

FRANKLIN COUNTY AGRICULTURAL DEVELOPMENT AND FARMLAND PRESERVATION PLAN



Prepared by
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Submitted to the Franklin
County Agricultural
Advisory Board
September 1, 2010

ACKNOWLEDGEMENTS

The authors thank the numerous farmers, public officials, and others who gave their time and input through interviews and community meetings into this report, including Franklin County Cooperative Extension, Franklin County Soil and Water Conservation District, the Franklin County Economic Development Office, the Franklin County Planning Department, Franklin County Tax Office, Bunn High School, the Franklin County Horse Advisory Council, the Tar River Land Conservancy, and the Franklin County Agricultural Advisory Board, whose members are:

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**Funding for the Franklin County Agricultural
Development and Farmland Preservation Plan
provided by:**



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INTRODUCTION AND METHODOLOGY

Franklin County has a long and proud agricultural tradition. From tobacco to tourism, hogs to horses, strawberries to sheep, local farmers continue to adapt to a changing landscape and market conditions, selling \$49 million of products in 2008.¹ With the end of the federal tobacco program and increasing development pressure from the Triangle and surrounding towns such as Rocky Mount, Henderson, and Nashville, local farmers have shown flexibility and a commitment to finding a new way to stay on the land.

Franklin County's farms provide much more than inexpensive food. Well-managed farms and forests bring a range of amenities that all citizens can enjoy at no cost. Agriculture contributes to the local economy directly through sales, job creation, support services and businesses, and also by providing entrepreneurial opportunities in secondary markets such as food processing and catering. Working farms and forests supply important environmental amenities, providing food and cover for wildlife, helping to control flooding, protecting wetlands and watersheds, and maintaining air quality.

Farms also have important fiscal benefits. Privately owned farm and forest lands generate more in local tax revenues than they cost in services. A 2009 Cost of Community Services study by NC State University found farm, forest and open lands in Franklin County receive an average of \$0.76 in county services for every dollar of property tax revenue they provide, while residential land uses \$1.12 in services for each dollar paid in property taxes.

The County is seeking to promote its farms and

protect its agricultural resources in the face of internal and external challenges, as they update their Comprehensive Development Plan and Strategic Plan for Economic Development. Both plans have emphasized the importance of supporting agricultural operations to help the county achieve its long term goals, and this document is an effort to support and inform those efforts on the needs of the farming sector.

This Agricultural Development and Farmland Preservation Plan has been created by the Agricultural Advisory Board and Cooperative Extension Service to help Franklin County be proactive in its support of farming, forestry, and land conservation by coordinating future efforts to sustain local agriculture. The county received a grant from the North Carolina Department of Agriculture & Consumer Service's Agricultural Development and Farmland Preservation Trust Fund (ADFPTF), which they used to hire consultants Andrew Branan and Gerry Cohn to help develop this plan. The completion of this plan will also increase the ranking score and lower cost-share requirements for future applications to the ADFPTF.

The objectives of an effective planning process which can help the county reach their farmland protection goals are:

- Gather data and solicit community input to understand current trends, challenges and opportunities;
- Create a unique and specific local agricultural development and farmland preservation plan;
- Advise Franklin County political and business

¹ <http://www.ncagr.gov/stats/codata/franklin.pdf>

leaders on land use planning and economic development policy initiatives that can help support the success of local farms;

- Develop specific milestones and target dates for implementing the plan's recommendations, thus assuring accountability and successful outcomes.

To achieve these objectives, Branan and Cohn took the following steps, beginning in January 2010:

- Coordinate map and baseline data collection on land use, agricultural production, and natural resource stewardship;
- Review current land use plans, ordinances, and regulations to identify any potential conflicts with farming;
- Conduct 25 interviews with county officials and leaders of the farm, tourism and business sectors;
- Determine infrastructure needs and marketing opportunities for increased profitability and long-term viability of the agricultural community;
- Hold three public outreach meetings to garner input from rural landowners and the general public on needs for agricultural profitability and the continued preservation of farmland;
- Develop a local agricultural development and farmland preservation plan, quantify baseline data, identify threats and opportunities, organize recommendations, and outline action steps, priorities, and an implementation schedule for the project;
- Incorporate feedback from partners, local leaders, and stakeholders to revise and refine the plan;

- Present final plan to Commissioners for adoption as official county policy.

A Note on Data Sources

Data for this plan was collected from numerous sources. The bulk of statistical data for agriculture and farming was collected from the Census of Agriculture, which is compiled from farmer surveys through a joint effort of the United States Department of Agriculture's National Agricultural Statistical Service and North Carolina Department of Agriculture and Consumer Services. This report provides a detailed snapshot of agricultural-related information by county, and is published every five years, the most recent year being 2007. The authors recognize the rapidly changing nature of agricultural production, but the Census is widely accepted as the most thorough, accurate, and consistent source of statistical information about farming. Thus, it demonstrates important trends over time and in comparison with other counties when compared with previous censuses.

Other data sources included websites from the Franklin County government, (particularly the Planning and Inspections Office and the Economic Development Commission), the North Carolina Department of Environment and Natural Resources, the Kerr-Tar Council of Governments, and the Tar River Land Conservancy, as well as others noted by footnote throughout this Plan. Other data was collected anecdotally through interviews with farmers, landowners, and other participants in Franklin County's agricultural and conservation system.

KEY ISSUES FACING FRANKLIN COUNTY

AGRICULTURE

Franklin County faces a number of issues - and enjoys several opportunities - in addressing long-term viability of its farming systems. Below are several key themes found throughout this Plan.

Changing Tobacco

The end of the federal tobacco supply control program in 2004 has brought about big changes to crop mix, land tenure relationships, and farm profitability. Many smaller farmers retired, and those remaining feel pressure to farm more land to retain some leverage with tobacco buyers. The end of program payments in 2014 will be a significant loss of cash flow to farmers and landowners, and Franklin County farmers are already seeing rising rental rates and increased competition for high quality soils.

Direct Market Opportunities

The market for locally grown items continues to expand, and Franklin County farmers are uniquely situated to tap into a huge wealthy consumer base in the Triangle. As of 2007, 47 farmers in the county sold \$421,000 of their production directly to the public for human consumption; this figure will need to continue to grow for agriculture to thrive in a high-dollar area.²

The Next Generation

Franklin County is seeing interest both from young prospective farmers seeking land and older newcomers who see farming as a possible second career. A targeted effort is needed to translate these interests into more commercial farming operations. The Triangle area is attracting and training prospective new growers in several creative ways. Franklin County can link up with these existing programs, while providing more specialized local educational and financing resources.

Development Pressure

The recent economic slowdown has given the agricultural community a bit of breathing room, but the upcoming widening of Highway 401 from Raleigh will bring about big changes and increased competition for land, particularly south of the Tar River. Even as applications for new developments and building permits have slowed down, the cost of farmland continues to rise, as recreation enthusiasts from Raleigh seek out hunting and fishing retreats.

Government Support for Agriculture is Strong

Franklin County maintains a strong agricultural identity, with family ties to the land still alive and well amongst leadership. County Commissioners, Planning, Tax Office, Register of Deeds, Economic Development Commission, Cooperative Extension, and Soil and Water Conservation District offices have all expressed their interest in this plan and a willingness to cooperate to support the farming sector. They are all seeking ways to support farmers and eliminate barriers to success. If the farming sector can present creative ideas and specific needs, they should find good support in helping them succeed in Franklin County.



² http://www.agcensus.usda.gov/Publications/2007/Full_Report/Volume_1_Chapter_2_County_Level/North_Carolina/st37_2_002_002.pdf

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FRANKLIN COUNTY PROFILE

Founded in 1772, Franklin County possesses a strong farming tradition and a viable agricultural economy. With the county itself named after Ben Franklin and the county seat, Louisburg, named after Louis XVI of France, Franklin County is steeped in American history. Situated between the rapidly growing Triangle region and the coastal plain, Franklin County is at a crossroads determining its farming future.

Agriculture is a major part of the County's cultural heritage, with farm families anchoring rural communities and providing an important piece of Franklin's unique historical character.

Tobacco production has long played a central role in land tenure relationships in the area, with rental agreements and crop rotations determined by the federal supply management

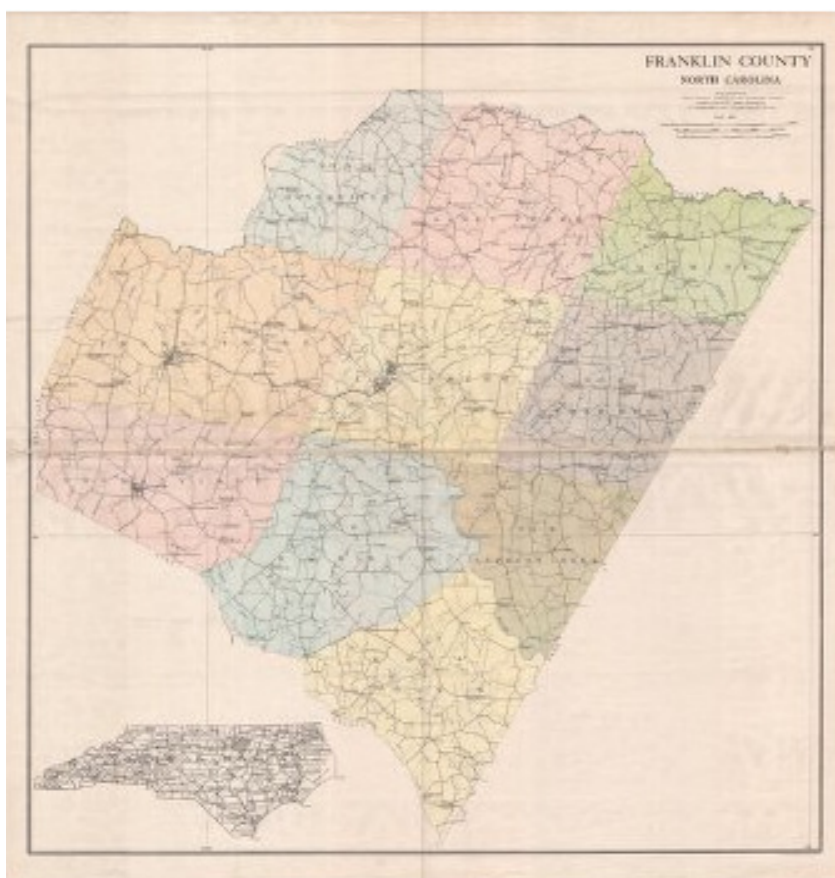
program. When the US Congress ended the tobacco program in 2004, production was no longer restricted to specific counties and owners of quota, initiating a trend towards larger farms with lower costs of production, primarily in Eastern North Carolina. Nonetheless, tobacco still provides approximately a quarter of Franklin County's agricultural income. As tobacco declines on the landscape, new opportunities are

emerging for farms to play an important role in local identity, with the Triangle region emerging as a local food and farm mecca, full of marketing opportunities for entrepreneurially minded growers. Farms also provide valuable recreational and educational opportunities for all ages in a society increasingly separated from the land.

Nineteen farms in Franklin County participate in the North Carolina Century Farm Program (see box on following page). To be eligible, a farm must have had continuous ownership by a family for 100 years or more.

Population

From 2000-2009, the population of Franklin County rose 27 percent to 60,088.³ This makes it the 7th fastest growing of North Carolina's 100 counties.⁴



Franklin County, 1907

According to U.S. Census Bureau data, 72% of residents are white, 27% are black, and 7% are Hispanic. 74% are high school graduates and 13% have completed college, both below statewide averages. The median income of the 17,843 households is \$46,189, close to the

³ <http://quickfacts.census.gov/qfd/states/37/37069.html>

⁴ <http://censtats.census.gov/cgi-bin/usac/usacomp.pl>

statewide average; 14% of the population lives below the poverty line.

According to long-range growth estimates from the NC Office of Budget and Management, Franklin County's population is expected to grow 36% to 82,087 from 2010-2030.⁵ The county's greatest growth is taking place in its unincorporated areas. From 1970 to 1997, the rural growth rate almost tripled the municipal growth rate.⁶

Employment and the Economy

In March 2010, 24,819 people were employed in the county, creating an unemployment rate of 10.7%; unemployment in Franklin County tends to track closely to the statewide average.⁷

Given its proximity to Raleigh and the Research Triangle Park and relatively affordable cost of living, Franklin is a "bedroom community," with many citizens living there and working elsewhere. As of the 2000 Census, 65% of residents worked outside the county.⁸

Franklin County has several key employers. Novozymes is an innovative biotechnology company and significant landowner, conducting research in biofuels and other areas which could have benefits to the agricultural community. Century Link (Embarq Communications), Franklin Regional Hospital, and K-Flex USA each also employ over 200 people. A number of small manufacturers and distributors have made Franklin County home in recent years, with its low tax rates, affordable real estate, and proximity to the Research Triangle Park.

The county is working aggressively to support the retention and expansion of local

5 http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/demog/countytotals_populationoverview.html

6 <http://www.franklincountync.us/Planning/CDP/Section%20I.pdf>

7 <http://eslmi23.esc.state.nc.us/ncp/genInfo/labForce.aspx>

8 <https://edis.commerce.state.nc.us/docs/countyProfile/NC/37069.pdf>

Franklin County Century Farms

Frank M. Baker Jr.

James M. Baker Jr.

Nell P. Beasley

J Howard Conyers

Emsley Ethridge

Thomas Wilson Gay, Jr.

Richard Braxton Gill

Lee Inscoe

Linda P. Jones

David Watson Mitchiner

Carole Fuller Nicholson

Michael Forrest Privette

Gladys M. Scott

Neal Sherrod

James D. Speed

James D. Wheless

Al M. Conyers

Clyde P. Harris, Jr.

Susan R. Phillips

businesses, through the Economic Development Commission's (EDC) *Existing Industries Program*. The county offers a 3 percent tax credit to local companies adding new jobs,

equipment, or facilities. The EDC is actively seeking to support the agricultural sector, making connections with Triangle area restaurants and promoting the development of agritourism in the county.

Franklin County's growth is highly sensitive to broader changes in the economic climate. Amongst the 14 Triad and Triangle counties, Franklin had the biggest drop in residential building permit applications from 2007-2009, and the greatest growth from 2009-2010 as the economy began to show signs of recovery.⁹ The county unemployment rate tends to track closely to the statewide average.

In May 2010, the county planning director, Scott Hammerbacher, told the Economic Development Commission that the county hadn't approved a new subdivision in the past three years; developers are slowly building out the 3000-4000 lots already approved, primarily along the Hwy 1 and Hwy 98 corridors.

Land and Climate

Franklin's 494 square miles include 315,993 acres of land and 762 acres of water. Elevation in the county ranges from 143 feet along the Tar River near the Nash County line to 562 feet above sea level near the community of Pocomoke, which is in the western part of the county.

With average summer temperature of 78 degrees and average winter temperature of 41, Franklin County's adequate annual rainfall of 44 inches ensures that a wide variety of agricultural products can be grown over the course of the year.¹⁰ The climate gives local farmers the advantage of a 200-day frost-free growing season from mid-April to late-October, which can be expanded to year-round production with season-extension practices.

Infrastructure

Two primary highways connect the county to the Triangle area, bringing new commuter residents

and opportunities for farmers to connect easily with potential customers. The widening of Highway 401 from Louisburg to Raleigh will increase traffic and development pressure in the southern half of the county, while Highway 1 brings added density to the Youngsville and Franklinton areas in the southwestern corner.

Most of the heavy development pressure is occurring in the southern section of the county, below Highway 98, with moderate growth between 98 and the Tar River. Most agricultural leaders speculated that the majority of farming in the future would occur north of the Tar.

Triangle North Executive Airport sits just south of Louisburg in the Kerr-Tar Hub industrial site and handles corporate and private flights. Raleigh-Durham International Airport is within 45 minutes of the center of the county. A freight rail line runs north-south along Highway 1. Plans for a high speed rail line running up from Raleigh have already begun to threaten existing farmland.

The towns of Bunn, Franklinton, Louisburg, and Youngsville provide water and sewer services to their residents. The county also operates a network of water lines in the southern portion.

Municipalities

Louisburg, the county seat, is home to 3600 residents. It serves as home to Louisburg College and Vance-Granville Community College. Other municipalities (and populations) are Bunn (400), Centerville (114), Franklinton (1900), and Youngsville (700).

Several unincorporated communities also play important roles in Franklin County's landscape: Gold Mine, Pilot, and Sandy Creek remain active farming areas.

Soils

Franklin County consists of 316,755 acres on the northeastern edge of the North Carolina Piedmont Plateau. Elevation ranges from 143 feet along the Tar River near the Nash County line to 562 feet above sea level near the community of Pocomoke,

9 Residential Building Permit Trend Report. Triad & Triangle, NC. 3/31/10 edition. www.themarketedge.com

10 <http://franklinedc.com/>

in the western part of the county.

Soil types are distributed fairly evenly throughout the county (see map following page), making much of the land base suitable for a variety of agricultural pursuits. The best soils tend to be in the southeast region near Bunn; however, the soils that grow the best crops also grow the best houses, and the proximity of this area to Raleigh ensures that development will continue to come to that area. Due to less competing land use pressures and lower land costs, much of the commercial agriculture will continue to occur north of the Tar River.

Thirty-five percent of the county land area is Wedowee-Helena soils, a deep and well-drained loam excellent for agriculture. Twenty percent is Wake-Wedowee-Wateree, a well-drained soil found along slopes. It is suitable for hay, pasture, and forestry, but not cropping due to the risk of erosion.

Fourteen percent of the land, primarily in the eastern and north-central portions of the county, is Cecil-Pacolet. These well-drained soils with a loamy surface layer and a clayey subsoil are found along slopes and thus prone to erosion if cropped. Though used for all agricultural purposes, they are limited in fertility. Appling-Vance-Helena soils, covering 10 percent, are moderately sloping, well drained soils that have a sandy or loamy surface layer and a clayey subsoil. Georgeville-Tatum-Herndon are sloping to steep, well drained soils with a loamy surface layer and a clayey subsoil, cover 9 percent of the county, along the eastern side. These are moderately fertile and productive soils, but with erosion concerns as well

Water

Irrigation is a major factor in the demand for farmland. In general, Franklin County has an abundant water supply. A drilled well may yield as much as 100 gallons of water per minute. The Tar River, along with its two main tributaries Fishing Creek and Swift Creek, meander through Franklin County. Almost all of the county landscape drains into the Tar River; a small area in the southern

part drains into the Little River. There are also many important farm and mill ponds and Lake Royale, a large manmade lake located northeast of the Bunn community.¹¹

Of the county's 316,900 total acres, 283,980 acres are located in the Tar-Pamlico River Basin with the remaining 32,500 acres located in the Neuse River Basin.

The Upper Tar River Basin is nationally recognized as one of the most important watersheds along the east coast. Home to the North Carolina spiny crayfish, Roanoke bass, and Carolina madtom, the Tar harbors fourteen Federal and State rare and endangered species, including the Federally Endangered Tar River Spiny mussel and Dwarf Wedgemussel. The endangered Tar River Spiny mussel faces growing threats, primarily due to the highest rate of sediment pollution of any river in the state.¹²

The Tar-Pamlico Rules, developed by the NC Division of Water Quality with input from local stakeholders, will continue to regulate agricultural and development activities within the basin.¹³ They require that 50 feet of vegetated buffer must be maintained along all streams, and farmers are encouraged to adopt Best Management Practices to reduce potential impacts to water quality, in coordination with a local advisory committee.

Three areas are considered priority targets by the Franklin Soil and Water Conservation District, receiving additional scoring points for the North Carolina Agricultural Conservation Cost-Share Program: Cypress Creek, Sandy Creek, and Moccasin Creek.

Cypress Creek is a Critical Water Supply Area for Franklinton. A critical Water Supply Area is defined as within one half mile and draining to a water supply intake.¹⁴ The Cypress Creek

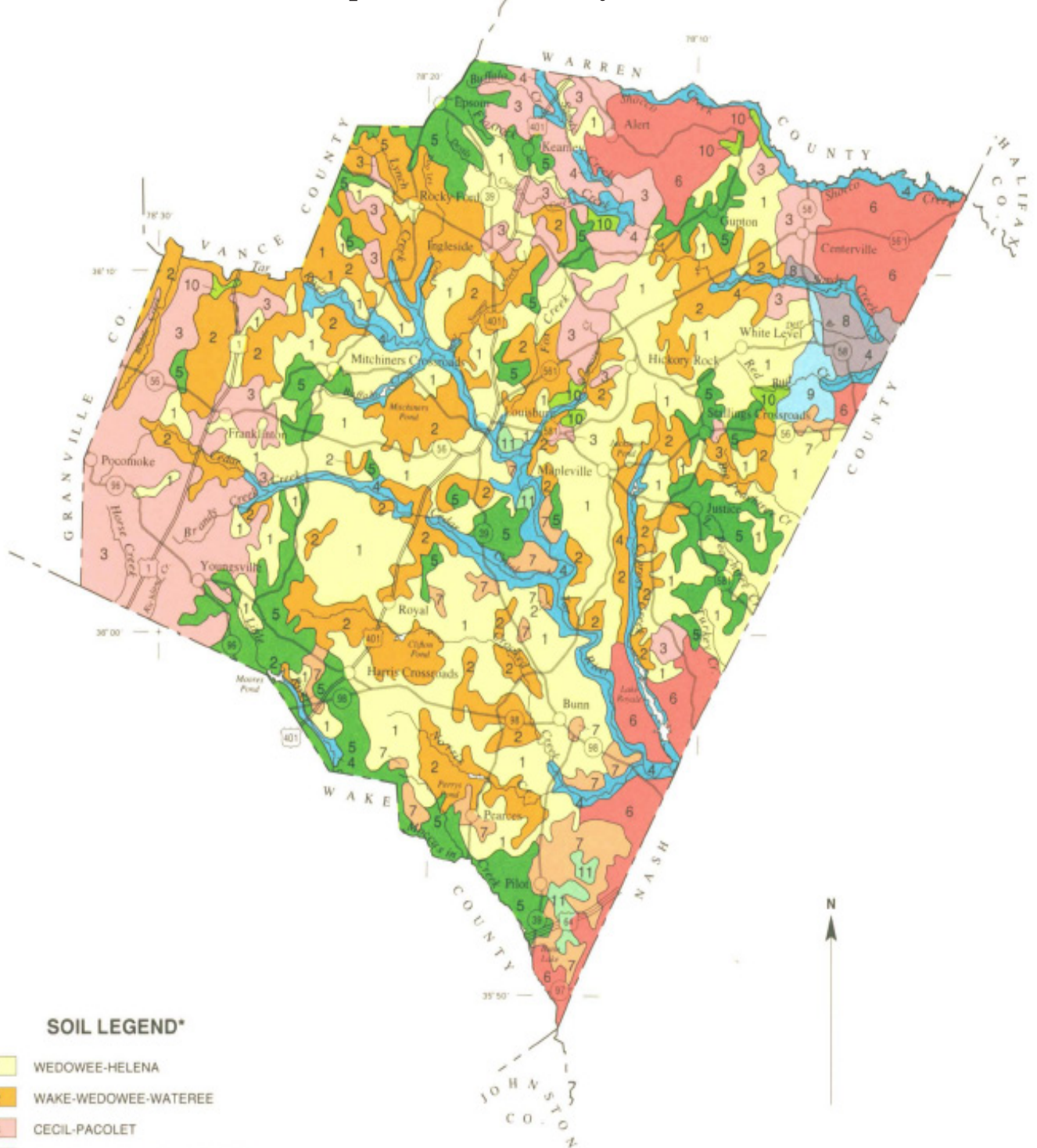
11 <http://soildatamart.nrcs.usda.gov/Manuscripts/NC069/0/Franklin.pdf>

12 <http://tarriver.org/aboutthetar.html>

13 <http://portal.ncdenr.org/web/wq/ps/nps/tarpamlico>

14 <http://www.co.franklin.nc.us/WASA/fcwsstudy.pdf>

Map of Franklin County Soils



SOIL LEGEND*

- 1 WEDOWEE-HELENA
- 2 WAKE-WEDOWEE-WATEREE
- 3 CECIL-PACOLET
- 4 CHEWACLA-WEHADKEE-ALTAVISTA
- 5 APPLING-VANCE-HELENA
- 6 GEORGEVILLE-TATUM-HERNDON
- 7 VARINA-DUPLIN
- 8 GEORGEVILLE-VARINA-TATUM
- 9 GEORGEVILLE-MONTONIA
- 10 WINNSBORO-WILKES
- 11 RAINS-ALTAVISTA-TOISNOT

*The units on this legend are described in the text under the heading "General Soil Map Units."

Revised 1997

Watershed, in the southeastern portion of the county, has received particular attention from the county due to heavy development pressure. The County has drafted a Cypress Creek Watershed Plan to educate the public and guide future land use decisions. The plan noted this key finding:

*The majority of streams exhibit relatively healthy conditions, particularly in the Upper and Middle sections of the watershed, while the Lower section suffers from erosion and sedimentation problems exacerbated by the higher amounts of development centered around Lake Royale.*¹⁵

Sandy and Moccasin Creeks are listed on the state 303d list of impaired waterways.¹⁶

Franklin County Public Utilities has three water sources. The county purchases potable water from Louisburg, Franklinton, and Henderson. Raw water from Louisburg comes from Tar River. Franklinton has two reservoirs, Taylor Creek and Cedar Creek. Henderson supplies water from Kerr Lake.¹⁷

Horse Creek, west of Youngsville, drains into Falls Lake; therefore, that watershed will be impacted by the Falls Lake Rules, which are currently being developed.

¹⁵ http://www.co.franklin.nc.us/Planning/Watershed/Draft_Cypress_Creek_WSPlan.pdf

¹⁶ http://portal.ncdenr.org/c/document_library/get_file?uuid=33a71505-6cdf-4497-b090-aadf79b1f02c&groupId=38364

¹⁷ <http://www.co.franklin.nc.us/WASA/adwqr.pdf>

FRANKLIN COUNTY AGRICULTURE

Franklin County's industrial development, like many counties of the North Carolina Piedmont, was born of a need to feed and clothe a growing population. The earliest industrial development provided infrastructure to process local food and fiber products. One of the first enterprises in Franklin County was a meal mill called Whitakers Mill, built in 1770. Before the Revolutionary War, and as late as the Civil War, Franklin County had what has been described as a large tannery and shoe-making factory, as well as a hat-making concern supplied by local fur trapping.

As throughout the Southern United States, the introduction of the cotton gin around 1800 led to a boom in cotton production at least up until the Civil War. As the county population continued to grow, other crops such as beans, peas, sweet potatoes, oats, rye and even rice. While wild game was the primary source of meat, pork was produced to a limited extent, and raising cattle for beef was slow to develop.

After the 1830's tobacco became increasingly popular, with records showing the first tobacco crops produced in mass quantity producing "30,000 hills."¹⁸ This tobacco sold in Richmond, Virginia for around 7 cents per pound, bringing in \$273.90 dollars. Late in the 1800s, tobacco warehouses were established in Youngsville and Louisburg, and Franklinton had a factory that processed plug tobacco. Agricultural manufacturing sharply increased with the introduction of the railroad in 1840.

The Great Depression of the 1930's saw the failure of many businesses and banks, and many farmers sold land to pay tax debts. During this period, relief came that would shape Franklin County's (and many another North

Carolina county's) agricultural development for the next seventy years: the tobacco supply control program. Enacted by Congress in 1938 and administered by the US Department of Agriculture, this program in many ways defined Franklin County agriculture for the balance of the 20th century in terms of farm size and infrastructure development, allowing many farm families to continue to earn steady cash on modest sized farms, allowing production of other crops for consumption on the farm and for market.

The federal tobacco program, part of a New Deal effort to stabilize farm income, limited acreage grown based on market demand, with a quota restricting acreage proportionately by county and down to the individual farmer. This control on supply maintained a stable price, allowing farmers to raise their families and put kids through school on relatively small acreage, further supporting the stability of small farms. Tobacco quota became an important financial asset, passed down through the generations, and bought and sold like a stock or real estate.

Over the years, as farmers grew older and retired, this quota might be rented out annually to a farming neighbor. This became an important determinant of land tenure relationships, as a family might agree to rent their 5 acres of tobacco quota to a neighboring farmer, as long as the grower would also tend their additional 100 acres in a rotation of corn, soybeans, or wheat. When the tobacco harvest time came, school would let out to provide additional labor, everyone would gather for the opening of the tobacco auction market, and the whole community shared in the trials and tribulations of the tobacco crop. Even as Franklin County grew and there were many lower-cost locations for production, the county was able to maintain its place in the tobacco economy due to the supply control program.

¹⁸ Pearce, T.H., 1979, Franklin County 1779-1979

With changes in the world production landscape and marketplace, increased attention to public health impacts, and growing economic pressures on growers, the federal government ended the tobacco program in 2004, buying out growers and quota owners, opening tobacco production up to the free market. With the demise of the old system, the remaining tobacco auction warehouses closed. The end of the quota system created uncertainty in long-standing relationships between landowner and farmers. A common story was of the little widow woman whose only income was Social Security and tobacco quota rental and who now no longer had that annual incentive to keep that land in agricultural use. Not only did tobacco bring in solid income, but it also supported the continuing production of other field crops as part of a healthy crop rotation. However, as explored briefly below, tobacco has continued to remain a dominant crop in Franklin County, though produced by fewer operations.

FRANKLIN COUNTY FARMS

Farm Numbers and Size

Farm and forest land use covers 112,871 acres, or 35% of Franklin County. Of that, 49,116 acres (44%) are in crops, 45,169 acres (40%) are in woodland, 14,041 acres (12%) are in pasture, and the remaining acres in other uses such as farmsteads, ponds and other on-farm infrastructure.

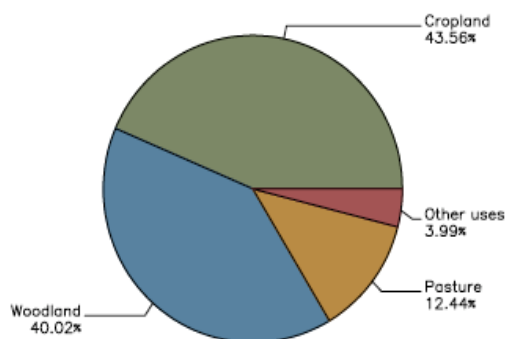
In the last one hundred years of Franklin County

agriculture, the average size of a farm nearly doubled, but the number of farms declined by 85%. One hundred years ago, Franklin County hosted 3,567 farms covering 258,120 acres, a full 82% of the county's land base. Half of this land in farms was reported as "improved." In 1950, that number rose to 4,117 farms covering 270,903 acres (approximately 86% of the county), possibly reflecting the return of soldiers and sailors from Europe and the Pacific, who wanted to become farmers in their home county. Over the subsequent 40 years, however, the number of farms and farm acreage dropped precipitously, to 666 farms in 1987 (covering 124,620 acres), to 549 farms in 1992 (118,291 acres). Then in 1997, the number rose to 629 farms covering 140,000 acres, only to fall again by 2002 to 574 farms on 128,412 acres.

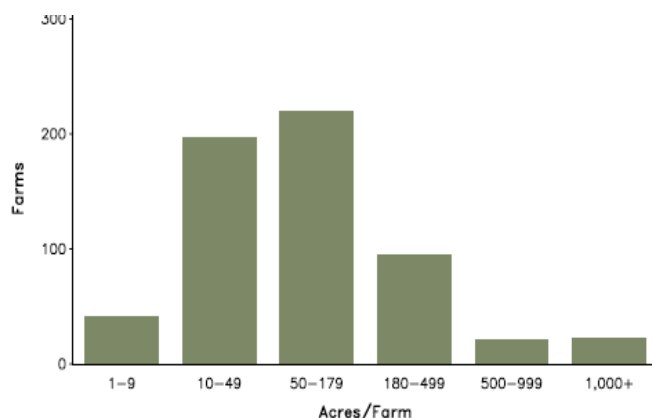
As of the 2007 Census of Agriculture, the number of Franklin County farms again rose, to 593 covering 112,871 acres, or about one-third of the county's land base. Considering the Census period between 2002 and 2007 saw the beginning of the tobacco buyout program, which led to a significant drop in the number of farms producing tobacco, it is impressive that the total number of farms rose. Considering overall acreage in farms has decreased, this undoubtedly points to more farms growing crops for direct markets.

The average size of a Franklin County farm at the beginning of the 20st century was 72 acres, of which 34 acres were improved. By 1950, the average size had fallen to 66 acres. By 1987, the

Franklin County Farmland Use



Franklin County Farm Size Distribution



number of farms had dramatically dropped, but the farm size nearly tripled to 187. Throughout the 1990's up until 2002, the average size climbed to 224, part of a national trend towards fewer larger farms. Between 2002 and 2007, the average farm size in Franklin County had fallen for the first time in seventy years, to 190 acres, a 15% drop. Again, as noted above, though the average farm size has fallen, the total number of farms has increased.

One example of a farm (mostly forested) with road frontage not far from Highway 401 lists 30 acres for \$225,000, or \$7500 per acre. Simply put, larger acreages of land are too expensive to be purchased and paid for with agricultural production. Indeed, smaller tracts marketed for residential purposes must be paid for with an income source other than that which can be brought in with farming the open ground on the tract.

Historical Trend in Farm Size and Number

	1910	1950	1997	2002	2007
Number of Farms	3567	4117	629	572	593
Land in Farms	258,120	270,903	140,369	128,412	112,871
Average Size of Farm	72 acres	66 acres	223 acres	224 acres	190 acres

The largest gains in numbers of farms by size have been in the 10 to 14 acre range, moving from 174 farms in 2002 to 196 to 2007. The next highest gain categories were in the 220-259 acre range, going from 14 farms in 2002 to 24 farms in 2007, and in the 100 to 139 acre range, going from 41 farms in 2002 to 51 farms in 2007. Most other categories posted decreases. Farms at the larger acreage end of the spectrum held fairly steady, losing 2 farms in the 1000 to 1999 acre range and 1 farm in the over 2000 acre range.

Farm Values, Income and Expenditures

As expected, Franklin County farm (land and buildings) values continue to climb. In some measure corresponding to the increase in number of farms, but more likely due to residential development pressure, Franklin County's total farm values rose from \$378 million in 2002 to \$422 million in 2007. This reflected an average increase per acre of \$2892 to \$3735.

A recent review of online listings for farm real estate showed a higher average acreage price.

In addition to land and building values, Franklin County's 593 farms have a combined equipment and machinery value of \$52 Million. If horsepower is an indication of farm size, the only significant gains in farm machinery inventory was in the "Less than 40 horsepower" tractor category (from 214 in 2002 to 320 in 2007).

Land Rental Market

As with other counties surrounding the Triangle region, Franklin County's land prices have risen over the years, increasing the challenge of purchasing land for agricultural production.

At the close of the first decade of the 21st Century, Franklin County land rent values have remained moderate in the face of rapid growth in the Triangle Region. The 2008 Cash Rents Values study from the North Carolina Department of Agriculture finds that Franklin County's rental rates for farmland average \$48.20 for high-productivity land, ranked 7th in the 13-county statistical district stretching two counties deep

along the Virginia border from Stokes County to Warren County (Stokes County ranked highest with \$67.80 per acre). However, among neighboring counties in the Eastern Triangle Region (Durham, Wake, Warren, Vance, Halifax, Nash and Johnston), Franklin ranks 6th in rental value for highly productive land, yet third in rent for lower-quality farmland. Interestingly, producer interviews for this report revealed competition for land driving rents up to \$100 per acre for the highly productive soils in the southeast portion of the county, close to the larger vegetable growing region in Nash County. On the other hand, rental values average \$24.20 for low-productivity land, the second highest in the statistical district in this category. (Medium productivity land rents for a reported average \$31.50 per acre, the third highest for the statistical area). This data suggests that land is available for rent at an affordable price for new and expanding

Farm Internet Access

Out of Franklin County's 593 farms, only 170 reported high-speed internet access. It is becoming more widely accepted that rural internet access is a key element for rural development. One possible benefit of increased broadband access could be the linking of communities that are rich in farm production capacity (yet have low population and income consumer bases) with areas with low food production capacity and a large concentration of consumers (metropolitan areas). The Golden LEAF Foundation recently released over \$24 Million of its funds (supplied by the Master Tobacco Settlement) to bring broadband capacity to 69 North Carolina counties, including Franklin (as well as neighboring Vance, Granville, Warren, Halifax and Nash Counties).

For farms involved in direct marketing and agritourism, a web presence is an important factor

2009 Comparison of Land Rents in Eastern Triangle Region

	Durham	Franklin	Granville	Halifax	Johnston	Nash	Vance	Wake	Warren
Acres of rented land 2007 (2002)	5947 (9296)	44,815 (54,375)	32,471 (44,028)	67,880 (83,545)	80,541 (86,393)	56,270 (70,562)	16,784 (33,808)	32,463 (37,509)	20,199 (17,644)
High Quality Land	36.50	59.20	53.00	83.30	71.90	77.80	55.0	61.20	40.90
Medium Quality Land	27.50	37.10	31.60	64.20	49.90	52.70	29.30	36.20	25.30
Low Quality Land	21.50	21.90	17.80	42.10	33.40	43.10	17.20	26.20	17.80

agricultural enterprises, and that, at least in some places, the rental market is driven by lifestyle choices rather than the commercial agricultural sector. However, as noted above, values may be under-reported for higher producing land south of the Tar River, particularly closer to Nash County. Farmers reported that availability of irrigation is a huge factor in determining the demand for rental land.

in attracting the attention of buyers and visitors. With growth in e-commerce, horticulture and other specialty farm products are increasingly sold direct to households.¹⁹

However, the impact of broadband availability

¹⁹ Broadband Internet's Value for Rural America / ERR-78
Economic Research Service/USDA

on the development of local input suppliers is an open question. In the same USDA study, researchers asked the question of how larger farm access to broadband would cause them to bypass local suppliers of farm inputs. The study results suggested that farmers would expand the geographic area of their purchasing decisions, thus bypassing local suppliers in favor of lower prices and access to niche products. However, the study suggested, suppliers with an established internet presence, including local ones, would appear better positioned to retain customers within the local economy.

Franklin County has taken an initial step in utilizing the web to promote agricultural marketing and infrastructure development. The website, www.FranklinCountyFarmFresh.com, seek to promote access to local products. A similar effort, Farmers Fresh Market, is gaining traction in other parts of the state, utilizing a growing internet infrastructure to directly connect farmers and consumers in metro areas (see sidebar below).

Organic Agriculture

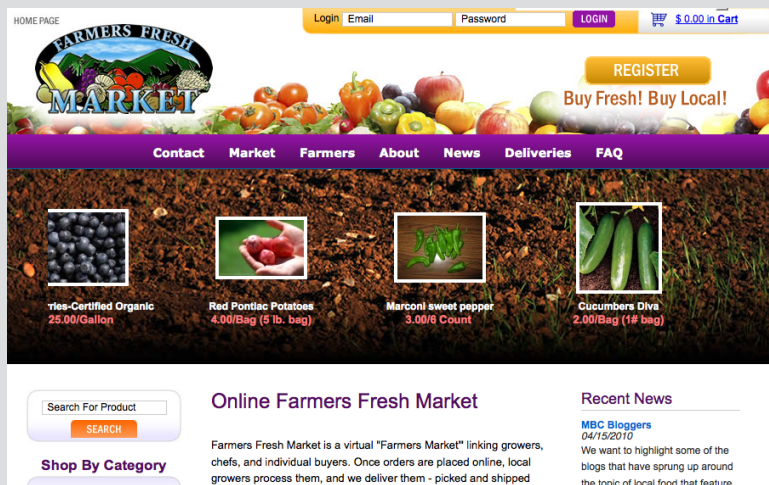
We should not overlook for this report the amount of land being converted to certified organic in Franklin County. The National Organic Program, operated by the US Department of Agriculture, lays out a specific set of guidelines that farmers must follow to sell products under an organic label, which may bring a 10-50 percent price premium. The conversion of land to organic requires three years of soil building without using prohibited materials, along with an organic systems plan monitored by an independent verification agency. Some smaller farms employ production practices that would otherwise qualify them for organic certification but choose to forego the certification process in favor of building direct trust with customers. However, it cannot be denied that the nationwide growth in organic food sales (15.8 percent growth in 2008 to 22.9 billion dollars) reflects consumer choices found in the Raleigh-Durham metro area.

As far as Franklin County's growing organic production, fourteen farms are currently reported

Farmers Fresh Market: Connecting Rural Supply with Urban Demand

Farmers Fresh Market, developed by Foothills Connect Business and Technology Center in Rutherfordton, NC bills itself as “a virtual ‘Farmers Market’ that directly links growers, chefs, and individual buyers. This effort is utilizing the growing broadband infrastructure become available in the southern Appalachian region, whereby chefs and other customers in the Charlotte metro market can go online and place orders through a proprietary software interface. The supply of farm products is organized through a cooperative of local growers participating in the program. Once orders are placed online, local growers process and deliver product to a distribution point, from which they are delivered directly to customers placing the order. According to their website, “The goal of the program is to provide the freshest and most flavorful local produce in a convenient and sustainable manner.

The Farmers Fresh Market is currently serves participating farmers in Rutherford, Polk, Cleveland, McDowell, Gaston, Buncombe, and Mecklenburg Counties. The web portal can be viewed at <http://www.farmersfreshmarket.org>.



to have achieved organic certification (and are presumably marketing as such). These 14 farms cover 61 acres, a tiny fraction of the total land in farms. However, this ground should be considered to achieve a higher net return for its operator. In addition, as of the 2007 Census, Franklin farmers reported 143 acres in transition to organic certification (on 9 farms, but it is unclear whether these are new farms or expansions of organic acreage on farms already reporting certified acreage). Because three years is the time period for certification, if the farmers continued with their plan, this ground should currently be in certified organic production as of 2010. The table below demonstrates how Franklin County's organic acreage compares to neighboring counties in the area east of the Triangle. (Note: Granville County's high acreage is likely due to organic tobacco grown for Sante Fe Natural Tobacco.) It should be noted that, according to a 2008 USDA organics survey, 56% of certified organic farms in North Carolina increased their organic production over the

As demand for organic products continues to grow, and as distribution infrastructure develops to meet this demand, such as Eastern Carolina Organics of Pittsboro (which buys wholesale organic products from farmers in the area, including Wake, Nash and Franklin and sells to restaurants and groceries throughout the state), this certified organic land will prove to be a real asset to Franklin County agriculture. Interest in converting ground to organic practices (if not certification) will increase as younger "first career" farmers gain a foothold in the county, based largely on an ethic of production that is driving their generation into agriculture in the first place. One interview reported, anecdotally, a young farmer in Wilson County who has successfully secured land from an absentee landowner and is now converting the land to organic production.

Several interviewees expressed the opinion that, due to lower incomes in rural areas, many Franklin County residents will not be interested in

Comparison of Organic Acreage in Eastern Triangle Region									
	Durham	Franklin	Granville	Halifax	Johnston	Nash	Vance	Wake	Warren
Farms	5	14	4	NR	3	1	1	6	2
Total acres used for production	40	61	345		14	NR	NR	118	NR
Acres of organic pasture	NR	5	NR	2	NR	NR	NR	2	NR
Acres in conversion	NR	143 (9 farms)	305 (14 farms)	NR	61 (5 farms)	NR	NR	NR	NR
Total organic product sales	7000	86,000	NR	NR	30,000	NR	NR	41,000	NR
Source: http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/County_Profiles/North_Carolina/index.asp									

preceding five years, and 26% maintained their level of organic production during that period.²⁰

²⁰ http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Organics/

purchasing organic products; this may change as more residents move north into the county from Raleigh or east from Durham. As one interviewee expressed, "It is hard to start a marketing apparatus such as a CSA (community-supported

agriculture) in a rural area, even a smaller city like Rocky Mount.” However, one producer in Nash County was able to tap into one customer of the right demographic, and word spread among that demographic to grow the CSA quickly to 26 members. He continued, “If you can locate the right niche, you can make it happen.” Incidentally, interviews with conventional vegetable and grain producers expressed a sentiment (that the authors have heard from producers in counties across North Carolina), that “organics will not feed the world.” As far as Franklin County is concerned, producers only need to feed nearby demand in the Raleigh/Durham metro area.

FRANKLIN COUNTY FARMERS

In 1910, Franklin County had a population of 24,692. Of the total population, approximately 14% reported themselves as farmers. Thirty-nine percent of these farmers were black, the remainder white. In 2010, farmers represent a mere 1% of the county’s population.

In 2002, Franklin County had 750 operators on 574 farms. Five years later, there were 858 operators on 593 farms. That means during the first decade of the twenty-first century, during a time when most counties in North Carolina and indeed across the United States are losing farmers, Franklin County added 19 farmers (on 19 new farms). Another statistical indication of the development of new farmers is that 19 farms were listed as two or less years in establishment age. Though not a dramatic increase, this is a positive trend.

Older Farmers and Landowners

Since 1978, the average age of the North Carolina farmer has steadily climbed to 57 years of age. It is also not insignificant that, along with only 15 other North Carolina counties, the average age of the Franklin County farmer actually dropped (from 57.8 to 57.3) between 2002 and 2007. Though arguably not statistically significant, it nonetheless implies that more younger and middle-age farmers are entering agriculture, and perhaps envisioning longer tenures compared to

those farmers nearing retirement age.

Of course, the biggest gain in farmers was in those arguably past normal retirement age of 65. The long-term implications of this are unclear, but it shows a trend of older adults investing in Franklin County land and farming.

Organizationally, most Franklin County farms (534) are still run as *sole proprietorships*, where the land and farm assets are titled in the name of the owner. As noted earlier, a fair number of these farms list more than one operator per farm, perhaps indicating husband and wife owner/operator combinations, but at least some with children involved as operators in the farm. Thirty-seven farms listed themselves as farming in partnerships, which is a form of business where two owners orally or in writing agree to combine resources and farm for a profit. It is unclear how many of these partnerships are in writing (a preferred method for risk management purposes) or how many simply interpreted a share-lease as a partnership. Nonetheless, this category saw an increase since 2002 (up 6 farms), which the authors interpret as a positive trend in risk management and more efficient use of resources. Incidentally, Franklin County has 17 farms organized as family-held corporations.

Young and New Farmers

As noted elsewhere, Franklin County farming has already benefitted from its location next to population centers in Raleigh and Durham. Because of its relatively cheaper land within driving distance of bigger city amenities (such as jobs and consumers), Franklin County has attracted farmers from other parts of the country who have brought with them capital earned in other sectors of the economy, capital which they have invested in Franklin County through land purchases and funding farm business start-ups.

At least some of these “New Farmers” are seeking a rural lifestyle and determined to produce and earn at least a portion of their family income as farmers. While sometimes referred to as “hobby farmers” due to the relatively high ratio of off- or

non-farm income to their overall family income mix, they are nonetheless participating in Franklin County's farming system, improving land for production, managing the land's soil and water resources, purchasing agricultural inputs, and marketing products to residents outside Franklin County (see *farmers markets* discussion). This dynamic essentially exports Franklin County products outside the county while bringing revenue into the county. In short, this group is developing farms on land that could easily revert to trees or otherwise remain unsuitable for agricultural production.

Another key demographic Franklin County should not overlook is an emerging "first career" farmer. The Triangle area is one of the top areas in the nation when it comes to training and incubating young farmers (under 35 years of age) with a drive to start their own farms. Because of their age, these individuals, young men and women, have not had sufficient time to build up savings and capital from another career with which to invest in farm land. Many lack needed start-up costs, but are willing to subsidize their farming business interests with another job, many times in the farm-support sector. Though some young farmers bemoan the high price of land for farming, many realize that non-ownership tenure may be their easiest path into eventual farm ownership.

As noted in the recommendations below, Franklin County can do much to try and attract farmers that have become interested in local foods from their involvement in the vibrant local food scenes in Durham, Chapel Hill and areas on the western side of the Triangle. Many of these farmers have been working on small farms in Chatham and Orange Counties, established during the early

phases of those counties' small farm system development. As graduates of these farms, they are striking out to other parts of the state where land is more affordable than that nearer to the city, to develop growing markets in other parts of the state. Many of these young farmers are supplementing their on-farm education with course work at the Sustainable Agriculture Program at Central Carolina Community College in Pittsboro, North Carolina. Some are choosing a slightly different path, renting a small piece of ground on the "incubator" at Breeze Farm north of Hillsborough and cutting their teeth in the Saturday entry markets of Hillsborough or South Estes in Chapel Hill, or weekday markets in Durham or Carrboro. As with any business start-up, particularly in farming, some will "succeed" and still be farming at the five-year mark, others will exit. However, it is those that remain who will continue to shape Franklin County's agricultural future.

Franklin County should position itself as a receiving area for this farming talent by exhibiting a strong commitment to small farming with continuing education, particularly an effort to help find land access opportunities. A coordinated effort of education on leasing and agreements, coupled with outreach to older farmers and absentee landowners through the present use valuation list or in partnership with Farm Service Agency, as well as clientele of Tar River Conservancy, could demonstrate to new young farmers that they can find an opportunity to serve the growing Raleigh/Durham market from the eastern side.

Recent and continuing action by the USDA in assisting new farmers could supplement Franklin County's efforts. In the 2008 Farm Bill,

Five-year changes in farmer age ranges

Age	< 25	25-34	35-44	45-54	55-59	60-64	65-69	> 70	Total
2002	2	19	73	138	89	77	48	128	574
2007	0	32	71	149	75	81	67	118	593

Congress put forth an effort to help overcome challenges faced by beginning farmers seeking entry into production agriculture, such as land access. Congress passed the Beginning Farmer and Rancher Development Program,²¹ which authorized funding for several programs related to finance, business and farming skills development education, as well as land access.

Another program stemming from this effort is the Transition Incentives Program (TIP),²² a new program under the Conservation Title of the 2008 Farm Bill, to encourage retired or retiring owners or operators to transition their land to beginning or socially-disadvantaged farmers or ranchers. According to the most recent Census of Agriculture, Franklin County has significant land available on farms enrolled in the Conservation Reserve Program (CRP). TIP provides annual rental payments to retiring farmers for up to two additional years after their CRP contract expires, provided the transition is not to a family member. Information on the program should be available at Franklin County's USDA Farm Service Agency (FSA) office or online www.fsa.usda.gov. To help farmers get established, the county should assist Farm Service Agency in its outreach efforts to landowners and farmers on the benefits of this program.

Land enrolled in Conservation Reserve Program (CRP) and Wetlands Reserve Program

	1997	2002	2007
Farms	164	89	80
Acres in CRP or WRP	6726	4225	4183*

* This category was expanded in 2007 to include Conservation Reserve Enhancement Program (CREP) and Farmable Wetlands programs. Source: USDA Census of Agriculture

21 <http://www.csrees.usda.gov/fo/beginningfarmerandrancher.cfm>

22 <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=tip>

New Farmer Rental Needs

Below is an actual recent advertisement by a new first-career farmer, outlining his modest needs, in search of securing farmland with a lease.

Immediate Needs (2011-2012)

- 2 acres prepped for vegetable production
- Water source for irrigation, preferably pond
- Existing outbuilding where a walk-in cooler (8 ft x 10 ft) and storage shed can be installed
- Electricity hook-up to power walk-in cooler
- Potable water source to wash vegetables

Mid-term Needs (2012-2015)

- 5 acres prepped for vegetable production
- Suite suitable to install a greenhouse for transplant production (10 ft. x 30 ft.)

Long-term Needs (5+ years)

- 10+ acres prepped for vegetable production
- Suite suitable to build underground root cellar that uses alternative technologies to cool and store root crops harvested during the summer
- Home-site or housing for the farm family

Black Farmers

In 1910, one in three Franklin County farmers was black. Forty years later, forty-two percent (or 1749) of Franklin County farmers were listed as "non-white". This number had fallen to 52 black farmers in 2002. This number fell further by 2007, to 41 farmers on 31 farms, which exceeded the overall state decrease by 25% for farms, and 6% for farmers.

Latino Farmers and Consumers

The Triangle's rapidly growing Latino population offers intriguing possibilities for agriculture. Between preferred vegetable varieties, several large-scale supermarkets in neighboring Durham and Raleigh, numerous tiendas, and value-added

Small Farm Profile: Turtle Mist Farm

Throughout a corporate marketing career in the Washington, DC area, Bob Sykes never forgot the experience of growing up visiting his grandparents' farm in Indiana. Upon retirement, Bob and his wife Ginger begin looking for land to build their own farm, and they settled upon the old Arkland Amusement Park site in Franklinton to create Turtle Mist Farm.

In reviving this old farm, the Sykes have enjoyed cooperation and flexibility from the county and neighbors, encouraging them to renovate and convert the old riding rings and buildings to an on-farm store and agritourism destination. They've worked hard to develop relationships with experienced farmers, sharing resources in exchange for their knowledge.

The Sykes raise a wide variety of heritage breed livestock and unique heirloom vegetables, selling directly at farmers' markets and from the farm. They also rent out a house for farm vacations, providing any food items the guests want to cook.

"I'm not afraid of showing my ignorance," says Bob. "Between the Internet, other landowners, and my customers, I can learn anything I need

to know about what I can sell and how to produce it. We've got a mission of providing kids with the education of how a real working farm functions. There's no way to replace what I learned from the farm as a kid, and I want to give that back to the next generation."

Bob and Ginger represent an important new addition to the agricultural landscape in Franklin County: the second career farmer. These newcomers tend to have entrepreneurial



skills, marketing savvy, a long-standing love for the land, some equity to invest, and an understanding of what the urban non-farmer wants to buy from a local farm. They need mechanical and horticultural skills training, workers not afraid of physical labor,

the wisdom of experienced farmers, and new farm infrastructure and inputs like fencing, supplies, breeding stock, etc.

Franklin County's agricultural development strategy should include classes and networking opportunities to meet the needs of the graying beginning farmer, connecting them with both experienced and younger farmers, and learning from the fresh perspective they bring to the local agricultural scene.

opportunities with mobile taco vendors and salsas, this customer base is largely untapped by Franklin County farmers. In addition, with Latinos providing the bulk of agricultural labor in North Carolina these days, there may be growing numbers of prospective Latino farm operators in the future.

In 2002, Franklin County had 6 farmers who

declared themselves of Latino origin. Of this number, 4 farms were listed as having a sole operator (however, the acreage of these farms was undisclosed). This data suggests that, while perhaps not the primary owner, at least two Latino farmers were involved in operation management to the extent of being declared operators. In 2007, there were still 6 farmers listed as Latino operators, with 3 of those Latino operators listed

Small Farm Profile: Maggie Lawrence, Franklin County Young Farmer

New farmer Maggie Lawrence was surprised one Tuesday morning in May when two members of the Franklin County Agricultural Advisory Board came to her farm to present her with a \$2,500 grant to help with some basic needs on her new farm. Lawrence was the first recipient of the county's "Innovative Ideas" grant for small, beginning or part-time farmers. Lawrence qualifies in all categories.

The grant funds came mainly from a partnership between N.C. Cooperative Extension and Whole Foods of Raleigh. In February, Whole Foods agreed to place collection boxes at all its checkout lines, asking customers to help support small farmers in neighboring Franklin County. Agriculture Agent Martha Mobley of Franklin County and several local farmers came to the store in February to share information about Franklin County farms and the grants project.

Like many of North Carolina's newest farmers, Lawrence did not grow up on a farm, though past generations of her family farmed. She wants to be the one to bring farming back into her family. An avid gardener in the past, Lawrence said she always grew more food than she could eat and shared quite a bit with friends.

Lawrence was living in Louisburg and working in land conservation, when she was offered a job at a Chatham County farm. Though Chatham has a robust farming community, Lawrence decided that she was committed to staying in Franklin County. So she leased some land with greenhouses and began growing vegetables on 2 acres. She decided to start small, though she would eventually like to have more land and develop relationships with chefs who would value her produce.

"Franklin County has as much potential to become a sustainable farming community as anywhere else in the region," Lawrence said.

Her marketing strategy is to offer a variety of produce to consumers. In the spring, she sold mixed salad greens, carrots, sugar snap peas,

kale, chard, spinach, beets and radishes. In May, she prepared a salad from her spring garden for Franklin County's Dinner on the Green, a local-foods meal that takes place during the county's farm and crafts tour weekend.

This summer, Lawrence will offer onions, potatoes, okra, corn, sweet potatoes, cut flowers, green beans, three types of squash, seven varieties of peppers and 10 varieties of tomatoes. She also has started shiitake mushroom production and hopes to offer those next year. One of her challenges is helping her customers understand how to prepare and enjoy the produce she sells. To that end, she recently started a blog – maggiesproduce.blogspot.com – where she shares cooking tips, news, happenings on the farm and more.

She shares the challenges of all farmers: Weather fluctuations, insect pests and consumer wants. Like all new farmers, she wonders about how to farm and work full-time (this summer, she'll go to part-time employment). How do farmers afford health insurance or prepare for retirement? How do you learn to drive a tractor?

Lawrence has a generous neighbor who has shared his tractor, but since she's still learning, she does much of her work by hand. She hopes the grant will help her obtain basic farming tools and equipment to help her at the market. She currently transports products to market in her car, and she can already see the day when she'll need bigger transportation. She thinks that \$2,500 is a pretty good start.

This profile was originally appeared in North Carolina State University Perspectives magazine and is reprinted with permission of its author, Natalie Hampton.

as the principle operator.

In addition to the barriers faced by other beginning farmers, this population must contend with a lack of educational resources available in printed or spoken Spanish, as well as cultural challenges in the credit, risk management, and land tenure arenas. Collaborative work between the Latino Community Credit Union (headquartered in neighboring Durham) and Ag Carolina Financial (formerly East Carolina Farm Credit) could reap additional lending opportunities for both organizations. The NC Cooperative Extension Service and RAFI-USA are developing publications and outreach services to prospective Spanish-speaking farmers. With proper attention to their needs by county staff and support services, this population could be a valuable source of innovation in the farm sector and an important addition to Franklin County's cultural mix.

FRANKLIN COUNTY FARM PRODUCTS

As noted, Franklin County hosts mostly small and medium-size farms, which have traditionally grown vegetables and raised livestock for both market and family use. Larger-scale commercial crops, dominated by tobacco (25% of all county agricultural sales), poultry and hogs (each with 17% total sales) have brought solid returns to farmers over the years, though as noted below, margins for these commodity crops are tightening. As noted in the chart below, tobacco sales are on a long term decline. Poultry and hogs, most grown under production contract, are facing challenges as feed prices fluctuate and integrators are shifting plant locations (or going out of business). However, along with a rise in the number of farms in Franklin County between 2002 and 2007, Franklin County farms increased their sales from \$40.3 million to \$48 million in that period, an increase of 19%.

Tobacco

Following the enactment of the Tobacco Transition Payment Program in 2004, farmers now grow tobacco under contract with a cigarette leaf manufacturer. Prior to the buyout, as reported by the 2002 Census, Franklin County had 120 farms producing on 3775 acres, yielding 8,110,956 pounds. As of the 2007 Census, the number of farms producing tobacco had dropped to 40 farms, absorbing a large percentage of the acreage farmed by exiting tobacco farmers to keep 85% of the land (3246 acres) in production. The reduction in number of farms undoubtedly has had an impact on the local farm supply infrastructure. The contracting companies provide technical assistance based on their preferred specifications, and the few remaining farms have their system down with no particular production assistance needs from the county. The remaining tobacco warehouses in Louisburg closed in the years following 2004.

One appealing aspect of tobacco production under the federal quota program was the autonomy and independence it gave the grower. Leaf was sold through an auction system, with multiple buyers bidding on each pile of tobacco based on quality. If no bidders offered a minimum price, the tobacco would be purchased by a farmer-owned cooperative for storage and sale to another buyer later. Individual farmers felt they had bargaining power and would be rewarded for their attention to detail in producing a quality crop. The current system of contract production with a single buyer leaves farmers feeling vulnerable to the fortunes and whims of a large corporate entity. This follows the model of poultry and pork production, in which virtually all commercial sales require a contract with an integrator who sets specifications for all aspects of production and marketing.

Having passed through six seasons off the tobacco quota system, Franklin County's transition from a tobacco-dependent economy will continue. The USDA describes the TTPP as helping "American tobacco quota holders and producers transition to the free market." The decrease in number of

Historical (20 year) decline in tobacco production

	1987	1992	1997	2002	2007
Farms	389	282	208	120	40
Acres	5543	6146	7786	3775	3246
Pounds	11,091,039	13,864,585	17,113,186	8,110,956	7,500,262
Income	N/R	N/R	28,977,000	15,249,000	11,795,000

tobacco operations has been dramatic since 2004, but longer-term effects are uncertain and there is wide speculation about what effect the end of payments will have on farms and landowners. Some believe it will accelerate the availability of farmland on the market, as upkeep costs such as property taxes become difficult to cover on fixed incomes. Others foresee stress on larger commodity operations that have used the buyout income stream to subsidize an expansion of tobacco or other crop production. Undoubtedly Franklin County boasts several examples of operations that have used tobacco payments to pay for a change in direction in their farming enterprise. Indeed it is impossible to track for this report exactly how the buyout funds have supported, and to what extent they have been reinvested into, Franklin County's farming system.

Cattle

Although beef cattle production is on the rise in Franklin County, bringing in approximately \$4.4 million in sales, there are no livestock markets, processing facilities, or sale/show barns in the county. Even at that volume, there has not been a critical mass that supports these facilities within the county. Nonetheless, grazing livestock remains an important part of the farm landscape, supporting hay growers, fence builders, and the diversified farms on which the cattle reside. Of Franklin County's 593 farms, 27 percent raise beef cattle.

Franklin County cattle producers have expressed interest in developing a processing facility, and in 2010 Franklin County Cooperative Extension was awarded a grant from the Agricultural Development and Farmland Preservation Trust Fund, managed by the North Carolina Department of Agriculture and Consumer Services, to conduct a feasibility study into siting a processing facility in Franklin County. Currently, the closest facility for beef processing is Matkins Meats in Caswell County, approximately a 200-mile roundtrip from Louisburg.

Several farms in Franklin County are marketing grass-fed beef under the location-identity label Franklin County Natural Beef Alliance. Currently, this group has five members, with at least one farm outside the group marketing grass-fed beef. Though not all farms are directly marketing grass-fed beef to the public, Census data shows that, in 2007, 111 farms reported practicing rotational or management intensive grazing.

Fruits and Vegetables

Forty-six vegetable growers tend 500 acres, and 19 farms report 54 acres of orchards. Compared with data from 2002, these figures represent a 28% increase in farms harvesting vegetables, though on nearly half (44%) as much acreage.

These figures obviously represent a shift in vegetable production toward smaller farms using a direct-to-consumer marketing model. As for orchards, there was a corresponding decrease of 9.5% in farms claiming orchards, with a 26% decrease in orchard acreage. This decrease likely indicates the removal of orchard trees for either residential development, or simply removing worn-out trees to use the land for some other agricultural use. The disparity, however, represents the difficulty, during volatile economic times, in establishing tree fruit production (which requires maturing of trees) compared to vegetable production (which can begin within a season). With relatively small acreage, most Franklin County produce is generally marketed directly to consumers, either through pick-your-own, on-farm stands, or farmers' markets in neighboring Wake County. As one vegetable producer expressed: "Produce requires a higher economic

clientele in order to get started, you can then build up to be able to serve a lower, more rural (and thus local) economic clientele."

Interviews with larger-scale vegetable growers indicated good returns on certain crops including cucumbers and sweet potatoes. The location of these farms, in the southeast region of the County, indicates benefits from the large concentration of vegetable production in neighboring Nash County. This critical mass of producers in neighboring Nash County has helped build wholesale marketing infrastructure (such as Nash Produce, now owned by a collection of 21 farmers), which appears to offer opportunity to Franklin County growers. On the other hand, this concentration also puts some pressure on land rent values, as Nash County farmers increasingly look to Franklin County land for production acreage.

Ten Year Trend in Franklin County Farm Production

Commodity	1997	2002	2007
Tobacco-flue cured	28,997,000	15,249,000	11,795,000
Corn	511,000	2,088,000*	739,000
Soybeans	2,269,000		1,330,000
Wheat	1,283,000		1,048,000
Other grains			84,000
Vegetables, melon, potatos, sweet potatos	799,000	771,000	871,000
Fruits, tree nuts, berries	70,000	Not reported	Not reported
Nursery, greenhouse, floriculture and sod	5,663,000	Not reported	Not reported
Poultry and eggs	9,559,000	5,866,000	8,197,000
Hay and other crops	343,000	520,000	675,000
Cattle and calves	1,765,000	2,316,000	4,431,000
Hogs and pigs	4,732,000	5,347,000	8,113,000
Sheep, goats, and their products	196,000**	133,000	117,000
Horses, ponies, mules, burros and donkeys	Not reported**	163,000	160,000
*2002 census measures only total of "grains, oilseeds, dry beans and dry peas"			
**listed as other livestock 2,088,000			

Produce growers seem generally pleased with their farming conditions. They feel that they play an important role in educating the general public about agriculture, receiving positive feedback from neighbors about their efforts, and engaging their entire family in the farming operation.

Franklin County hosts several successful pick-your-own strawberry operations. One concern heard from pick-your-own operations is the challenge of maintaining signage about their farms within municipal jurisdictions. In general, farmers haven't experienced problems with signs advertising their operations within the county, but they mention that cities have been aggressive about removing advertising signs. They're also concerned about town rules governing farm stands, limiting the length of time that these stands can remain open.

An excellent example of the adaptability of local growers is Foster Farms, a family operation that began growing wine grapes in 2002, in response to the changing tobacco program. In addition to their 65 acres of muscadines contracted with Duplin Winery, father Greg and son Michael custom harvest grapes for small operations all over the Southeast.

Grains and Beans

Franklin County has 276 grain and bean



operations on 34,711 acres. The farm figure represents a drop of 72 farms since 2002, but an increase in acreage of 1011 acres. This change, as noted above under the tobacco discussion, is a likely consolidation of land following farm exits after the tobacco buyout, incorporating previously quota-restricted row crop acreage into neighboring farms. This row crop production requires large blocks of land and significant capital investment in harvest equipment, as ease of storage and transportation and the competitive world marketplace keep margins per acre relatively low. With relatively expensive land and smaller farms compared to eastern neighbors, which also have higher quality soils near the developing Highway 64 corridor, Franklin County farmers do not appear to have a long-term comparative advantage in this sector.

Beyond the challenges of the volatile world marketplace, increased residential road traffic is a growing concern of these farmers. As fewer field crop growers are renting a larger number of farms, a significant challenge is moving equipment out on the roads to the many fields they are tending. New rural residents commuting into town are often unfamiliar with the speed and hand signals used by farmers moving farm equipment on the roads. This can present both a potential traffic hazard from impatient drivers in a hurry to pass and a sense of discouragement among farmers that the public doesn't want them there.

Tobacco, grain and bean growers also express particular concerns about the plight of their landlords. Renting land from so many aging landowners, they are acutely aware of the tenuous nature of this land for agriculture and the multiple forces pushing these landowners to sell the land for residential development or to an owner with other plans for the land such as recreation. They are interested in helping these landowners maintain present use value tax status, helping them plan for the future of their farm with estate planning, and encouraging participation in land and water conservation programs.

Selected Field Crop Production (2007 Ag Census)			
Crop	Farms	Acres	Quantity
Barley for Grain	4	64	2330 bushels
Corn for Grain	36	3355	198,204 bushels
Corn for Silage	1	Not reported	Not reported
Forage (hay)	161	10,588	18,889 tons
Oats for grain	18	631	34,407 bushels
Soybeans for beans	86	14,445	152,154 bushels
Wheat for grain	33	5124	231,600 bushels
Rye for grain	1	Not reported	Not reported

Census figures show that 57 farms have a total current storage capacity of 494,400 bushels, or 8674 average bushels per farm (an overall 27% decrease). At present, Franklin County has no mill or other point of delivery for grain crops. According to interviews and internet research, the nearest delivery points are Bailey Feed Mills, with locations in Bailey and Selma, Braswell Milling in Nashville, and Cargill in Raleigh.

Pigs

Eleven farms reported hog sales of \$8.1 million in 2007. This ties swine with poultry as the second leading commodity group in the county, behind tobacco.²³ Five farms sold more than 1000 pigs, while 4 sold less than 25. As elsewhere in the state, there has been very little opportunity for medium sized hog operations to survive in the vertically integrated industry.

However, most of the remaining commercial hog farms have disappeared since this 2007 Census data was collected. The swine flu scare of 2009 put such a serious damper on consumer demand for pork that the integrators have cancelled contracts with all of the larger operations in the

county.

Mike Jones of Mae Farms, a small commercial grower who raises hogs on pasture, aiming at the direct market customer, continues to struggle with the lack of infrastructure for independent livestock producers. As reported in the sidebar in the Farmland Preservation section of this report, local farmers must leave the county to find a feed mill and processing capacity, a clear economic leakage that could instead provide benefits to grain and livestock farmers.

Sheep and goats

23 farms raised 641 sheep and lambs in 2007, a 50% increase in the number of farms over the previous five years, but a 40% decrease in the total number of animals. 10 farms reported selling 500 lambs. Only one farm raises over 100 animals, but they have found a solid opportunity marketing lamb to Triangle consumers. 10 farms are engaged in wool production.

Goats, on the other hand, have turned into a thriving sector of Franklin County agriculture. 70 farms raise 2442 goats, the fourth largest inventory of any county in the state.

Altogether 55 sheep or goat farms reported \$117,000 in sales in 2007, a 15 percent drop from 2002. Franklin County ranks 18th amongst North

²³ http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/County_Profiles/North_Carolina/cp37069.pdf

Carolina counties in this sector. Sheep and goats are a relatively easy “entry level” livestock for small farms, requiring less investment in facilities and breeding stock than cattle or pigs.

Franklin County Cooperative Extension and 40 local farmers led a statewide effort to create the NC Meat Goat Producers Association in 2001. The group is marketing goat meat to restaurants or live goats to large buyers, bypassing middlemen while achieving consistency of product through a Quality Assurance Program. This organization is an excellent example of the value that farmers can add to their product at the local level by working together. County farmers in other sectors should look for similar opportunities for collaboration.

Poultry

As of the 2007 Census of Agriculture, Franklin County had 78 farms with any form of poultry, but 64 of these had less than 100 birds and could be considered “backyard hobby flocks.” Commercial operations reported \$8.2 million in poultry sales, making this the second largest sector in the county, after tobacco.

According to Cooperative Extension personnel, Franklin County has 11 contract poultry operations in 2010 (5 laying hen, 2 pullet, and 4 broilers) under contract with Perdue and Braswell Milling. Although these farms generate significant expenses and revenues, the feed purchased through the integrator doesn’t come



from within Franklin County. With no feed mill within the county, this represents a leakage of agricultural dollars to surrounding counties.

Nursery

According to the 2007 Census of Agriculture, Franklin County has 5 commercial ornamental horticulture operations. \$468,000 in sales were reported for floriculture crops, but the Census didn’t publish figures for other segments (greenhouse vegetables, bedding plants, cut flowers) of this industry because there weren’t enough farms in the county reporting to maintain privacy.

Taylor Nursery, one of Wake County’s largest retail nursery operations, grows most of its field stock in Franklin County. Over half of the 4000 acre farm, on which the nursery stock is grown, has been protected by a conservation easement with the Tar River Land Conservancy. Since planting began on the farm in 1987, approximately 2000 acres are now in production.

“The nursery and ornamental horticulture business has been a good opportunity for transitioning farms trying to find niche markets,” says Richard Taylor, owner of the business. “We’ve gotten hit hard by the economic slowdown, as building and landscaping have dropped tremendously. On the positive side, this has helped us slow the loss of farmland in Franklin County. We need to maintain support for conservation programs and increase educational activities for new landowners. The county needs to continue to encourage more concentrated population growth patterns and soften our footprint on the landscape.”

Beekeeping

According to the Census of Agriculture, Franklin County only had 4 farms with commercial hives in 2007, with only 2 of these collecting honey for sale. Late that same year, a county beekeepers association was formed to support the sector, with monthly educational meetings and an Internet presence providing easy access to pollination

services for commercial farming operations, swarm collection services for homeowners, and information for newcomers. The association has grown to over 40 members, from backyard hobbyists to large commercial operations; together, they estimate that they represent 500-1000 hives. Nonetheless, these are still not enough hives to service local pollination needs, and some farmers must rent hives from outside the county. Beekeeping presents the possibility of a diversified income stream, including pollination, honey, bath products, candles, and queen breeding. With the strong support network and relatively small start-up costs, this offers a promising opportunity for a new farmer.

Aquaculture

The Census listed 3 farms in the county with aquaculture (tilapia and crawfish) sales; total value wasn't listed due to the small number of respondents. With great interest in locally produced products, and 32 million dollars in statewide aquaculture sales in 2007, this area offers another unique niche for local farms.

One aquaculture operator, Tony Wheeler, began raising crawfish when beavers flooded a creek on his farm, creating a pond. Taking a liability and turning it into an asset, Wheeler has since added several other ponds. Still, he is unable to keep up with demand, with a waiting list every year before the harvest begin.

Equine

Franklin County has seen dramatic growth in the equine sector in recent years, as more equestrian enthusiasts have moved to Franklin County to establish small operations for commercial and personal recreation. As of the 2007 Ag Census, Franklin County had 161 farms holding an inventory of 1164 horses and ponies. Of this number, 150 farms owned 928 horses, indicating a boarding industry. This growth has presented opportunities in haying equipment, fencing services, boarding and training facilities, and pasture seeding and renovation. A recent study by the NC Horse Council estimated 6060 horses in

the county, resulting in \$37 million in inventory value, placing Franklin County among the top quarter of equine counties in the state.²⁴

In addition, the statewide study found that Franklin County has the 12th highest population of equine in the state with 6,060 head. Statewide, the average value per equine is approximately \$6,100. Of these top 12 counties statewide, the average number of humans per head of equine ranges from 112 to 7, with the average of the top 12 counties being 33 people per head. Franklin County has 10 humans per head of equine - the lowest human population per head of equine in the top 12 counties except for Stanly with 7 humans per equine. The number of equine per 1000 humans in the top 12 counties ranges from 9 to 134. Eight of these top 12 counties are clustered in a geographical area from Charlotte to Greensboro. Two other counties are in the Southeast, Hoke County (Carolina Horse Park) and Cumberland (Fayetteville). Wake and Franklin are geographically separate from any other of the top 12 counties. In the nine county region east of the Triangle area, Franklin County has the most head of equine except for Wake County. Within this region, the average human population per head of equine ranges from 112 to 10 (Franklin County) with the average of 48. The state average for population per head is 30.

Horses may be the first step into the agricultural world for ex-urbanites, offering the opportunity for education and agritourism income for existing farms. However, these new horse operations also present soil conservation and educational challenges, as beginners may not have a thorough understanding of animal husbandry, forage management, or operation of traditional farm machinery.

Franklin County's equine community expressed particular interest in the preparation of this plan. Several meetings were held with leaders and

²⁴ <http://www.ncruralcenter.org/pubs/equinestudy050809.pdf>

members of the Franklin County Horse Advisory Council to assess challenges and discuss potential opportunities. Chief among these challenges are the depletion of riding trail systems (which largely utilize non-agricultural forested land) due to residential development and other changes in land ownership that might restrict traditional access patterns. In these meetings, the group developed several conclusions about the Franklin County equine industry as follows:

- Franklin County's equine community ranks strong among other North Carolina equine counties.
- The community is the strongest among neighboring counties except for Wake County, but is stronger than Wake County as a percentage of population.
- Franklin County boasts the largest inventory of equine to population within the neighboring counties - from 1.7 times to 11 times the inventory of neighboring counties.
- Equine is a significant part of Franklin's economy - more significant than equines in the economy of any other neighboring counties.
- The horse sector could be a major factor in Franklin's economic future if properly protected and fostered for growth.
- Franklin County could spring-board off of Wake inventory to expand Franklin's equine services to benefit of all 9 neighboring counties.

The equine community is interested in expanding



County-owned facility in Oconee County, Georgia

the availability of trails for equestrian use. They're willing to be active partners and volunteers on trail maintenance and lobbying for funding needs. There appears to be a disconnected network of different trails on private land, most with access through old relationships. One possible approach toward securing further access would be first to map the existing trail systems (a participatory process that could be led by the Horse Council), which could lead to a more coordinated effort to educate landowners on equine access and perhaps secure access.

Equine participants in this study also expressed a strong interest in a local show-complex, noting that the Martin Center in Martin County is a strong draw from a multi-state region. They feel that if the County could assist with locating a livestock event center, this would be a draw to out-of-area and out-of-state horse owners, which apparently travel great distances to good events and facilities. This would bring tourism dollars to the county. Participants pointed to a private facility in the Wood community that draws trail riders from Virginia and South Carolina.

The equine community is also looking for the General Assembly to clarify the status of horse operations as an agricultural enterprise for Present Use Value property tax purposes; the revenue statutes²⁵ mention only the growth and production of horses, while the definition of agriculture is more expansive in the Farmland Preservation statutes.²⁶

Some horse owners perceive that only imported hay from the northeastern states is suitable for equine consumption, though others report great success with varieties suited to Franklin County's growing conditions. The equine community should work with university researchers to demonstrate the nutritional quality of locally grown hay and encourage more planting of

25 <http://www.dornc.com/downloads/av4.pdf>

26 http://www.ncga.state.nc.us/enactedlegislation/statutes/pdf/byarticle/chapter_106/article_61.pdf

suitable local varieties to keep more dollars in the county. Franklin County maintains an online hay directory to match buyers and sellers of various types of hay: <http://www.franklincountyfarmfresh.com/2009HayDirectory.html>

Forestry and Timber

Franklin County has about 180,000 forested acres. Most forest land is concentrated north of the Tar River, with little in the richer farming soils of the southwest corner, as well as the Pilot area where development pressure is more intense from Zebulon and the Highway 64 corridor.

It is currently unclear how many forest landowners have forest management plans that qualify them for the county Present Use Value (PUV) taxation program, as an inventory is in process with the county tax office. According to state law, a tract of 20 acres of woodland is the minimum requirement to be eligible for PUV. Forest management plans include recommendations on thinning, controlled burning, harvest and replant, yet are not required to have

specific implementation schedules. The Franklin County office of the North Carolina Division of Forest Resources prepares approximately 100 plans per year as a free service for landowners, mostly for purposes of qualifying land for PUV. A smaller subset of landowners have silviculture plans, which provide more specific recommendations for management. Silviculture plans are normally prepared by a consulting forester on a fee basis.

Approximately 800 - 1000 acres are harvested annually, though only about 600 acres are replanted (compared to 20 years ago where nearly 2500 cutover acres were replanted each year). Clear cutting large forest tracts has diminished in recent years, though pulpwood thinning continues at a steady pace. Most of this cut pulpwood is shipped to Kapstone Paper in Roanoke Rapids or the Weyerhaeuser facility in Plymouth. Franklin County hosts five sawmilling operations that are supplied by Franklin County timber but also soft and hardwood timber from neighboring counties. These sawmills are Katesville Pallet Mill, Pruitt Lumber Company, and Toney Lumber Company in Louisburg, Briggs Sawmill & Co. in Bunn, and Franklin Veneers in Franklinton. The area also has several timber brokers operating throughout Franklin and neighboring counties. Interviews for this report also revealed at least one micro-timbering enterprise: a custom harvesting and portable milling operation run by recent graduates of Bunn High School.

As with farmland, a challenge to forest management is the aging landowner population and new ownership by absentee landowners unfamiliar with forestry management practices. Adult children of deceased forest owners, at least those who desire to continue to hold and manage the property, will need education on forest management issues. On the other hand, forestry observers note the increased use of Limited Liability Companies to manage forest land, where company managers -- sometimes a family, sometimes an investment group -- utilize sophisticated forestry management practices to



maximize returns and manage income taxes.

In February of 2010, Franklin County Cooperative Extension and other collaborators hosted a workshop titled *Planning the Future of Your Farm*, a multi-issue landowner education seminar that for the first time included an update on recent forestry trends, practices, and resources. Perhaps the most cost effective approach for many forest landowners is to invest in the services of a consulting forester to provide specialized guidance and recommendations, and to help arrange a bidding process for harvest at an optimal time in terms both of stand quality and timber markets. The North Carolina State Division of Forest Resources maintains a list of consulting foresters serving Franklin County at <http://www.dfr.state.nc.us/Contacts/pdf/cf/cffranklin.PDF>.

FRANKLIN COUNTY FARM MARKETING

With today's rising interest in locally grown foods, the growth of farmers markets, and the burgeoning restaurant community in neighboring Raleigh and Durham, opportunities abound for small farmers growing fruits, vegetables, and ornamental items for direct market sales. A much bigger challenge remains for midsize acreage farms that traditionally supported tobacco, field crop, and livestock production. All agriculture depends on these operations, which constitute the bulk of farmland use in the county, to maintain a critical mass of demand to support infrastructure such as input dealers, repair facilities, technical and financial expertise, and leadership opportunities for the next generation. These midsize farms also play a crucial role in providing open space, protecting soil and water quality, and maintaining rural character and institutions that benefit all the county's citizens. As land values rise and farming communities are divided by new roads, sewer lines, and housing developments, the pressure continues to intensify for large acreage farmers trying to survive on the edge of the high-dollar Triangle region. Moving farm equipment along increasingly busy rural roads becomes more

difficult, dangerous, and discouraging to those trying to maintain the legacy of farming in the county.

The Raleigh-Durham Foodshed

An obvious geographic attribute of Franklin County agriculture is its proximity to the large, one-million-plus resident Raleigh-Durham-Triangle. This places Franklin County in Triangle's "foodshed," a term that is finding more common usage to describe the "bioregion that grows food for a specific population." So far, most distribution channels from farm to consumer involve the farmer selling directly to the end user (a family, restaurant, retail store) whereby the farmer manages distribution. This current system only supports a limited supply chain, as most distribution is to a large number of consumers with smaller volume needs, rather than several buyers with larger volume needs. This current system therefore favors small acreage production, normally managed and worked by a single farmer, perhaps with limited additional labor.

As alluded to above, until larger customers (schools, hospitals, restaurant chains) begin to demand more product from *within* the Triangle foodshed, and appropriate distribution enterprises begin to connect the farm to these markets in a more consistent manner, the question will remain open on how to make larger acreage tracts more profitable. For the present, however, the important thing is to encourage more producers to take root, and from that human resource pool, gradually grow production requirements on Franklin County acreage. These decisions will obviously be subject to the entrepreneurialism and risk tolerance of the individual producers now taking root.

One recommendation below is for Franklin County to embrace regionalism. It is perhaps helpful to compare the two farming systems on the Triangle's the east side (ie. Franklin and its neighbors) and west side (ie. Chatham and its neighbors), which has seen a larger growth in small farms and development of more small

farm support infrastructure. It is likely that the “westside’s” direct proximity to a more affluent consumer base over the past 30 years has caused that system to grow earlier, attracting producers to the area that have formed the backbone of the westside’s farm system development.

Several examples of farm system development on the western side of the Triangle include the

Sustainable Agriculture Program at Central Carolina Community

College, the Breeze Farm Incubator in Orange County, and the development of East Carolina Organics, a regional aggregator of food products from smaller farms, selling to a restaurant base of customers.

Farmers Market

Currently, Franklin County hosts a farmers’ market in Louisburg. This market is open Tuesdays and Fridays at 10:00AM and Saturday from 8:00AM. The Louisburg market is located in the Shannon Village Shopping Center off of HWY 401/Bickett Blvd. However, it appears from interviews for this report that there is general concern with the current location and hours of the market. In addition, several comments were made in community meetings that this market

has had signage problems due to regulations from the Town of Louisburg. In a follow-up to these comments, it has been determined that there are, in fact, signs advertising the market both on Hwy 401 and at the market.

In response to these comments, Louisburg Town Administrator Tony King clarified that the only

sign ever submitted to the town by the farmers market was approved,

and that no signs have ever been turned down or removed. There is a Department of Transportation sign for the market along Bickett Blvd., on that is part of the shopping center sign integrated with other vendors located there, and another sign on the market shed with hours of operation. The Louisburg Zoning Ordinance (http://www.townoflouisburg.com/client_resources/city-services/Louisburg%20Zoning%20Ordinance.pdf), regulates the construction, installation, and approval of all signage in Louisburg. Signs are identified and regulated per the specific zoning classification in which they will be located. The Shannon Village Shopping Center is in the B-2 classification, Highway Business District. King emphasized the town’s support for the market and their willingness to

Franklin County Direct to Consumer Sales			
	1997	2002	2007
Direct Sales	\$57,000	\$381,000	\$421,000

Comparison of Franklin County Direct Sales with Neighboring Counties									
	Durham	Franklin	Granville	Halifax	Johnston	Nash	Vance	Wake	Warren
Value of Direct to Consumer Sales	184,000	421,000	304,000	75,000	343,000	541,000	39,000	480,000	67,000
Farms involved in direct sales	33	47	35	8	108	43	7	91	16
					Total Farms 388				
					Total Sales 2,454,000				

work with any farm enterprises to publicize their services and products.

As an example, the town amended their code in 2008 to allow backyard chickens on residential properties (http://www.townoflouisburg.com/client_resources/city-services/Chickens%20in%20residential%20districts.pdf). With the development of creative new agricultural enterprises, all farmers are encouraged to collaborate with appropriate governmental entities on regulatory and publicity needs.

Interviews and community meetings revealed that most of the direct-to-customer farmers are going to the markets in Wake Forest, North Raleigh,

and Durham, closer to larger concentrations of customers. For example, at least three farms and a local bakery sell at the Durham Farmers Market in downtown Durham, reporting strong sales at this location.

Retail Sales

The biggest and most immediate opportunities for Franklin County farms in retail sales are in neighboring Durham, Orange and Wake Counties. Whole Foods Market, a 30-year-old national natural foods grocery chain, has locations in Raleigh and Durham. Whole Foods purchased the Durham-based Wellspring Grocery chain in 1991 on its way to becoming the world's leading retailer of natural and organic foods. The

Connecting Urban Customers - Community Supported Agriculture and RTI International

For a number of years, small farms have been adopting and adapting a model of marketing to both manage risk and grow their customer base. The Community Supported Agriculture (CSA) model is a basic concept where customers "subscribe" to a share of a farm's seasonal production. At the beginning of a growing season, customers pay a specified sum up-front for weekly deliveries of farm produce throughout the summer and early fall, normally to a pre-selected site in an urban area. In this model, the farmer essentially passes the risk of crop-loss (due to drought, hurricane, etc.) to the customer, and now has his or her operating capital at the start of the growing season.

A key challenge for small farms breaking into this marketing model is building a customer base in the start-up phase, whereby the farmer must find avenues to advertise and attract customers. Even after years of using the model, maintaining and continuing to expand the current base requires a continuing investment of the farmer's time away from production.

In 2002, a major Research Triangle Park employer, RTI International, organized a

CSA marketing program to help expand the connection between local farms and a wider customer base. RTI, in partnership with NC State University's Center for Environmental Farming Systems (CEFS) and NC Cooperative Extension Service, signed on to market participating CSA farms directly to its own large employee base through its internal communications system. Over the years the program has grown to serve both RTI employees as well others working for companies nearby with a pick-up site convenient to them during the working week.

The RTI pick-up site is supplied, in 2010, by six farms and a seafood distributor. The participating farms each offer a selected range of product: several offer fresh vegetables and free-range chicken, another specializes in fruits, another exclusively in grass-fed beef. The seafood distributor, working out of Southport, NC, delivers a variety of seafood caught by fishermen based on the North Carolina coast. Interested customers sign-up directly with the farm, linked through the RTI website, and pick up at a specified site on RTI's RTP campus.

For more on RTI International's program, visit <http://www.rti.org/csa/index.cfm>

Integrating Existing Industry with Local Farming and Food System: Novozymes

Novozymes is Franklin County's largest employer, with 465 people working at their enzyme manufacturing headquarters in Franklinton. They are also one of the county's largest landowners, with 1600 acres utilized for all aspects of business operations and the spreading of spent biomass from the enzyme manufacturing process. Novozymes also contracts with about 200 area farmers to apply the byproduct to an additional 12000 acres. This byproduct serves as a valuable source of phosphorous and lime for local row crops and pastures.

Novozymes also composts about 20 percent of their byproduct, selling the compost to landscaping and turf maintenance companies for erosion control and athletic fields.

Although their current land base and arrangements with local growers is adequate for their needs in the immediate future, Novozymes personnel see increased land pressure coming from Triangle municipalities looking for land to apply waste products. Franklin County planners should maintain their vigilance in assuring that these new market opportunities don't interfere with water quality in the increasingly regulated Tar-Pamlico basin.

With a goal of creating a Zero Waste facility, Novozymes has a commitment to sustainability in all aspects of their business and has expressed an interest in developing closer ties to the local food system. Possible ideas for large employers in the county include exploring how to get more locally grown foods served at the on-site cafeteria and organizing a farmers market/Community Supported Agriculture outlet to help their employees get more fresh and healthy foods.

company's website (<http://www.wholefoods.com>) states, "We are permanently committed to buying from local producers whose fruits and vegetables meet our high quality standards, particularly those who farm organically and are themselves dedicated to environmentally friendly, sustainable agriculture. We are greatly increasing our efforts in this regard by further empowering our individual store and regional buyers to seek out locally grown produce." They have started a Local Producer Loan Program and are strong supporters of local sustainable agriculture non-profits in the region (see **Maggie Lawrence sidebar**). Likewise, Weaver Street Market, a



customer owned venture with stores in Carrboro and Hillsborough, and Chapel Hill is currently receiving product from Franklin County.

Restaurants and Caterers

Raleigh, Durham, and Chapel Hill have a wealth of fine restaurants with a long tradition of buying local products. Many chefs make the weekly pilgrimage to a farmers market to buy the freshest seasonal items available, and their menus change to fit what's coming from the farms. Amy Tornquist of Watts Grocery, Andrea Reusing of the Lantern, and Richard Holcomb of Zely & Ritz have used their emphasis on local farms and foods to turn the Triangle region into what *Bon Appetit* magazine called the "foodiest small town in America." Some restaurants note that the high public demand for locally grown foods is raising prices and making it more difficult for restaurants to keep their price points for finished product

down, but they appreciate the incentive that it provides for the growers.

Durham and Raleigh also have a wealth of caterers supporting area farmers, with the potential to collaborate on promotional activities to highlight the local growing scene. The completion of the new Piedmont Food and Agricultural Processing Center in Hillsborough in November 2010 should provide additional opportunities for entrepreneurs looking to add value to local farm products.

Agritourism

Over the past decade, a new form of marketing is drawing customers out of urban areas “into the country.” Agritourism has become a mainstream farm marketing concept as of 2010, and has grown from simple “u-pick” operations (where customers pick produce themselves on the farm) to larger ventures that offer other forms of education and entertainment. The

agritourism movement has begun a process of reconnecting our society with its agricultural past, allowing folks who might never visit a farm to do so. Numerous examples exist of this form of marketing, from “u-pick”, corn mazes, wineries, hay-rides, and more intensive entertainment activities and even overnight accommodations. Some agritourism farms offer tours for school children during the week. This form of marketing is often referred to as “value-added” in that it offers the opportunity for the farmer to market the actual experience of purchasing farm products straight from their source, but also offers the farmer the opportunity to market other items as well (such as educational experiences, processed items, etc.), all the while allowing the farmer to save the cost of transporting these items to a market away from the farm. Challenges remain for these operations, particularly the expense of insuring against the liability of having the public visit a farm, which is an inherently unsafe environment for the inexperienced. Also, there



Vollmer Farms in Bunn is one of the Triangle area’s best-known agritourism destinations.

is sometimes a lack of clarity whether such operations are actually “farms” or “agriculture” for the purposes of present use valuation and zoning. The North Carolina Department of Agriculture and Consumer Services launched in 2005 the Agritourism Networking Association to assist farmers in developing this type of business. According to NCDA&CS’ Marketing Division website, Franklin County hosts 13 agritourism farms.²⁷

FRANKLIN COUNTY FARM SERVICES

Farm Supply

Although farmers report that their needs are met fairly well with equipment and supplies purchased in Franklin and neighboring counties, there is a general consensus among Franklin County equipment dealers and lenders that their businesses face a limited future serving agricultural clients. The field crop growers that were their bread and butter are shrinking in numbers, and those remaining tend to shop outside the county (or over the Internet) for their primary agricultural needs, which for larger operations, are delivered directly to their farm.

With the number of larger commercial farming operations on the decline, it is becoming increasingly difficult for the Franklin County agricultural sector to support farm input dealers. There are still some primary traditional agricultural input (fertilizer, lime, commercial-scale seed, etc.) providers located inside the county, including Southern States in Louisburg and Crop Protection Services in Bunn. Farmers also indicated getting supplies from Coastal Agribusiness in Henderson in neighboring Vance County. It is uncertain to what extent farm purchases are being made outside the county, but with county farm production expenses approaching \$46 million annually, this presents a notable entrepreneurial opportunity for a local business able to fill niches.

Agricultural Finance

Ag Carolina Financial, formerly East Carolina Farm Credit, the agricultural lending cooperative chartered by the federal government, is the main agricultural lender for Franklin County. Their Louisburg office serves the Franklin County clientele, and farmers report a positive experience with their understanding of the changing face of agriculture. Commercial banks have generally gotten out of agricultural lending, as the small volume of loans doesn’t justify hiring personnel with farm expertise. The future of agricultural finance in the area will be primarily in land ownership loans, rather than operating capital. The type of new produce and equine operations opening up in the county generally don’t buy a lot of equipment or take out operating loans; they’re generally small farms, often coming in with a separate source of income, so they don’t need to look to traditional sources of finance.

Education

Community meetings for this report indicated a strong need for continued adult education of farmers in the county on new production and marketing techniques. As noted above, Franklin County’s newer farmers tend to be second or third career people that have located to Franklin County for a rural



“Planning for the Next Generation: Farm Succession” Conference

**Wednesday
February 24, 2010**

**Annex Meeting Room
Agricultural Center
Louisburg, NC**



²⁷ <http://www.ncagr.gov/markets/agritourism/>

lifestyle, yet with a commitment to remaining productive as entrepreneurs in their community. At the minimum, many seek information on what production opportunities their land can provide.

Currently, Franklin County Cooperative Extension is offering courses styled as the Small Farm Opportunities Conference, which is now in its 5th year. This conference itself is an example of a regional commitment, and is coordinated by a team representing Franklin, Vance, Warren and Granville Counties. Typically, the program covers about ten topics, with past offerings including direct marketing, introduction to organics, agritourism, and pertinent government regulations relating to small farms (with impending Food and Drug Administration rules relating to best management practices on small farms, this course could prove critical for small farm compliance). In addition, according to Cooperative Extension, numerous requests have come in for more education on raising pasture-based meats, particularly beef, and a fall “Cow College” is currently in the planning stages.

Franklin County also boasts a strong Vocational Agriculture class, led by Bob Frisbee, at Bunn High School. Mr. Frisbee hosted the Bunn community meeting for this report in his classroom. In attendance were several officers from the high school’s FFA (formerly Future Farmers of America) chapter, who testified on their interest in an agricultural future in the county.

Another important educational opportunity that should not be overlooked is the annual Farm Succession seminar hosted by the Franklin County Agricultural Advisory Board and Cooperative Extension, with the support of the Franklin County Farm Bureau and Southern Region Risk Management Education Center. This workshop is

a model program for engaging the landowner base of Franklin County on a range of important topics. The winter 2010 program included the following topics: Present Use Valuation property tax, timber resource programs, estate and succession planning, and wildlife recreation leasing. As Franklin County looks at ways to promote farming, one recommended goal is in new farmer recruitment, particularly those seeking to lease a farm. This type of program can serve as an annual engagement of landowners toward this goal, and some may emerge with an interest to host a beginning farmer on their land.



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FRANKLIN COUNTY LAND USE PLANNING

Franklin County plans for future growth and development through a partnership of the County Commission, the Planning Office (guided by a citizens' planning board), and public input. They develop a long range vision based on guiding principles and then make specific land use, planning, zoning, subdivision, and code enforcement policies and decisions to implement and achieve specific goals.

Franklin is also engaged in regional planning efforts through the Kerr-Tar Regional Council of Governments, together with Granville, Person, Vance, and Warren Counties. The county first passed a subdivision ordinance in 1985, with countywide zoning added in 1987.

Municipal Planning

The incorporated towns of Bunn, Centerville, Franklinton, Louisburg, and Youngsville also plan for development within their city limits and Extra-Territorial Jurisdictions (ETJ), which extend 1-3 miles beyond municipal boundaries. Bunn, Franklinton and Louisburg make their decisions based on long-term comprehensive plans. City and county planning staffers communicate based on specific issues of concern; there is no regular meeting to share regular ongoing activities.

Comprehensive Development Plan

In 2000, Franklin County adopted a Comprehensive Development Plan (CDP), updating an initial Comprehensive Land Use Plan from 1983. The CDP identifies the goals, objectives, principles, guidelines, policies, standards, and strategies for the growth and development of the community. It guides where and how development should occur and how the county should provide public facilities and services to support future growth. The Plan is long range in scope, focusing on the ultimate needs of the community rather than the immediate concerns of today.

In 1999, the County conducted a survey asking citizens about how successful implementation of the 1983 plan had been. Respondents thought that the goal with the least level of success was:

ENVIRONMENT - The county will preserve its desirable rural and small town character, protect its prime farmland and environmentally sensitive areas such as floodplains and water supply watersheds, and preserve its historic resources.

Clearly, the general public has a strong awareness of the role that the agricultural landscape plays in the overall character and quality of life in Franklin County, looking to county government to protect farmland and support the agricultural economy.

Land Use Categories

Three land use categories outlined in the CDP apply to farm and forest land. Conservation/Open Space land uses are located in areas where there is the potential for flooding (100-year floodplain) or the need for buffering. Agricultural/residential land use has been located primarily in the northern half of the county where development pressures are the least. These areas are not suitable for development at high densities and will serve as a holding area for agricultural uses and future development if conditions and demand permit.

Low density residential land use is in the southern half of the county in areas with no planned water or sewer services. Though development pressure will be greatest in these areas, densities will be restricted by the well and septic capacities of the soils.

Two key land use recommendations in the 2000 updated plan are to rezone land along Hwy 56 between Franklin and Louisburg, and along the 401 corridor south of Louisburg from

Agricultural/Residential to Office/Institutional and Highway Business. This anticipates the growing development pressure along these thoroughfares and the difficulty of farming there in the future. There are very few places in the county's planning jurisdiction that have water and sewer service, thus assuring that dense development is unlikely anywhere outside of municipal boundaries. It also anticipates that there will be a pattern of sprawling low-density development, which eats up farmland rapidly. Thus, an additional recommendation in the 2000 Update is to amend the zoning ordinance to allow multi-family developments in Office/Institutional areas.

The Case for Farming

In several places, the plan emphasizes the growing tension between agriculture and conflicting land uses. It summarizes the challenge:

The southern portion of the county still has a great deal of agriculture and forestland but if measures are not taken to limit the degree and rate of subdivision activity this land will diminish. The northern portion of the county contains a predominant amount of agriculture and forest land. This area is not experiencing the development pressures that southern Franklin County is and, as a result, the issue of preservation is not as relevant. The county must decide how strongly it feels about maintaining these land uses in Franklin County and develop a strategy as to how the county can preserve agricultural and forested land.

Going further, it characterizes soils in the following manner:

The land in Dunn and Cypress Creek townships and in portions of Gold Mine and Hayesville townships is generally better suited for agricultural purposes than land in the rest of the county. The land in Franklinton and Youngsville townships is generally the least well suited land for agriculture in the county.

The plan also makes an unusually strong case for the economic importance of farmland conservation:

Economical production of food and other agricultural products requires land which can be farmed efficiently, maintain fertility, and will not be susceptible to erosion with continued use. This prime agricultural land is limited and becomes increasingly valuable as demands are made for conversion to other uses. Land's immediate cash value for non-farm development is often greater than for agriculture; and when the land is once developed, it is lost for all future agricultural uses. Whenever possible, the prime agricultural land should be reserved for agricultural use to preserve the economic base and rural atmosphere of Franklin County.

To preserve farm and forestland, the plan recommends creating a new zoning category, a Land Preservation District, which would require clustered housing lots on open land, to preserve the bulk of the productive land as open space. To preserve the rural character of the county, the plan discourages development in the Agricultural/Residential district, except for low-density housing.

The explicit public support for agriculture and rural character is a unique strength of Franklin County, and the farming community (through the Agricultural Advisory Board) should cite this long-term policy guidance to develop specific initiatives to put these principles into action.

Comprehensive Plan Update

The county began an update of the CDP in 2007, a lengthy public engagement and research process which is currently nearing completion. According to the county planning office, the new CDP, which should be complete by early fall 2010, will chart a course for the County's growth and development issues based on the following five growth principles set forth by the Board of County Commissioners:

1. Reduce the cost of growth and maximize the benefits of growth;
2. Plan for growth and share the costs of growth with towns, state, and federal government and private sector;
3. Protect the natural environment;
4. Encourage a range of suburban, small town, and rural development options; and
5. Incorporate the County's rural character and agricultural heritage in growth considerations.

Agriculture and the preservation of farmland are supported in multiple areas within these five principles, reflecting the understanding by citizens and county leadership that farms contribute in many ways to the quality of life for everyone. In the first four principles, the Comprehensive Development Plan Advisory Committee (comprised of the County Planning Board and representatives from each municipality) recommended concentrating growth close to existing towns and services, increasing collaboration with municipalities, protecting the natural environment (particularly water supplies), and reducing the density of rural developments. However, the Committee went into greater detail in the fifth principle: Incorporate the County's rural character and agricultural heritage in growth considerations. Five trends are seen as shaping the challenge of implementing this principle:

- Small and family farmers are facing difficult times
- Rural character is threatened by suburban growth
- Rural areas south of the Tar River are (or soon will be) experiencing market pressure to develop
- Rural areas north of the Tar River aren't experiencing market pressure to develop

- There is an opportunity for County to promote rural lifestyle and agri-tourism/outdoor recreation benefits

The plan discusses the importance of directing growth away from rural areas to minimize conflicts with farm enterprises, establishing more farmers markets and buying local farm products, supporting agritourism and farm celebrations, and creating incentives for landowners to keep their land in farm and forestry.

The proposed Hybrid Growth model calls for maximizing use of state and federal conservation and agricultural incentive programs, supporting agritourism and specialty agriculture, and promoting environmental education through County Soil & Water Conservation District and Cooperative Extension programs.

The Committee also recommended completing 5 Small Area Plans (one each budget year) to understand more specific needs of rural areas.

Transportation Plan

Franklin County is currently creating a transportation plan which will complement the Comprehensive Development Plan in providing guidance for new infrastructure and zoning decisions. Key elements include the widening of Highway 401 and the Southeast High Speed Rail Line plans.

Central to the update of both plans is the identification of utility service areas, which will identify which drainage districts will receive county water and sewer in the future.

It is recommended that this Agricultural Development and Farmland Preservation Plan join these other two plans in guiding future decisions by Franklin County.

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FARMLAND PRESERVATION

Over the past decade, the issue of protecting productive soils from residential development has taken on a greater role in the discussion of agriculture's future. To that end, federal, state and local legislators have enacted legislation to create - and allocated funds to execute - a number of options for farmers and landowners to voluntarily restrict their land from further subdivision (ie. residential development). Most often, these options provide landowners with financial incentives to keep their land available for farming. As noted elsewhere in this Plan, these tools are useful tools in a larger human and economic equation. In so far as they are integrated thoughtfully into Franklin County's farming and agricultural economic system, they serve a strong role.

CONSERVATION PARTNERSHIPS

Protection of Franklin's natural resources occurs through partnerships between public and private entities providing technical information and accessing a range of funding sources. A successful land protection strategy will require a strong partnership of public agencies, private organizations, and committed individuals working together to protect the agricultural land base.

State and Federal Government

The **North Carolina Division of Soil and Water Conservation (DSWC)** provides technical assistance to landowners and allocates state resources to implement local conservation priorities.

The United States Department of Agriculture's **Natural Resources Conservation Service (NRCS)** plays an important role in carrying out federal programs around land and water quality improvements.

The **North Carolina Cooperative Extension**

Service (CES) shares University research results and provides educational programming on a wide range of production and household management issues.

The Louisburg office of the **North Carolina Division of Forest Resources (DFR)** helps private landowners manage their forest lands to achieve individual goals of timber production, wildlife habitat, and recreational enjoyment, while protect soil and water quality for all of the County's citizens.

The **North Carolina Department of the Environment and Natural Resources (DENR)** is the state agency with primary responsibility for the stewardship of the environment. They provide technical assistance to landowners and regulatory oversight of land, air, and water resources.

Franklin County Local Government

The **Franklin Soil and Water Conservation District (SWCD)** provides local technical assistance to landowners and administers state and federal resources to implement local conservation priorities.

The **Franklin County Agricultural Advisory Board** administers the Voluntary Agricultural District program, shares information on local, state, and federal issues impacting agriculture, and provides feedback to the County Commission on ways to strengthen Franklin's farming sector.

Private and Non-Profit Organizations

The **Franklin County Farm Bureau** represents the policy interests of farm and rural families as a local chapter of the North Carolina Farm Bureau, one of the state's largest advocacy organizations and insurance providers. They discuss key agricultural issues at monthly meetings and fund a variety of educational activities throughout the County.

The **Tar River Land Conservancy (TRLC)** is the primary non-profit organization working on land protection in the county. They use donations from individuals and foundations to reach out to landowners and seek public funding sources to protect important open space—stream corridors, forests, wildlife habitat, farmland and natural areas in the region. Their fundamental approach is to use the purchase or donation of conservation easements or fee simple purchase to preserve soils and protect water quality as resources for the future.

Their mission is to *preserve the natural and cultural resources of the Tar River Basin by working in partnership with private landowners, businesses, public agencies, and others to protect rural landscapes and riparian corridors*. Headquartered in Louisburg, TRLC works in 8 counties, but the bulk of their land protection work has occurred in Franklin County, with a total of 4050 acres protected. The central location of the Tar River through Franklin County assures that TRLC will continue to focus their outreach efforts close to home and be a major partner in land conservation efforts.

A small portion of the county's land base, located in the southwestern corner, sits in the Neuse River Basin. Therefore, the **Upper Neuse River Basin Association (UNRBA)** participates in the conservation process in the county. The UNRBA is a collaboration of the 8 municipalities, 6 counties, and local Soil and Water Conservation Districts that are located within the basin. Through the UNRBA, the Franklin County government participates in regional planning, data gathering, and policy recommendations that can reduce discharges into the Upper Neuse.

The **Upper Neuse Clean Water Initiative**, led by land trusts and local governments, uses conservation easements and land acquisition to protect drinking water supplies across the region. With the support of North Carolina's natural resources trust funds, county and municipal governments, and other funding partners across

the basin, the coalition has protected 4,332 acres of stream buffers in the Upper Neuse Basin since 2005. For a demonstration of how this type of effort can work with local agriculture, the Watershed Agricultural Council from New York is the premier example of local governments supporting upstream farms as the most cost-effective means of protecting water quality in the city.²⁷

The **North Carolina Farm Transition Network (NCFTN)**, a collaborative statewide network focused on issues related to generational transfer of farm and forest land. NCFTN partners with communities, organizations and professionals to coordinate educational programming and resources (including the workbook *Planning the Future of Your Farm*) to help farmers and landowners who share the goal of keeping land in farm and forest production as it passes between generations.

THE FARM PRESERVATION TOOLBOX

As previously noted, there is no silver bullet for protecting farmland. With a wide variety of farms owned by an even wider variety of families, all with their varying needs and goals, an effective farmland protection strategy must offer a broad spectrum of tools that can be used to keep land in agriculture. North Carolina and Franklin County offer a range of voluntary programs for landowners to ensure that their land will not be converted to non-farm uses. These programs require public- and private-sector partners to help landowners achieve their goals, and they can also help the county meet their objectives of controlling growth, protecting natural resources and supporting their agricultural businesses. Seeing where these programs are most heavily utilized also gives local government a good sense of where their stable agricultural communities are located, helping them craft policies to steer appropriate services towards those areas, as well as steering development elsewhere.

²⁷ <http://www.nycwatershed.org>

The section below introduces various farmland protection tools available to landowners. They vary in length of commitment and eligibility requirements, and many of these programs can be combined and overlapped on an individual property. What is certain is that there's something for everyone here, and participation in these programs leads to a stronger network of partners and education across the agricultural community.

Property Tax

Present Use Value tax assessment allows for agricultural and forested land to be taxed at its use value for farming, rather than its market value for development. Minimum acreage to participate is 5 acres of horticultural land, 10 acres of agricultural land, and 20 acres of forested or wildlife-enhancing land. There are also specific state-mandated requirements on the ownership, income and management requirements to participate in this program. Owners of agricultural land need to apply to the county tax assessor to receive this special assessment.

According to the county property tax office, an audit is currently underway to determine how many properties are in the present use value program. A key challenge has been resources to conduct the audit, so most updates must come through when property is sold or passes through an estate.

When land being taxed at present use value is no longer in agricultural production, the owner is subject to a rollback penalty of the deferred taxes for the year of disqualification and the three preceding years, with interest. This penalty can be avoided if buyers of land enrolled in present use value apply for continuation of that status within 60 days of property purchase, as long as the land continues to meet the requirements of the program.

Staff from the county tax office emphasized that they want to work closely with landowners to help them understand the requirements of the Present Use Value program and to remain in the program

if their land is eligible. The tax office will reexamine eligibility status whenever the property changes hands. They have advertised the program through newspaper and radio advertisements, but attendance has been scarce at public outreach meetings. As properties change hands (whether through sale or inheritance), it is important for new owners to be familiar with specific acreage and income requirements to keep land in the program, as specified by state statute. This is particularly true with forest land, which requires compliance with a current forest management plan. In addition, subdivision of parcels within a family may cause lots to become too small to qualify; once landowners learn this, the tax office has allowed them to come back in and "reconstitute" the farm to restore PUV eligibility, but this must be done within the same calendar year.

Tax office staff expresses a need for better education of landowners and professional advisors on the rules of the program; they're glad to partner with any other groups reaching out to rural landowners to get the word out.

Farmers are also entitled to a state income tax credit equal to the amount of property tax paid on farm machinery.

Sales Tax

Commercial farms can receive an exemption from sales tax on certain items used in their farming operations. Farm machinery, containers, tobacco-drying equipment, grain-storage facilities, fuel, potting soil, feed, seed and fertilizer are completely exempt from state and local sales taxes. To utilize the exemption, farmers must obtain an exemption number from the NC Department of Revenue: www.dor.state.nc.us/taxes/sales/notice_exemption.html

Income Tax

Farmers report agricultural income on IRS Schedule F. An experienced agricultural tax provider can provide enormous savings by understanding deductions, depreciation, and other tools to keep taxes in check.

Agricultural conservation easements offer tremendous state and federal income tax benefits. See the section on easements below.

The National Park Service offers federal income tax credits of 20% of the cost for the rehabilitation of historic farm buildings. The building must be part of a historic district or listed on the National Register of Historic Places (Franklin County sites are listed in the Appendix of this report). Information and application can be obtained from the NC Historic Preservation Office: <http://www.hpo.ncdcr.gov/>.

Voluntary Agricultural Districts

Local Voluntary Agricultural District programs allow farmers to form areas where commercial agriculture is encouraged and protected. Authorized by the North Carolina General Assembly in the 1985 Farmland Preservation Enabling Act (G.S. 106: 735-744) and implemented at the county level, VADs facilitate partnerships between farmers, county commissioners and land use planners. As of May 2010, 78 of North Carolina's 100 counties and two municipalities had passed farmland preservation ordinances establishing VAD programs.

Franklin County first passed a Voluntary Farmland Protection Ordinance that established a local VAD Program in 2003. The County Commissioners appointed a 10-member Agricultural Advisory Board representing the geographic, demographic, and economic diversity of the agricultural sector; six must be actively engaged in farming, and each township is represented. The board reviews applications for enrollment in the VAD program, educates the public on concerns of the farming community, and advises county commissioners and staff on projects and issues affecting local agriculture. As of May 2010, 65 farms have enrolled 16,665 acres in the Franklin Voluntary Agricultural District Program. There is a \$35 processing cost for enrolling in the program.

Franklin County's VAD ordinances offer the following set of benefits to landowners in exchange for restricting development on their land for a 10-year period. Landowners maintain the right to withdraw from the program at any time prior to the 10-year term for a \$20 processing fee.

1. Signage and other education efforts alerting the public of the location and significance of enrolled farms.
2. Conspicuous posting of VAD farm locations in county offices such as Register of Deeds, Planning, and Tax Assessor.
3. A stronger protection from nuisance suits through computerized record notice to alert a person researching the title of a particular tract that such tract is located within one-half mile of a VAD.
4. Representation by the Farmland Board regarding concerns or threats to the agricultural sector, particularly in regards to land use decisions

Franklin County's VAD ordinance does not include three key provisions that are included in the state model ordinance²⁸ and most of the county ordinances adopted so far: abeyance of water and sewer assessments, designation on subdivision plans, and public hearing in the event of condemnation of an enrolled farm. The County should consider these additional benefits as it revises and updates the ordinance in 2010.

The VAD program is administered by the Franklin Cooperative Extension Service, which produces an annual report on the program and helps create a map of enrolled farms for display in county offices. This establishes a visual and quantifiable presence for local farms, raises public awareness of agricultural activity and helps leaders plan future development that will support and encourage the continued viability of local

28 <http://www.cals.ncsu.edu/wq/lpn/modelordinances/countymodelagdistrictordinance.pdf>

agriculture.

Landowners can withdraw from the VAD program at any time without penalty. For landowners willing to consider a longer commitment, there are additional farmland options for protecting their land from development.

Enhanced Voluntary Agricultural Districts

North Carolina House Bill 607, adopted by the General Assembly in 2005, authorized a new Enhanced Voluntary Agricultural Districts (EVAD) option that counties and cities can add to their local Farmland Preservation ordinances. This EVAD option created a new category that would offer landowners an additional tier of benefits, if they were willing to waive their right to withdraw from the VAD program at any time. Those landowners who wished to retain their right for immediate withdrawal could continue under current guidelines. For those landowners willing to waive that right and enroll in the EVAD category, counties could offer an increased set of benefits:

1. Enrolled farms can receive up to 25 percent of revenue from the sale of other non-farm products, while still retaining their bona fide farming exemption from county zoning.
2. Enrolled farms would have lower cost-share requirements for NC Agricultural Conservation Cost-Share funds.
3. Counties and cities may hold all utility assessments in abeyance for any enrolled farms that choose not to connect to the utility lines.
4. State and local agencies are encouraged to tie additional future benefits and funding priority to participants in the EVAD, given their commitment to maintain their farms.
5. Municipalities are explicitly authorized to adopt their own VAD ordinances, including the enhanced VAD option.

6. Cities are authorized to amend their zoning ordinances to provide greater flexibility and stability to farming operations. This can be particularly important to farms that are newly included within expanded Extra Territorial Jurisdiction lines.

Franklin County has not yet adopted an Enhanced Voluntary Agricultural District program; this offers a new farmland protection tool to be considered in the near future. Development of this farmland protection plan has revealed several possible additional EVAD benefits, which could be added to the basic menu of options, to help support agriculture and guide development away from active farming communities. See the Recommendations section for details.

Agricultural Conservation Easements

An agricultural conservation easement is a voluntary deed restriction that landowners can place on their land. It permanently limits subdivision and non-agricultural development. Landowners retain ownership of the property and can continue to farm however they choose. Public access is not required, and the land can be sold or passed along to heirs. However, future owners must abide by the terms of the easement. This ensures that the land always will be available for agricultural use.

Landowners who choose to place an agricultural conservation easement on their land are known as easement grantees. The grantee must find a government entity, such as the Soil and Water Conservation District, or a conservation land trust, such as the Tar River Land Conservancy, to agree to monitor the property forever to be sure that the terms of the easement are fulfilled in perpetuity. This organization is known as the easement holder.

Landowners who donate an agricultural conservation easement may receive a federal income tax charitable deduction, as well as a reduction in the value of the property for estate tax purposes. North Carolina also has a unique state

conservation tax credit, available for donations of property or easements for conservation purposes.²⁹

As of May 2010, the Tar River Land Conservancy, the predominant conservation easement holder in Franklin County, has protected approximately 5600 acres in the county, of which about 3300 acres would be considered active farm and forest land on 28 individual tracts. One of these easements projects was a direct collaboration with the Franklin Soil and Water Conservation District, completing the closeout of a hog lagoon.

Through funding from the NC Agricultural Development and Farmland Preservation Trust Fund, the North American Land Trust has protected an additional 110 acres with a 50 year term easement in Franklin County.

Purchase of Agricultural Conservation Easements

The Tar River Land Conservancy (TRLIC) has been a statewide leader in seeking out financial compensation for landowners interested in placing an agricultural conservation easement on their farms. This is known as the Purchase of Agricultural Conservation Easements (PACE) or Purchase of Development Rights (PDR). Funding for these purchases has come from the state and federal level. Demand for these funds generally outstrips supply, and TRLIC has shown impressive creativity and persistence in leveraging different funding sources on individual projects.

On behalf of individual landowners, TRLIC has tapped into funding programs from the NC Ecosystem Enhancement Program, the NC Clean

MAE FARM – Pastured Hogs and the Farming Dream

Since he was a young boy, Mike Jones knew he wanted to own and run his own family farm. Together with his wife Suzanne, Mike has made that dream come true, raising hogs, beef cattle, chickens, and goats on 73 acres in Hayesville Township.

Thirteen of those areas are now part of a riparian buffer easement to permanently protect the water quality of Flat Rock Creek and the rest of the farm is in a working farm and forest conservation easement, with funding support from the NC Clean Water Management Trust Fund. “Most people think of hog farmers as threats to water supplies. I wanted to give them a different picture of raising pigs sustainably in a manner that improves water quality downstream,” says Mike.

After working several years in a conventional confinement hog operation, Mike knew that he wanted to look at a different way of producing pork. He worked for several years for North Carolina A&T helping other farmers create pastured hog systems. In 2004, he took over an old tobacco farm north of Louisburg and began his own operation, using intensive rotational grazing to maximize pasture productivity and incorporating multiple livestock species to control parasites. Along with the farmers he helped to get started through his work with A&T and NC Choices, Mike sold hogs first to Ni-man Ranch and later to Whole Foods. With the economy slowing down in 2009, he realized that he needed to cut through that final middleman layer and go directly to his consumers. Mae Farm currently sells at the NC Farmers Market in Raleigh, the Rocky Mount Farmers Market, and a few small restaurants and grocery stores.

“We have to go out of the county for feed, processing, and sales,” says Mike. “This is agricultural time and money that’s flying out of here. There’s plenty of grain grown here that I’d love to buy. We need a local feed mill and a processing plant. With those pieces in place, Franklin County could become the center of the sustainable livestock industry for the whole Triangle area.”

Water Management Fund, Federal Farm and Ranchland Protection Program, the National Fish and Wildlife Foundation, and the Tobacco Trust Fund Commission. These funding sources have widely varying priorities, from water quality to wetlands restoration to freshwater mussels to working farmland. TRLC has managed to work creatively with landowners, obtaining easement donations on the upland portions of the farm, in exchange for direct compensation for development rights on key riparian corridors.

Landowners fortunate enough to find compensatory funding will virtually always sell their development rights for less than their fair market value in a bargain sale, receiving additional incentive through the state and federal tax incentives mentioned above for easement donations. These bargain sales allow public funds to be spread more efficiently to protect larger chunks of farmland, while still providing liquid cash for farm families to meet retirement needs, provide for non-farming heirs, or reinvest in the farming operation.

In the challenging economic climate of 2010, conservation funding sources are in very short supply. Landowners looking to protect their land in the near future should look at the donation of an easement as their best option.

Ranking System

PACE programs generally develop a numerical ranking system to prioritize farmland protection spending and efforts. These systems are a variation of the Land Evaluation and Site Assessment (LESA) criteria used by the Natural Resources Conservation Service to evaluate a location's agricultural importance, relative to other farms.³⁰ The Land Evaluation component looks at soil quality and productivity. The Site Assessment aspect looks at a broad range of factors related to the farm's location and how this can contribute to the long-term success of the property and the local agricultural community.

The NC Agricultural Development and Farmland Preservation Trust Fund ranking system³¹ reflects the multiple benefits that counties receive from their farms. Points are awarded for soil quality, conservation practices, county commitment to farmland protection planning, development pressures, beginning or limited resource farmers, capital investment, percentage of income from farming, etc. This shows the importance of assuring that the land can remain as a viable farm through its connection with the broader agricultural sector.

Scoring systems are valuable to create objective criteria for weighing worthy projects competing for limited funding, demonstrating to the public a fair and transparent process, and assuring that the top candidates for matching state and federal funds will rank highly in those scoring systems.

Perhaps most importantly, the Ranking System can be an opportunity to engage the farming community in determining how best to preserve an agricultural future. Even with no local funding prospects on the immediate horizon, the Agricultural Advisory Board could develop a farmland protection ranking system and ask for feedback on how it can be improved. Through engaging in this outreach discussion, landowners can develop stronger "ownership" of the program and become important advocates within their community and the broader political process. The Alamance County VAD Board took this proactive approach; within two years, the Commissioners began providing consistent funding allocations once they saw the professionalism of the process and the opportunity to leverage additional funds.

FUNDING OPTIONS

Local Funding

Franklin County has not provided any local funding for the purchase of agricultural conservation easements. Neighboring counties such as Wake, Orange, Durham, and Alamance

30 http://farmlandinfo.org/documents/29935/LESA_8-06.pdf

31 http://www.ncadfp.org/Cycle3/Criteria_Easement0910.pdf

have all used local dollars to tap into state and federal sources of farmland protection money, and this strategy should be considered as development pressure mounts in Franklin County. Given the availability of matching state and federal funds, along with the fiscal savings of farm and forest land uses demonstrated by Franklin County's Cost of Community Services study, the Purchase of Agricultural Conservation Easements should be considered by the county as a cost-effective means of achieving multiple land use planning and economic development goals.

State Matching Funds

Agricultural Development and Farmland Preservation Trust Fund

Since North Carolina's original farmland preservation legislation was passed in 1985, the North Carolina Department of Agriculture and Consumer Services has operated the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF), the primary statewide fund for the purchase of agricultural conservation easements. From 1998–2002, the ADFPTF gave out a total of \$2.4 million in five grant cycles, protecting 4,412 acres on 33 farms.

The passage of H607 in 2005 revamped and revived the fund, which is now guided by a 19-member advisory committee providing recommendations to the Commissioner of Agriculture. Its mandate also has been expanded to fund a range of conservation agreements and enterprise programs that could improve long-term viability for the farming operation, with particular emphasis on supporting local VAD programs. Five pilot projects received grants in 2006, promoting local partnerships, conservation easements and the development of VADs. The ADFPTF distributed \$8 million in 2008, \$4 million in 2009, and \$2 million in 2010. Local governments and nonprofit organizations are eligible to submit applications to the ADFPTF. The ADFPTF provided the primary funding for the completion of this Agricultural Development and Farmland Preservation Plan, and future county applications to the fund will rank higher and have a lower cost-share requirement once the plan is adopted by the

Commissioners.

Clean Water Management Trust Fund

The Clean Water Management Trust Fund (CWMTF), funded by annual appropriations from the General Assembly, issues grants to local governments, state agencies and conservation nonprofits to help finance projects that specifically address water pollution problems. This funding can be used to purchase conservation easements on farms that serve as riparian buffers to priority waterways.

Federal Matching Funds

The USDA Natural Resources Conservation Service (NRCS) provides matching funds (up to 50% of the value of the development rights) for PACE through its Farm and Ranch Lands Protection Program (FRPP). Only parcels large enough to sustain agricultural production are eligible. With NRCS assistance, participants develop a conservation plan that outlines the management strategies that they propose to use on the enrolled land. The North Carolina NRCS accepts applications from eligible entities during an annual application period.

New FRPP guidelines from the 2008 Farm Bill provide a distinct advantage to counties with existing farmland protection programs that purchase easements and land trusts able to tap into that local source of matching funds.

Additional Funding Options

North Carolina's counties and municipalities have a limited range of funding options available to finance farmland preservation activities. Most of the NC county matches for the state and federal programs mentioned above have been done through the annual county appropriations process. Even in places with a strong commitment to farmland preservation, the ups and downs of the budgetary process make it difficult to plan strategically. It may take 2-4 years before a project can be completed, and landowners find it difficult to make that commitment in an uncertain funding climate. A dedicated funding stream is much more effective in helping conservation

partners plan ahead and access competitive state and federal funds.

The general obligation bond is the steadiest means of funding significant conservation investments at the local level. Bond funding is also useful in providing conservation funds quickly, before lands rise too much more in value. A bond must be approved by a majority of citizens at the voting booth; 85 percent of the local bond referenda for parks and conservation have passed in North Carolina in recent years (including Wake, Orange, and Guilford Counties), indicating strong citizen support for this method of financing. Bond measures must be repaid either through the general fund (primarily property tax) or through a dedicated revenue stream.

One new funding source permitted to counties is the Land Transfer Tax. In 2007 the North Carolina General Assembly gave all counties the authority to levy up to a 0.4% tax on the sale of real property (land, structures) within their boundaries. This Land Transfer Tax would allow counties to raise revenue from its citizens only in those unusual years that someone sells a house, rather than through an annual rise in the property tax rate. The land transfer tax also ties development pressure closely with the need to preserve farmland, as the amount of revenue available increases as development pressure heats up, offering both practical and philosophical benefits of this source of revenue. Prior to implementing the tax, counties must receive approval through a vote of citizens. 24 counties have placed a land transfer tax on the ballot since 2007, and all have failed to pass.

For a full discussion of financing options in North Carolina, see <http://landfortomorrow.org/stuff/contentmgr/files/8b57c8d7afceab2603a88d160af7e380/miscdocs/nclandconservationsurvey.pdf>. For an understanding of the many possible sources of income used for farmland protection around the country, see http://farmlandinfo.org/documents/27750/PACE_Sources_of_Funding_06-11.pdf.

AGRICULTURAL ECONOMIC DEVELOPMENT OFFICE - MONTGOMERY COUNTY, MD

On the edge of the booming Washington DC metropolitan area, Montgomery County (MD) has made a commitment to a farming future with the creation of an Agricultural Services Division. The county operates an office of Agricultural Economic Development to highlight area farms, promote local agricultural products, and identify barriers to profitability. Since the designation of an Agricultural Reserve in 1980, the county has protected almost 50,000 acres of farmland from development. Much of this funding has come through the private sector mechanism known as Transfer of Development Rights, through which developers pay farmers to place conservation easements on their land. In exchange, the developers get added density bonuses in areas where the county would like to encourage additional building, such as urban enterprise zones and transit stations. Thus, development pressures are transferred from productive farming areas to urban locations in which the county would like to see additional building take place. (<http://www.montgomery-countymd.gov/agstmpl.asp?url=/content/ded/agsservices/index.asp>)

Notes Page

RECOMMENDATIONS

After gathering and analyzing input from statistical records, producer and other farm system interviews, and community meetings, the following recommendations are made to agricultural and political leaders for development of agricultural opportunity in Franklin County.

Overall Theme: Embracing Transition

Like many North Carolina Piedmont counties, Franklin County's economy and farming system are in transition. Interviews and Census of Agriculture data suggest that tobacco and field crops will continue to bring income to larger well-managed farms. However, tighter margins on commodity crop production coupled with increasing pressures on larger land tracts (through inheritance, sale, and residential development) will continue to challenge field crop operations. Additionally, for long term, only those operations that can effectively transfer the current operation's access to leased or owned land to another producer at an earlier phase of their farming career will survive beyond the current generation. This will largely depend on how effectively current viable operations can identify and transfer assets to a successor. Though a successor can emerge from within a family, some families will not have this option, and the challenges of transferring assets to a person outside the family line of inheritance are more challenging. It is unclear what will happen to land eventually released by operations that fail to take root in the next generation. A fair portion of the best farmland will likely be retained and absorbed by larger operations that benefit from a transfer of income and management (and perhaps equity) to a successor.

On the other hand, smaller and intensively managed direct marketing operations will continue to appear on the landscape as beneficiaries of this generational transfer, reborn on parcels released in their entirety or parceled

from a larger release from the current owner, and cut down to a size more affordable as a small farm unit. Other land will be placed in forestry, and some of this and other land will be reclaimed for recreation.

Along with this generational change in operations will come a generational change in county political and agricultural leadership. The traditional farm leadership in the county is aging, and the future of agriculture will depend on new farmers and absentee landowners seeking out innovative opportunities. Franklin County's non-farm population may not yet provide a robust consumer market within the county for small farm products; however, in the shorter term, Franklin County could be an ideal growth area for supply of products sold directly or through developing delivery/aggregation infrastructure to lucrative markets in the Triangle area.

Below are the key issues identified earlier in this report, along with accompanying recommendations. These recommendations, based on interviews, public feedback, and data collection suggest a multitude of possible action areas for the public and private sectors.

Changing Tobacco and the Large Acreage Future

The end of the federal tobacco supply control program in 2004 has brought about big changes to crop mix, land tenure relationships, and farm profitability. Many smaller farmers retired, and those remaining feel pressure to farm more land to retain some leverage with tobacco buyers. The end of program payments in 2014 will be a significant loss of cash flow to farmers and landowners, and Franklin County farmers are already seeing rising rental rates and increased competition for high quality soils.

- Hay and horse opportunities – find acceptable

local hay varieties, work with local farmers to map out riding trails.

- Intensive Grazing Education – could be year-round forages, cost savings, fencing and watering services, marketing angles for grass-fed meats
- Organic grains and hay demonstration projects with Novozymes – explore biomass and alternative fuels,
- Forestry – reach out to new landowners with educational activities about replanting, forest management consultants, PUV.
- Recruitment - target Agriculture Institute (NCSU) and Central Carolina Community College Sustainable Agriculture Program graduates interested in field crop production

Direct Market Opportunities

The market for locally grown items continues to expand, and Franklin County farmers are uniquely situated to tap into a huge wealthy consumer base in the Triangle. As of 2007, 47 farmers in the county sold \$421,000 of their production directly to the public for human consumption; this figure will need to continue to grow for agriculture to thrive in a high-dollar area.

- Louisburg Farmers Market – A number of farmers and consumers raised concerns about the Louisburg Market, from the location to the lack of posted days and times of operation to the lack of variety. Produce growers not selling at the market noted that vendors there are competing with the rock bottom pricing approach of the supermarkets, while they should be emphasizing superior quality and requiring grower-only sales. To consider the many ideas that arose around the farmers market, we recommend the creation of a Farmers Market task force composed of growers, consumers, extension, town, and economic development personnel. The many highly successful markets in the Triangle area could have many lessons to share with

Franklin County markets. .

- Create New Farmers Market in Youngsville/ Franklinton – closer to critical mass of customers without direct connection to the land
- Develop Community Supported Agriculture (CSA) projects – These can create efficient links to local and Raleigh customers. This presents opportunities for collaborative marketing between different types of farms
- Identify Niche Needs to agricultural input suppliers (such as organic seeds, natural soil amendments, specialized equipment)
- Encourage Larger Scale Organic Produce Production which could be marketed through Eastern Carolina Organics
- Explore Regional Livestock Processing Facility – feasibility study underway
- Increase Institutional Sales to local schools, hospitals, and major employers
- Facilitate use of the new Piedmont Food and Agricultural Processing Center in Hillsborough for food-based entrepreneurship.
- Conduct Education on home kitchen certification.

The Next Generation

Franklin County is seeing interest both from young prospective farmers seeking land and older newcomers who see farming as a possible second career. A targeted effort is needed to translate these interests into more commercial farming operations. The Triangle area is attracting and training prospective new growers in several creative ways. Franklin can link up with these existing programs, while providing more specialized local educational and financing resources.

- Conduct Education Targeted at new

landowners – This can focus on soils, technical assistance, and financial resources, either through a series of classes or by creating a Farm Newcomers Guide. The Franklin County Agricultural Advisory Board and other local and state partners have for the past several years conducted an annual landowner education series. This program should continue as an annual event, with a date set on the calendar such as the “third Wednesday in February” or something similar, to help with planning and brand identity for landowners, who will know they can come get updates and new information and resources on topics related to their management of land. A useful resource to be used with the program is a workbook titled *Planning the Future of Your Farm*. The ultimate goal of such a program is to create a forum by which new tools and programs can be introduced to landowners and farmers that will help them help manage their resources wisely.

- Franklin County agricultural support personnel should be familiar with the wonderful range of services available for new farmers in surrounding counties and be able to refer new growers. Examples of such resources include Breeze Farm Incubator in Hillsborough, Sustainable Agriculture Program at Central Carolina Community College (CCCC) in Pittsboro, Growing Small Farms Extension and Research in Chatham County, Carolina Farm Stewardship Association and American Livestock Breeds Conservancy, NC Farm Transition Network, and value-added processing facilities in Caswell, Chatham, and Orange and new conservation and financing programs in the Farm Bill.
- Create an agriculture curriculum at Vance-Granville Community College (CCCC) – Residents expressed interest in a wide range of courses, such as Agricultural Business Planning, Engine Repair, computer usage, biofuels, and farm design. VGCC could operate as a companion program to the current

CCCC Sustainable Agriculture coursework in Pittsboro, with an emphasis on larger scale production. Farmers should be hired to teach classes.

- Establish a Rural Demonstration farm – Existing incubator and demonstration farms in the Triangle area are focused on small scale vegetable production. Franklin County has the chance to show that they’re the leader in field crop scale innovation, showing mid-scale innovations in livestock, forestry, and commodity crops. This could be a draw for new farmers to the area and a place of interaction between experienced and beginning growers.
- The Agricultural Advisory Board should organize small area meetings within each Voluntary Agricultural District to identify their farming resources (stores, experienced farmers, custom service providers, marketing outlets, rentable land), which would help determine the future viability of farming in the area, as well as what the neighborhood needs to make farming successful.
- Franklin County Cooperative Extension should keep a current inventory of agricultural supply providers. Owners of these businesses should be included in agricultural leadership roles, as they can see trends among a changing customer base, and their survival is crucial to farms’ profitability.
- The Agricultural Advisory Board should identify retiring farmers and underutilized land, connecting these to newcomers coming out of the CCCC and Breeze Farm programs. They should also be on the lookout for kids and grandkids coming back to the family farm looking for a new start. Linking prospective new farmers with landowners who would like to see their farms better utilized offers the opportunity for beginners to start farming at an affordable cost. Many states have worked to develop linking programs allowing new farmers to apprentice with experienced

growers, and NCFTN has offered a Land Link database on its website to help make statewide connections. However, these links tend to work best through individual connections rather than a centralized electronic link. Currently, Franklin County Cooperative Extension is expressing interest in maintaining a list of interested farmers to help with making links for land for rent, farms for sale, or other arrangements.

- Establish New Farmer Orientation Sessions twice per year, with representatives from agencies, producer associations, and input suppliers. New small farmers may want to create their own association or working group to share ideas and common questions.

Next Generation Observation:

Franklin County Agricultural Advisory Board
The FCAAB has been given the authority and responsibility from the Franklin County Commissioners to promote agricultural values and the general welfare of Franklin County and more specifically, increase identity and pride in the agricultural community and its way of life; encourage the economic and financial health of agriculture; and increase protection from non-farm development and other negative impacts on properly managed farms, and increase protection from nuisance suits. This broad mandate reflects the great responsibility and opportunity bestowed on FCAAB members by the citizens of the county. The FCAAB should be creative and forward-thinking, challenging the farming community, general public, and county leadership to enhance the transition of Franklin County agriculture to the next generation. Three key areas of continuing focus for the board should be:

- Ensuring Diversity of farm type and size representation on the board
- Recruiting a young farmer (active beginning farmer) to the board. If the board is to pursue recruitment of younger farmers from elsewhere in the region, it should have a

member with contacts in local foods and young farmer regional networks such as those from CCCC, Breeze Farm, etc.

- Connecting more closely to the county's municipal governments, as expanding town borders and rules are likely to place significant pressure on farming operations

Development Pressure

The recent economic slowdown has given the agricultural community a bit of breathing room, but the upcoming widening of Highway 401 from Raleigh will bring about big changes and increased competition for land, particularly South of the Tar River. Even as applications for new developments and building permits have slowed down, the cost of farmland continues to rise, as recreation enthusiasts from Raleigh seek out hunting and fishing retreats.

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- Identify Agricultural Protection Priorities. Use area meetings with FCAAB boards and planning office to prioritize ag lands for protection, based on soil types, existing agricultural communities, infrastructure, etc. Use this to create a Priority Agricultural Areas map. Incorporate in the Comprehensive Development Plan revision.
- Develop unique Northern and Southern strategies – interviewees frequently saw a division of the county along the Tar River. Though there is less development pressure in the north, there is still competition for land for recreation and investment purposes.

- Water – More rules are likely coming on the state level. Farmers and agricultural agencies need to communicate and work together to assure that farmers are represented on committees and at crucial meetings. Farmers expressed a wish to restore the ability to build farm ponds.
- Zoning - Clarify and explain the process for zoning changes to the agricultural community. Many farmers said they thought it was too easy to change zoning classifications on a piece of land, making the zoning tool impotent.
- Collaborative Review - Utilize SWCD personnel better in subdivision design and approval. Farmers expressed a concern about too much density in subdivisions, resulting in too much fertilizer use and impervious surface, leading to degraded waters, which may bring about increased limitations on farming practices.
- Help agricultural landowners understand their options to lease hunting rights or act as a tourguide, rather than having hunters buying up land and removing it from agricultural production.
- Work with neighboring counties in regional planning efforts – development pressures are coming from Henderson, Nash, Wake, and Halifax counties.
- in helping them succeed in Franklin County.
- Comprehensive Development Plan Revisions – work closely with FCAAB to organize area meetings in rural communities in the Autumn of 2010. Explain planning and zoning process. Include Farmland Priorities map.
- Pass a creative Enhance Voluntary Agricultural District ordinance – Be creative in adding additional incentives for landowners willing to make a stronger commitment to preserving their farms. Possibilities include: increased buffering requirements on neighboring developments, property tax reductions, technical assistance on legal or economic development matters, whole farm planning assistance, carbon sequestration incentives, cost-share for leasing land to beginning farmers, etc.
- Establish a Planning Board member seat on the FCAAB.
- Run development plans through the Soil and Water Conservation District at an early phase
- Expand Franklin County’s Farm Tour – add new farms, youth operations, connect with local artists and photographers.
- Think Regionally – use agricultural support resources in neighboring counties and add your own enhancements through incentives and technical assistance.

Local Government

Franklin County maintains a strong agricultural identity, with family ties to the land still alive and well amongst leadership. County Commissioners, Planning, Tax, Register of Deeds, Economic Development Commission, Cooperative Extension, and Soil and Water Conservation District offices have all expressed their interest in this plan and a willingness to cooperate to support the farming sector. They are all seeking ways to support farmers and eliminate barriers to success. If the farming sector can present creative ideas and specific needs, they should find good support

- Work with Municipalities – These must be included in VAD education about where farms are located, what needs they have, and the value of keeping local agricultural thriving. Identify regulatory and signage barriers.
- Franklin County’s Economic Development Commission wants to help farms thrive. Work together on their Entrepreneurial Initiative and identify needs for assistance. They can provide assistance on institutional connections, building relationships with

restaurants, and promoting agritourism.

Local Government Observations:

Regional plans will continue to be a big part of Franklin County's future. With the planned widening of Highway 401 into the southern part of the county, Franklin County should work closely with Wake County and towns along the Highway 401 corridor to identify regulatory barriers (such as signage) which impact operations of local farmers. Other surrounding counties are also working on these farmland protection plans: Durham County's plan was adopted by the County Commissioners in 2009; Wake County is currently developing a plan, with a focus on increasing access to the very markets that will benefit Franklin County direct market farmers; Johnston County has recently passed a farmland protection plan, and Nash County, after contentious consideration lasting nearly a decade, has adopted a Voluntary Agricultural District Ordinance, a first step in coordinated action about the local agricultural economy. Franklin County could take the lead in convening neighbors to discuss synergies and economies of scale in promoting the future of agriculture in the region on the eastern side of the Raleigh-Durham Triangle.

APPENDIX 1: IMPLEMENTATION MATRIX

This matrix organizes the recommendations by theme, with suggested implementation partners and priority categories. Successful accomplishments will depend on the creation of a strategy and work plan to carry out each recommendation, with target milestones and a commitment to revisit progress on a regular basis. A strong collaborative effort will be needed to fit these activities into already busy work agendas; the best way to achieve this will be to solicit grassroots support and volunteer assistance from citizens and community groups.

COLLABORATING ORGANIZATIONS KEY:

AAB - Agricultural Advisory Board
CES - Cooperative Extension Service
DFR - Division of Forest Resources
EDC - Economic Development Commission
FB - Farm Bureau
FCP - Franklin County Planning
HAC - Horse Advisory Committee
SWCD - Soil and Water Conservation District
TRLIC - Tar River Land Conservancy

PRIORITY RATINGS:

1 - Can be done within next 18 months. Minimal financial cost, with partners ready to collaborate.

2 - Can be achieved in 2-3 years. Requires a longer time frame, organizational commitment, and perhaps additional funding.

3 - Long-term goal over next 5 years. Significant new initiative that will require relationship-building, development of grassroots support, and outside funding.

Theme	Recommendation	Partners	Priority
Changing Tobacco and Large Acreage Future	Hay and Horse Opportunity Plan	HAC, AAB, CES, DFR	1
	Grazing Education	AAB, CES	1
	Organic Field Crops	AAB, CES, EDC	2
	Forestry education	AAB, DFR, SWCD	1
	Recruit recent agriculture program graduates	AAB, CES, EDC	1

Theme	Recommendation	Partners	Priority
Direct Market Opportunities	Louisburg Farmers Market Task Force	CES, EDC, FCP	1
	Franklinton/Youngsville Market	CES, EDC, FCP	2
	CSA Projects	CES, EDC	2
	Identify niche needs	CES, EDC, AAB	1
	Larger scale organic produce	CES, EDC, FB	3
	Regional Livestock Facility	CES, EDC, FCP	2
	Increase Institutional Sales	CES, EDC	2
	Piedmont Value-Added Center connection	CES	2
	Home Kitchen Certification	CES	3
The Next Generation	New Landowner Education	AAB, CES, FB, FCP, SWCD, DFR	1
	Support Personnel Training	CES, SWCD, DFR	1
	Community College Curriculum	CES, EDC	2
	Rural Demonstration Farm	AAB,, CES, FB, SWCD	3

Theme	Recommendation	Partners	Priority
Development Pressures	Identify Ag Protection Priorities	AAB, CES, TRLC, SWDC, DFR, FCP	1
	Develop Unique northern and southern strategies	AAB, CES, TRLC, SWDC, DFR, FCP	2
	Water	AAB, SWDC, FB, CES	1
	Zoning	AAB, FCP, FB, CES	1
	Collaborative Review	AAB, CES, SWCD, FCP	1
	Landowner leasing assistance	AAB, CES, FB	1
	Regional Planning	AAB, CES, SWCD, FCP	3
Local Government	Comprehensive Plan revisions	AAB, CES, FCP	1
	Planning board seat on FCAAB	AAB	2
	Review of development plans by SWCD	FCP, SWCD	2
	Expand Farm Tour	CES	1
	Regional Thinking	EDC, AAB, CES, SWCD, FCP	2
	Work with municipalities	FCP, AAB	1
	Economic Development Commission	AAB, CES, ECD	1

APPENDIX 2: AUTHORITY FOR COUNTY ACTION

In 1986, the North Carolina General Assembly passed the North Carolina Farmland Preservation Enabling Act.¹ The stated purpose of this Act is “to authorize counties to undertake a series of programs to encourage the preservation of farmland as defined herein.”² In addition to enabling counties to create Voluntary Agricultural District ordinances, which Franklin County adopted in 2003,³ the Act also created the North Carolina Farmland Preservation Fund and enabled counties to develop purchase of agricultural conservation easements (PACE) programs. By later amendment, the General Assembly created a matching mechanism for distribution of Farmland Preservation Trust Fund monies, with preference to counties adopting a countywide farmland protection plan.⁴ The Act declares that a countywide farmland protection plan shall do the following (denoted by page numbers of this report in parentheses):

1. Contain a list and description of existing agricultural activity in the county (pp. 17-42).
2. Contain a list of existing challenges to continued family farming in the county (pp. 8).
3. Contain a list of opportunities for maintaining or enhancing small, family-owned farms and the local agricultural economy (pp. 17-42; 59-64).
4. Describe how the county plans to maintain a viable agricultural community and shall address farmland preservation tools, such as agricultural economic development, including farm diversification and marketing assistance; other kinds of agricultural

technical assistance, such as farm infrastructure financing, farmland purchasing, linking with younger farmers, and estate planning; the desirability and feasibility of donating agricultural conservation easements, and entering into voluntary agricultural districts (pp. 59-64)

5. Contain a schedule for implementing the plan and an identification of possible funding sources for the long-term support of the plan (pp. 65-67)

The statute suggests that such a countywide farmland protection plan may be formulated with the assistance of an agricultural advisory board, which Franklin County appointed as part of its Voluntary Agricultural District ordinance. That board, known as the Agricultural Advisory Board, will take the lead role in administering this plan and reporting to the Board of County Commissioners on its progress.

1 NCGS § 106-735 et seq.

2 NCGS § 106-735(b). “Qualifying farmland” is defined in § 106-737.

3 <http://www.franklincountync.us/Commissioners/By-laws/Agriculture%20Board%20Bylaws.pdf>

4 NCGS § 106-744 (c)(1).

APPENDIX 3: FRANKLIN COUNTY LISTINGS IN THE NATIONAL REGISTER OF HISTORIC PLACES

(Site Name, Community, Date Listed)

Andrews-Moore House (Bunn (vicinity)) 12/10/1998
Baker Farm (Bunn vicinity) 10/5/1982
Cascine (Louisburg vicinity) 4/26/1973
Cascine Boundary Increase (Louisburg vicinity) 12/4/1985
Clifton House and Mill Site (Royal vicinity) 4/17/1980
Cooke House (Louisburg vicinity) 10/14/1975
Archibald H. Davis Plantation (Cypress Hall) (Louisburg vicinity) 7/24/1975
Dean Farm (Louisburg vicinity) 5/2/1975
Franklinton Depot (Franklinton) 12/27/1990
Edwin Wiley Fuller House (Louisburg) 11/17/1978
Green Hill House (Louisburg vicinity) 6/10/1975
Dr. J.H. Harris House (Franklinton) 8/1/1975
William A. Jeffreys House (Youngsville vicinity) 6/23/1976
Jones-Wright House (Polly Wright House) (Rocky Ford vicinity) 3/12/1992
Shemuel Kearney House (Franklinton vicinity) 6/5/1975
Laurel Mill and Colonel Jordan Jones House (Louisburg vicinity) 5/30/1975
Locust Grove (Foster House) (Ingleside) 11/20/1975
Louisburg Historic District (Louisburg) 2/18/1987
Main Building, Louisburg College (Louisburg) 12/8/1978
Massenburg Plantation (Louisburg vicinity) 7/30/1975
Massenburg Plantation (Boundary Expansion) (Louisburg vicinity) 3/15/2000
C. L. and Bessie G. McGhee House (Franklinton) 9/5/2007
Monreath (Ingleside vicinity) 8/6/1975
Dr. Samuel Perry House (Gupton vicinity) 6/5/1975
Person Place (Louisburg vicinity) 6/19/1972

Person-McGhee Farm (Franklinton vicinity) 6/26/1979
Portridge (Louisburg vicinity) 3/1/1990
Rose Hill (Louisburg vicinity) 5/3/2006
J.A. Savage House (Franklinton) 9/22/1980
Speed Farm (Gupton vicinity) 12/27/1991
Sterling Cotton Mill (Franklinton) 5/16/1996
Archibald Taylor House (Wood) 5/12/1975
Patty Person Taylor House (Louisburg vicinity) 2/13/1975
Aldridge H. Vann House (Franklinton) 1/9/2008
Vine Hill (Centerville vicinity) 5/28/1975
Thomas and Lois Wheless House (Louisburg) 8/28/2007
Williamson House (Louisburg) 6/20/1975

APPENDIX 4: LIST OF INTERVIEWS AND PUBLIC MEETINGS

Interviews

Carvel Cheves
Charles Strickland
John Vollmer
Mary Vollmer
Michael Foster
Richard Taylor
Brent Strickland
Mike Jones
Bob Sykes
Steve Mitchell
Steve Horton
Richard Breedlove
Holly Hemby
Leslie Richards
Jim Reynolds
Roy Robertson – Ag Carolina Financial
Arlan Peters, Steve Stadelman - Novozymes
Henry - Southern States
Derek Halberg - Tar River Land Conservancy
William Byrum – Soil and Water Conservation District
Mark Speed
Scott Hammerbacher – Planning Department
Fred Harris – Division of Forest Resources
Bob Frisbee - Bunn High School
Brian Short – Natural Resources Conservation Service
Martha Mobley, Will Strader – Cooperative Extension
Richie Duncan – Economic Development Commission
Richard Hoyle – Planning Commission
Jimmy Tanner – Tax Office

Public Meetings

1/5/10 – Cooperative Extension Center
1/12/10 – Bunn High School
2/1/10 – Cooperative Extension Center – with County Commission
2/24/10 – Keep the Farm Workshop, Extension Center
2/25/10 - Pilot Lions Club (Pilot)
4/3/10 - Horse Advisory Council
5/13/10 – Economic Development Commission
8/10/10 – Cooperative Extension Center
8/12/10 - Economic Development Commission
8/13/10 - 16th Annual Franklin County Horse Farm Tour

