

An Agricultural Development and Farmland Protection Plan for Buncombe County

Article I – Statement of Need for Action

Buncombe County, (pop. 222,174) holds a unique place in the economy and culture of Western North Carolina. Its urban hub, Asheville, (pop. 72,789), dominates the whole mountain region as center of transportation, markets, and services. It also enjoys some of the flattest topography between the Blue Ridge and the Smoky Mountains, which accounts for its early importance as an agricultural center and, ironically, now, for an urban sprawl that threatens to overwhelm what remains of its rural heritage.

Pisgah National Forest and the Blue Ridge Parkway have redeemed much of our wilder land from the rapacity of the timber boom of the early 1900's, but Asheville's housing boom continues to chip away at the working private land on which the harmony of the whole depends.

The Buncombe County Farmland Protection Plan reflects a vision of interdependent urban and rural landscapes, which both enjoy and profit from the natural beauty and fertility of the land itself. The plan looks to sustaining an increasingly diverse, educated, and cosmopolitan community through a dynamic mix of enterprises of which a major proportion will be, directly or indirectly, land-based. These include not only agriculture in the narrow sense of producing crops, livestock, and timber, but also all enterprises that benefit from clean air and water and appealing rural scenery.

The tourism and recreation industries have long played a key role in our mountain economy, but now a wide array of "footloose" businesses are relocating to the mountains for the quality of life here. Dynamic sectors include professional services, information technology, specialty manufacturing, arts and crafts. The Asheville Chamber of Commerce reports that between May of 2006 and May of 2007 the County lost 900 manufacturing jobs but added 1,200 new positions in professional services – about the number of farmers, total, remaining in Buncombe.

The Asheville Merchants Association, by a grant of \$58,000 to support this Buncombe County Agricultural Development and Farmland Protection Plan, has also recognized the contribution to our prosperity of agrarian landscapes that remain, fertile, biologically diverse, uncluttered to the eye, and productive enough to support the people who work them.

The pressure to convert such land to commercial and residential use is common to all urbanizing areas worldwide. Especially in developed countries land prices have become so high on all but the most marginal land that no legal farm crop will pay the interest on a mortgage big enough to purchase them. In most cases the return on farming will not even pay the property tax, if levied on the market value of the land. Thus, agricultural land and other open spaces disappear quickly without political intervention through purchases, subsidies or restrictions of some kind.

In North Carolina, the availability of "Present Use Valuation" to mitigate the tax pressure on existing farms reflects a political consensus that farmland warrants such special protection, even though arguably farmland deserves the break because it demands less in municipal services than

developed land. Present Use Valuation, however, only protects existing, working farms. It does not help younger farmers wishing to buy in or lower the incentive for retiring farmers (Average age 58+ in the County) to sell their land to non-agricultural interests.

Thus, as aging farm owners look toward passing on their assets, the future of farmland has become extremely unstable.

Nevertheless, the threat to the land base of our local economy has risen as a political issue to the degree that the Buncombe County commissioners have in the last two years allocated \$4 million and successfully solicited matching funds of \$2.74 million to preserve farmland through purchase of development rights on land that otherwise would probably sell for residential or commercial use. Over the last 3 years 2,555 acres have been protected for farming through the purchase of easements; however, this tool has limited use where land prices have become excessive.

South Buncombe County has already lost nearly all its farmland, and what remains is almost out of reach. Just over our southern boundary in Henderson County, a 63 acre “farm” boasting one 1,400 square foot cottage and a small horse barn went on the market in the fall of 2007 for \$3.4 million (\$54,000/acre) thanks to “multiple ridge-top building sites.”

In the Sandy Mush township of west Buncombe, the County recently negotiated an easement for just over \$1 million on 517 acres at roughly \$4,200 per acre, but this window is closing swiftly.

Unfortunately, the sellers’ market for farmland is not the only general economic force driving the conversion of agricultural land beyond the point of the healthy balance that our county’s particular economy requires. Preserving farmland is hard to justify, if farmers still can’t make a living on it. Because of the topography Buncombe County farms tend to be smaller and steeper than those outside the mountains. They compete poorly against bigger, flatter, farms in production of bulk commodities.

Except for a vestigial tobacco market and one creamery, no markets or processing of nationally traded commodities survive in the County today. Thus, marketing against highly organized national distribution systems is difficult. Many specialty crops that might sell well are labor intensive, and legal labor costs have risen. Since the Asheville stockyards closed in 2004, the nearest places to buy and sell animals are outside the region.

Producers who want to sell USDA inspected meat locally have another obstacle. The nearest independent poultry processing is 200 miles away in Siler City, North Carolina. Red meat producers truck their animals 273 miles to Taylorsville, Tennessee, and haul the product back.

Thus, any farmland protection plan must reinforce two links simultaneously – land preservation to defend the very possibility of keeping an agricultural landscape, and farm profitability to keep the present generation on the land and draw in new blood to secure the future. The Buncombe County Agricultural Development and Farmland Protection Plan treats both of these paths of action while honoring the format prescribed in the North Carolina Farmland Preservation Enabling Act of 1986, as amended.

In terms of operational priorities, however, the Buncombe County Farmland Protection/Advisory Board, has set protecting farmland against conversion to other use as its first priority. A lengthy discussion at the September '07 meeting of the board confirmed this point of view while recognizing that the Cooperative Extension Service and non-profit institutions such as the Appalachian Sustainable Agriculture Project (ASAP) have taken prime responsibility for supporting farm profitability.

Article II: 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.” In addition to enabling counties to create Voluntary Agricultural District ordinances, which Buncombe County has adopted, 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. The act declares that a countywide farmland protection plan shall:

1. Contain a list and description of existing agricultural activity in the County.
2. Contain a list of existing challenges to continued family farming in the County.
3. Contain a list of opportunities for maintaining or enhancing small, family-owned farms and the local agricultural economy.
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.
5. Contain a schedule for implementing the plan and an identification of possible funding sources for the long-term support of the plan.

The sections that follow cover these points, although the categories differ slightly. Articles III and IV below treat points one and two above while points three and four are covered by Articles V, VI, and VII. This reflects the intent of the Buncombe County Farmland Protection / Advisory Board to use The Plan as a vehicle for initiating public discussion of new approaches to the challenge of rapidly changing land use.

¹ NCGS §106-735 et seq.

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

NCGS §106-744 (c)(1).

NCGS §106-744(e)(1-5)

Such a plan might also be formulated by a planning agency or other advisory board such a soil and water conservation district that has responsibility for land preservation in the county.

Article III: Overview of Buncombe County Agricultural Activity

A Sector in Transition

Even relatively flat Buncombe County never had many large farms or large fields of row crops, and, with the exception of Burley tobacco and milk, no significant production of major commodities. A trend toward smaller farms, part-time farming, and less organized marketing, evident since World War II, has accelerated in recent years.

Nevertheless, a new farm model based on specialty marketing to local markets is growing year by year and promises to restore vitality to the farm sector. Also complementary land enterprises such as agro-tourism, hunting, and horse breeding, training, and riding show signs of promise.

Statistics based on 2002 census data² for the main commodity crops amply document the decline of the old but fail to measure well the advance of the new. Between 1997 and 2002, the market value of agricultural production fell 38% from \$35.2 to \$21.8 million. Average gross receipts per farm fell from \$27,732 to \$18,314. Nearly 70 percent of the 1192 farms in the census grossed less than \$5,000. A recent report by the Appalachian Sustainable Agriculture Project claims that more than half of the 12,000 farms in their 23 mountain county study area operate at a loss. (page 18) In 2002, the average Buncombe County farm went about \$1,700 into the red.

If total farm acreage has declined only slightly, use patterns continue to change. For instance, the Census reported 2,164 acres of corn for silage and 13,342 acres in hay and other forage crops in 2002. In 2005 the North Carolina Department of Agriculture estimated only 900 acres in corn for silage and 15,500 in hay and forage. Of the 15,000 acres of pasture reported in 2002 (many no doubt also mown for hay) an informal observer would conclude that a significant fraction is under-utilized and in danger of being lost to brush encroachment.

It is worth noting here, that a major effort by local farmers in the 1960s and 70s to join the national march toward highly-capitalized, high-volume production models, generally failed in the mountain counties. Abandoned chicken houses of great size and expense and empty milk parlors witness to the attempt all over the region. Too much feed had to be imported. The markets were too far, the competition too stiff. A subsequent campaign to substitute tomatoes for tobacco as a small farmer's mortgage-payer also collapsed in a squeeze between an unsympathetic market and labor costs. Much pasture that had supported a low cost, grass-based livestock production model was abandoned and reverted to forest during this period.

There is ample evidence that, given accessible sales and processing facilities, animal production from grass will, as of old, prove the most profitable, most ecologically sustainable, and financially least risky way to use steep mountain land.

² NASS Website <http://www.nass.usda.gov/census/census02/profiles/nc/cp37021.PDF> Note: Most date cited in this plan is based on U.S. Census data for 2002. Extrapolations by Federal, State, and local agencies vary greatly in detail, although trends are generally the same.

| Estimated Income from Sale of Farm Products | | | |
|---|--------------|--------------|--------------|
| Buncombe County | | | |
| Commodity | 2002 | 2003 | 2004 |
| Tobacco-Burley | \$2,364,379 | \$1,595,092 | \$1,518,660 |
| Corn | \$0 | | \$0 |
| Potatoes | \$32,520 | \$33,984 | \$41,880 |
| Fruit & Vegetables | \$3,962,760 | \$5,270,900 | \$2,312,660 |
| Greenhouse/Nursery | \$21,590,000 | \$39,500,000 | \$7,638,000 |
| Hay & Other Crops | \$500,500 | \$828,630 | \$937,200 |
| Farm Forestry | \$5,197,415 | \$3,008,043 | \$2,583,251 |
| Total Crop Income | \$33,647,574 | \$50,236,649 | \$15,031,651 |
| Hogs | \$17,502 | \$36,163 | \$35,911 |
| Cattle | \$7,431,439 | \$8,410,696 | \$6,148,403 |
| Milk | \$6,528,973 | \$6,713,700 | \$5,699,000 |
| Poultry & Eggs | \$1,734 | \$1,551 | \$1,485 |
| Other LS & LS Prod. | \$310,135 | \$343,745 | \$303,096 |
| Livestock Income | \$14,289,783 | \$15,505,855 | \$12,187,895 |
| Income from Farming | \$47,937,357 | \$65,742,504 | \$27,219,546 |
| Horses/Ponies/Mules | \$1,629,500 | \$1,551,850 | \$1,564,700 |
| Non-Farm Forestry | \$1,234,568 | \$2,129,006 | \$2,017,000 |
| Income from Land | \$50,801,425 | \$69,423,360 | \$30,801,246 |
| Net of Greenhs./Nurs. | \$29,211,425 | \$29,923,360 | \$23,163,246 |

The big drop in the greenhouse and nursery category in 2004 reflects the failure of a major operation in late '2003, although sales still topped all other categories. New owners increased sales in following years. The Extension Service has targeted horticulture for promotion in this plan.

Dairies have declined but there is some evidence that other forms of livestock production have potential. Improved handling, processing and marketing facilities could contribute much to future growth

Forestry also shows up as an important element in the farm economy. USFS statistics for 2002 show 258,000 acres of largely high quality oak-hickory and poplar forest of which 164,000 acres (63%) under private ownership.

About 26 million board feet of saw timber was harvested, equal to half the annual growth. Thus the resource is increasing.

Planners can take solace, in the fact that certain farm models are indeed thriving and show promise for expansion. Nursery plants, for example, greenhouse production of flowers and ornamentals compete well in markets beyond the mountain region and account for a significant portion of total farm income. The chart above of Estimated Income from Sale of Farm Products³ for the years 2002, 2003, and 2004 compiled by the Cooperative Extension Service illustrates the complexity of the Buncombe County farm economy as well as the difficulty of drawing firm conclusions from the available statistics.

To their credit, mountain farms also have a history of flexibility, because they have always operated on the margins of the larger farm economy and half a century of production restrictions on the region's major cash crop, tobacco, encouraged a high degree of diversity and openness to change.

The decline of earlier forms of agriculture overlaps the rise of new opportunities. In a study entitled *Growing Local*⁴ the Appalachian Sustainable Agriculture Project (ASAP) conducted an extensive survey of food buyers in the mountain region, and from their data in combination with no less than 23 similar surveys by other organizations. Although the numbers are regional,

³ *Estimated Income from Farm Production and Government Payments by County, Extension District, and State for 2002, 2003, 2004*; as estimated by county extension agents, compiled by the Dept. of Agricultural and Resource Economics, N.C. State University, October 2005.

⁴ Laura D. Kirby, Charlie Jackson, and Allison Perrett; *GROWING LOCAL: Expanding the Western North Carolina Food and Farm Economy*, Appalachian Sustainable Agriculture Project, Asheville, August (2007)

Buncombe County represents a large portion of these markets, and the potential growth of 250 percent indicated by the chart applies here.

| Large-Scale Market Potential for Local Produce in Western North Carolina (Chart excludes meat and dairy) | | |
|--|--------------------|---------------------|
| | Current Spending | Desired Spending |
| Full service groceries | \$5,100,000 | \$13,500,000 |
| Specialty food stores | \$100,000 | \$234,000 |
| Full-service restaurants | \$117,000 | \$760,500 |
| Summer Camps | \$27,500 | \$51,840 |
| Public Schools | \$19,000 | \$139,230 |
| Colleges/Universities | \$18,450 | \$169,000 |
| Hospitals | \$25,600 | \$289,536 |
| | | |
| Total wholesale spending | \$5,407,550 | \$15,144,106 |
| | | |
| Direct Sales | \$3,100,000 | \$6,200,000 |
| | | |
| Total | \$8,507,550 | \$21,344,106 |

Source: *Growing Locally, ASAP* p.46, from several surveys & reports

A similar chart for meat and dairy products would probably show higher numbers and greater potential but the complexity of the production and marketing chains make it difficult to track local products. The dairy farms, once a mainstay of the local farm economy, have declined drastically nationwide, and only 10 remain in Buncombe County out of 75-80 only 30 years ago.

There is good evidence, however, that with some changes in the health regulations, which put excessive demands on small operators and cheese-makers, plus the restoration of facilities for the sale and processing of livestock, meat and dairy production could again contribute mightily to the profitability of local farms. Hormone-free production from grass works well in steep country. The success of Spring House Meats, discussed below, indicates a strong market, as does the fact that the gourmet kitchens on The Biltmore Estate promote grass fed local beef and lamb, from their own herds and from Spring House and other suppliers, as signature specialties.

The Estate also grows much of the produce consumed by guests and has the potential and desire to assume an important role in future efforts to brand and market local production.⁵

The attraction of George Vanderbilt’s grand house notwithstanding, the Biltmore Estate derives a significant part of its profit margin directly or indirectly from the 7,000 acres of land around it. In addition to livestock, produce, horticulture and of course grapes and wine are recreation opportunities including a summer camp, class in 4-wheel driving and fly fishing, mountain biking, major equestrian competitions, trail riding, among other activities.

For smaller producers, too, the broadest path points toward low-capital, intensive management of specialty products closely associated with service and non-horticultural enterprises, such as grass-fed livestock, selective logging, agri-tourism, hunting, recreation, and even residential development *in a manner that preserves an agrarian ambience as a major selling point.*

Pieces of this model already exist here and there throughout Buncombe County. For the sake of example, we may consider the 200-acre Hickory Nut Gap Farm in the Fairview Community and the aggregation of adjacent properties owned by cooperating family members and friends.

⁵ Interview with Biltmore Estate Farm Manager Ted Katsigianis, October 25, 2007

Thanks in no small measure to a landscape defined by this farm and several others, acreage in Fairview tops the market in the County, and the development pressure is extreme. At a point of generational transition, the heirs hired a professional planner to determine their most lucrative option. He sketched out a major high-end development in which agriculture would play no part. After emotional debate, they left the proposal on the table, determined to take from their land what their land had already proven able to give.

The current picture couldn't look more different than the professional planner's vision. The historic farmhouse, built around 1820 as a drovers' inn, now hosts weddings and dances. The orchards supply lively roadside cider, apple, and historic house tour enterprise during the color season. Two of the County's most dynamic direct market farming operations, Flying Cloud Farm (vegetables, herbs, berries, and flowers) and Spring House Meats (cattle, sheep, pigs and poultry) intensively manage arable ground and pastures. Capital investments, energy, and chemical inputs are kept minimal and aggressively controlled. Much labor is supplied by volunteers and interns who pay for the privilege.

A portable band mill delivers custom-cut timber. A trail-riding and riding instruction enterprise plus a summer day camp join the Flying Cloud Community Supported Agriculture group in holding the support of families from Asheville and beyond. Hunting, skeet shooting, and a corn maze are under study.

AND, 200 acres of steep forestland adjacent to the farm have been developed as Drovers' Road, one of the County's first "conservation developments." High-end housing sites are clustered in discreet locations in the lower portion, while the steeper land (roughly half the total) is protected by a conservation easement. Proximity and access to the farm, the historic farm house, and an extensive network of trails dramatically increased the value of Drovers' Road lots.

Hickory Nut Gap farm enjoys assets, including being effectively debt free, that make it difficult to replicate fully elsewhere. It nevertheless illustrates a host of possibilities, and it undeniably benefits not only the Fairview Community but the whole county in the precisely ways that healthy, beautiful farmland should. Without doubt, to subdivide and develop it in the customary way would adversely affect the very land prices in Fairview that threaten it now.

Greenhouses and nurseries

Horticulture, greenhouse production, and nurseries represent another growth path. Particularly bedding plants and ornamentals more than hold their own against national competition. Relatively sunny days year round, cool summer temperatures and relatively warm winters combine to lower the cost and difficulty of controlling temperatures in greenhouses. As the chart on page 5 indicates, this sector returns by far the most income among all agricultural categories and appears to have a bright future.

From the standpoint of land preservation, however, it is difficult to say that putting dozens of acres of bottom land into hydroponic production under glass meets all of the goals of a farmland protection program despite its profitability. Greenhouses that enable farmers to extend their growing season already contribute much to profitability in, direct marketing operations.