

Spring Farm & Ranch



Cash In on Agricultural Tourism

Agritourism is expected to grow past \$60 billion globally this year. Your farm can get a piece of that pie by offering agritourism activities on your acreage.

WHAT IS AGRITOURISM?

Agritourism is a commercial enterprise that adapts agricultural production to entertain or educate visitors, generating income for the farm or ranch, the USDA says. Tourists represent increased profits, and agritourism gives farmers and ranchers the opportunity to educate the general public on where their food comes from. According to the Penn State Extension, more than 50,000 farms in the U.S. reported at least part of \$1 billion in profits as coming from agritourism.

THINGS TO CONSIDER

Penn State says there are a variety of issues to consider before starting an agritourism business. There will be start-up costs, such as permits, extra labor and more. The farm or ranch will need to be made safe for the public at large, including around animals. You may need to check with your insurance provider about increased coverage.

Consider your comfort zone, Penn State says, especially if you live on the property. How big of a crowd can you comfortably handle? How will you



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manage things such as parking?

Check whether local zoning laws allow you to offer agritourism. There may be tax consequences if your property is in a program that lowers property taxes for agricultural use.

SOME IDEAS

Agritourism turns your working farm or ranch into a tourist destination. Some ideas to get you started are corn mazes, pick-your-own fruits and vegetables, farmers markets, animal displays, fishing, bed and breakfasts

and more. You can offer educational components, such as farm tours, seminars and camps.

Whatever you offer, make sure it's not competing with other local tourism opportunities. If someone offers a corn maze already, maybe

consider a pumpkin patch. Create an operation that is eye-appealing, easy to navigate and safe. Post clear signage that is easy to read. Have a marketing plan for reaching potential customers. You may need to spend money on advertising.

Financing Farm Equipment

Farm equipment is big in size and in budget. Luckily, there are ways to finance farm equipment that can help farmers get the heavy-duty equipment they need.

FARM LOAN PROGRAMS

The United States Department of Agriculture offers loan programs through the Farm Service Agency so farmers can get the financing they need to start, expand or maintain a family farm. Interest rates depend on the market, but are much lower than conventional bank loans. Native Americans are eligible for tribal loans through the FSA and those can also be used to buy equipment, as can emergency loans for farmers and ranchers recovering from natural disasters.

FSA loans are either guaranteed loans or direct loans. Direct loans come from the FSA directly to the farmer, just as the name implies. Guaranteed loans are made by a USDA-approved traditional lender with FSA backing.

CLIMATE-SMART LOANS

The FSA offers loans to help farmers and ranchers implement climate-conscious practices and equipment. An example the USDA gives is a loan to purchase precision equipment such as strip till



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fertilizer equipment, no- or reduced-till equipment, livestock facility air scrubber or waste treatment, or fencing equipment installation. The USDA says up to \$400,000 can be available for farm operating loans to cover the cost of such equipment.

MICROLOANS

The FSA also offers microloans up to \$50,000 and EZ

Guarantee Loans up to \$100,000 to cover operating costs, including equipment. These loans are direct loans with a shortened application and reduced paperwork for loan amounts.

ELIGIBILITY

Eligibility requirements differ from loan to loan. Some examples of eligibility requirements include U.S. citizenship

with the legal capacity to obtain a loan, ability to show a good credit history and the training or experience to manage a farm or ranch effectively.

You may need a business plan describing financial and operational goals to help you evaluate progress. The plan demonstrates you've seriously thought about the future and that you understand all the parts of your proposed

operation. The USDA suggests the plan include:

- A mission, vision and goals for your farm or ranch.
- Current assets and liabilities.
- What the farm or ranch will produce and how and where it will market and sell products.
- Whether the amount of income your operation will generate will be enough to pay living expenses.

Biodiesel on the Farm

Biodiesel is a renewable, biodegradable fuel manufactured from vegetable oils, animal fats or recycled restaurant grease.

It can fuel internal combustion engines just like petroleum diesel, the Department of Energy says.

USE ON THE FARM OR RANCH

Farmers and ranchers can use biodiesel on the farm and even produce it themselves.

Roger Rainville, a farmer in Vermont, can make biodiesel for about \$1.70 per gallon. That's in contrast to the average diesel price in 2024 of about \$3.60 per gallon. Rainville grows canola seed and uses it to make canola meal for his cows as well as biodiesel.

About 100 pounds of oil or fat are mixed with an alcohol such as methanol to make 100 pounds of biodiesel and 10 pounds of glycerin or glycerol. Glycerin can be used to make pharmaceuticals or cosmetics.

BENEFITS OF BIODIESEL

Biodiesel use can reduce emissions, the Department of Energy says. Carbon dioxide released by the vehicle burning biodiesel is offset by growing the plants used to make the biodiesel. Furthermore, biodiesel in its pure



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form causes less damage than petroleum diesel if it's spilled or otherwise released into the environment. Being less combustible, it's also safer.

USING BIODIESEL

Biodiesel is used as blends from B5 (5% biodiesel) up to B100, or pure biodiesel.

Low-level blends, such as B5, are approved for safe operation in any vehicle that can run on traditional petroleum diesel. Higher-level blends, such as B20, may not be approved by all manufacturers for use in conventional diesel vehicles (check with your vehicle's manufacturer for details).

B20 represents a good balance of cost, emissions, cold-weather performance and compatibility, the Department of Energy says. Higher-level blends may qualify for biodiesel fuel use credits.

Some states provide incentives for using biodiesel, such as tax breaks. Colorado, for

instance, provides grants to promote biofuel usage. Georgia offers a tax credit for any business that manufactures alternative energy products for use in biofuel enterprises. Sales of personal property to an alternative fuel facility may be exempt from state sales and use tax.

Farm Stays and Your Farm

Farm stays are another way to bring people closer to where their food comes from.

During a farm stay, people sleep overnight on a farm or ranch and experience the lifestyle for a day, a weekend or even more. Some farms give guests the opportunity to help with chores while others encourage guests just to relax and enjoy the peace and tranquility of country life.

SELF-ASSESSMENT

The University of Vermont offers a 10-question assessment for deciding whether a farm stay program is right for your farm or ranch:

1. How comfortable are you talking with people you don't know? Can you share your experience of what it's like to be a farmer or rancher?

2. Can you see yourself as a host, educator, tour guide, reservation clerk, cook and maid? If not, do you know someone who can do some or all these things for you?

3. Do you know how your land is zoned? Can you build a cabin or cabins or add camping to your property? Have you spoken with the municipality about any regulations it has?

4. Do you have the cash to invest in a remodel, building or land grading, along with the furniture and amenities needed to host guests overnight?



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5. Do you know how many nights you will need to be booked to break even or make a profit? What does your rate need to be?

6. Have you researched the competition, including what they charge, what they offer and how often they are booked?

7. Have you thought about your legal structure and what you might need to know about insurance?

8. Do you understand how the internet works and how to use it as a marketing tool?

9. Do you have any training in the hospitality or tourism industry? Do you understand what is and is not acceptable for travelers?

10. Have you included all family members living on the farm in the discussion? Is there a clear understanding of the commitment a farm stay will take in terms of time,

energy and relationships?

The university says to consider what things will set your farm stay apart and leave a lasting impression on your guests as well as what you can manage on a working farm or ranch. Think about how you can accept reservations.

GUEST POLICIES

Think about how your farm stay policies will affect both your life as a farmer or

rancher and your guests, then set your rules accordingly. Consider check-in and check-out times, breakfasts and other meals, a smoking policy, payment, cancellation policies, pets and children.

Check with the local and state Departments of Health for any other regulations your farm or ranch may need to meet. These could include land use permits or wastewater regulations.

What Makes Produce Organic?

Not every farm is an organic farm. According to the USDA, certified organic foods are grown and processed according to federal guidelines that pertain to, among other things, animal raising practices, pest and weed control and the use of additives.

TRANSITIONING TO ORGANIC

The USDA says just about any agricultural product can be certified as organic products, including crops, livestock and processed products. Any farm, ranch or business in the U.S. can apply for organic certification through the USDA.

Before a farm or ranch can be certified as organic, it must stop the use of fertilizers and pesticides that are prohibited in organic production and handling. In general, only natural substances are allowed, but the USDA provides a specific list. The farm or ranch cannot use prohibited substances for three years before certification. The agency says some lands can be certified more quickly if you can show at least three years have passed since prohibited substances were used.



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HELP GOING ORGANIC

The USDA identifies several programs to help farmers and ranchers make the transition to organic. These programs offer both technical and financial assistance to make becoming organic as painless as possible. These programs are run by the Natural Resources Conservation Services, or NRCS.

STEPS TO CERTIFICATION

Start the road to certification

by choosing a USDA-accredited certifying agent and complete the application. The USDA authorizes agents to certify farms and ranches. The agent will provide an application packet and fee schedule. You will need to write an organic system plan describing how the farm or ranch practices meet organic standards.

Next, the certifier will review the completed application and schedule an inspection. An organic

inspector will then visit the farm or ranch to assess organic practices and whether they match the submitted plan. Your certifier will then review the inspection report and determine compliance with organic standards. You will be allowed to make any changes and, when you are fully compliant with regulations, the agent will issue your organic certificate.

The USDA says the process usually takes about six months,

but it can take longer depending on the application and growing season. Costs vary and are on a sliding scale based on the size of the operation. Once certified, the farm or ranch will be re-inspected each year and there could be an unannounced inspection at any time.

Any changes to the management of your farm or ranch must be reflected in an updated OSP and approved by the certifier.

A New Generation of Farmers

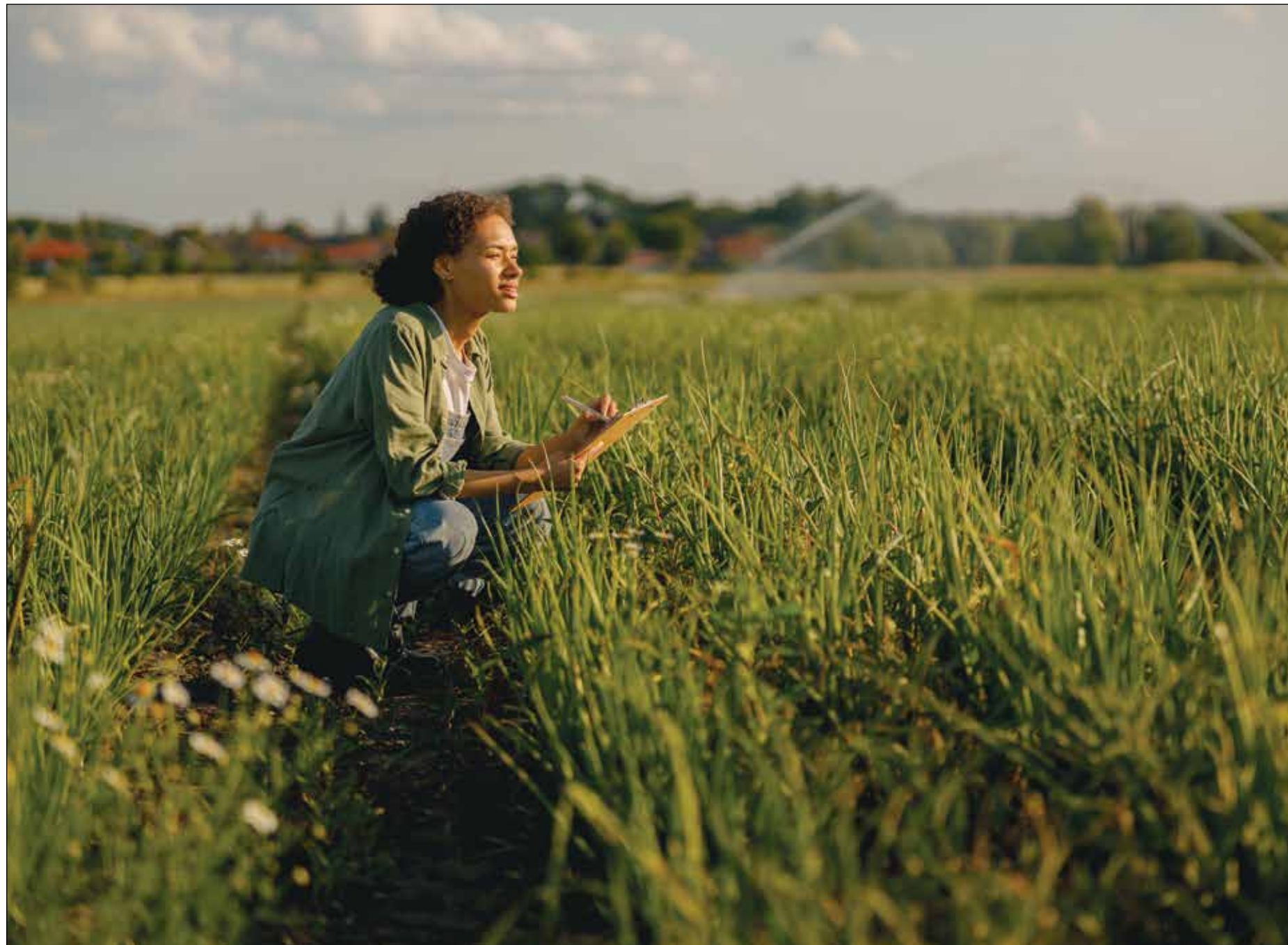
The USDA says nearly 70% of young farmers will soon have college degrees, and farmers under the age of 35 accounted for almost 10% of the country's 3.37 million producers in 2022.

These younger farmers are more interested in technology than their forebears, researchers say.

“Those who are coming back to the farm are going to be more educated than their parents and grandparents before them,” Brett Sciotto, CEO of Aimpoint Research, told AgWeek. “They intend to do things differently. They grew up in a disruptive era. They don't necessarily have the same appreciation for the lifestyle that their parents and grandparents did. They don't want to wake up one morning, work on the farm all day, eat dinner and do it again the next day. They want to run a very efficient operation, they want to make money. They want to have other interests and do other things.”

Several programs are available to help young producers get their footing.

The American Farm Bureau Federal has a Young Farmers & Ranchers program that includes people ages 18-35. It aims to grow and develop young Farm Bureau members



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and provide them opportunities and experience through growth in public speaking, issue advocacy, business development, networking, service leadership, media training and telling the story of agriculture.

The National Young Farmers Coalition is a nonprofit that works for justice and champions policies that encourage connections to the land and

foster health in the face of climate crisis. It believes, “young farmers, when resourced and trained to share their stories with lawmakers, can remake the food system to be more equitable, just and in service to our communities and the land.” The group provides training and other resources in food safety, water usage and more.

The USDA's Farm Service Agency provides youth loans up to \$5,000 for people 10-20 years old. The money can be used to start and operate income-producing projects in connection with participation in 4-H clubs, Future Farmers of America, a tribal youth group or other agricultural youth organizations.

Farm Credit has programs

for young and beginning farmers and ranchers that are 35 years old or younger, have 10 or fewer years of experience, and less than \$350,000 in sales. These programs vary from branch to branch and can include training and seminars on topics such as transfer of family farms, risk management techniques, financial skills and establishing a business plan.

Farm and Ranch Water Usage

Agriculture is a major user of America's freshwater resources, accounting for 42% of the nation's total freshwater withdrawals in 2015, the USDA says.

Irrigation has boosted the productivity and profitability of agriculture, but in more arid parts of the country, farming water usage can be problematic.

WATER USE CASE STUDY

Earlier this year, researchers reported more than half of the Colorado River's total annual water flow is now being used to irrigate agricultural land. The river hasn't reached its delta in the Gulf of California for more than 50 years. The report showed that irrigated farms are using three times more water than all cities and industries combined. Two crops used in cattle feed, alfalfa and grass haze, accounted for a third of the river's water. The Colorado River provides water for much of the American West.

SAVING WATER

The USDA says farmers and ranchers can help conserve water by improving irrigation systems to reduce waste. Irrigation pipelines are replacing flood irrigation techniques, saving farmers and ranchers water and time. Cover crops



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can improve the health of soil by keeping it covered, cooling the surface and reducing water lost to evaporation. Healthy soil helps plants use water more efficiently, meaning less is needed.

No-till farming is the practice of creating a narrow furrow just large enough for a seed to be planted. No disking or plowing is used, meaning prior cash and cover crops

remain on the surface to protect and improve the soil. Water added to the field stays in the field instead of running off the land or moving below plant roots.

DROUGHT

An agricultural drought results from a sustained period of below-average precipitation, sometimes accompanied by above-average temperatures

that make it worse, drawing down water reserves. At the end of 2024, about half of the U.S. was in drought, including 318.6 million acres of major crops.

The USDA says farmers should take drought risk into consideration when thinking about what to produce and how to produce it. Almond orchards in California are an example. These orchards need access to

both groundwater and surface water, keeping the crops producing no matter the weather. In areas without reliable groundwater, farmers should turn to annual crops such as corn silage or cotton, which can shift during a drought.

Small actions, such as increasing organic matter in the soil, can help preserve what water remains in a drought.