



## **Agriculture Steering Committee meeting minutes**

**Date:** Thursday, October 27, 2011

**Location:** Quorum Center Capitol Room, Raleigh

### **MEMBERS PRESENT**

Dan Andrews, Steering Committee Chairman, Harnett County Commissioner  
Cookie Pope, Steering Committee Vice Chair, Johnston County Commissioner  
Julius Owens, Rutherford County Vice Chairman  
F.D. Rivenbark, Pender County Commissioner

### **MEMBERS PARTICIPATING VIA CONFERENCE CALL**

Barry Jacobs, Orange County Commissioner  
Charlie Messer, Henderson County Commissioner

### **STAFF PRESENT**

Jason King, Assistant Communications Director  
Latonia Strickland, Legislative Research Analyst  
Rebecca Troutman, Intergovernmental Relations Director  
Amy Bason, Legislative Counsel  
David F. Thompson, Executive Director  
Alisa Cobb, Administrative Assistant

### **OTHERS PRESENT**

N. David Smith, Chief Deputy Commissioner, N.C. Department of Agriculture & Consumer Services  
Joanna Massey Lelekacs, State Coordinator, Incubator Farm Project, Center for Environmental Farming Systems  
Sharon Peterson Long Range Planning Administrator, Wake County  
Tim Maloney, Director, Wake County Planning, Development & Inspections  
Gordon Watkins, Forsyth County Assistant Attorney  
Julian Philpott, Secretary & General Counsel, NC Farm Bureau Federation  
Mitch Peele, Senior Director of Public Policy, NC Farm Bureau Federation

Steering Committee Chairman Dan Andrews of Harnett County called the meeting to order. In his opening remarks Chairman Andrews noted that Latonia Strickland, Legislative Research Analyst, will transition to staff liaison for the steering committee at some point in 2012. Assistant Communications Director Jason King is the current liaison.

### **HURRICANE IRENE RESPONSE AND RECOVERY**

David Smith, Chief Deputy Commissioner of the N.C. Department of Agriculture & Consumer Services (NCDA&CS), updated steering committee members on agriculture sector recovery efforts following Hurricane Irene. Mr. Smith said that 75 percent of the state's agriculture value resides east of Interstate 95; 39 counties in that area declared a State of Emergency in advance of Hurricane Irene. Those 39 counties make up 76 percent of corn value, 73 percent of tobacco value, 75 percent of soybean value and 94 percent of cotton value. Little of those crops had been harvested prior to Aug. 21, when Irene looked like it would pose a real threat to Eastern North Carolina.

Mr. Smith highlighted a handful of NCDA&CS response measures, which included mobilizing divisions to assist with response under Emergency Management. Commissioner Troxler flew over affected areas twice – once with legislative leaders and once with Governor Perdue and the secretaries of the United States departments of Agriculture and Homeland Security. A 24/7 Agriculture Disaster Hotline assisted more than 60 farming families. In addition, NCDA&CS conducted timber and aquaculture assessments – areas over which NCDA&CS recently gained authority. Mr. Smith said that initial forest assessment damage results showed a \$79 million loss in 18 eastern counties.

Mr. Smith said he would guess the General Assembly would not address any hurricane recovery issues during the November special session but that he is hopeful legislators could take up the issue as early as January. Unofficial loss estimates show crop losses between \$300 million and \$400 million – with numbers likely to grow – equipment/infrastructure losses at \$92 million, and aquaculture losses at \$2.2 million. Tobacco was particularly hit hard as a bumper crop was expected.

Mr. Smith outlined six of Commissioner Troxler's recommendations for disaster relief:

- A \$25 million Bridge Loan Guarantee program that would allow NCDA&CS to provide 20 percent low- to no-interest, short-term loan guarantees to help farmers make their spring note payments.
- \$350,000 in funding for Ag Disaster Strike Teams that would allow the Agriculture Commissioner to form 20-40 teams of NCDA&CS employees to clear roadways and perform basic emergency response measures to help farmers begin the process of recovery.
- Make statutory changes to allow the Board of Agriculture to make an Ag Disaster Declaration that eases regulatory requirements during times of declared disaster. Examples include transportation rules, debris removal and disposal, and environmental regulations with waste management, sedimentation control, dredging etc. Mr. Smith said that, for example, suspending truck weight and width rules would allow farmers to harvest crops more quickly in advance of a hurricane.
- Establishing a \$3 million Emergency Assistance Relief Fund for short-term needs. Other states such as Missouri have this option.
- Establishing a Soil and Water Cost Share for Emergency Watershed Program would alleviate a lot of flooding problems. During a large storm, Mr. Smith explained, debris is blown into water ways, which in turn backs water up into fields. The cost share would provide a 25 percent state match. The Natural Resources Conservation Service currently has \$500,000 on hand, he said, that is used for stream and waterway debris removal.

**Contact:** N. David Smith, Chief Deputy Commissioner, NC Department of Agriculture & Consumer Services, at (919) 707-3033 or [david.smith@ncagr.gov](mailto:david.smith@ncagr.gov).

**Resources:** [Hurricane Irene assistance for farmers](#) on NCDA&CS website  
[PowerPoint presentations from Oct. 27 steering committee meeting](#) (PDF)

## **CEFS INCUBATOR FARM PROJECT**

Joanna Lelekacs introduced a key component of the Center for Environmental Farming Systems' North Carolina 10% Campaign – the Bringing New Farmers to the Table project. CEFS is leading the project in collaboration with the National Center for Appropriate Technology, the Carolina Farm Stewardship Association, N.C. Cooperative Extension and Andrew Branan, an attorney who concentrates his practice on production agriculture and land transfer issues.

Ms. Lelekacs said that the Incubator Farm Project announcement had been emailed to county officials on Oct. 18. The application deadline is Dec. 1. The announcement includes information on the characteristics CEFS is looking for in its partners, how the CEFS project team can help its partners, and how the project will benefit a community. In short, the project seeks to transition vacant public lands into places that will incubate new farm businesses. The projects are community-based and community-driven, and incubating farmers will contribute to an identified community need (for example, by donating produce or offering training) in lieu of rent. In addition to the vacant land, CEFS is seeking partners that have strong public leadership, strong community partnerships (with Cooperative Extension and community colleges, for example), a strong local market, and mentor farmers.

For its partners, CEFS will in part facilitate a visioning process, offer web-based training resources, offer consultation services and education on farm transition and land access, and partner on grants for additional support. Ms. Lelekacs said that in addition to the economic development benefit of the project, participating communities receive increased access to healthy food, an avenue to address high obesity rates and poor community health and support for entrepreneurial farmers to overcome barriers to business development.

Ms. Lelekacs provided an overview of existing state and national incubator farms. In North Carolina, the three existing farms are the [Elma C. Lomax Incubator Farm](#) in Cabarrus County, [PLANT @ Breeze Farm Enterprise Incubator](#) in Orange County and [Raft Swamp Farms](#) in Hoke County. Two proposed farms are [Maverick Farm's Farm Incubator and Grower Program](#) serving the Ashe/Watauga area, and 3 Eagles Incubator Farm in Stanly County. Commissioner Jacobs asked if there was a Spanish speaking component to the program; PLANT in Orange County is seeking a grant to fund a short-term program for Spanish-speaking participants.

Ms. Lelekacs said that following the application deadline, project coordinators will perform application reviews and conduct site visits, with selection of project partners in early 2012. For selectees, the visioning/technical assistance and other project development components will continue through early 2013.

**Contact:** Joanna Massey Lelekacs, RLA, State Coordinator, Incubator Farm Project, Center for Environmental Farming Systems, at (919) 244-5269 or [jmleleka@ncsu.edu](mailto:jmleleka@ncsu.edu).

**Resources:** [www.ncnewfarmers.org](http://www.ncnewfarmers.org)  
[PowerPoint presentations from Oct. 27 steering committee meeting](#) (PDF)  
[Printable handout on Incubator Farm Project announcement](#) (PDF)  
News release: [CEFS initiative will support new incubator farms](#)

## **IMPACT OF H168 – FARMS EXEMPT FROM CITY ANNEXATION & ETJ**

Intergovernmental Relations Director Rebecca Troutman provided an overview of H168, which passed the legislature in June. Ms. Troutman said that legislative leadership had promised an annexation law change for farms and H168 was that vehicle. The Association supported as a legislative goal a prohibition against municipal involuntary annexation or regulation of farm or forestry activities within a voluntary agricultural district or conservation easement. H168 not only exempts bona fide farms from municipal annexation and extra territorial jurisdiction regulation, but also clarifies the definition of a bona fide farm by listing five “proofs” of what is to be considered “bona fide”: a.) a farm sales tax exemption certificate issued by the Department of Revenue; b) a copy of the property tax listing showing that the property is eligible for participation in the present use value program pursuant to G.S. 105-277.3; c) a copy of the farm owner's or operator's Schedule F from the owner's or operator's most recent federal income tax return; d) a forest management plan; or e) a Farm Identification Number issued by the United States Department of Agriculture Farm Service Agency.

Sharon Peterson, Long Range Planning Administrator for Wake County, described the county’s problems with implementation of H168. Ms. Peterson described Wake as a complex county in terms of planning with 12 municipal planning jurisdictions, large ETJs and many bona fide farms within those ETJs. Following passage of H168, the county began working on a Memorandum of Understanding with its municipalities to cooperatively implement elements of the legislation. Responsibilities outlined in each MOU include jurisdictional authority (the assumption is that existing bona fide farms are exempt from ETJ regulation) and maintenance of a bona fide farm use database. The county had local legislation introduced and adopted (S263) that allows municipalities to exempt bona fide farms from obtaining building permits for accessory buildings in an ETJ.

Commissioner Owens said that from a farmer’s perspective, it would help to have a “one-stop shop” for applications and forms. He also said that farmers typically do not want to share their federal Schedule F.

Forsyth County Assistant Attorney Gordon Watkins offered his county’s concerns over the bill’s definition of what is a bona fide farm. Mr. Watkins said the five categories are too broad and too easy for almost anyone to obtain, thereby allowing many property owners from becoming exempt from the county’s Unified Development Ordinance zoning regulations and building and fire code. Mr. Watkins cited a law blog post from the School of Government’s Richard Ducker that in the case of several forms of acceptable identification for a bona fide farm as defined by the bill, “there is no independent review of actual farm activity on the site.”

Mr. Watkins introduced a case in Forsyth County: A property owner with no visible agriculture practices who claims \$200 in revenue on a federal Schedule F must now be considered by the county as a bona fide farm. This particular property owner would like to hold weddings in an old barn – something neighbors have protested due to parking and traffic concerns. The Board of County Commissioners initially denied a rezoning request. The property owner has not applied for Present Use Value classification and would not receive it. The new law overrules local authority in this matter. Mr. Watkins argued that the county has no way to look beyond H168 as worded and said that the county won’t so much as be able to check dwellings on these bona fide farms for fire code purposes. He offered the following suggestion to change the legislation’s wording: “For purposes of determining whether a property is being used for bona fide farm

purposes, any of the following ~~shall~~ may constitute sufficient evidence that the property is being used for bona fide farm purposes”.

Steering committee members authorized NCACC legislative staff to work with Forsyth and Wake counties on a solution for the issues raised during the meeting.

**Contact:** *Rebecca Troutman, Intergovernmental Relations Director, NCACC, at (919) 715-4360 or [rebecca.troutman@ncacc.org](mailto:rebecca.troutman@ncacc.org).*

*Sharon Peterson, Long Range Planning Administrator, Wake County Community Services Department, at (919) 856-6325 or [sharon.peterson@wakegov.com](mailto:sharon.peterson@wakegov.com).*

*Tim Maloney, Director, Wake County Planning, Development & Inspections, at (919) 856-6678 or [tmaloney@wakegov.com](mailto:tmaloney@wakegov.com).*

*Gordon Watkins, Assistant County Attorney, Forsyth County, at (336) 703-2030 or [watkinbg@forsyth.cc](mailto:watkinbg@forsyth.cc).*

**Resources:** [H168](#) (*Farms Exempt from City Annexation & ETJ*)

[PowerPoint presentations from Oct. 27 steering committee meeting](#) (PDF)

Richard Ducker: [Local Governments and the Special Status of Bona Fide Farms](#) (NC Local Government Law Blog post)

[H168's Effect on Regulation of Farms](#) (PDF – handout from Forsyth County)

[Law puts hundreds of 'farms' beyond reach of local zoning](#) (from Sept. 12, 2011, edition of *Wilmington Star-News*)

## LEGISLATIVE GOALS REVIEW

In absence of Director of Government Relations Kevin Leonard, the NCACC's agriculture advocate at the General Assembly, Legislative Counsel Amy Bason led the steering committee in a review of 2011-12 agriculture legislative goals. As per a worksheet distributed at the meeting, Ms. Bason offered the following goals and status reports, with comments from Mr. Leonard:

- **Goal: Support conservation of working lands and farmland preservation** – Support legislation to promote and preserve working farmlands by including these lands in the state tourism plan, by retaining the current authority for the present use value system, by maintaining funding for the Ag Development and Farmland Preservation Trust, and by authorizing counties to implement transfer of development rights.

**Current Status:** Largely viewed a defensive goal, the advocacy team works to protect the current PUV system, while at the same time balancing this issue with protecting current revenue base erosion per further proposed property tax exemptions. A provision in the study bill was introduced to review various tax exemptions and their impacts on revenue, which could be seen as a way to address this topic. However, the study bill ultimately did not pass and it is uncertain if this subject will be reviewed. The Revenue Laws committee may be a possible avenue to address this matter.

- **Goal: Fund agricultural research and extension services** – Support legislation to increase ag research and extension services and maintain existing research stations at current levels.

**Current Status:** Some action taken. This is a budget issue. Originally facing substantial budget cuts, the final result was a minimal cut of \$50,000.

- **Goal: Support Sustainable Local Food Advisory Council recommendations** – Support legislation to implement the Sustainable Local Food Advisory Council's recommendations

including a prohibition against municipal involuntary annexation or regulation of farm or forestry activities within a voluntary agricultural district or conservation district and support state funding to maintain and enhance the North Carolina Transition Network.

**Current Status:** Goal accomplished. Multiple bills were introduced regarding this issue. What ultimately passed was H168, which prohibits the involuntary annexation of farms and also restricts municipal zoning of farms in an extra territorial jurisdiction. Now that the bill has passed, we have heard concerns about the legislation – specifically related to the lack of clarity as to whether the county has any ability to zone these types of properties. Advocacy staff is research the issue and working with county planning and zoning officials to determine if further legislative clarification is necessary.

- **Goal: Maximize availability of adoptable animals** – Seek legislation to increase adoption opportunities for county animal control facilities by clarifying ownership proof and increasing shelter director discretion.

**Current Status:** No action taken as the General Assembly was hesitant to address issues related animal control. Advocacy staff has had conversations with county animal control officials and county attorneys to identify a possible fix for this issue, however the issue has not gained traction at the Legislature.

Commissioner Owens asked that the steering committee be updated at its next meeting on progress toward a solution to H168 (the third goal involving prohibition of municipal annexation or regulation of farms).

Mr. Smith said NCDA&CS is pushing a spay/neuter program that will work through using private funding. Jason King said he would contact Dr. Lee Hunter with NCDA&CS to learn potential avenues the NCACC can help to promote the program through its publications and online presence.

**Contact:** Kevin Leonard, Director of Government Relations, NCACC, at (919) 715-4369 or [kevin.leonard@ncacc.org](mailto:kevin.leonard@ncacc.org).

**Resources:** NCACC online [bill tracker: Agriculture](#)

## **FARM BUREAU INITIATIVES UPDATE**

Julian Philpott and Mitch Peele addressed the steering committee on a handful of Farm Bureau initiatives. Farm Bureau has been involved in a new coalition that is made up of organizations involved in animal production. The N.C. Animal Agriculture Coalition ([www.ncanimalag.com](http://www.ncanimalag.com)) seeks to address the issue of a growing lack of awareness about agriculture and misconceptions that lead to bad public policy. Mr. Philpott and Mr. Peele said that the changing demographics in North Carolina that have shifted the population to more urban areas has had a detriment on the perception of agriculture. Animal agriculture accounts for roughly two-thirds of industry receipts, and the coalition strives for transparency, education and outreach. It is not a lobbying coalition.

Mr. Philpott and Mr. Peele said that Farm Bureau has remained involved in discussions around water rights and usage, and took part in the development of a strategic plan released last year that looks to ensure that farmers retain authority to access water from their own property. Farm Bureau supported a successful bill that provides \$1 million in seed money to support a cost-share program to help farmers construct new wells and retention ponds.

Farm Bureau was part of an effort to survey water use in the agriculture community. NCDA&CS is required to perform an annual survey, but does not require farmer participation. With Farm Bureau's help, the survey achieved 90 percent participation that revealed that agriculture accounts for just 1 percent of water withdrawal statewide.

**Contact:** Julian Philpott, Secretary & General Counsel, NC Farm Bureau Federation, at (919) 783-3572 or [julian.philpott@ncfb.org](mailto:julian.philpott@ncfb.org).

Mitch Peele, Senior Director of Public Policy, NC Farm Bureau Federation, at (919) 788-1004 or [mitchell.peele@ncfb.org](mailto:mitchell.peele@ncfb.org).

### **NEXT MEETING**

Chairman Andrews set Tuesday, Jan. 24, 2012, as the date for the next meeting. The meeting will be held at the Albert Coates Local Government Center in Raleigh. At least a portion of the meeting will be held jointly with the Environment Steering Committee.

### **WORK PLAN DISCUSSION**

Commissioner Jacobs said he thought the steering committee may be interested in learning about the [Piedmont Food & Ag Processing Center](#), which opened in Orange County on Oct. 21.

Commissioner Jacobs also said he would like to hear about how new rules for Jordan and Falls lakes will impact agriculture.

Commissioner Pope suggested a presentation on the potential of reclaimed water for use in agriculture and for irrigation on golf courses. She said Johnston County Engineer Tim Broom had led an effort to use reclaimed water at the county Agricultural Center and in the county.

Commissioner Rivenbark suggested a presentation on the Fibrowatt plant being built in Sampson County. The site will mark the state's first power plant fueled by poultry litter.

Members also expressed an interest in hearing updates on market conditions during each meeting.

**Contact:** Jason King, Assistant Communications Director, NCACC, at (919) 715-0045 or [jason.king@ncacc.org](mailto:jason.king@ncacc.org).