understand the current land conservation programs. Farmers frequently confuse habitat-oriented conservation easements with working lands easements.
- Farmers are generally interested in agricultural conservation programs, but prefer term easements to permanent easements.
- Purchase of development right is considered a valuable tool for the County with the recognition that it only applies to areas with high development pressure.
- Easement payment options should be available to fit the tax and financial planning needs of land owners.
- Poor financing of intergenerational farm transitions is considered a challenge to the viability of farming.
- Current farmland protection program design does not easily support farm transition options, particularly for intergenerational transfer. Simple changes to approach and design in a Purchase of Development Rights program can increase the effectiveness of PDR as a financing tool for estate planning.
- Development, scattered parcels, and competition for land are placing a premium on land sales and land rental.
- The high tax burden places direct conversion pressure on farmland, particularly in poor performing economic cycles, which may contribute to farmland loss.
- Recreational land use is becoming a competitor for land access.
- Low density road frontage development has multiple negative impacts on agriculture, including impeding equipment transportation due to mailbox placement and low overhead wires, conflict over agricultural practices, and trespass.
- Competition for high productivity soils is high, particularly with non-farm uses. Protection of this resource is required if farming is to continue.
- The expansion of municipalities is considered a serious challenge to farming and on-farm investments.
- Poor development planning generally has a negative long-term effect on farming.

In order for Davidson County to develop effective tools for the protection of farmland, the above issues must be incorporated into programmatic responses that fit both the local need and the County's capacity to implement.



# Davidson County Farmland Protection Plan

## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

### Applicable Tools and Programs

Given the diversity of types of agriculture and the various governmental structures found in North Carolina, protection of agriculture and farmland takes many forms. Each form should be tailored to local conditions. Most often, preservation efforts require land use regulations, agricultural economic development initiatives, and purchase of development rights to permanently secure a land base for the industry. The communities around the nation making the greatest strides are those employing some combination of tools. This section highlights those elements that specifically address the protection of working landscapes outside of the land use regulatory structure.

In this section, land use planning techniques are discussed, as well as programming considerations for Voluntary Agricultural Districts, Purchase of Development Rights and Transfer of Development Rights. The current menu of options made available to jurisdictions and landowners by the state of North Carolina to help protect agriculture in their communities can be found in Appendix C.

*Table 2: Farmland Protection Tools*

<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability to Davidson County</i>
<b>Agricultural Tax Incentives</b>	Taxation of farmland based on its agricultural use, rather than its development value.	Modest incentive to keep land in commercial farming.	Benefits land speculators waiting to develop land.	<p>Tax benefits through Present-Use Valuation are available to farmers, forest landowners, and horticultural operations in Davidson County, and must be applied for. There are specific requirements for ownership, size, income, and management.</p> <p>Additional tax benefits and incentives are available for estates. The donation or sale of an agricultural conservation easement usually reduces the land value for estate tax purposes.</p>
<b>Agricultural Districts</b>	Designation of an area of viable agricultural land. Initiated and self-selected by landowners, adopted by County. Eligibility and minimum acreage is determined by each county. Land can go in and out at any time.	<p>Farmed land within district is provided a minimum level of protection from nuisance claims and public condemnation processes.</p> <p>Enhanced districts allow for additional benefits, including a higher level of protection.</p>	Area defined by willing landowners and has no real longevity as a protection tool.	<p>Davidson County, along with many other counties in the State, has enrolled in the Voluntary Agricultural District Program. Landowners receive a set of benefits in exchange for a restriction on developing their land for 10 years.</p> <p>In 2005, the General Assembly authorized an Enhanced VAD that would offer landowners an additional set of benefits if they were willing to waive their right to withdraw from the VAD program.</p>



# Davidson County Farmland Protection Plan

## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability to Davidson County</i>
<b>Right-to-Farm Laws</b>	In NC for land in ag district: 1. definition of agriculture 2. one year of operation 3. sound ag practices determination	Strengthens the ability of farmers to defend themselves against nuisance suits. Shields farmers from excessively restrictive local laws and unwanted public infrastructure. Available to all farms in the State.	Not meant to shield from all legal disputes with neighbors. Does not stop complaints from non-farm neighbors. May not protect major changes in farm operations or new operations.	These protections are afforded to all farms in the State under North Carolina State Law.  Other protections include notice of proximity provisions for farmers in a VAD program and the pre-litigation mediation of farm nuisance disputes.  Davidson County, with State authorization, may adopt a more stringent Right-to-Farm Ordinance to protect against specious nuisance claims.
<b>Agricultural Conservation Easements</b>	Voluntary separation and sale or donation of the development rights from land in exchange for a permanent conservation easement. Easements can be donated or landowners can be paid the difference between restricted value and fair market value. Land remains in private ownership and on tax rolls.	Provides permanent protection of farmland. Donated easements allow a low-cost preservation option and landowners can capture benefits through tax shelter effects. Purchased easements put cash into farm and farm economy.	Public cost may be high. The voluntary nature may make it difficult to protect a critical mass of farmland. If a county is limited to donated easements, it may be difficult to attract landowner participation.	House Bill 607, passed in 2005, revamped and revived the Agricultural Development and Farmland Preservation Trust Fund to expand the range of conservation agreements and enterprise programs for long-term farming. The NCADFPTF gave out \$2.4 million between 1998 and 2002 to protect 4,412 acres, but had received minimal appropriations until House Bill 607's passage. The program does not currently have a dedicated funding source.  Planners, farmers, and local officials can create local purchase of development rights easement programs.

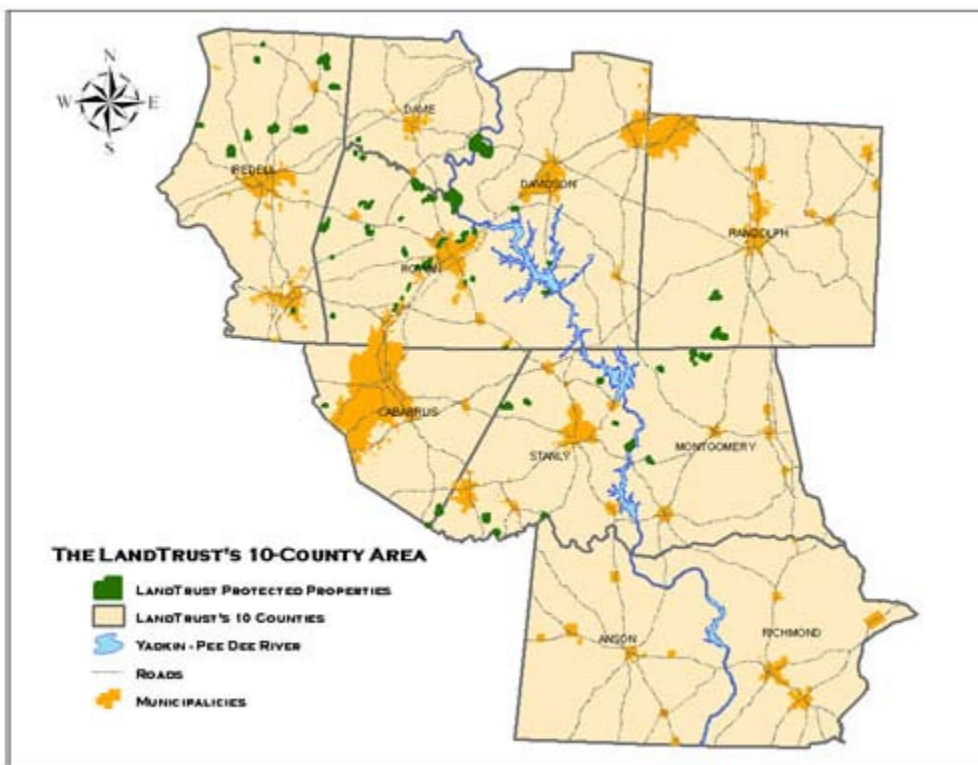
### Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

<b>Private Land Trusts</b>	<p>Local non-profit IRC §501(c) (3) corporations designed to identify resources to be protected, accept permanent conservation easements from landowners, and monitor their provisions through time.</p>	<p>Can provide permanent land protection. Can forge public-private partnerships. Greatly facilitates the donation of conservation easements from landowners able to benefit from income tax benefits.</p>	<p>Private land trusts rarely have funds to buy easements. May create islands of protection, rather than a critical mass of contiguous lands due to focus on donations. Unless specifically designed for agricultural protection, farming may not be the focus of a land trust's easements.</p>	<p>The Land Trust for Central North Carolina (LTCNC) is currently managing four easements in Davidson County (covering 313 acres) and is the only active Land Trust in Davidson County.</p> <p>Davidson County may choose to leverage a county-based land preservation program by partnering with LTCNC or Soil and Water to manage and monitor easements until the County is able to fully fund its own program.</p>
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### Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

Davidson County faces three special challenges in protecting its land base: 1) development consisting of highly dispersed small unit developments; 2) the County's limited resources to implement costly land preservation techniques; and 3) the County's population base, which is growing at a constant rate, but not consistently across the County. Collectively, these issues indicate that no one program may effectively keep pace with the changes in land use; therefore, no one program can achieve critical effect. A multi-tiered preservation program approach that uses a set of common tools makes sense for Davidson County.

Of note, the County is part of the Land Trust for Central Carolina's 10-County region, which includes 313 acres in Davidson County (see map below). The Land Trust's holdings are generally focused in watershed areas and include four key properties: 1) the Beallgray Farm, 2) the Davis/Timberlake Property, 3) the Kepley Property, and 4) the Teague-Smith Farm. More information about the Land Trust's easement program can be found at [www.landtrustnc.org](http://www.landtrustnc.org).



# Davidson County Farmland Protection Plan

## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

### Recommended Actions

- 7) **Create a county farm and forest land preservation program.** Demand for a suite of land preservation programs is high in Davidson County, particularly for use in areas where farms and working forests are under pressure from development. The tools selected for working land preservation activities will vary based on the drivers of growth. Given the current state of funding at the North Carolina Agricultural Development and Farmland Preservation Trust Fund, the ability of Davidson County to compete for funds may be stymied both by the limited funding of the program statewide, as well as by the criteria by which priority is given to funding individual easement projects. If the County is to compete successfully and meet demand, new programs and funding sources may be required.
- Goal:** To improve land owner options for financing intergenerational transfers and enhancing the ability of young and beginning farmers to acquire land and working forest land owners to expand.
  - Implementation Strategy:** Implementation of a working land protection program is a long-term proposition that takes significant commitment from all parties involved, so a specific program of work should be developed (see text box below).
  - Funding Considerations:** Initial activities will require a limited budget, but significant staffing. It is recommended that a working land preservation coordinator position be created and funded by the County. A budget to support six grant applications per year should be considered.

### *Suggested Working Land Protection Action Items*

- As needed, create a Working land Preservation Coordinator position in Davidson County Cooperative Extension or the Davidson County Soil and Water Conservation District.
  - Conduct educational seminars with public officials and landowners in cooperation with local land trusts and the NCADFPTF.
  - Examine county funding options to support the position (e.g., rollback taxes).
  - Develop a farmland protection program of work.
    - Introduce program and policy ideas to the community.
    - Work with agencies and industry to implement protection programming.
- Enable the creation of a county PDR program specifically authorizing both purchase and Critical Farms/Forests Loan Program options. (See Appendix F for a discussion of PDR program options and Appendix G for a discussion of Critical Farms.)
  - Develop a preservation target set as a function of acreage and land quality.
  - Develop an application and screening process.
  - Develop a sample easement contract, as exemplified by the Alamance County PDR contract.
  - Create a valuation and parcel ranking procedure.
    - Offer priority ranking to parcels that leverage young/beginning farmer participation.
    - Offer priority ranking to parcels that meet county and municipal planning objectives.
  - Target priority agricultural areas as identified by the Comprehensive Land use Plan.
  - Create a means to target small farm participation.
  - Explore local funding options, such as an examination of soil mitigation fees.
- Create flexible easement payment terms to meet land owners' needs. (See Appendix H for additional information.)
  - Support lump-sum payments.
  - Implement Installment Agreements to encourage participation from tax-motivated landowners.
- Explore contract management with existing, experienced contractors, such as a land trust or Soil and Water District.

# Davidson County Farmland Protection Plan

## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

- 8) **Create a county Right-to-Farm and Forest law.** Farmers and foresters share a concern that standard operating procedures and application of best management practices can be limited in areas where non-farm development pressure is high. Because of this, many feel strongly that they need additional protection from possible nuisance suits from non-farm neighbors as development sprawls from the County's municipal centers. The current Right-to-Farm law does not give adequate protection and does not apply equally to farm operations.
- a. **Goal:** To develop a Davidson County Right-to-Farm law that provides additional protections to Voluntary Agricultural District properties.
  - b. **Implementation Strategy:** Review similar laws currently in place, such as in Frederick County, Maryland (See Appendix D). Adopt protections such as annual notification of properties located within affected areas; creation of an agricultural arbitration agreement to be signed at settlement when transferring real estate in a VAD notification area; and establishment of a sound agricultural practices procedure. May require General Assembly to enact local enabling legislation.
  - c. **Financial Considerations:** Implementation will require significant staff commitment and will require the cooperation of the North Carolina Forestry Association.
- 9) **Develop an action plan in cooperation with agricultural and forestry industry partners.** As regulations are adapted to meet new community conditions, the needs of agriculture are often not considered. In Davidson County, this has influenced agriculture's ability to effectively operate, particularly as it is affected by tax and transportation policy.
- a. **Goal:** To improve local and state-level policy makers' understanding of agricultural issues. Seek immediate relief of policy issues related to tax policy, transportation, and land use.
  - b. **Implementation Strategy:** Conduct an annual survey of producers and agribusinesses to determine the most critical issues to address in a given year. This process will allow the development of an annual or bi-annual work plan to address state and county level regulatory issues. Such a work plan should include regularly scheduled meetings and training sessions with elected and agency officials, as well as a bi-annual report on agricultural conditions. Initial action items should focus on transportation and tax policy, including a review of rural road standards to accommodate forest and farming activities. Key transportation issues involve use compatibility relative to access fields and log landings to include road speeds, road width, shoulder access, left turns over double yellow, and road weight limits. Education of traffic enforcement officers is viewed as critical to the success of this issue.
  - c. **Financial Considerations:** Implementation will require significant staff commitment and a modest annual budget for surveying and meetings. Farm Bureau and the NC Forestry Association may be logical partners.

# Davidson County Farmland Protection Plan

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## Section 3: Integrating Working Land Preservation Tools into the Conservation Tool Kit

- 10) **Conduct outreach and education events on a periodic basis.** Many farmland preservation and protection tools are currently available to land owners in Davidson County, but seem to be poorly understood.
- a. **Goal:** To expand rural landowners' understanding of the programs and approaches available to them.
  - b. **Implementation Strategy:** Develop brochures, mail inserts, and speaker's notes to educate rural landowners about existing and future land protection programs, as well as tax management and estate planning assistance. Integrate delivery of this message within community and industry meetings.
  - c. **Financial Considerations:** Implementation will require significant staff commitment and a modest annual budget for printing and meetings.

# Davidson County Farmland Protection Plan

## Section 4: Articulating the Needs of Agriculture in Land Use Controls

### Land Use Controls and Conditions

At the County and municipal level, land development planning, subdivision code, and zoning are important farmland protection tools. When a local area strives to sustain its forestry and agricultural economies, these tools are often employed to help maintain the balance between the need for residential growth and the operating requirements of the above-named industries. The most commonly used tool for expressing the intent of a community to implement these balancing actions is the Comprehensive Land Use Plan. Davidson County recently completed an update of its plan, which is entitled the “Davidson County Land Development Plan, Update 2009.”

This Plan sets the general policy direction to be used by the County in developing new zoning code, amending subdivision regulations, and planning infrastructure. From a farmland protection standpoint, this Plan highlights the County’s land use priorities for the coming ten years, including key environmental protection items. Elements of the Plan are highlighted below:

1. Provide areas for economic growth while supporting a high quality of life.
  - a. Encourage more intensive growth around municipalities and growth areas through investment in infrastructure. (See map on next page.)
  - b. Promote tourism as a focal point of economic development efforts.
  - c. Encourage re-development of municipal centers and aging industrial infrastructure.
  - d. Encourage mixed use development.
  - e. Conserve and protect lands in designated Environmental Resource Areas.
2. Develop a transportation system that links Davidson County to outside markets, while providing safe and efficient internal circulation.
3. Provide for efficient growth in existing municipal areas or near urban areas.
  - a. Encourage development where public facilities, such as public safety, schools, water, and sewer are available and not over-utilized.
  - b. Accommodate new commercial activity in municipal centers with rural commercial development limited to “generally accepted rural businesses.”
  - c. Encourage compact development through innovative techniques, such as cluster subdivision, to conserve green space, protect water quality, and support working landscapes.
  - d. Encourage development away from sensitive environmental areas.
4. Preserve open space for working land as a means to encourage economic activity in rural areas.
  - a. Develop a program to employ conservation tools, such as purchase of development rights.
  - b. Require new residential developments near farms to employ buffers and conservation development techniques.
5. Protect water quality in regulated watersheds by using proper land use and best management practices.

While agriculture and forestry are a small element of the Land Development Plan, many of the development policies are supportive of working landscapes. However, certain issues, such as encouraging development away from environmentally sensitive areas, must be monitored to ensure that their implementation does not negatively influence agriculture.



# Davidson County Farmland Protection Plan

## Section 4: Articulating the Needs of Agriculture in Land Use Controls

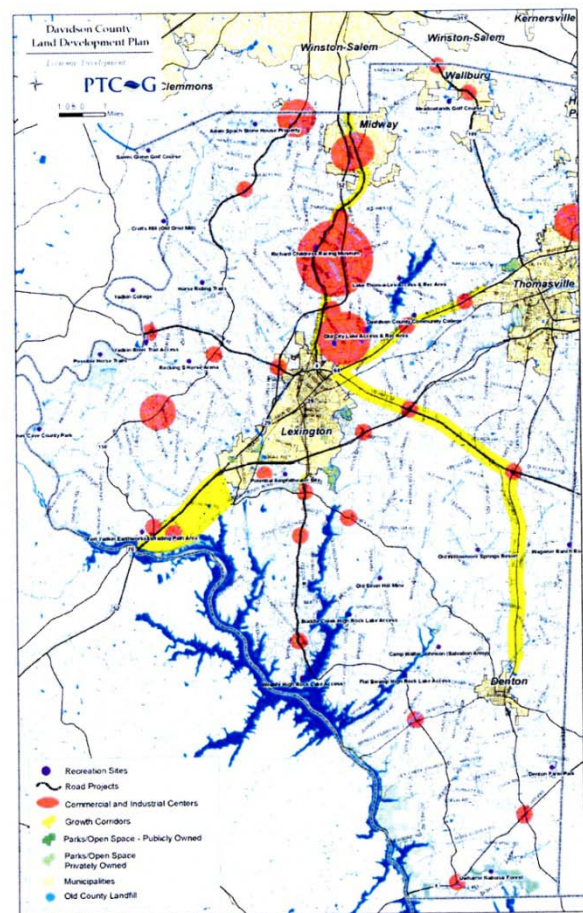
### Land Use Controls and Conditions

Over the last several decades, Davidson County has developed a set of land use controls to address a complicated set of local conditions that include accommodating steady population growth outside of incorporated municipalities; providing infrastructure, services, and real estate to allow for industrial growth; and protecting key watersheds from further degradation as a source of water supply, power, and recreation. With remarkably different growth patterns evident between the northern and southern regions of the County, developing policies to address with growth countywide has provided somewhat of a challenge. Proximity to major population centers in the Piedmont Triad, access to sound transportation infrastructure, and a historically strong employment base have made northern areas of Davidson County a target for sprawling, commuter-oriented growth.

South of Interstate 85, Davidson County has experienced a much slower pace of growth and does not face the same challenge of managing sprawling development. The major exception to this trend in southern Davidson County is lake-oriented development, which has brought many second home owners to the County. While these home owners do not generally demand the same level of service as do permanent residents, they do encroach on working lands and can have a negative impact on regulated water bodies.

While the land use conditions facing these two distinct areas of the County offer differing land management challenges, they do share the challenge of supporting land-based economic activities, such as agriculture and forestry, while accommodating steady growth pressure in the form of sprawling, low-density development. Managing growth, quality of life, and environmental protection in this situation is influenced as heavily by internal factors as it is by external factors, such as the three million people living within 50 miles of the center of the County.

As this development pattern continues, it will be difficult for land owners to plan and market cluster developments that can reasonably protect viable concentrations of working lands. Keeping economic options open to agriculture will be similarly challenged as land use code becomes more restrictive and targeted toward residential growth management.





# Davidson County Farmland Protection Plan

## Section 4: Articulating the Needs of Agriculture in Land Use Controls

### Applicable Tools and Programs

Land use controls have been developed in each and every county in North Carolina to respond to a particular set of local conditions that may or may not be related to agriculture. Most commonly, these controls manifest themselves in Comprehensive Plan language, adoption of zoning code, or the development of subdivision regulations that are intended to manage residential, commercial, or industrial uses of land. With the focus driven to these uses, agriculture is often omitted from specific inclusion in plans and codes as a land use in and of itself. This means that agriculture is often an ancillary use defined within a code that specifically addresses other land uses. Most commonly, and as is the case in Davidson County, this “other” land use is residential. As may be well understood, it is often difficult to maintain a focus on agricultural needs when the underlying code/plan is addressing a use other than agriculture.

This section of the Plan highlights some of the common land use control tools used to support agriculture with a specific, but brief, discussion of its use or applicability in Davidson County. A more complete description of these issues can be found in Appendix C.

<i>Table 3: Land Use Controls</i>				
<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability to Davidson County</i>
<b><i>Comprehensive Plan</i></b>	Guiding vision of what a community wants to be in the future, and a strategy for achieving it.	An organized way to identify productive farmland, and to set growth and protection goals. Serves as basis for land use regulations.	Not legally binding. May be changed or ignored by officials as they rule on development proposals.	Davidson County has recently prepared and adopted its 2009 Land Development Plan which incorporates agricultural protection language. It also employs low impact development principles by encouraging development where it is already concentrated.
<b><i>Overlay/ Floating Zones</i></b>	Can be used to direct development away from prime farmland (or other resources, including gravel); generally used to trigger other performance standards, such as cluster zoning.	Overlay Zones can be highly targeted to specific areas or assets. Overlays can be used to protect other resources, such as forests and minerals. Overlays typically include performance standards to allow greater flexibility in land use than usual.	Generally regulate how- not if- farmland is developed. Can reduce property owners' equity, if improperly applied.	Overlay zones can be used in conjunction with other tools recommended in the Land Development Plan to encourage soil protection, resource based industries, or higher density development. Overlay zones in Davidson should be considered as a means to direct incentives to enhance agricultural activities in areas where agriculture is the predominant use while specifically encouraging industrial development and cluster subdivision where utilities are supportive.

# Davidson County Farmland Protection Plan

## Section 4: Articulating the Needs of Agriculture in Land Use Controls

<i>Protection Tool</i>	<i>Definition</i>	<i>Benefits</i>	<i>Drawbacks</i>	<i>Applicability to Davidson County</i>
<b><i>Cluster Subdivision / Zoning</i></b>	Cluster zoning ordinances allow or require houses to be grouped close together on small lots to protect open land. They increase density on part of a parcel while leaving the rest undeveloped.	<p>Allows more compact land use while encouraging greater use of public infrastructure.</p> <p>Maintains open space with a focus on developing lower quality soils.</p> <p>Reduces road frontage development.</p>	<p>Does not change density.</p> <p>Does not protect highest quality land.</p> <p>Open areas must be maintained in perpetuity.</p> <p>Open space is not always appropriate for agricultural uses.</p> <p>Requires sufficient development pressure to warrant major development projects.</p>	<p>Cluster zoning is a keystone recommendation of the Housing and Neighborhood Development Section of the Land Development Plan. Further implementation should consider the utility of remaining open spaces areas for use in forestry and agriculture to ensure that working land protection is incorporated.</p> <p>Davidson may consider the use of development incentives to encourage the creation of functional community open space in clustered subdivisions which may include incentives to keep land in productive agriculture or to encourage equine oriented neighborhoods.</p> <p>Design seminars may be necessary to educate landowners and developers about the options and benefits of clustering.</p>

# Davidson County Farmland Protection Plan

## Section 4: Articulating the Needs of Agriculture in Land Use Controls

### Recommended Actions

This section of the Davidson County Farmland Protection Plan highlights the needs of local landowners and farm operators for access to improved land use controls that permit continued farm production, adhere to the community's development values, and are within the enforcement capacity of the County.

**11) Develop a working lands overlay zone to cover critical agricultural and forest resource areas outside of growth areas.** Development of a floating zone is a means for creating a regulatory structure to encourage agricultural and forest products development and protection without changing the underlying zoning. This overlay zone will become an integral part of managing agricultural and resource based industry incentives and directing conservation subdivision practices such as cluster subdivision.

- a. Goal:** To extend additional protections to agricultural operations, such as cluster subdivision, encourage rural industries, and promotion of Right-to-Farm protections while preserving underlying densities.
- b. Implementation Strategy:** Based on the changing conditions in Davidson County combined with the fact that the Land Development Plan has recently been updated, overlay zones may be the most effective means to support adoption of a wide range of farmland protection techniques. It is recommended that an agricultural overlay zone be created that covers rural areas of the County outside of high growth areas, particularly in the southern portions of the County. With this overlay, properties should be covered by expanded Right-to-Farm/forest protections, agricultural economic development incentives, cluster subdivision requirements, and expanded definitions of agricultural and forest product activities to enhance tourism and on-farm business opportunities. An agricultural disclosure statement should be required for all land transactions within the overlay area. The intent of the disclosure is to ensure that new residents understand that they are locating within an active agricultural production area which includes both industrial and commercial uses. This would provide an additional level of Right-to-Farm protection.
- c. Financial Considerations:** Implementation will require significant staff commitment and a modest annual budget for ordinance review, brochure printing, and meetings.

# Davidson County Farmland Protection Plan

## Section 4: Articulating the Needs of Agriculture in Land Use Controls

- 12) **Create an agriculturally friendly cluster subdivision.** Clustering of development is considered one of the primary growth controls in the Land Development Plan, but its implementation at the landowner level is low. Improving understanding and offering incentives may help invigorate this land management tool.
- a. **Goal:** To improve the use of cluster development through enhancements to land use regulations.
  - b. **Implementation Strategy:** Create an incentive-laden cluster subdivision ordinance that encourages compact development away from prime agricultural soils. Incentives may include reduced or abated water and sewer hook-ups, smaller minimum lot sizes (where public or private sewer is provided), or formulaic density increases for using “best practice” conservation subdivision tools. Development of a basic package of conservation subdivision code may be enhanced following the sample codes provided in Appendix E. Note: This recommendation is regarded as a necessary component of the successful development of an overlay zone.
  - c. **Financial Considerations:** Implementation will require significant staff commitment to review precedent and to develop new subdivision code language.
- 13) **Conduct landowner seminars on conservation development options.** Limited land development following a traditional pattern of carving out road frontage to sell off in small numbers is common in Davidson County. However, little is understood about how conservation designs can be used to accomplish the same effect with lower impact on farm operations.
- a. **Goal:** To improve the use of conservation design and cluster development by educating landowners and engineers on the implementation of these practices in small unit subdivision.
  - b. **Implementation Strategy:** Work with the University of North Carolina Department for City and Regional Planning and the North Carolina Chapter of the American Planning Association to develop short courses for land owners, engineers, and planners on implementing rural scale conservation developments. The focus of the courses should be maintaining the economic integrity of the development, rather than strictly focusing on the conservation element, to ensure that landowners view the training as a true option to the current development system.
  - c. **Financial Considerations:** Implementation will require limited staff commitment to write grants for course development and to conduct initial seminars.

## Section 5: Implementing the Development Plan

### Implementing the Plan

The intent of the Davidson County Agricultural Advisory Board in developing this Plan was to create a living document to be used by both the agricultural industry and local government to implement economic development programming, improve public policy, and create a generally supportive environment for agriculture in Davidson County. Implementing the recommendations included in this Plan and future plan updates will be at the discretion of the parties involved in its creation, and determined by factors as varied as the County's annual farmland preservation work plan, funds availability, and priority of issues facing both the industry and the County.

<b>Table 4: Implementing Farmland Protection Plan Recommendations</b>			
<b>Recommendation</b>	<b>Short Term</b>	<b>Medium Term</b>	<b>Long Term</b>
<b>Agricultural Economic Development Programs</b>			
Create a targeted marketing strategy to support agriculture and forestry	√		
Support Davidson Works in the development of an agribusiness workforce readiness program		√	
Advocate for improved agricultural education in secondary schools	√		
Create a public outreach and marketing campaign	√		
Enhance farm transition programming		√	
Develop a regulatory action plan		√	
<b>Agricultural Protection Programs</b>			
Create a county farm and forest land preservation program	√		
Create a county Right-to-Farm and Forest law	√		
Develop an action plan in cooperation with agricultural and forestry industry partners	√		
Conduct outreach and education events on a periodic basis	√		
<b>Land Use Regulatory Structure</b>			
Develop a working lands overlay zone to cover critical agricultural and forest resource areas outside of growth areas			√
Create an agriculturally friendly cluster subdivision		√	
Conduct landowner seminars on conservation development options		√	

Short-term projects are those that should begin within the next eighteen months; medium-term projects should begin within nineteen to thirty-six months; and long-term projects are those that should take shape after thirty-six months. This chart does not make any statement about the expected useful life of the programs or their priority.

While all elements of the Davidson County Farmland Protection Plan are considered important to the continuation of agriculture in the County, not all share the same level of importance at this time. Setting priorities for implementation is necessary for many reasons, including relevance to need, program cost, county capacity, and funding opportunity. For this reason, prioritization should occur at the time annual work plans are developed.

# Davidson County Farmland Protection Plan

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## Section 5: Implementing the Development Plan

### **Creating and Updating Annual Work Plans**

It will be the responsibility of the Agricultural Advisory board to work with partner agencies to develop an annual work plan. This work plan should focus on identifying key implementation targets for an annual calendar or fiscal cycle and setting specific actions, deadlines, and responsibilities following approval of the Plan by County Commissioners.

The first year action plan, as proposed by this Plan includes:

1. Month One
  - a. Present the Plan to the Farm Bureau and interested agricultural constituencies.
  - b. Prioritize elements of the Plan for short-term implementation.
  - c. Identify stakeholder groups and representatives in certain implementation efforts (defined in 1.b.).
  - d. Post the Plan on the County's website.
2. Months Two to Four
  - a. Complete a VAD work plan for the first eighteen months of plan implementation.
  - b. Identify lead agencies.
  - c. Develop program area budgets.
  - c. Prepare fundraising and grant application plans.
3. Months Five to Seven
  - a. Begin implementing prioritized elements of the Agricultural Protection Plan.
  - b. Continue fundraising and grant writing efforts.
  - c. Conduct outreach with elected officials.
4. Months Eight to Twelve
  - a. Develop public outreach and education materials (e.g., brochures, packets) called for in the Plan.
  - b. Conduct farmer meetings to introduce PDR funding opportunities.
  - c. Review and update the work plan.

Developing a process to accommodate change while keeping the Plan relevant will be critical to the success of farmland protection efforts in Davidson County over time. Future work plans will include specific actions to be taken, a budget note, staffing requirements, and other information, as needed.

### **Integrating the Davidson County Farmland Protection Plan with Other Plans**

The Davidson County Farmland Protection Plan is intended to provide policy and programmatic guidance to local, county, and state agencies and elected officials. It should thereby be integrated with or within other plans and policy guidance documents, as appropriate and including the Davidson County Land Development Plan and its subsequent updates.

# Davidson County Farmland Protection Plan

## Section 5: Implementing the Development Plan

### Developing Long-Term Support and Funding

Success in protecting agricultural resources requires long-term support and funding at the County and State levels. Given the large fiscal requirements for programs like purchase of development rights and agricultural development oriented loan funds, the County will likely require outside funding support to implement most of the initiatives outlined. Typically this funding would be supported through state and federal grants and match programs; however, poor fiscal conditions make this unlikely in the near term. The result is that Davidson County must rely on non-traditional sources of funding and partnerships to implement its programmatic intent.

**Table 5: Funding Opportunities and Sources**

	USDA – FRPP	USDA – RD	USDA – WAM	Golden Leaf Found.	ADFP Trust Fund	Other*
<b>Agricultural Economic Development Programs</b>						
Create a targeted marketing strategy to support agriculture and forestry		√	√	√	√	√
Support Davidson Works in the development of an agribusiness workforce readiness program		√		√		√
Advocate for improved agricultural education in secondary schools						√
Create a public outreach and marketing campaign				√	√	√
Enhance farm transition programming				√	√	√
Develop a regulatory action plan						√
<b>Agricultural Protection Programs</b>						
Create a county farm and forest land preservation program	√				√	√
Create a county Right-to-Farm and Forest law					√	√
Develop an action plan in cooperation with agricultural and forestry industry partners						√
Conduct outreach and education events on a periodic basis						√
<b>Land Use Regulatory Structure</b>						
Develop a working lands overlay zone to cover critical agricultural and forest resource areas outside of growth areas					√	√
Create an agriculturally friendly cluster subdivision					√	√
Conduct landowner seminars on conservation development options	√			√	√	√
* Other includes privately-raised funds, County agency funding, State agency funding, appropriation items, earmarks, and other grant programs.						

Funding and support must be sought on a project-by-project basis and will require significant investment in grant writing and relationship building.

# Davidson County Farmland Protection Plan

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## Section 5: Implementing the Development Plan

### Enhancing Partnerships

If it is to positively influence the future of the agricultural industry, Davidson County will require support and cooperation from its farmers, agribusinesses, neighboring jurisdictions, and many others. Necessary support will come in many forms, ranging from funding to technical services. The Davidson County Farmland Protection Plan provides a framework for developing these needed partnerships.



# Davidson County Farmland Protection Plan

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## Glossary of Acronyms

BREA	Business Retention Expansion and Attraction
EEP	Environmental Enhancement Program
EPA	Environmental Protection Agency
EVAD	Enhanced Voluntary Agricultural Districts
FDA	Food and Drug Administration
FFA	Future Farmers of America
IPA	Installment Purchase Agreement
LDR	Lease of Development Rights
LTCNC	The Land Trust for Central North Carolina
NCADFPTF	North Carolina Agricultural Development and Farmland Preservation Trust Fund
NCDA	North Carolina Department of Agriculture and Consumer Services
PDR	Purchase of Development Rights
PUV	Present Use Value Taxation
RTF	Right to Farm Policy
RD	Research and Development
SBDC	Small Business Development Center
SCORE	Service Corps of Retired Executives
TDR	Transfer of Development Rights
USDA	United States Department of Agriculture
USDA, FRPP	Farm and Ranchland Protection Program of the United States Department of Agriculture
USDA, RD	Rural Development Programs of the United States Department of Agriculture
USDA, WAM	Wholesale and Alternative Markets Program of the United States Department of Agriculture
VAD	Voluntary Agricultural District