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USDA Agritourism Resource Manual

**Farm Production and
Conservation Business Center**
Economic and Policy Analysis Division

Acknowledgments

The USDA Agritourism Resource Manual was prepared by **Mark Peters**, Agricultural Economist, Economic and Policy Analysis Division, Farm Production and Conservation Business Center (FPAC BC).

This document benefited from the review, assistance, and comments of:

Julie Suhr Pierce, National Economist, NRCS

Cathie Feather, Chief, Resource Economics, Economic and Policy Analysis Division, FPAC BC

Joy Harwood, Director, Economic and Policy Analysis Division, FPAC BC

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USDA Agritourism Resource Manual

Introduction

Agritourism represents a small but growing component of the U.S. agriculture sector. As such, it is an important pathway for agricultural producers to increase their income and enhance the sustainability of their operations. As reported in the 2022 Census of Agriculture, receipts from agritourism and recreational services (crop mazes, farm and winery tours, hay rides, petting zoos, hunting and fishing, etc.) reached around \$1.3 billion (5.7 percent of farm-related income), while revenues from direct sales of food and value added food products to consumers (pick-your-own, farm stores, on-farm and road side stands, farmer's markets, online sales, etc.) approached \$3.3 billion (0.6 percent of total farm sales). All-in-all, in 2022, farms and ranches engaged in direct sales to consumers earned on average \$27,981 and those engaged in agritourism and recreational services earned on average \$44,004. These amounts do not include revenues from the sale of non-food products, such as cut-your-own flowers and Christmas trees or Christmas trimming (USDA, 2024).

USDA and the Natural Resources Conservation Service (NRCS) have long recognized the importance of agritourism for increasing conservation and the sustainability of farms and ranches. For example, in 1997, NRCS amended its recreation policy in its General Manual to include tourism activities. NRCS then developed and published in 2004 the *Alternative Enterprises and Agritourism: Farming for Profit and Sustainability Resource Manual* and funded and directed the development of a *First Steps: A Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide* produced by the Southern Maryland Resource Conservation and Development Board, Inc.

This manual is an update to the 2004 Resource Manual and represents a major revision with respect to content and purpose. Land Grant institutions and State governments have developed a large amount of information to assist agritourism operators in their States and which, in many cases, is useful for all agritourism operators wherever they are located. In addition, one of the chief needs identified by current agritourism advocates and participants is for more information on resources available to them from USDA. As a result, this update focuses on USDA programs and resources that could be utilized by those interested in developing an agritourism enterprise or existing agritourism operators, and includes USDA agency contacts.

What is Agritourism?

Agritourism refers to any activity taking place on a working farm, ranch, or other agricultural operation that provides a service to the public for a fee. Activities include hunting and fishing, farm or ranch tours, bed and breakfasts, pick-your-own operations, farm or ranch stores, crop mazes, seasonal petting zoos, festivals, conferences (business or company retreats), receptions (weddings, graduations, or retirement events), and many more.

Agritourism activities fall into five broad categories: direct sales, education, hospitality, outdoor recreation, and entertainment [Chase et al., 2018]. Direct sales represent purchases by consumers of products, such as fruits, vegetables, meats, cheeses, jams, breads, yarns, etc. from producers through farm and ranch stores, farm stands, on-line marketplaces, community-supported agriculture, and pick-your-own operations. Education includes all learning experiences, such as petting zoos, guided tours, cooking classes, yarn spinning classes, school visits, etc. Hospitality encompasses farm stays and farm-to-table dinners. Outdoor recreation includes hunting, hiking, wildlife watching, and horseback riding. Entertainment includes activities such as crop mazes, hayrides, and farm festivals and concerts.

Activities in each of these five categories vary in their degree of connection to agricultural production and the farm or ranch experience. Direct sales activities closely connected with the working farm's or ranch's activities include pick-your-own, farm stands, and tasting rooms, while activities such as farmer's markets, online sales, and community-supported agriculture (with off-site(farm) collection) provide less connection to the farm or ranch experience for the consumer. With respect to education, farm or ranch tours provide activities with close connection to production, while cooking and spinning classes have less of a connection. Examples of hospitality activities with close connections include farm-to-table meals and overnight farm stays. Weddings and wedding receptions, and business conferences, while taking place on the farm, have less of a connection to the activities occurring on the working farm. Horseback riding is an outdoor recreational activity that provides a close connection to farm operations, but more typical outdoor recreation activities such as hiking, biking, and camping may provide less of a farm or ranch experience. Entertainment activities like corn mazes, hayrides, and on-farm agricultural festivals provide a close connection to working agriculture. Music events are typically less connected to farm and ranch operations, with agriculture providing a backdrop to the entertainment activity.

Why is Agritourism important?

Agritourism provides a way for farmers and ranchers to increase their income, expose urban residents to farming and ranching activities, and develop relationships to the broader local community. As such, agritourism provides a means for preserving and sustaining farms, ranches, and rural communities. Because many agritourism activities depend on wildlife habitat, clean lakes, rivers, and streams, and rural landscapes—natural resources and the rural experience being important to tourists—agritourism operators need to undertake activities that support natural resource conservation. This allows them to provide recreational, entertainment, and educational opportunities desired by the public. Agritourism operations can be found in rural areas, urban areas, or the rural-urban fringe. Beginning farmers and small and mid-size farms, especially those located in the urban fringe, may benefit from exploring agritourism as a strategy to remain competitive.

Agritourism's place in Agriculture

Describing agritourism's place in the agriculture sector is difficult. Data on agritourism at the national level is limited. The best source is the U.S. Census of Agriculture, which occurs every five years. The latest Census of Agriculture, conducted in 2022, asks one question with respect to agritourism and recreational services in its farm-related income section. That question asks about any farm-related income (receipts) from agritourism activities such as farm tours, hayrides, and hunting and fishing, but excludes direct sales of food to consumers such as wine sold at vineyard stores, fruits or vegetables sold through pick-your-own activities, cuts of meat sold at farm stores, or visits to Christmas tree farms and Christmas sales from those farms.

In addition, the census contains questions on direct sales in its food marketing practices section, which picks up the revenue from sales of food products produced on farm and sold by agritourism vendors. The questions distinguish between direct sales to consumers (farmer's markets, on-farm stores or farm stands, roadside stands or stores, Community Supported Agriculture (CSAs), online marketplaces), retail markets (supermarkets, restaurants, caterers and independently owned grocery stores, food cooperatives), institutions (K-12 schools, colleges or universities, hospitals, workplace cafeterias, prisons, foodbanks) and intermediate markets (businesses or organizations in the middle of the supply chain marketing locally or regionally-branded products, such as distributors, food hubs, brokers, auction houses, wholesale and terminal markets, food processors.) The questions include food sales from direct-to-consumer outlets such as farmer's markets but exclude sales of all non-edible goods (such as pick-your-own Christmas trees and flowers). Although the picture provided by the Census is not complete, it provides useful information on agritourism activity at the national scale.

Another source of information for direct-to-consumer sales is the Local Food Marketing Practices Survey conducted by USDA's National Agricultural Statistics Service every five years starting in 2015. The Local Food Marketing Practices Survey reports, at the national level only, direct-to-consumer sales by marketing outlet. The latest survey was conducted in 2020. The survey does not differentiate by whether the operation involved in the sale is an agritourism operator or not, but some of the categories of outlets fall into agritourism. The direct-to-consumer marketing outlet categories used in the Local Food Marketing Practices Survey include sales from on-farm stores or stands, farmer's markets, other (pick-your-own, etc.), online markets, roadside stands away from farms, and community supported agriculture.

Agritourism operations and receipts

According to the 2022 Census of Agriculture, nearly 1.5 percent of U. S. farms and ranches engaged in agritourism and recreational services in one form or another. Those operations generated nearly \$1.3 billion in receipts from agritourism averaging \$44,004 per operation (see Figure 1). Agritourism operations tend to be comparatively small, with 86 percent of them possessing income from market sales and government payments of below \$250,000 (see Figure 1).

According to data in the 2022 Census of Agriculture, nearly 65.4 percent of farms and ranches participating in agritourism come from low-income farms and ranches (defined here as having income less than \$50,000) (Figure 1). Middle-income farms and ranches (income between \$50,000 and \$250,000) comprised 20.4 percent of those participating in agritourism, and high-income farms and ranches (income greater than \$250,000) comprised 14.2 percent. Middle-income farms and ranches were more likely to engage in agritourism (5 percent participant rate) than either small (1 percent) or large farms (2 percent). Annual income per agritourism operation exceeded income receipts per agricultural production operation for operations in the five lowest economic classes (income less than \$24,999) in the Census, highlighting the potential benefit of agritourism to these operations.

Figure 1: Agritourism Operations and Average Receipts per Operation by Economic Class, 2022



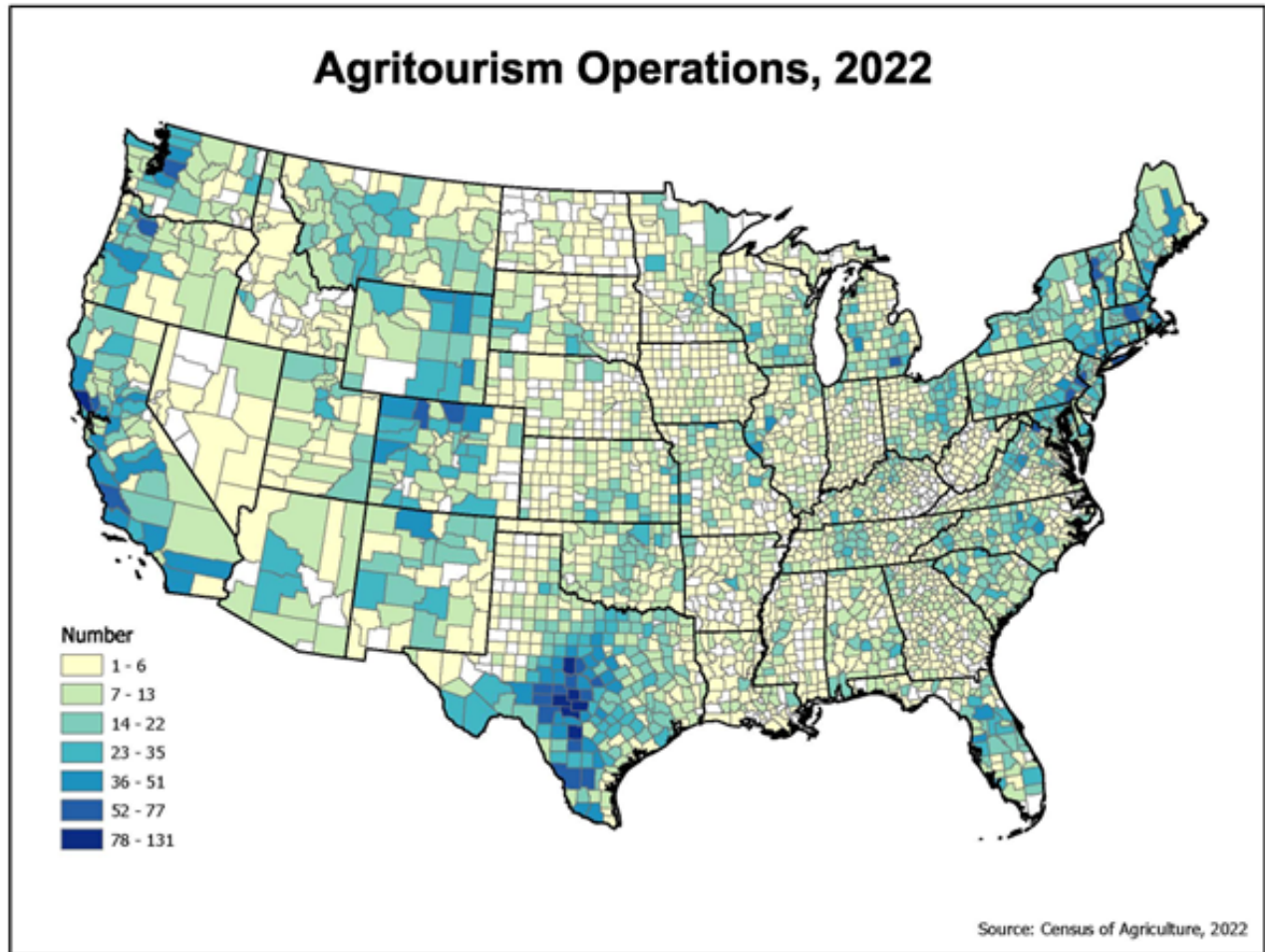
Source: USDA Census of Agriculture, 2022

An ERS study by Whitt, et al. (2022) reported, based on information from its 2021 Agriculture Resource Management Survey (ARMS), that low-income agritourism farms and ranches (gross cash farm income of less than \$75,000) derived substantially more of their income (34 percent) from agritourism than middle-income (9 percent) and high-income (10 percent) agritourism participants. (Gross cash farm income for middle-income farms ranged from \$75,000 to \$350,000 and exceeded \$350,000 for high-income farms and ranches.) The ERS study also found that low-income agritourism farms and ranches had 7 percent higher gross cash farm income than other low-income farms and ranches, while agritourism participants in the middle- and high-income categories had lower gross cash farm income than the non-participants in their respective categories. Gross cash farm income was 3 percent lower for participating middle-income farms and ranches and 19 percent lower for participating high-income farms and ranches.

Whitt, et al. (2022) also found, using the ARMS, that the average net farm income derived from agritourism activities by participating farms and ranches was \$11,110 in 2021. Net income from agritourism varied widely, with 50 percent of agritourism participants reporting zero net income from agritourism. Specialty crop agritourism farms averaged \$26,807 in net farm income, more than any other production category. Smaller operations seldom reported significant agritourism revenue. Agritourism farms and ranches close to urban areas tended to have higher agritourism revenue.

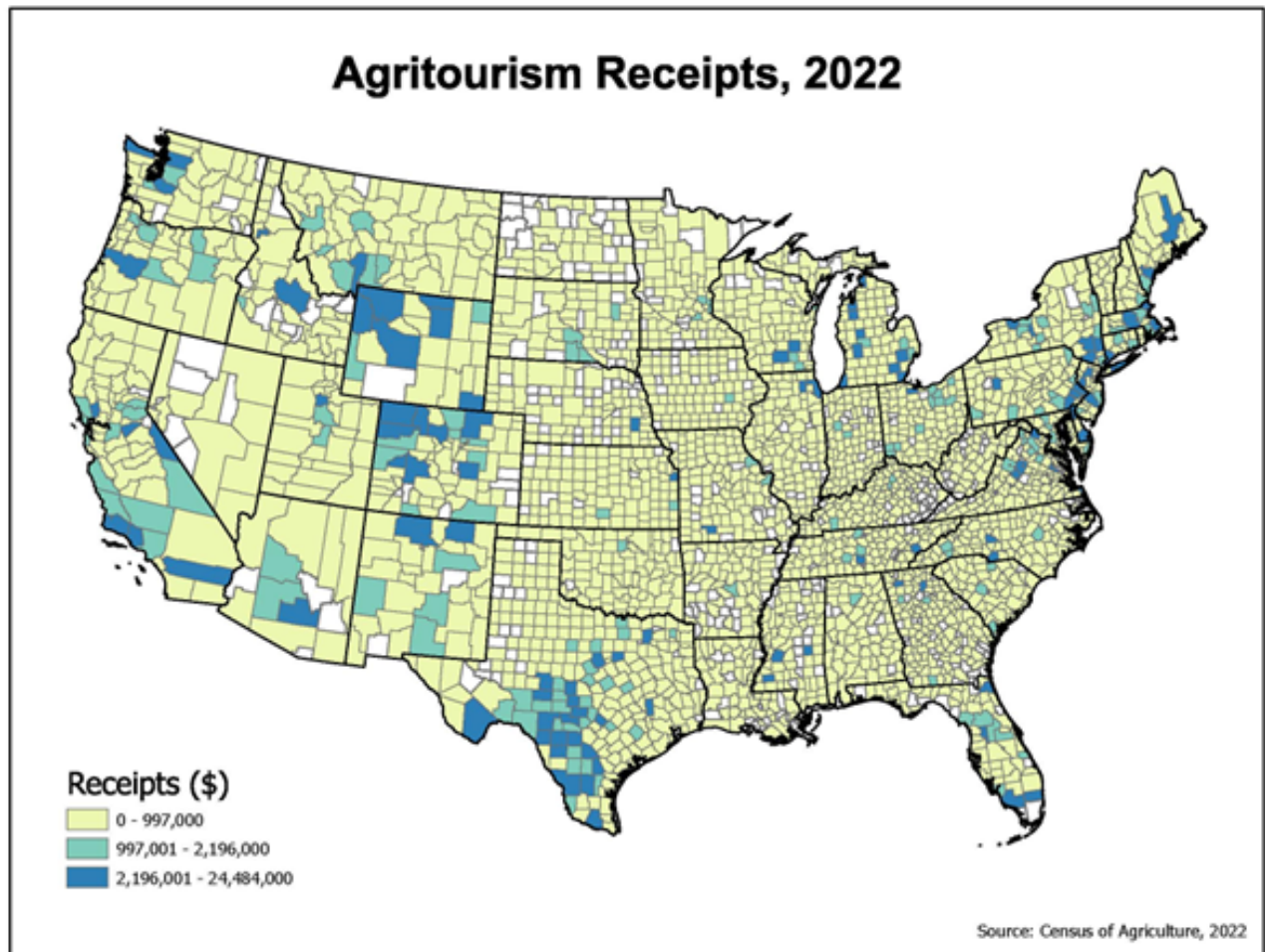
Agritourism operations are found throughout the United States (Figure 2). That said, operations generating revenue from agritourism tend to be concentrated in southwest Texas, the Mountain West, along the Pacific Coast, and along the Northeast metropolitan corridor extending from Washington, D.C. up to Boston and other parts of Massachusetts.

Figure 2. U.S. Agritourism Operations by County



For counties reporting any agritourism, the average agritourism cash receipts (income) generated per county in 2022 was \$403,000, with the highest reported cash receipts per county at \$24.5 million. As shown in Figure 3, cash receipts generated from agritourism fell below \$1.0 million in most counties having any agritourism income. Counties reporting agritourism cash receipts of more than \$1.0 million were concentrated in Hawaii, southwestern Texas, the Mountain region in the western United States, along the Pacific Coast, south Florida and along the Northeast Metropolitan Corridor. The map suggests that there are locational agglomeration benefits as the counties with the highest cash receipts in most areas are grouped together.

Figure 3. U.S. Agritourism Receipts by county



An ERS Amber Waves (Whitt et al, 2019) article also observed that farmers and ranchers in remote rural areas are more likely to participate in agritourism than those in less remote areas while farms and ranches closer to urban areas earned more revenue. In addition, female operators are more likely to participate in agritourism, particularly on larger agritourism farms and older operators are slightly more likely to adopt agritourism than younger farmers. Lastly, farms and ranches with cattle and horses had a greater likelihood of implementing agritourism. Horses are associated with higher value agritourism enterprises, such as dude ranches (ranches specializing in tourist activities, including camping and horseback riding) and cattle ranches in the West can provide hunting opportunities.

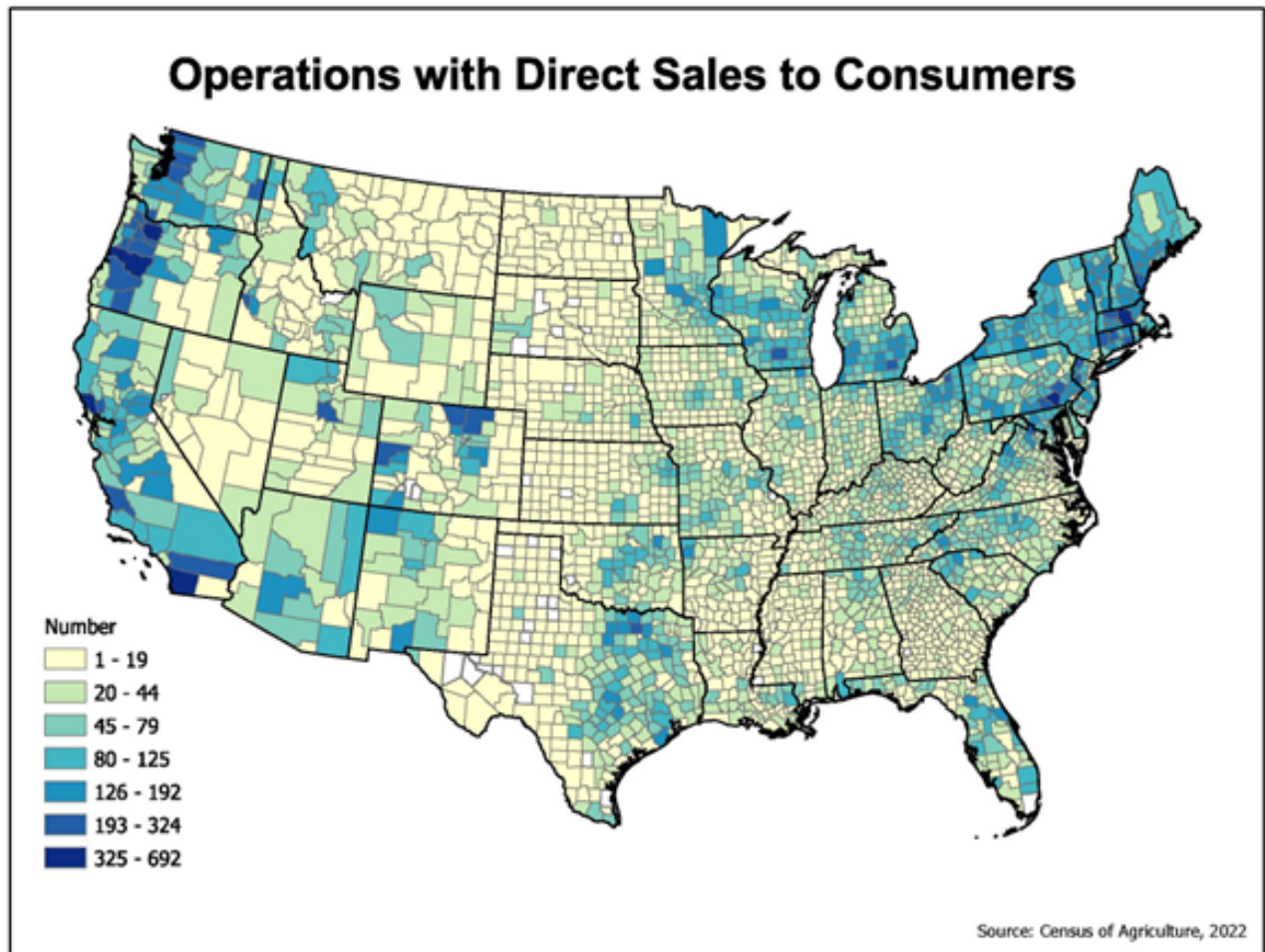
The Amber Waves article also reported that off farm direct-to-consumer sales (such as farmer's markets) and direct-to-retail food sales (such as selling to restaurants) were important to agritourism operators because they provided free marketing for the operator's agritourism enterprise through word of mouth.

Direct to Consumer Sales

Direct-to-consumer sales comprise a significant component of revenue for agritourism operations that engage in direct sales to consumers. The Local Food Marketing Practices component of the 2022 Census of Agriculture reported that farmers and ranchers received \$3.3 billion in revenue for direct-to-consumer sales.

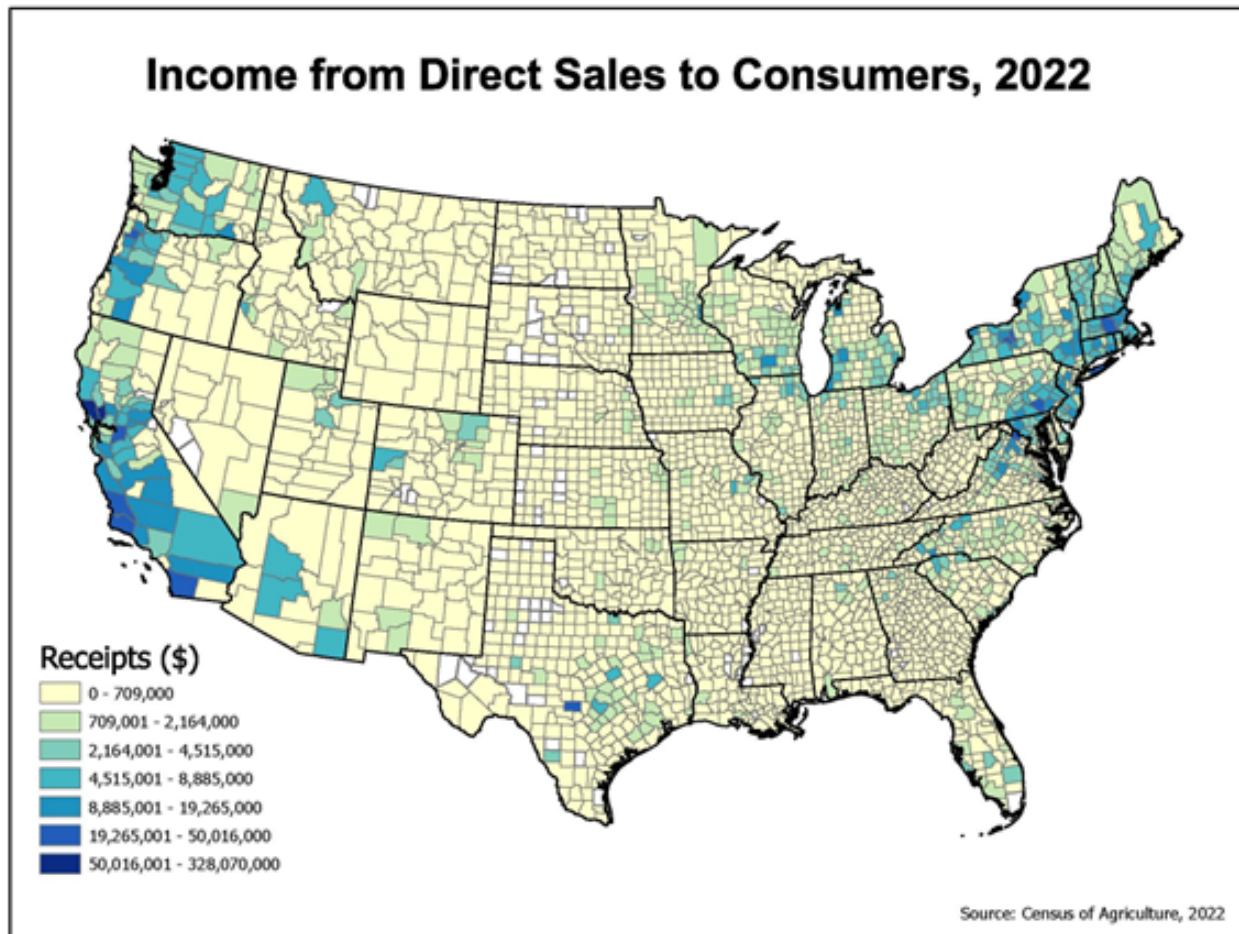
Direct-to-consumer sales occur throughout the United States (Figure 4). The greatest number of operations are found in the Pacific Coastal States and in the Northeast.

Figure 4. U.S. Agriculture Operations with Direct Sales to Consumers by County



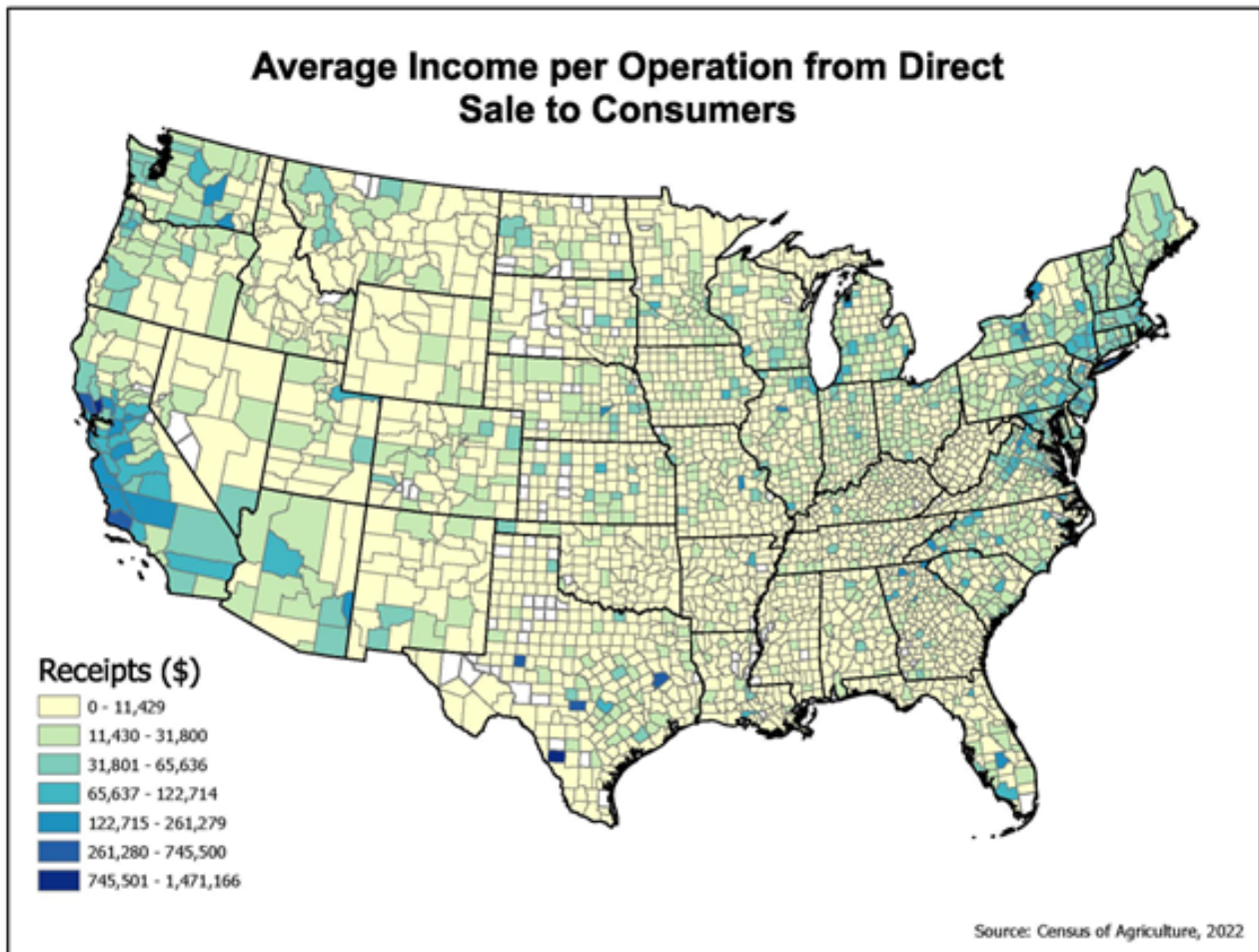
Receipts from direct sales to consumers follow a similar distribution (Figure 5), with concentrations in the Northeast and on the Pacific Coast.

Figure 5. U.S. Agriculture Sales from Direct Sales to Consumers by County



For counties having any direct sales, the highest average receipts from direct sales per operation (Figure 6) were concentrated in California, the Pacific Northwest and along the Northeast coast. Receipts from direct sales in some counties exceeded \$745,500 per operation. This level of sales is not common as most of the counties in the nation are represented by the lighter shades of green, which indicates that receipts from direct sales per operation did not exceed \$37,618.

Figure 6. Average income from agriculture operations with direct sales to consumers by county



The USDA Local Food Marketing Practices Survey reported that direct sales to consumers by agricultural operations totaled \$2.9 billion in 2020. Of this amount, \$1.2 billion came from on-farm stores or stands, \$0.5 billion from farmer’s markets, and \$0.4 billion from pick-your-own operations (Table 1).

In terms of marketing, Whitt, et al. (2022), again using the ARMS, reported that about 15 percent of agritourism farms and ranches participated in direct-to-consumer sales (farmers’ markets, roadside stands, “u-pick” operations, and on-farm stores). Agritourism farms tended to have higher proportions of gross farm income from direct-to-consumer sales. Direct-to-consumer sales accounted for 9 percent of gross farm income earned by agritourism operations, with specialty farms deriving the highest portion of their income, nearly 25 percent, from direct-to-consumer sales.

Table 1. Direct-to-Consumer Sales by Marketing Practice, 2020

Local Food Marketing Practice	Receipts	Share of Sales
On-Farm Store or Stand	1,231,000,000	0.42
Farmers Market	514,000,000	0.17
Other (pick-your-own, etc.)	415,000,000	0.14
Online Market	312,000,000	0.10
Roadside Stand Away from Farm	252,000,000	0.09
Community Supported Ag	225,000,000	0.08
Total Direct to Consumer	2,949,000,000	

Source: USDA. Local Food Marketing Practices Survey, 2020.

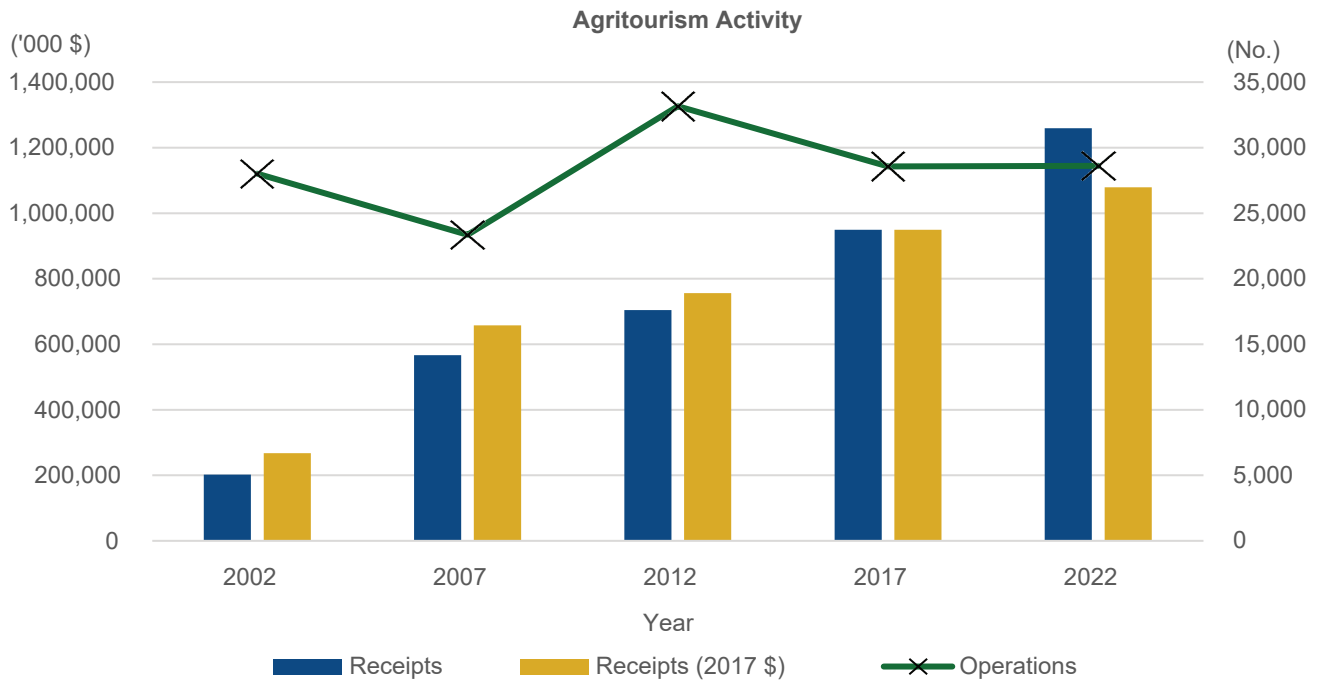
Trends in Census Data

The number of agritourism operations remained relatively steady from 2002 through 2022 (Figure 7). There was a significant decrease in the number of operations from 2002 to 2007 (from 28,016 to 23,350). Then, a nearly 10,000 gain in operations occurred between 2007 and 2012 before the number declined and leveled off at 28,500 in 2017 and 28,617 in 2022. Some of these fluctuations reflect changes in what is counted as agritourism. For example, in 2012, sales of wine at vineyard stores were counted in agritourism, albeit at the value of the grapes used in their production. In 2017, when the census included value added products in the direct-to-consumer sales category, vineyard sales of wine were no longer counted as agritourism revenue and consequently many vineyards no longer appeared in the agritourism category. Those sales are now reflected in the direct sales category.

Agritourism cash receipts grew from \$202 million per year in 2002 to more than \$1.2 billion in 2022 (Figure 7). In terms of 2017 prices, receipts increased from \$268 million in 2002 to \$1.1 billion in 2022. The increase in cash receipts occurred even though the number of agritourism operations has remained about the same. This could be a result of consolidation in the sector as some agritourism ventures discontinue operations while the remaining operations increase in size. Note that despite the growth in agritourism receipts, they remain on average a small component of total farm receipts, accounting for 5.7 percent of farm-related income in 2022.

The number of agricultural operations making direct sales to consumers fell from 130,056 in 2017 to 116,617 in 2022, a 10-percent drop (Figure 8). At the same time, the value of sales increased from \$2.8 billion in 2017 to \$3.3 billion in 2022, a 16-percent rise. After adjusting for inflation, the real value of sales stayed pretty much steady, falling by 0.35 percent. As a result, the value of direct sales to consumers per operation increased from \$21,570 in 2017 to \$27,981 in 2022, up 30 percent. Even after adjusting for inflation, sales per operation increased 11.1 percent between 2017 and 2022. The 2020 NASS survey of local marketing practices indicates that a major portion of direct sales to consumers is from sales from pick-your-own operations, community agriculture and on-farm or roadside stands. There has also been an increase in online sales, while sales from farmers markets have declined.

Figure 7. Agritourism Activity, 2002-2022

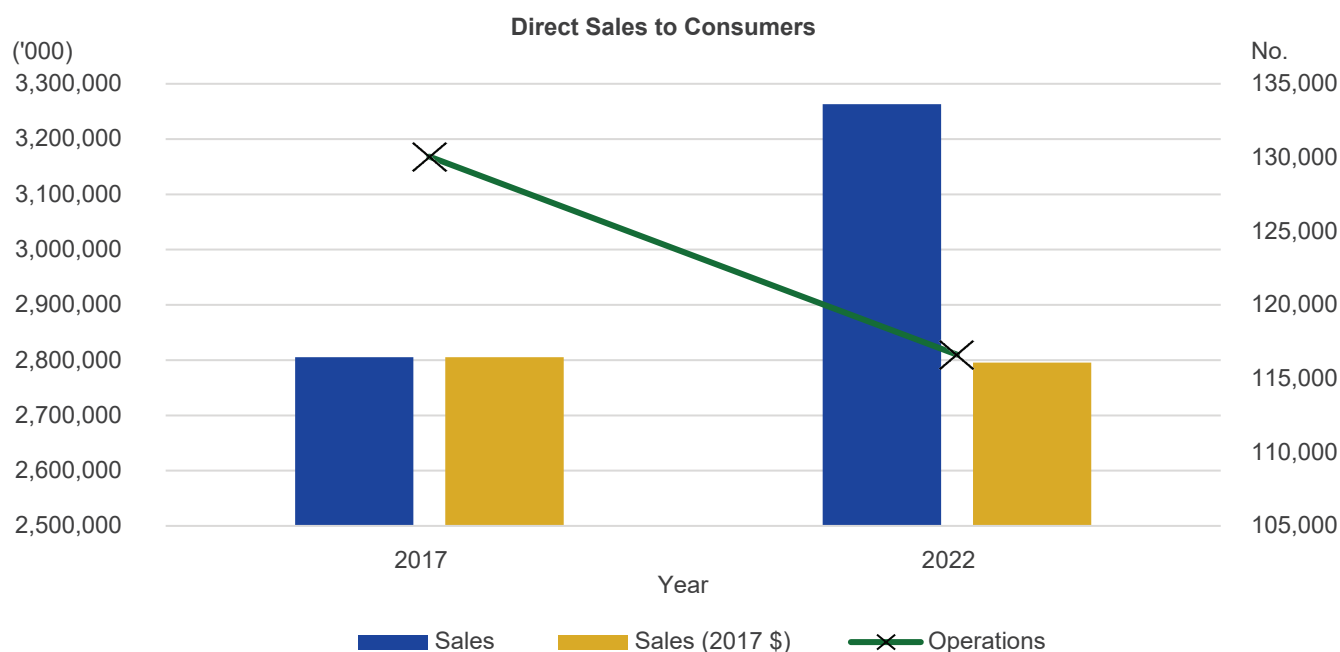


Source: Census of Agriculture. Adjustment of \$ values from current year to 2017 based on GDP price deflator of 1.1673.

Data in the latest Census of Agriculture and Local Food Marketing Practices Survey were collected during the COVID emergency so exits from the sector may reflect in part the impacts of the associated shutdown of non-essential businesses and the restrictions in movement.

Overall, current trends show that revenues from agritourism and direct sales to consumers continue to increase in real terms, although the number of establishments are decreasing, especially with respect to direct sales to consumers. The decline in operations is consistent with the overall decline in agricultural operations over time.

Figure 8. Direct Sales to Consumers, 2017-2022



Source: Census of Agriculture. Adjustment of \$ values from current year to 2017 based on GDP price deflator of 1.1673.

Agritourism Demand

Information on the demand for agritourism is limited at the national level. The National Survey on Recreation and the Environment (NSRE), conducted by USDA’s Forest Service, provided national estimates of participation in outdoor recreation activity by Americans. The survey was last conducted for the 2005-2009 period and, hence, the information discussed below is dated. While the survey’s focus is on nature-based outdoor recreation, it includes visits to farms or an agricultural setting as a major recreational activity, with 75.3 million participants engaging in such activities per year over the 2005-2009 period. This represents a 28.6 percent increase in participation from the 58.6 million farm or agricultural setting visits per year over the 1999-2001 period. The 75.3 million consumers participating in farm visits represented 32 percent of the U.S. population. Agritourism participation across the country was relatively consistent, ranging from a high of 35.7 percent of the population in the North¹ on an annual basis to a low of 26.9 percent in the Pacific Coast. Approximately 34.2 percent of population in the Rocky Mountains visited a farm or a rural setting and 29.3 percent in the South.

For those partaking in agritourism, the average number of days those participants engaged in farm visits throughout the year was 48.5 days. Participation days do not represent a calendar day, but a visit to a farm or agricultural setting no matter the length of stay. For example, a visit to a farm coupled with a hike in the mountains would count as two recreational participation days. The number of participation days per capita for farm visits was highest in the Rocky Mountains at 71.6 days and lowest in the North, where the number of

¹ Regions for purposes of the discussion of the results of the NSRE defined as follows: North—Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, Wisconsin; South— Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia; Rocky Mountains—Arizona, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Utah, Wyoming; and Pacific Coast—Alaska, California, Hawaii, Oregon, Washington.

participation days per capita was 41.5 days. The wide difference in average number of days between the North and the Rocky Mountains may reflect differences in the nature of farm visits. Participants in the North may engage in activities that primarily involve day trips while participants in the Rocky Mountains may participate in activities that involve multiple days. Research indicates that agritourism operations in the Mountain states are concentrated near national parks, while agritourism in the Northeast is concentrated near urban areas where direct sales to consumers are common.

The growth in agritourism,² as reported in the NSRE, was the second-fastest-growing activity out of 25 outdoor recreation activities, with more than 50 million participants annually. From 2005-2009, farm visit participation grew by 28.6 percent (Cordell, 2012). This is consistent with information from the U.S. Travel Association (2020), which ranked visiting a rural setting as the 5th-highest reason for leisure travel in the United States in 2019. The USDA Forest Service report on trends in recreation (Cordell, 2012) states that farm visits, as a proportion of the U.S. population, is expected to remain steady over the ensuing sixty years. This indicates that agritourism demand will continue to grow and remain a viable component of rural tourism.

² As represented by farm visits in the NSRE.

Basics of Agritourism

Agritourism activities have the potential to increase income for farm and ranch operations. However, agritourism is not for everyone or suitable for every operation. Before getting started on developing an agritourism venture, you should carefully evaluate and plan the operation, focusing on what it will take in terms of your skills, lifestyle, resources, and the likely market potential.

Is Agritourism right for you?

Because agritourism involves inviting the public onto your operation and engaging with them, it will likely involve major changes in your operation and your lifestyle. It is important for you to assess these changes and determine if you can handle them. Do you have the temperament to engage the public? Most visitors will not be familiar with agricultural operations and will not know much about how they operate. Do you have the patience to deal with agricultural novices? Are you willing to provide them with an enjoyable and compelling experience?

Also, you will need to assess how the agritourism operation you are considering will affect work life balance, free time, stress levels, and overall satisfaction. How will it affect the rest of your family and to what extent will they want to be involved? How comfortable are you with taking on the risks associated with starting a new business? Reasons given by current agritourism operators for being in the business include increasing farm or ranch income, diversifying revenue, building goodwill in the community, educating the public about farming, attracting customers to their on-farm direct sales outlets, interacting with customers, and providing jobs for the family (Chase, et al, 2021).

Typical agritourism activities include farm stores and stands, tastings (wine), pick-your-own, hunting, hiking and walking, farm stays, tours, events (festivals, weddings), and hayrides. While these activities come easily to mind they do not exhaust the possibilities (see Appendix Table 1 for a more exhaustive list and types of agricultural production enterprises best suited for them). The ones you select will be determined by your farm and financial resources and your interests. When assessing whether agritourism is right for you keep your preferred activities in mind and see if the resources needed match the resources you have available.

Assessing Your Resources

The first step in deciding if an agritourism venture will work for you is to make an in-depth assessment of the resources available to you and your family by using the numerous workbooks and guides that are available online. This will help you identify the agritourism activities that fit well with your operation and resource limitations. Important resources to consider are soil, landscape and buildings, water, plants, animals, location, and people.

The production capabilities of the soils on your farm or ranch will determine the types of crop and livestock production that are possible. Your soil's production capacity along with the climate will help you identify alternative crops and livestock enterprises that could be added or switched to support the agritourism enterprise you are considering. Are your soils and climate adequate to produce the crops or forage for livestock you intend to produce as part of your agritourism operation?

In addition, the long-term sustainability of your agritourism venture will depend on improving or maintaining the quality of your natural resource base, such as the soil, through the conservation of those resources. Maintaining the quality of your natural resource base involves maintaining its productivity for the purposes you want to use them for whether it is for recreation, hunting, fishing, or for crop and animal production for

direct sales to consumers through farm stands or pick-your-own operations. This includes having the ability to replenish the wildlife, restoring the soil, ensuring water quality is not impaired, and ensuring that the scenic beauty of the rural landscape is maintained. It also involves performing important ecological functions not directly supporting your agritourism venture.

The USDA's Natural Resource Conservation Service (NRCS) field office in your area can assist you with free technical assistance or advice based on your operation's soil production capacity. The NRCS field staff can also assist you with resource assessment, identification of conservation needs based on the agricultural production enterprises you are considering, design of conservation practices to address those needs, and resource monitoring. The office can help you determine the USDA conservation financial assistance programs that will meet your needs and assist you in applying to the appropriate programs.

Other important factors in deciding the agritourism activity you select are the natural landscape features.³ Landscape features can provide valuable scenic vistas for campgrounds, farm and ranch stays, festivals, wedding receptions, and business conferences. Natural landscape features can also provide recreational opportunities such as hunting, fishing, hiking, wildlife viewing, swimming, boating, and rock climbing.

Farm and ranch buildings are an important part of the landscape as well. Depending on the agritourism venture undertaken, they may be important to maintain even if they aren't actively used in the agricultural operation. Buildings can also be used to house the alternative enterprise or agritourism activity such as farm stores, reception venues, etc. At a minimum, they are part of the agricultural setting of the farm or ranch and are of interest to visitors.

Water resources, both quantity and quality, also play an important role in many agritourism activities. Water is important for supporting crop operations for u-pick or for farm stores as well as providing fishing and hunting opportunities and contributing to the bucolic scenery for a bed and breakfast.

For example, wetlands filter water while providing habitat for wildlife. Wetland areas can serve as classrooms, and provide wildlife viewing, hunting, hiking or walking and other activities. Lakes, ponds, and rivers can provide recreational services (fee-fishing, boating, swimming) as well as be a source of water for agricultural purposes.

Plant resources consist mostly of the crops grown on the agricultural operation. They also are the foundation for any number of agritourism opportunities. Your plant resources provide products for farm stands, farm stores, farm stays, or dude and guest ranches. This includes produce and value-added products for traditional and niche markets; products from organic and other production-certified programs; and value-added products such as preserves and bread. Your plant resources also provide feed for animal operations used to produce meats and fiber as well as attractions for petting zoos. Plant resources also provide food and cover for wildlife and add to scenic settings that attract visitors. Plant resources can also be an important component of entertainment and educational activities such as farm stays or farm dinners.

Animal resources consist primarily of the animals used in production activities. Similar to plants, they provide numerous opportunities for agritourism activities. Animal enterprises can supply meat and fiber products for farm or ranch stores. Animals also can be a component of recreational, educational, and entertainment activities, such as horseback riding, farm or ranch tours, and petting zoos. The type of animal on the farm or ranch will affect the agritourism activity that can be developed.

³ Landscape features include woods, forests, scrub brush, range, open pasture, glades, mountains, hills, cliffs, valleys, gorges, streams, rivers, lakes, etc.

Wildlife resources include all the non-domesticated animals on the farm or ranch or that could be attracted to the farm or ranch through habitat management. Categories of wildlife include big game (bears, moose, deer, mountain lions, wolves), small game (rabbits, squirrels, foxes) game birds (grouse, quail, pheasant, and crow), game fish (bass, trout, walleye and salmon), non-game (all wildlife not generally hunted or fished for sport or commercial purposes), and rare, threatened or endangered species. Many wildlife activities also fall into three broad categories in terms of final use: consumptive (hunting or fishing), non-consumptive (viewing, catch-and-release), or both. Consumptive activities require wildlife resources to be managed differently than non-consumptive activities.

The type of habitat available on your property and in the surrounding areas affect the kinds of wildlife resources available. As such, it provides the foundation for wildlife-based agritourism. Wildlife habitat activities should focus on maintaining and improving the habitat to ensure the presence of the type of wildlife desired. In some cases, habitat can be managed to attract the wildlife species you desire.

The location of your farm or ranch is another factor affecting the type of agritourism venture that would work best for you. Activities that depend on a high volume of visitors, such as farm stores, pick-your-own operations, hayrides, crop mazes, festivals, and petting farms are most successful when located relatively near to urban centers, while activities like farm stays, dude ranches, and hunting and fishing benefit more from being in a more rural area. Questions you need to consider include: How close are your neighbors? How close is the local marketplace if you are selling products? How far away is your visitor base if you have attractions and activities on your farm or ranch? Does your community host annual or seasonal events, fairs, or festivals? Does your community have the resources and adequate infrastructure—schools, medical services, transportation, etc.—to meet the needs of your potential enterprise? Your answers to these questions will be affected by the agritourism venture you are considering. For an agritourism enterprise that depends on a high volume of visitors, access to community services and a potential pool of visitors will be important. On the other hand, being too close to people could limit enterprises like hunting or farm stays and guest ranches where visitors are seeking cabins or campgrounds in more wilderness-like settings. Also, consider how many other agritourism businesses are located near you. Recent research indicates that having a concentration of agritourism ventures in an area plays an important role in their success (Van Sandt et al., 2019).

Finally, family resources and preferences are a crucial part of identifying agritourism opportunities. Identifying family goals, preferences, needs, and lifestyle considerations are an essential step towards arriving at an appropriate agritourism enterprise. These goals need to be established before the family resources available can be determined.

For example, what are your talents, skills, and interests? Are there family members who enjoy being with people? Do you or your family enjoy teaching young children and others about agriculture? Do you enjoy teaching children how their food is produced? Are you or others in your family skilled at crafts (baking, desserts, woodworking, quilting, or knitting, etc.) that you could sell and/or teach? Agritourism is an entrepreneurial business that requires marketing your product or services, yourself, and your business to the public. If it's going to be a strictly family-operated business, this requires someone in the family to be interested in marketing your alternative enterprise in a competitive public market.

For more information and a step-by-step approach to assessing your resources, you can turn to **Taking the First Step: The Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide** (see References). This guide provides examples as well as templates to use in evaluating your resources and was the source of much of the material discussed in this section.

Assessing the Market⁴

Next up is assessing the market for the agritourism activity of interest. Just as important as having the resources needed to engage in an agritourism activity is having a market for it. If people are not interested in your proposed activity or are not willing to pay what you need to charge, then the proposed activity will fail.

Marketing is the process of determining what customers want and using that information to produce and sell a good or service to satisfy it. One common approach for doing this involves the four P's of marketing—Product, Place, Price, and Promotion.

Product refers to what you are offering for sale (fresh or processed product, event, or service). In the marketing context, you will need to determine if there is an identifiable consumer need and the extent of that need. If so, what are others already in the market providing? What can you provide that will distinguish your product from the competition? By identifying your potential customers and their needs, you can focus on effectively reaching them.

Place is how and where the good or service will be provided. Is your agritourism activity easily accessible to consumers? If consumers find it difficult or troublesome to physically reach your business location, they may be discouraged from purchasing the product or service. Accessibility will depend on the agritourism activity being considered. As discussed earlier, activities relying on a high sales volume may need to be located close to urban areas while activities focused on recreation activities may need to be located in more rural areas. Accessibility also includes establishing an online and social media presence. This will make it easier for potential customers to find out about your agritourism venture as well as its physical location. Place also includes not just the actual location of the sale or activity but can also involve the condition and environment surrounding your location. Maintaining the farm's or ranch's cleanliness and the amenities, such as rural landscapes and the agricultural experience that customers associate with agritourism activities, is important.

Price represents what you will charge the customer for your product. The price of the good or service needs to be set low enough to be attractive to consumers, but high enough to cover the costs of producing it so that you make a profit. To command a higher price, product quality must be such that the customer places a higher value on it. This higher value may come not just from the tour or pick-your-own activity, but also from unique features or experiences that are embedded with it. Selling directly to the customer may allow you to charge a higher price because the customer might place a high value on attributes such as freshness, limited processing, environmentally sound or health-conscious farming techniques, or on experiencing the service or activity in an agricultural setting. Selling directly to the customer may also allow you to obtain a higher profit by reducing the markup involved in providing the product or service through a third party. Of course, selling directly means you absorb some of the costs incurred by those third parties.

Promotion refers to the how the goods and services being offered are communicated to potential customers. This involves targeting the message to reach a receptive audience. This can involve an online site, social media presence, and traditional advertising. Research shows that word of mouth among customers is the primary form of advertising for agritourism (Thilmany, et al.). Word of mouth also helps to develop a direct relationship between you and the customer, which generates loyal repeat customers. It also keeps the focus of your attention on what the customer values.

⁴ This section draws heavily from Ashman et al. The portions used in this section were reworked to be more focused on agritourism.

Part of assessing the market involves becoming informed about all aspects of the business. Attend seminars, workshops, trade shows, and courses relevant to the business you are considering. Go online and look for information on alternative agritourism enterprises. Read books, newsletters, magazines, and other trade publications. Access and watch videos online or through the library.

Find out what other entrepreneurs are doing. Talk to neighbors, friends, and strangers about their businesses. Visit businesses in your surrounding area and in neighboring counties and see what they are doing and how they are running their businesses. Visit farm stands, farmers' markets, pick-your-own operations, crop mazes, farm stays, and other agritourism outlets.

Consult potential customers. Ask your relatives, friends, and neighbors about the product(s) or activities you are thinking of providing. Provide your potential customers with a sample of the product. Invite friends to your farm to participate in the activities you are considering and ask them for a critique.

Research the market for your product. Determine how much consumers are already buying and what they are willing to pay. How many competitors exist? How is the product being sold? Does it involve providing one type of experience or does it involve providing multiple types? Are you going to sell agricultural products direct to the consumer? If so, consider other options that don't require selling on the farm or ranch site, such as restaurants, schools, civic associations, retirement communities, or online?

In conjunction with the marketing assessment, develop a marketing strategy and plan. The marketing strategy and plan should be developed within the overall business plan for the targeted activity and for the farm or ranch business. An effective marketing plan will focus your energy and resources where they are needed. It will also help you adapt to customer needs and make informed production decisions or changes. Major components of a marketing plan include goal setting, market analysis, identification of customers and customer needs, strategies for achieving goals, developing a budget, and creating an action plan and a monitoring plan.

Overall goals for the farm or ranch should be clearly defined. Whether lifestyle or financially based, goals can help you make more meaningful decisions about which enterprises and markets are worth pursuing. To make decisions about marketing and production, you must also know your short- and long-term financial goals. Most people are in farming to make money, but how much, how soon, and at what personal and environmental cost varies from individual to individual.

A budget needs to be developed in conjunction with the action plan. How much potential income can be derived from your marketing approach? How much of this can be made in the first year? The first five years? Write down each step of the thought process—how much it will cost and how much income may be gained? Keep records of actual expenses and revise the budget as information becomes available.

The action plan is the "to do" part of the marketing plan. It describes how the plan will be implemented, who will carry out the various stages of the plan, and when they should be started and completed. This section of the plan usually benefits from detailed information so that it will be easier to implement. An action plan should be developed for each customer group-product combination.

Finally, a marketing plan should describe how progress toward meeting your goals will be monitored and measured. The marketing plan may need to be revised if goals are not being met. New strategies may be needed or existing strategies revisited. Be prepared to be flexible.

For more detailed information, consult numerous websites on agritourism. Most contain advice on marketing and resources for developing a detailed marketing plan. USDA has several programs that can help with developing a marketing plan and strategy (see the section on USDA programs for more information).

Business and Financial Planning⁵

A business plan is essential for establishing a successful agritourism operation. A well-thought-out business plan, even for the simplest of operations, increases the probability of a successful operation. It serves as a guide to how to structure your operation and manage it. Making a business plan will assist you in thinking through the key elements of success for your operation.

There is no set style or format for business plans. Business plans do not need to be overly detailed, but they do need to be comprehensive with respect to covering the key aspects of your business. The business plan will assist you in getting organized and taking care of essential tasks. Keep in mind a written detailed plan will likely be needed to secure loans or other outside sources of funds and to participate in certain government programs. The plan will be the basis for lending institutions, government agencies, or other outside investors to decide if they want to invest in or provide funds for your business. The plan will show them that you have thought through your goals and have a thorough understanding of the operation and that it has a reasonable chance of success.

Whether you go with a short, brief plan or a more detailed plan, several key elements need to be included. These include a description of the business, operations, and production activities, a marketing plan, a description of the management and organization, and a financial plan.

The description of the business should include the primary purpose of the enterprise and a statement of the business concept—this is what some refer to as the value proposition. It involves determining what you will be doing that will cause people to purchase your product or services rather than go to some other agritourism venture, an overview of the business (what you will be doing, the product or service being produced, where it will be located, the facilities that will be used or developed, the history of the business (if relevant)), and a description of the ownership structure.

The operations section should describe how your business will operate, including a description of the production activities involved and a timeline for when things will be implemented. It should also contain a list of the licenses, permits, and regulations that need to be obtained and adhered to, and a risk management plan that covers production risks; liability risks resulting from products being produced and customer injury; and environmental risks associated with the location or the production systems being used.

The marketing plan should include market trends for products or services being provided; identification of the customer base or target market; a sales strategy—who are you are going to sell to and the outlets you will be selling through; product pricing—how you will determine the price you will charge; and a promotion strategy—how will you let potential customers know you exist and that you are providing a product or service they will want to consume. The process you went through for assessing the market when selecting the agritourism activity should provide most of the information needed.

⁵ Information presented in this section is drawn primarily from Small Business Administration business planning material and from material contained in the agritourism module of AgPlan, a free online business planning tool developed by the Center for Farm Financial Management at the University of Minnesota.

The management and organization section should discuss the management team, staffing or personnel plan, and any professional services that will be used. It should also include a description of the business structure: sole proprietorship, general partnership, limited liability company (LLC), corporation, nonprofit, or cooperative, and contain a succession plan. The business structure has significant implications for tax and personal liability as well as control of the business.

Finally, the financial plan should include financial projections including income, start-up, operational expenses and overhead costs. Finally, the financial plan should include, at minimum, financial projections including income, expenses, and overhead costs. It should also include a description of the sources of funding for the business. If applying for a loan or grant or investment from outside investors, you should provide information on the farm or ranch financial position, and the amount of funds being sought.

The size and detail will depend on what meets your needs. Small, self-funded activities do not necessarily need a detailed plan, but all the factors discussed should be considered and addressed even with just a few sentences. This will help you avoid major mistakes of omission.

Business Planning Resources

There are many excellent sources of information for developing a business plan. The USDA, through Farmers.gov, provides information on business planning through its beginning farmer page. It also references outside resources such as FarmAnswers, a website developed by the University of Minnesota containing a library of how-to guides and links to mentors and other important information. Farmers.gov also provides links to the Small Business Administration (SBA) site for information on starting, managing, and transitioning a business; it also includes the ten steps of starting a business and guides for creating a business plan. The SBA also funds SCORE (Service Corps of Retired Executives), which provides advice and mentorship for small businesses. In addition, the Center for Farm Financial Management at the University of Minnesota provides a free business plan developer called AgPlan. One of its planning components is specifically developed for agritourism. Other business planning advice and templates for agritourism are available through many state government and college or university agritourism websites.

Risk Management Considerations

Agritourism represents an opportunity but also a risk. Combining agritourism with regular farm operations increases your operation's exposure to liability claims and complicates the regulatory and business environment in which you are operating. Adding an agritourism business exposes your operation to new risks with respect to physical injury. It also will enmesh your operation with government regulations that affect your business. Risks center on legal issues and business management. Assessing your business risks will allow you to identify the aspects of the business that contain elevated risks and mitigate or exclude them. The assessment will also help you select the risk management strategies best suited for your operation.

Safety and Liability

By opening your farm or ranch to the public, you are responsible for ensuring the safety and health of your visitors. Consequently, you can be held responsible for any injury the visiting public incurs while on your property. The extent of your responsibility or duty of care is higher for an individual invited on to your property for your benefit than for individuals that are trespassing or given access to your property for hunting or fishing but do not pay you for access. For those individuals invited on to your property that provide you an economic benefit, you are required to provide them with the highest duty of care. This means that the agritourism

venture is operated safely and that warnings are provided to visitors with respect to dangers inherent in parts of the operation that they will encounter. This heightened exposure to liability necessitates the development of a risk management plan. The purpose of the plan is to allow you to address safety issues on the operation before they become an issue. As part of this plan, assess the physical environment of your farm or ranch and identify the hazards and develop a plan for dealing with them. When making the assessment, view things from the perspective of someone who is visiting and has little exposure to an agricultural operation. Prepare for emergencies and develop a response plan. A good source for information on addressing safety concerns surrounding an agritourism venture is the National Children's Center for Rural and Agricultural Health and Safety (NCCRAHS) website, see "[Integrating Safety into Agritourism](#)."

Many States have passed statutes that shield agritourism operations from lawsuits resulting from injuries to visitors. The laws basically recognize that there is an inherent risk to visiting a farm, including the condition of the land and buildings. Many of these statutes have exceptions for negligence in operating the agritourism enterprise. In addition, many statutes have several requirements that the agritourism operator must meet to make use of the affirmative defense provided by the statute.

Review your insurance policies, particularly with respect to liability coverage. Most insurance policies provide coverage for normal farm operations and often consider agritourism activities as not being part of the farm. So, additional insurance coverage may be required to cover your agritourism operation.

Business operation aspects

Production failure due to weather-related or other natural disasters may disrupt your planned activities. Evaluate the implications of a crop failure, livestock disease, or other production-related incident on your agritourism-based cash flow and income potential. Develop contingency plans to maintain operations including alternative activities. Keep in mind that the alternative activities may introduce additional safety risks.

Regulatory considerations

Agritourism and alternative enterprises often require permits and compliance with regulations that conventional farm operations typically don't face. The requirements are different for producing, processing, and marketing products than for agritourism enterprises involving attractions, activities, and services.

Make sure you understand and comply with all Federal, State, and local laws and regulations that apply to the operation, including business taxes, lodging taxes, and state and local sales taxes. There are regulations for local land use and permitting, state access to public lands, and food safety. Also understand regulations concerning hiring and retaining employees including the Fair Labor Standards Act (Federal, State); the Child Labor Act (Federal, State); the Occupational Safety and Health Act (Federal, State); Workers' Compensation (Federal, State); unemployment taxes (Federal, State); and Social Security and Income Tax Withholding (Federal).

Most special permits and regulations are established by the county while most food processing and distribution regulations are controlled by State Departments of Agriculture or the USDA. Your initial visit should be with your local officials, as most regulations are implemented and enforced at that level. You'll need to find out whether your new enterprise will require any of the following:

- Special permits (zoning, building, road, vendor, environmental, etc.)
- Special business licenses or sales permits
- Special value-added facilities and permits
- Compliance with local, State, and Federal laws

- » Health and environmental regulations
- » Fish and game rules
- » Building codes
- » Sales and income tax
- » Employment reporting, insurance, and compensation

Land use and land development

Zoning -- Understand the local zoning laws that apply and uses that require a permit.

Building codes – Important when making structural changes to your operation. Also, all public use structures must comply with the Americans with Disabilities Act.

Roads and traffic, use of public lands, signs, food safety, and fire codes are other important items to take into consideration.

Animal-related Laws

Equine Laws

Most States have enacted some type of equine-related law that limits the insured from liability as long as specific procedures and warnings are followed. This often includes posting caution signs and following standard procedures for rider, animal, and tack selection. In some States, this liability protection is extended to cover pony rides.

Animal Care Laws

The Animal Welfare Act imposes regulations that must be met by operations involving animals used for recreation or entertainment or pets and those operations involved in their transport. Normal farm-type operations that raise, buy, or sell animals only for food, fur, and fiber are exempted from the law. The exemption to the Act also applies to farm animals used in petting zoos or other animal exhibits (USDA Animal Plant Inspection Service). However, animal exhibits involving non-farm animals are subject to the law's provisions. For example, a farm or ranch with a petting zoo with cows, pigs, sheep, goats, rabbits, llamas, or alpacas does not need to comply with the law. However, if that same petting zoo also has a regulated animal such as a camel in it, then the petting zoo will have to comply with the law for all animals in the exhibit including the normally exempted animals.

Some States have enacted legislation aimed at reducing animal cruelty. The types of animals covered by these acts vary by State. In some instances, a petting zoo or even animals on display may fall under the legislation.

Any agritourism operator should consult a lawyer and an insurance agent to make sure that their business is following safety, health, and zoning regulations and that they understand the liability coverage they have through their insurance. A major source of information on the legal and regulatory environment for agritourism operations is the [National Agricultural Law Center](#) located at the University of Arkansas. This website provides information on Federal and State laws regarding agritourism.

A list of tips for starting your agritourism enterprise and staying on course can be found in Appendix 2. This list represents an abbreviated version of the material discussed in this section.

USDA Programs that may help Agritourism Ventures

USDA does not generally have programs and funding designated solely for agritourism ventures, but it has an array of programs that can be accessed to fund aspects of agritourism. In addition to USDA, the Small Business Administration (SBA) has loans available for small businesses that could be used for agritourism ventures.

Grant programs from various USDA agencies are available for a wide variety of entities including individual producers, businesses, cooperatives, and others. Not all programs listed below are suitable for all types of applicants. Eligible entities are listed in the program descriptions below. More details about the programs can be found at the links for each program.

Market and Business Development

- Agricultural Marketing Service (AMS) [Farmers Market Promotion Program](#), [Local Food Promotion Programs](#), and [Regional Food System Partnerships Program](#): These grant programs, falling within the USDA's Local Agriculture Market Program (LAMP), support farmers by cultivating regional food economies; supporting the development of business and marketing plans, feasibility studies, and training; and strengthening capacity for local and regional food systems through community collaboration and creation of new market opportunities, including agritourism.
 - » The Farmers Market Promotion Program (FMPP) promotes direct-to-consumer activities. It offers grants for four project types: Capacity Building (CB), Community Development Training and Technical Assistance (CTA), Turnkey Marketing and Promotion, and Turnkey Recruitment and Training. FMPP requires matching funds from non-Federal sources in the form of cash and/or in-kind contributions in an amount equal to 25 percent of the total Federal portion of the grant.
 - CB grants range from \$50,000 to \$250,000 for a period of 36 months and support projects that are intended to assist applicants' efforts to build long-term organizational capacity in the development, coordination, and expansion of direct producer-to-consumer market opportunities. These projects can include, but are not limited to, market analysis and strategic planning, producer or market manager training and education, online sales operation or expansion, and producer and consumer outreach.
 - CTA grants range from \$100,000 to \$500,000 for 36 months and support projects that are intended to provide outreach, training, and technical assistance to farm and ranch operations serving local markets to develop, coordinate, and expand direct producer-to-consumer market opportunities. Projects can include, but are not limited to, producer marketing and promotion assistance, producer-to-consumer networks and organizations, and technical assistance to support small- and mid-sized producers in compliance with regulatory and buyer requirements for direct marketing opportunities.
 - Turnkey Marketing and Promotion and Turnkey Recruitment and Training grants range from \$50,000 to \$100,000 for 24 months and are intended to offer a streamlined application process for applicants who choose at least three activities from a prescribed list of common grant activities. The sets of pre-defined activities are listed in the Request for Applications.
 - » The Local Food Promotion Program (LFPP) funds projects that develop, coordinate, and expand local and regional food businesses that act as intermediaries in direct producer-to-consumer marketing. It offers four types of grants: Planning, Implementation, Turnkey Marketing and Promotion, and Turnkey Recruitment and Training. LFPP requires matching funds from non-Federal sources in the form of cash and/or in-kind contributions in an amount equal to 25 percent of the total Federal portion of the grant.

- Planning grants range from \$25,000 to \$100,000 for 24 months and fund activities related to the planning stages of developing, coordinating, or expanding a food business. These projects fund activities, such as conducting feasibility studies, hiring training and technical assistance experts, and developing business plans. Implementation projects establish, expand, and improve food enterprises and market channels.
 - Implementation projects range from \$100,000 to \$500,000 for 36 months and fund projects related to the establishment, expansion, and improvement of food enterprises such as shared-use kitchens, food hubs, and food incubators. Project activities may include food incubators, mid-tier value chain development, food safety certifications and upgrades, virtual marketplaces, and route optimization and efficiencies.
 - Like FMPP, both Turnkey project types for LFPP range from \$50,000 to \$100,000 for 24 months and offer a streamlined application process for applicants who choose at least three activities from a prescribed list of common grant activities.
- » The Regional Food System Partnership (RFSP) supports partnerships that connect public and private resources to plan and develop local or regional food systems. The program focuses on strengthening the viability and resilience of regional food economies. RFSP funds two project types: Planning and Design as well as Implementation and Expansion. The program requires matching funds from non-Federal sources in the form of cash in an amount equal to or greater than 25 percent of the amount of Federal funds being requested.
- Planning and Design projects range from \$100,000 to \$250,000 for 24 months and support partnerships in the early stages of convening, envisioning, and planning. These projects may include activities like convening partners, creating and conducting feasibility studies, creating implementation plans and assessments, and conducting market research.
 - Implementation and Expansion projects range from \$250,000 to \$1,000,000 for 36 months and support partnerships building on prior or ongoing efforts within local and regional food systems. These project types may include activities related to the development of value chains and community engagement processes or identifying and applying for resources.
- » Eligible entities for FMPP and LFPP include agricultural businesses and cooperatives, community supported agriculture (CSA) networks and associations, food councils, economic development corporations, local governments, nonprofit and public benefit corporations, producer networks or associations, regional farmers' market authorities, tribal governments. Sole proprietorships are eligible but must show community support and engagement and the project must benefit more than one individual producer or two or more farm vendors who sell their agricultural products or services. For RFSP, applicants must represent a partnership, which is an agreement between one or more eligible entities and one or more eligible partners. Eligible entities include producers, farmer or rancher cooperatives, producer networks or associations, majority-controlled producer-based business ventures, Community Supported Agriculture (CSA) networks and associations, food councils, local governments, nonprofit and public benefit corporations, economic development corporations, regional farmers' market authorities, and tribal governments. Eligible partners include state agencies or regional authorities, philanthropic corporations, private corporations, institutions of higher education, and commercial, federal, or Farm Credit System Lending Institutions.
- » Locally and regionally produced food means food that is raised, produced, aggregated, stored, processed, and distributed in the locality or region where the final product is marketed to consumers, so that the total distance that the product travels between the farm or ranch where the product originates and

the point of sale to the end consumer is at most 400 miles, or both the final market and the origin of the product are within the same state, territory, or tribal land. Grant funds cannot be used to for agricultural production activities including purchase of farm machinery, materials and supplies, the purchase of land, or construction of new buildings.

- AMS [Regional Food Business Centers](#) (RFBC): These centers support farmers and food businesses by providing localized coordination and technical assistance to help them access local and regional supply chains, including linking producers to distributors, reaching new markets, and accessing federal, state, and local resources. The 12 centers—11 regional Centers and a National Intertribal Food Business Center that serves Tribes nationwide—also provide capacity building financial assistance through Business Builder subawards. Business Builders provide financial assistance of up to \$100,000 to support projects focused on regional needs and businesses that are working towards expansion and other investments. The program is inclusive of all types of products produced locally or regionally and all types of market channels. This includes, but is not limited to, specialty crops, livestock, poultry, dairy, grains, fish, and non-food revenue streams from by-products or co-products such as leathers, ornamentals, agritourism, etc. Each unique center maintains [its own website](#) and outreach network and can be contacted directly.
 - » Business Builder subawards are made for business, market, and supply chain development projects aimed at increasing business viability, developing regional market opportunities, and expanding value chain capacity. Business Builder awards provide direct financial assistance of up to \$100,000 to eligible farms and food businesses.
 - » The Business Builder subaward program is intended for small and mid-sized food and farm businesses including producers, processors, aggregators, distributors, and other businesses within the food supply chain. The subawards may support staff time, business planning activities, software implementation, the purchase of special purpose equipment (such as food safety, processing and packaging equipment), value chain coordination, and other associated expenses.
- AMS [Specialty Crop Block Grant Program](#) (SCBGP): This program funds States and territories in the creation of local solutions that enhance the competitiveness of specialty crops, including nursery and floriculture crops. Individuals or other non-federal entities interested in applying for SCBGP projects must do so through the appropriate state department of agriculture to be considered for funding. To learn how to apply for SCBGP funding in your State, contact your [SCBGP state department of agriculture contact](#).
- Rural Development (RD) [Agriculture Innovation Center Program](#): This program makes grants to Agriculture Innovation Centers that may be used by the centers to provide technical assistance to agricultural producers to help them develop and market value-added agricultural products using a variety of options, except joint marketing efforts. The centers can provide the following services:
 - » Business development services, including feasibility studies and business plans.
 - » Market development services, including marketing plans, branding, and customer identification.
 - » Financial advisory services, including assistance with preparing financial statements and assessing financing options.
 - » Process development services, including engineering services, scale production assessments, and systems development.
 - » Organizational assistance, including legal and technical advisory services.
 - » Value chain coordination, including connecting an agricultural producer to a distribution system, processing facility, or commercial kitchen.

- » Product development (excluding research and development), including concept testing, feasibility and cost analysis, product taste-testing, demographic and other types of consumer analysis, production analysis, and evaluation of packaging and labeling options.

Grants of \$5,000 or less are available to agricultural producers for the above services, where the aggregate amount does not exceed \$50,000.

- RD [Value Added Producer Grants \(VAPG\)](#): The Value-Added Producer Grant (VAPG) program helps agricultural producers enter into value-added activities related to the processing and marketing of new products. It is the fourth program operated under the USDA's LAMP and the only one administered by RD. The goals of this program are to generate new products, create and expand marketing opportunities, and increase producer income. VAPG funding can be used for planning activities or for working capital expenses related to producing and marketing a value-added agricultural product. FY 2025 funding is approximately \$30 million. Planning Grants can be awarded up to \$75,000 and Working Capital Grants can be awarded up to \$250,000. Examples of planning activities include conducting feasibility studies and developing business plans for processing and marketing the proposed value-added product. Examples of working capital expenses include processing costs, marketing and advertising expenses, and some inventory and salary expenses. You may receive priority if you are a beginning farmer or rancher, socially disadvantaged farmer or rancher, small- or medium-sized farm, ranch structured as a family farm, a farmer or rancher cooperative, or if you are proposing a mid-tier value chain supply network that links independent producers with businesses and cooperatives that market value-added agricultural products. All awarded grants require a 100 percent match on the part of the recipient.
- RD [Rural Business Development Grants \(RBDG\)](#): This program is designed to provide technical assistance and training for small and emerging rural businesses. "Small" means that the business has fewer than 50 employees and less than \$1 million in gross revenue. There is no maximum grant amount; however, smaller requests are given higher priority. Generally, grants range from \$10,000 to \$500,000. There is no cost sharing requirement. Eligible entities include rural cooperatives, state government agencies, towns, and communities, nonprofit corporations and institutions of higher learning, and federally recognized Tribes. Neither individuals nor for-profit businesses or organizations are eligible to apply for RBDGs. There are two types of RBDG projects: Opportunity grants and Enterprise grants.
 - » Opportunity grants can be used to support business support centers, technology-based economic development, leadership and entrepreneur training, feasibility studies, business plans, long-term strategic planning, and other eligible activities. Opportunity grants are limited to up to 10 percent of the total Rural Business Development Grant annual funding.
 - » Enterprise grants must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application. Activities funded with enterprise grants include training and technical assistance such as project planning, business counseling, market research, feasibility studies, product or service improvements, buying or developing land, easements, rights of way (including access streets and parking areas), constructing or renovating buildings, buying machinery and equipment, capitalizing revolving loan funds, and supporting rural business incubators and community economic development.
- RD [Rural Microentrepreneur Assistance Program \(RMAP\)](#): This program provides loans and grants to Microenterprise Development Organizations (MDOs) to help microenterprises start up and grow through a Rural Microloan Revolving Fund and to provide training and technical assistance to microloan borrowers and micro entrepreneurs. Nonprofits, federally recognized Tribes, and institutions of higher learning are eligible to apply to the program for funds to set up an MDO. Businesses located in an eligible area with up to 10 full-time employees may apply for loans from the MDO. Loan recipients may receive up to \$50,000 at

a fixed interest rate to cover 75 percent of the project's cost. Qualified business activities include working capital, debt refinancing, purchase of equipment and supplies, and improving real estate.

- RD [Rural Innovation Stronger Economy \(RISE\) Grants](#): The Rural Innovation Stronger Economy (RISE) Grant Program offers grant assistance to create and augment high-wage jobs, accelerate the formation of new businesses, support industry clusters, and maximize the use of local productive assets in eligible low-income rural areas.

RISE grant funds can be used to build or support a business incubator facility, provide worker training to assist in the creation of new jobs, train the existing workforce with skills for higher-paying jobs, and develop a base of skilled workers and improve their opportunities to obtain high-wage jobs in new or existing local industries. Grant amounts are awarded competitively with a minimum of \$500,000 and a maximum grant amount of \$2,000,000.

Eligible applicants are rural jobs accelerator partnerships with expertise in delivering economic and job training programs. A rural job accelerator is a center or program located in or serving a rural low-income community that may provide co-working space, in-demand skills training, and entrepreneurship and business support. Possible activities conducted by the job accelerator program involve linking rural communities and entrepreneurs to markets and networks, facilitating industry clusters to support high-wage job creation and new business formation, business expansion, and economic growth. Integrating small business into a supply chain and enhancing the capacity of small businesses are other possible activities.

To take advantage of this program, agritourism businesses in a local area could form a partnership and apply for a grant to create an agritourism rural jobs accelerator center to provides skills training for new employees and entrepreneurship and business support for creating an agritourism enterprise in the community. Agritourism businesses can be a participating partner in the RISE applicant partnership and benefit from the programming and support provided by the Innovation Center. However, the agritourism businesses could not receive RISE funds to directly support the business through a pass-through grant.

Partnerships are defined by this program as consisting of private entities, non-profit entities, state entities, tribal entities, institutions of higher education and public bodies. The partnerships must be comprised of two of the listed entities. The partnership's purpose must be that of applying for funding an innovation center and related job training programs targeting a particular region. It must be targeting a particular industry cluster and the majority of communities within the region must be low income and rural.

- Farm Service Agency (FSA) [Microloan Program](#): This program provides loans to eligible small, beginning farmers, and niche and non-traditional farm operations, such as truck farms and farms participating in direct marketing and sales through on-farm stores, roadside stands, farmers' markets, CSA's (Community Supported Agriculture), restaurants and grocery stores, or those using hydroponic, aquaponic, organic and vertical growing methods. Loans can be for any amount up to \$50,000 for an Operating Loan and \$50,000 for a Farm Ownership microloan, totaling to \$100,000. Microloans offer more flexible access to credit and serve as an attractive loan alternative for smaller farming operations, like specialty crop producers and operators of community supported agriculture (CSA). Two types of microloans are available: Farm Operating Loans and Farm Ownership Loans.
 - » Operating microloans can be used for all approved operating expenses authorized by the FSA Operating Loan (OL) Program, including but not limited to: initial start-up expenses; annual expenses such as seed, fertilizer, utilities, and land rents; marketing and distribution expenses; family living expenses; purchase of livestock, equipment and other materials essential to farm operations; minor farm improvements such

as wells and coolers; hoop houses to extend the growing season; essential tools; irrigation; and delivery vehicles.

Operating loan applicants are required to have some farm experience; however, FSA will consider an applicant's small business experience, as well as any experience with a self-guided apprenticeship, to meet the farm management requirement. This will assist applicants who have limited farm skills by providing them with an opportunity to gain farm management experience while working with a mentor during the first production and marketing cycle.

- » Ownership microloans can be used for all approved expenses authorized by the FSA Farm Ownership (FO) Loan Program, such as to purchase a farm or farmland, enlarge an existing farm, construct new farm buildings, improve existing farm buildings, pay closing costs, and implement soil and water conservation and protection practices.

Microloan applicants for ownership loans need to have three years of farm experience out of the last 10 prior to the date of the application being submitted. Two of the years can be substituted with the appropriate experience.

To qualify for assistance, the applicant must not be larger than a family-sized farmer, have a satisfactory history of meeting credit obligations, be unable to obtain credit elsewhere at reasonable rates and terms, and meet all other loan eligibility requirements. Both the operating microloan and the ownership microloan programs can be used at the same time. Other loan types and with higher loan limits are also available.

- RD [Rural Energy for America Program \(REAP\) and Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants](#): These programs provide funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements. Agricultural producers may also apply for new energy efficient equipment and new system loans for agricultural production and processing. Agricultural producers and rural small businesses are eligible to apply. Projects must be located in rural areas with populations of 50,000 residents or less. However, agricultural producers may submit a project located in a non-rural area as long as the project is associated with an on-site production operation. Loan guarantees cover loans on up to 75 percent of total eligible project costs. Grants can cover up to 50 percent of total eligible project costs. Renewable energy grants can range from \$2,500 to \$1 million and energy efficiency grants can range from \$1,500 to \$500,000. Federal grants are limited to 25 percent of the project cost. Entities that fall into one of the following categories can receive grants for up to 50 percent of project costs: renewable energy system or renewable energy system retro fits that produce zero greenhouse gas emissions at the project level, projects located in a designated energy community, energy efficiency improvements, or tribal corporations or tribal businesses. Combined grant and loan guarantee funding cannot exceed 75 percent of total eligible project costs. The percentage of the loan covered by the loan guarantee can vary by year and is published in the Federal Register. For 2024, loan guarantees cover 80 percent of the loan.
- RD [Intermediary Relending Program \(IRP\)](#): This program provides 1 percent low-interest loans to local lenders or "intermediaries" that re-lend to businesses to improve economic conditions and create jobs in rural communities. The following are eligible: nonprofits, Federally-recognized tribes, public agencies, and cooperatives; the ultimate recipients may be an individual, a public or private organization, or other legal entity.
- RD [Business and Industry Loan Guarantees \(B&I\)](#): This program offers loan guarantees to lenders for their loans to rural businesses. Individuals, businesses (for- and non-profits), cooperatives, tribes, and public bodies may be the recipients. Funds may be used for business development expenditures, including conversion, enlargement, repair, modernization, or the development of buildings, including the purchase

and development of land, buildings, and associated infrastructure for commercial or industrial properties; the purchase of machinery and equipment, supplies, or inventory; debt refinancing; and business or industrial acquisitions. The loans cannot be used for lines of credit, housing, golf courses or infrastructure, racetracks, churches, fraternal organizations, lending, investment or insurance companies, agricultural production eligible for FSA assistance, or payment to the beneficiary of a borrower. This program enables commercial lenders to provide affordable financing for rural businesses. Guarantees cover up to 80 percent of the loan.

USDA Yield Protection Programs

USDA yield protection programs can benefit agritourism activities by insuring against revenue loss to crops and livestock caused by natural disasters that affect the agritourism operation.

- Risk Management Agency (RMA) [Micro Farm Program](#): This program provides insurance coverage for all commodities on your farm under one policy with a subsidized premium. It is tailored to farms with revenue from commodity sales up to \$350,000. The program also includes farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets. The farm cannot have more than 50 percent of total revenue from commodities purchased for resale. All commodities produced by the farm are covered under the Micro Farm Program except for timber, forest, and forest products, and animals for sport, show, or pets. Market readiness and post-production operations, such as canning, freezing, and processing activities, can be included in your allowable revenue. Revenue from sources other than agricultural commodities, such as bottled water or souvenir sales, must be removed from allowable revenue.
- FSA [Noninsured Crop Disaster Assistance Program \(NAP\)](#): NAP provides financial assistance to eligible producers of non-insurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting. NAP payments received, directly or indirectly, are limited to \$125,000 per crop year with basic (catastrophic) coverage and \$300,000 per crop year with additional (buy-up) coverage. For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties. Producers who elect higher levels of coverage must also pay a premium equal to 5.25 percent of the insured loss: (the producer's share of the crop) X (the number of eligible acres devoted to the crop) X (the approved yield per acre) X (the coverage level) X (the average market price) X (5.25 percent premium fee). The maximum premium for a person or legal entity with basic coverage is \$15,750. Beginning, limited resource, socially disadvantaged and qualifying veteran farmers or ranchers are eligible for a waiver of the service fee and a 50 percent premium reduction.

USDA Conservation Programs

USDA conservation programs do not directly support non-agricultural production enterprises or activities but, rather, enhance the natural resources and rural landscapes desired by rural, suburban, and urban tourists. Thus, they can be used by agritourism operators to support or complement their agritourism ventures. Conservation programs provide wildlife protection, erosion control, improved water quality in rivers, lakes, and streams, preserve farmland which provide a basis for recreation—fishing, hunting, hiking, swimming and bird watching and for the creation of alternative enterprises—pick-your-own operations, vineyards, farm and ranch tours, farm and ranch experiences, farm stores, sustainable foods, and value-added products.

- Natural Resource Conservation Service (NRCS) [Agricultural Conservation Easement Program](#): The Agricultural Conservation Easement Program (ACEP) helps landowners, land trusts, and other entities

protect, restore, and enhance wetlands or protect working farms and ranches through conservation easements. The program provides financial assistance through eligible partners for purchasing agricultural land easements that protect the agricultural use of the land. The program can provide up to 50 percent of the fair market value of the land that is put into the easement. In the case of grasslands of special environmental significance, the program may contribute up to 75 percent of the value. The program also provides technical and financial assistance directly to private landowners and tribes that want to restore, enhance, and protect wetlands through the purchase of a permanent easement for private landowners or thirty-year easements for Tribal lands. The program will pay 100 percent of the easement value and 75 to 100 percent of the restoration costs for permanent easements on private lands and 50-75 percent of the easement value and restoration costs on tribal lands. Some states limit the duration of easements and, in these cases, the program will pay 50 to 75 percent of the easement value and associated restoration costs. In addition, for wetland easements, NRCS pays all costs associated with recording the easement in the local land records office. Landowners who enroll in ACEP retain private ownership of their land but must follow certain land use requirements and agree to maintain a specific use of their lands. For example, non-agricultural use of land may be limited in the case of an agricultural land easement or an agricultural activity may need to cease on a wetland easement. Easement holders may use the easements for recreational activities like hiking, bird watching, hunting, and fishing that do not interfere with the functioning of the primary purpose of the easement.

- FSA [Conservation Reserve Program \(CRP\)](#): The CRP provides a yearly rental payment to farmers who remove environmentally sensitive land from agricultural production and implement conservation practices that will improve environmental health and quality. Contracts for land enrolled in CRP are from 10 to 15 years in length. The long-term goal of the program is to re-establish valuable land cover to help improve water quality, prevent soil erosion, and increase wildlife habitat. CRP enrollment options include [General CRP](#), [Grassland CRP](#) and [Continuous CRP](#). The Continuous CRP signup also includes additional options, such as [CLEAR30](#), [State Acres For Wildlife Enhancement \(SAFE\)](#), the [Conservation Reserve Enhancement Program](#), the [Forest Management Incentive \(FMI\)](#) and the [Farmable Wetlands Program \(FWP\)](#). Land enrolled in CRP may be used for recreational activities like hiking, bird watching, hunting, and fishing that are consistent with the purposes of the program. This precludes development of permanent structures. County committees can approve an exception for wind turbines, on a case-by-case basis, on the condition that the turbine does not interfere with wildlife or land cover benefits.

The Grassland CRP permits producers to graze, harvest hay, and seed while receiving an annual rental payment for maintaining the existing permanent cover. As such, Grassland CRP is closer to an agriculture land preservation program like NRCS' ACEP agricultural land easement as it permits agricultural production activities to continue. Grassland CRP land can be utilized for major agritourism recreational activities such as hunting, wildlife watching, horseback riding, and hiking. The program also helps maintain agricultural landscapes that can be utilized by agritourism operators for farm and ranch stay activities.

SAFE and FWP have restrictions that preclude agritourism activities, such as hunting or wildlife viewing on enrolled land. SAFE focuses on enrolling land to preserve threatened or endangered species and FWP prohibits the use of enrolled land for commercial activities. However, SAFE and FWP, through their creation and enhancement of wildlife habitat, provide a source of wildlife for recreational activities on other parts of the farm or ranch operation. An example would be enrolling land in a migratory bird flyway; it encourages migratory birds to land and provides wildlife viewing opportunities.

- NRCS [Environmental Quality Incentives Program](#): The Environmental Quality Incentives Program (EQIP) offers technical and financial assistance for working lands, including field crops, specialty crops, organic,

confined livestock and grazing, and non-industrial private forest land. NRCS and producers work together to address natural resource concerns and deliver environmental benefits such as improved water and air quality, conserved ground and surface water, increased soil health, reduced soil erosion and sedimentation, improved or created wildlife habitat, and mitigation against drought and increasing weather volatility. EQIP is competitively awarded based on resource concerns to be addressed and other factors. There is no minimum acreage requirement. Farmers, ranchers, and forest landowners who own or rent agricultural land are eligible. EQIP assistance can be used on all types of agricultural operations including conventional and organic, specialty crops and commodity crops, forestry and wildlife, and livestock operations. The financial assistance provided typically covers 50 to 75 percent of the costs of implementing conservation practices. Historically underserved producers (beginning, limited resource, socially disadvantaged, and military veterans) are eligible to receive up to 100 percent of the costs covered and receive advanced payments to assist in the installation of the practice.

- NRCS [Conservation Stewardship Program](#): The Conservation Stewardship Program (CSP) offers technical and financial assistance to help agricultural and forest producers take their conservation efforts to the next level. The program is designed to compensate agricultural and forest producers who agree to increase their level of conservation by adopting additional conservation activities and maintaining their baseline level of conservation. Just like EQIP, farmers, ranchers, and forest landowners who own or rent agricultural land are eligible. The financial assistance provided covers the costs of implementing the enhanced conservation activity and for maintaining their current level of conservation stewardship. For some enhanced conservation activities, such as enhanced cover crop activities, the program will pay 125 percent of the estimated cost of installing the enhancement. The program has a \$1,500 minimum payment.
- [Agricultural Management Assistance Program](#): The Agricultural Management Assistance (AMA) helps agricultural producers manage financial risk through product diversification, marketing, or natural resource conservation practices. NRCS receives funds for implementing the conservation provisions while AMS and the RMA receive funds for implementing the production diversification and marketing provisions. NRCS administers the program for all three agencies in accordance with directions from each. AMA is available in 16 States where participation in the Federal Crop Insurance Program is historically low: Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Contracts last for a minimum of one year after completion of the last practice, but for not more than 10 years. Participants are expected to maintain cost-shared practices for the life of the practice. Eligible land includes cropland, rangeland, grassland, pastureland, non-industrial forestland, and other private land that produces crops or livestock where risk may be mitigated through operation diversification or change in resource conservation practices. AMA provides financial assistance up to 75 percent of the cost of installing conservation practices. Total AMA payments (from NRCS, AMS, and RMA) shall not exceed \$50,000 per participant for any fiscal year.
- NRCS [Conservation Innovation Grants](#): The CIG is a competitive program that supports the development of new tools, approaches, practices, and technologies to further natural resource conservation on private lands. The maximum award is set annually and is typically either \$1 million or \$2 million. Participants must match the amount awarded by the program. The match can be a combination of cash and in-kind contributions. The grantee must also provide their own technical assistance. With its focus on innovation, CIG does not fund projects supporting technologies and approaches commonly used in the geographic area covered by the application, including those already eligible for funding through EQIP. CIG applications are accepted from state or local governments, federally recognized Tribes, non-governmental organizations, and individuals.

Other Useful USDA Programs and Sites

The following set of programs do not provide direct financial assistance to participants but provide information and technical assistance on business development, marketing of an agritourism operation, infrastructure, and other items.

- RD [Agriculture Innovation Center Program](#): This program makes grants to Agriculture Innovation Centers to provide, among other things, technical business development assistance to agricultural producers seeking to develop and market value-added agricultural products using a variety of options.
- AMS [Acer Access and Development Program](#) (Acer): Acer is a competitive grant program that promotes and supports the domestic maple syrup industry and the marketing of maple syrup and maple sap products. These grants also incentivize landowners to initiate or expand maple-sugaring activities on their land. Eligible applicants include States, tribal governments, and research institutions.
- RD [Rural Cooperative Development Grants \(RCDG\)](#): RCDG helps individuals and businesses start, expand, or improve rural cooperatives and other mutually-owned businesses through cooperative development centers. Examples of technical assistance and other services the Centers provide are conducting feasibility studies, developing business plans, providing leadership and operational improvement training, and facilitating strategic planning. A Center can be located in any area, but the individuals and businesses assisted must be located in an eligible rural area.
- AMS [Local Food and Research Publications](#) focus on strengthening urban/farm linkages and business strategies within three main areas: farmers markets, food value chains, and food hubs. Examples of publications are listed below. Go to the Local Food and Research Publications website to get the up-to-date list.
 - » [Market Data Guidelines for Produce in Regional Food Systems \(July 2024\)](#)
 - » [The Promise of Urban Agriculture: Online Courses for Growers and Planners \(July 2024\)](#)
 - » [Resources for Small and Mid-Size Meat Processors \(July 2024\)](#)
 - » [The Local and Regional Food Systems Resilience Playbook \(July 2023\)](#)
 - » [Food and Agriculture Mapper and Explorer \(April 2023\)](#)
 - » [NASDA GroupGAP Toolkit \(December 2022\)](#)
 - » [Local and Regional Food Systems Response to COVID-19 \(Ongoing\)](#)
 - » [Shared Kitchens and Food Startups \(August 2022\)](#)
 - » [Evaluating USDA AMS Grant Programs Successes and Challenges \(November 2021\)](#)
 - » [Local and Regional Food Systems Resource Guide \(December 2023\)](#)
 - » [AMS Local Agriculture Market Program \(LAMP\) Stories & Tools \(September 2022\)](#)
 - » [Shared Kitchens and Food Startups \(August 2022\)](#)
 - » [Evaluating USDA AMS Grant Programs Successes and Challenges \(November 2021\)](#)
 - » [Quality Management Systems: A Guide for Food and Farm Businesses \(March 2021\)](#)
 - » [Farm to Institution Metrics website and Research Brief \(November 2020\)](#)
 - » [National Farmers Market Managers Survey \(August 2020\)](#)
 - » [Food Systems Core Competencies Project Summary and Education Resources Database \(May 2020\)](#)
 - » [National Study of Commercial Farming in Urban Areas \(September 2019\)](#)

- » [Lessons learned from public investment in local and regional meat and poultry processing activities \(January 2019\)](#)
- » [Potential Demand for Local Fresh Produce by Mobile Markets \(May 2018\)](#)
- » [Community Supported Agriculture - New Models for Changing Markets \(April 2017\)](#)
- » [A Practitioner's Guide to Conducting an Economic Impact Assessment of Regional Food Hubs using IMPLAN: A Systematic Approach \(March 2017\)](#)
- » [The Economics of Local Food Systems: A Toolkit to Guide Community Discussions, Assessments and Choices \(March 2016\)](#)
- » [Food Value Chains: Creating Shared Value to Enhance Marketing Success \(July 2014\)](#)
- RD [Wholesale Market and Facility Design](#): The program provides technical assistance and support to stakeholders regarding the construction of new structures or the remodeling of existing ones. Facilities covered include wholesale markets, farmers markets, public markets, incubator kitchens, and food hubs, all of which are important parts of the national food distribution network. The facilities may be indoors or outdoors, a single building or an industrial complex. Types of services rendered include but are not limited to review of environmental issues and impacts, site selection (space planning, layout, etc.), initial design concept (sketches, programming, floor plans, elevations, etc.), building cost studies, coordination with local design professionals as a non-contracted third party and, third party design reviews as a non-contracted third party.
- [USDA's Local Food Directories](#). The agritourism directory includes farming operations that diversify and supplement their farm income by providing customers a farm experience on their “working farms.”
- AMS [LAMP Grant Navigator](#) can help grant seekers identify projects previously funded by LAMP grants through the Agritourism filter. This applies to the three LAMP programs administered by AMS: FMPP, LFPP, and RFSP. Projects funded by VAPG, which is administered by RD, are not included in the Navigator.
- [National Agricultural Library -- AgriTourism](#): The website provides links to non-USDA resources as well as key tools and products.

USDA Contacts

Natural Resources Conservation Service, Farm Service Agency, Risk Management Agency, and Rural Development

[Beginning Farmer Coordinators](#)

The Beginning Farmer Coordinators are knowledgeable about all USDA programs available through the Farm Service Agency, the Natural Resources Conservation Service, and the Rural Development mission area, not just those for beginning farmers. The coordinator can help individuals interested in developing an agritourism enterprise access USDA programs.

Agricultural Marketing Service

Farmers Market and Local Food Promotion Programs - FMLFPPgrants@usda.gov

Regional Food Business Centers Program - RegionalFoodCenters@usda.gov

Specialty Crop Block Grant Program - SCBlockGrants@usda.gov

Regional Food System Partnerships - IPPGrants@usda.gov

Acer Access and Development Program - SAGPgrants@usda.gov

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Appendix 1. Potential agritourism activities by agricultural enterprise.

Agriculture Enterprise	Agritourism Activity								
	Sales	Value-added	Tours	Education/Classes	Activities	Public events	Rentals	Facilities	Services
Garden/ Greenhouse/ Horticulture (including vermiculture)	Farm stand, CSA, direct to restaurants & schools, annuals, potted plants	Flower arrangements, cut flowers, bouquets, dried flowers, worms for bait, seeds	Garden tours, school tours	Horticulture classes, flower arranging classes	Pick-your-own, CSA volunteer work	Garden days	Garden tools, small plot rentals	Garden wedding venue	Wedding flower arrangements, garden weddings
Orchard (fruit, nuts, etc.)	Farm stand, coffee stand/ café, CSA, direct to restaurants & schools	Jams, jellies, sauces (hot, fruit, etc.), pies, etc. (bread), branded coffee, chocolate, packaged nuts (raw or roasted)	Orchard tours	Grafting, pollination, pruning, cooking, canning, food preservation	Pick-your-own, CSA volunteer work	Harvest festivals			Fruit picking and delivery
Tree nursery, tree farm, forest, Christmas tree farm	Trees, nursery stock, firewood, Christmas trees, pine straw	Furniture, forest products, Christmas decorations/ trimmings		Christmas tree decoration-making	Hayrides, bonfires, Cut your own Christmas tree	Christmas events	Saws	Warming hut/ barn	Cut and load
Vinyard	Wine room	Wine	Winery tours	Winemaking	Tastings	Wine festivals		Vine arbor wedding venue	
Row crops	Farm stand, CSA, direct to restaurants & schools	Canned corn/ vegetables, recipes, seeds, sauces (hot, fruit, etc.)	Agronomy tours	Agronomy training, cooking classes (with recipes)	Pick-your-own, Corn maze, Pumpkin patch, CSA volunteer work	Harvest festivals			
Field crops	Direct to public	Specialty flour, seeds	Agronomy tours	Agronomy training	Tall grass maze	Harvest festivals			
Hay/Straw	Straw, hay			Straw bale construction	Straw bale construction, Hayrides				

Agriculture Enterprise	Agritourism Activity								
	Sales	Value-added	Tours	Education/Classes	Activities	Public events	Rentals	Facilities	Services
Fish Farm/ Aquaculture	Fish & shellfish sales to restaurants, to the public	Filletted fish, on-site restaurant, bait, etc.	Fish farm tours	Fish farm training, cooking classes	Fishing	Fish derbies	Fishing tackle	Cleaning tables, benches, fishing rod racks	Clean the catch
Livestock	Sale of animals & livestock products: goats, feeder calves, yearling calves, llamas, alpacas, breeding stock, chickens, eggs, etc.	Direct to consumer/ online sales, free-range/ grass-fed meat, milk, dairy products, ice cream, goats-milk products, soap, lotion, cut meat, dried meat, smoked meat, cured meat, exotic/game meats, wool, yarn, woolen products	Dairy tours	Animal husbandry classes, horseback riding classes, cooking classes	Horseback riding, Baby animal days, animal birthings, petting zoo	Baby animal days, roundups, rodeos	Horses, donkeys and ponies, & tack rentals	Riding arena, horse boarding	Riding therapy
Farmstead	Farm café, pub, restaurant, etc.	Locally branded product sales, craft sales		Cooking, Sewing, Crafts	Farm Stays, B&B, Farm Meals, Sewing Bees	Festivals, farm days, sports events, history events, races	Event rentals	Space for conferences, meetings, sports events, weddings, arts, music, theater events	Parking services, event planning, festival/ event support
Farm facilities/ barns/ outbuildings		Conference/ meeting/ wedding planning	Agronomy tours, farm tours	Wood working, Animal Husbandry, Farm Machinery	Dancing, Storytelling, Camping, Hiking	Festivals, farm days, sports events, history events, races	See activities list	Space for conferences, meetings, sports events, weddings, arts, music, theater events	Meeting, Conference, wedding planning & catering

Appendix 2. Tips for Getting Started and Staying on Track

(Recommended for a one- to two-year period.)

1. *Assess your resources* –
 - Make an in-depth assessment of the resources available to you and your family by using several of the workbooks and guides that are available on-line.
2. *Get informed* –
 - Attend seminars, workshops, trade shows, and schools.
 - Purchase books, videos, newsletters, magazines, and other publications.
 - Go to the library and do some research. Use the internet to get the most up-to-date information. If you don't have an internet connection at home, one should be available to you at the library.
3. *Find out what other entrepreneurs are doing* –
 - Talk to neighbors, friends, and strangers about their businesses.
 - Visit businesses in your surrounding area and in neighboring counties to see what they are doing and how they are running their business.
 - Visit farm stands, farmers' markets, and other business sales outlets.
4. *Consult potential customers* –
 - Ask your relatives, friends, and neighbors about the product(s) you are thinking of marketing through your new enterprise. Are they interested?
 - Provide your potential customers with a sample of the product service you are planning to sell.
 - Invite friends to your farm to participate in the activities you are planning to provide and ask them for a critique.
5. *Research the market for your products.*
 - Determine what consumers are buying.
 - Determine what consumers are willing to pay for.
 - Are you going sell directly to consumers, wholesale, institutions, and/or on the internet?
6. *Network* –
 - Join organizations or groups for people involved in enterprises similar to the one you are interested in.
 - Join the Chamber of Commerce, Rotary, and/or other business and planning organizations or committees in your community.
 - See if other local entrepreneurs would like to join you in your business venture or start their own agritourism or alternative enterprise.
7. *Get help* –
 - Visit resource people in your county, region, or state. Resource Conservation and Development (RC&D) Councils, state extension staff (in some locations), USDA staff, state tourism directors and staff, small business development center staff, and other specialists should all be willing to answer questions and help you get started. RC&D Councils assist rural areas with developing projects for their social, economic, and environmental enrichment.

8. *Develop a business and marketing plan -*

- Various books, worksheets, and programs that are designed to help you develop a successful business and marketing plan are available on the internet.
 - your local library
 - your local outreach program
 - your local college
 - Service Corp of Retired Executives
 - Small Business Development Centers
 - your local RC&D office

9. *Create a financial plan -*

- Decide how you will finance your business.
- Find out about financial assistance (grants and loans) available to you.

10. *Start small, learn from your experience, and expand the business*

Economic and Policy Analysis Division
FARM PRODUCTION AND CONSERVATION
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