



**NC Foundation for Soil and Water
Conservation
Market Based Conservation Initiative (MBCI)
Project Results Summary 5.5.15**

The Foundation is partnering with the US Department of Defense, the Navy, the Marine Corps and several NC agribusiness and conservation partners to test ways of working with private landowners to protect a military flight training route and special use airspace that crosses over eighteen eastern counties. The Market Based Conservation Initiative pilot project focuses on three primary purposes:

- Promote Profitable and Sustainable Family Farms and Forests*
- Promote Natural Resource Conservation*
- Support of Military Mission*

Promote Profitable and Sustainable Family Farms and Forests – Provide economic incentives to rural landowners and leverage county level deferred land use taxes to promote agriculture, forestry and other natural resource sustainability by protecting existing land use underlying a specific military flight path and special use airspace. The NC Agribusiness economy annually accounts for \$78 billion statewide and is the largest employer in the state. The program area includes two of the top five county level agricultural economies nationwide, Sampson and Duplin, and 90% of the land is privately owned.

Promote Natural Resource Conservation – The program will be the first time the Marines have direct programmatic ties with local soil and water conservation districts. The conservation partnership will target other state and federal conservation program dollars for the area. For all parcels enrolled in the program a management plan for agriculture, forestry, natural resources or wildlife is required to be maintained by the landowner.

Support of Military Mission – The military mission will be supported by testing tools to ensure preservation of a vital flight training route and special use airspace in eastern NC for thirty years, based on the military’s projected needs. Since the 1950s, the military has lost access to 85% of its NC air space training routes. The military adds \$25 billion annually to NC economy and the program will elevate the state’s military support network in preparation for the next round of Defense Base Realignment and Closure Commission actions. The uniqueness of the program for the military is that it will be 1) the first to test the use of conservation performance based contracts with private landowners and 2) the first time directly partnering with Districts on a regional scale project.

Pilot Program Requirements - An enrolled parcel is required to be located under a specific military training route or special use airspace crossing portions of 18 counties (600,000 acres and 4,000 landowners impacted). Awarded Landowner Contracts will require that land maintain enrollment in Present Use Valuation Taxation Program or sister Wildlife Tax Deferment Program, maintain a natural resource / land management plan, limit future development to agriculture or forestry related enterprises, have no lights shining upward and not build any permitted landfills or structures over 100 feet. Awarded contracts will target parcels identified by conservation partnership data as having significant farmland preservation and natural resource values as well as addressing specific military needs.

History of the Pilot Program - The original Steering Committee was convened in June of 2010 and met regularly until June 2011, when the original Agreement and Landowner Contract were forwarded to military representatives. The Steering Committee’s primary purpose was to create a better partnership between the military presence in North

Carolina and the Agricultural sector, the largest part of the state’s economy. After conducting research on state-military partnerships in other states and analyzing natural resource needs as well as military training needs, the Steering Committee outlined the basic details of the Market Based Conservation Program. Original supporters included Marine Corps Installations East, NC Department of Agriculture and Consumer Services, NC Farm Bureau Federation, NC Department of Environment and Natural Resources, Environmental Defense Fund, and NC State University. The partners also supported the creation of the NC Sentinel Landscapes Initiative, housed at NC State University, an initiative that includes the Market Based Conservation Pilot Program and several other sister programs. Visit <http://sentinellandscapes.wordpress.ncsu.edu/> for additional details on sister programs.

The current Steering Committee’s structure formed from guidance in the Foundation’s Encroachment Protection Agreement with the US Navy, overseeing program development and contract selections. Current Steering Committee members include the following agencies; Marine Corps Installations East, Naval Facilities Engineering Command Mid-Atlantic, NC Department of Agriculture and Consumer Services, NC Farm Bureau Federation, NC Department of Environment and Natural Resources, NC State University College of Natural Resources, Environmental Defense Fund, NC Foundation for Soil and Water Conservation, NC Association of Soil and Water Conservation Districts, NC Forestry Association and the NC State Grange. In addition several other agencies have provided technical support to the Steering Committee at different times including the following; Air Force / Seymour Johnson Base, Army / Fort Bragg, Marine Corps Installation Command, Office of Secretary of Defense, USDA Natural Resources Conservation Service, NC Governor’s Office, NC Congressional Representatives, NC Association of County Commissioners, NC Department of Commerce, NC Department of Transportation, NC Forest Service, NC Cooperative Extension, NC Wildlife Resources Commission, USDA Rural Development, Texas A&M University, and the South Atlantic Landscapes Conservation Cooperative

Program Delivery - Seventeen local soil and water conservation districts (Bertie, Carteret, Craven, Duplin, Edgecombe, Franklin, Halifax, Harnett, Johnston, Jones, Lenoir, Martin, Nash, Onslow, Pamlico, Sampson, and Wake) held outreach workshops and collected applications utilizing a reverse auction bidding process. A bid round was held in all participating counties in a staggered timeline. The Phase 1 counties held the bid round first, then Phase 2, and Phase 3. Phase 1 counties hosted a second bid round. Landowners submitted a bid price per acre per year for 10, 20 or 30 year requests. As the bid rounds progressed landowners were provided with data from earlier bid rounds to determine the economic drivers of keeping the land in compatible uses of agriculture, forestry or wildlife management. *For additional program information visit www.ncsoilwater.org.*

Summary Data of MBCI Bid Rounds

| Phase / Bid Round | Number of Applications | Number of Acres | Number of 10 year requests | Number of 20 year requests | Number of 30 year requests |
|-------------------|------------------------|-----------------|----------------------------|----------------------------|----------------------------|
| PH 1 / BR 1 | 385 | > 15,700 | 29% | 27% | 44% |
| PH 2 / BR 1 | 117 | > 10,800 | 42% | 30% | 27% |
| PH 3 / BR 1 | 399 | > 38,600 | 30% | 50% | 27% |
| PH 1 / BR 2 | 264 | > 10,300 | 31% | 50% | 19% |

Summary Data from Requested Bids at \$50 or less per acre per year

| Phase / Bid Round | Number of Applications | Percentage of Total App #s | Number of Acres | Agricultural Land | Forestry Land |
|-------------------|------------------------|----------------------------|-----------------|-------------------|---------------|
| PH 1 / BR 1 | 80 | 20% | > 5,100 | 50% | 47% |
| PH 2 / BR 1 | 47 | 42% | > 2,900 | 26% | 71% |
| PH 3 / BR 1 | 324 | 81% | > 32,900 | 33% | 60% |
| PH 1 / BR 2 | 260 | 97% | > 10,300 | 49% | 46% |

