

Agritourism & Rural Economic Development

Agritourism is the nexus where agriculture and tourism meet to provide consumers and urban-dwellers with educational and cultural experiences related to agriculture. Through agritourism, farms become a destination for the public to connect with farmers who are active participants in the local food system. Agritourism offers unique experiences for the public that helps foster stronger relationships between consumers and producers, urban dwellers and the land their food is grown on as well as procurement specialists and local farmers.

Current zoning regulations do not fully support agritourism ventures in Johnson County. The creation of an Agritourism Zoning District could provide more regulatory predictability and economic security to these types of businesses than annual conditional use permits, as long as they are easy to navigate, affordable and are meant to support – not hinder- these types of agricultural enterprises.

Background:

Farm stands, farm tours, CSA Pick-up sites and community gardens do not currently require any permitting from Johnson County authorities and this should not be altered. However, some current Agritourism-type enterprises in Johnson County are required to apply for and receive a multiple special event conditional use permit on an annual basis. The permits are not permanent, only allow for limited operation, and can make predictability and growth harder for small producers to project as conditions could potentially change from year to year.

Why should Johnson County support Agritourism?

- Residents of Johnson County, just as our nation, have become more and more disconnected from our food system. Agritourism can help support local efforts to connect more eaters to where their food comes from, how it is grown and who is growing it, which has shown to increase the amount of local food consumed in the region.
- Agritourism can help supplement income in the off-season for farmers, especially for small family farms that lack scale efficiencies and face constrained wholesale-market access¹.
- Standard, affordable and user-friendly regulations for Agritourism uses could provide predictability and economic security to farmers seeking to diversify their land-based business.
- Agritourism creates jobs, increases the tax base and gives tourists another reason to visit Johnson County and residents another reason to stay in Iowa.
- Proximity to urban centers can support a more diverse rural economic development at a time when rural enterprises are struggling.

Research:

Studies show that profit impacts for farmers will greatly depend on how agritourism is defined². Across the United States, agritourism has been shown to bolster farm profitability. In Iowa, income per farm more than

¹ <http://www.waeonline.org/UserFiles/file/JAREApr20145Attavanichpp69-87Supplement.pdf>

² <http://www.waeonline.org/UserFiles/file/JAREApr20145Attavanichpp69-87Supplement.pdf>

doubled between 2002 and 2007³. For every dollar in agritourism sales generated on New Jersey farms, another \$.50 of sales were generated in other businesses creating an additional \$33.3 million in revenue in other businesses⁴. In our neighboring state of Missouri, a survey found that 64.4 percent of farmers saw an increase in profits after developing agritourism on their land⁵. In addition, Missouri farm size and location did not contribute to profitability. This suggests that agritourism can benefit a variety of farm size operations and closeness to urban centers⁶.

Components of an Agritourism Zoning District should:

- Attract, rather than deter, new Agritourism enterprises;
- Include simple and easy guidelines for farmers to follow;
- Be affordable to apply for and welcomed by county staff and authorities;

Policymakers should consider all the elements needed to stimulate and sustain agritourism, including integration of agritourism into County tourism promotion⁷. In addition, any policy proposal aimed at agritourism or rural economic development should consider the goals of farmers⁸, attracting new farmers and local businesses that promote healthy foods and lifestyles.

³ http://www.agmrc.org/media/cms/Agritourism_Thessen_A812A9AE31310.pdf

⁴ http://foodpolicy.rutgers.edu/docs/pubs/Econ_Impact_AT_NJ_2006.pdf

⁵ <http://www4.ncsu.edu/~cebarbie/reports/Agritourism-2010-Economic.pdf>

⁶ <http://www4.ncsu.edu/~cebarbie/reports/Agritourism-2010-Economic.pdf>

⁷ <http://www.waeaonline.org/UserFiles/file/JAREApr20145Attavanichpp69-87Supplement.pdf>

⁸ <http://www.waeaonline.org/UserFiles/file/JAREApr20145Attavanichpp69-87Supplement.pdf>

Revise Criteria for Defining a Farm

2017 Recommendation from the Johnson County Food Policy Council

We advise the Board of Supervisors to revise the criteria used in Johnson County to determine which properties qualify for an agricultural exemption from county zoning. Specifically we recommend the elimination of the 40 acre minimum definition of a farm in order to support our local food system and bring Johnson County's ordinance more in line with the language used Iowa State Code 335.2 (Agricultural Exemption from County Zoning).

The Johnson County Unified Development Ordinance currently defines a farm as:

"No less than 40 contiguous acres of land, or a 1/4 of a 1/4 of a Section, as legally described and recorded, while used for agricultural purposes. Residential structures occupied by persons engaged in farm operations shall be included in the term farming as are roadside stands for the sale of farm products." - 8:1.4 [emphasis added]

We recommend that the board of supervisors revise the definition of a 'farm' to remove the 40 acre minimum acreage requirement. The revised definition should allow zoning administrators to determine whether a particular parcel is a farm based on actual land use without a minimum acreage. We propose several factors that the zoning administrator should consider in determining eligibility.

Revising this definition will have a number of benefits for Johnson County and its farmers, and will help bring Johnson County's Ordinances in line with guidelines set forth in case law as well as Iowa Attorney General opinions. Importantly, this can be done in a way that will not open the door to unregulated sprawl.

A Burden on Local Foods The Johnson County Supervisors have shown dedication to enhancing the local food system. A strong local food system requires a large number of farms with diverse practices. More local farms improves access to local products and strengthens the local economy. Increasing the diversity of crops and livestock on the landscape helps to improve soil quality and increase biodiversity while offering more options for local consumers.

There is a difference in land use patterns among farms. For example, a successful diversified produce farm can easily be run on less than 10 acres. Johnson's County's current minimum acreage requirement requires farmers to either obtain more land than is necessary for their operation or to comply with zoning and building codes. This puts specialty farmers at a distinct and costly disadvantage relative to conventional row crop farmers. Focus groups conducted by Iowa State University concluded that confusion around the application of the agriculture exemption is one of the major barriers to local food system development in Iowa.¹

Legal Background In a published opinion, the Iowa Attorney General determined that whether a parcel of land is entitled to be exempted from county zoning, "depends upon its use primarily [...] and not the area of land that might constitute a farm." (Section *2 Paragraph 3, 1953). Iowa Code clearly states that:

no ordinance adopted under this chapter applies to land, farm houses, farm barns, farm outbuildings or other buildings or structures which are primarily adapted, by reason of nature and area, for use for agricultural purposes, while so used. (335.2)

There is nothing in state code to suggest that this exemption from county zoning would not apply to any parcel which is "primarily adapted" for an "agricultural purpose" regardless of size. While "agricultural purpose" has been interpreted by the Iowa Supreme Court to mean "the art or science of cultivating the ground, including harvesting of crops and rearing and management of livestock," there has been little guidance as to how to interpret whether a parcel or proposed structure is "primarily adapted" for that purpose (Thompson v. Hancock County, 1995). That said, the determinations made by county zoning administrators are generally deferred to provide they are reasonable (01-2-1 Op. Iowa A.G., section B.1 para. 3-6, 2001). Johnson County should adopt a reasonable process for landowners

¹ Taylor, G., Vandehaar, A., & Lauer, S. (2011). The Intersection of Local Food Systems and the Agricultural Exemption to Iowa County Zoning Qualification for the exemption analysis of the use of the land or show that the activity in question.

to use in obtaining a determination of exemption from county zoning.

Avoiding Sprawl There clearly a risk that developers may attempt to use the agricultural exemption as a backdoor to allow for excessive unplanned residential development in the unincorporated areas of the county. It is important that when crafting a new definition of a farm and changing the way that the agricultural exemption is applied in Johnson County that safeguards are put in place to avoid development that is not representative of the values of the residents of Johnson County. In *Lang v. Linn County* in 2003 the Iowa Supreme Court ruled that for homes to be exempt from county zoning the occupant of the house must be closely tied to the agricultural operation located on the parcel in question. The County should develop a process to allow its zoning administrators to determine whether a new home is exempt based on its agricultural purpose.

While minimum acreage cannot be a determining factor in applying the agricultural exemption, smaller parcels do raise red flags and the county should examine these parcels more closely. The Iowa Attorney General has written that it may be permissible for a county to adopt ordinances that apply greater scrutiny to smaller tracts of land. (97-1- 1(L) Op. Iowa A.G., 1997). The county may continue to assume that parcels larger than 40 acres qualify as farms and those smaller do not provided they allow for owners of smaller parcels to apply, at no cost, for an agricultural exemption from county zoning.

Zoning administrators should consider a number of factors in determining if a proposed structure is “primarily adapted [...] for agricultural purposes.”

Factors to consider in defining a farm:

Acreage Acreage can remain an important factor in determining a properties exemption from county zoning, but it cannot be determinative.

Tax Status County tax assessments happen every other year or at the time of a change in property use or ownership. The **tax assessment is based on primary and present use of the property.** Situations cannot be fully black and white, but for the most part, the Johnson County tax assessor has clear guidelines to follow regarding how to assess properties. These guidelines are set by state standards. Staff should consider the tax category assigned by the Johnson County Assessor in making a determination.

Schedule F At the federal level farmers submit a Schedule F to the IRS to declare any profit or loss from farming. The application for an agricultural exemption should request the submittal of an IRS Schedule F.

Income Although state code no longer contains references to income in the determination of the agricultural exemption, it can still be an important factor to consider. Consider questions that would help determine if the property is regularly and actively engaged in the production of farm products for intended profit. An application for determination of ‘farm’ status may request acreages dedicated to various crops or livestock along with reported harvest.

Use The principal determination should always be the overall use of the property. Is the primary use of the property for the production of farm products? There may be other uses on the property, and that can complicate the decision of the zoning administrator. Farm activities cannot be incidental to the other uses of the property. The onus is on the property owner to show that the property is “primarily adapted” for agriculture. The most difficult and important structures to verify will be houses, and additional questions specifically for houses is appropriate. The Linn County application for agricultural exemption contains three questions specifically for those claiming an agricultural exemption for a house. They include whether the occupants of the proposed house will be involved in the management, financing, and physical work of agriculture.

By creating a regular process for exempting parcels smaller than 40 acres from county zoning, Johnson County can improve the local food economy, reduce uncertainty for farmers, and bring its ordinances into better alignment with state code and precedent.

Community Support for a Local Food Hub

2018 Recommendation from Johnson County Food Policy Council

Food Hubs are defined by a variety of models. A *regional food hub* is a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand. By offering these and a number of producer and community services, *food hubs* are poised to bridge the gap in infrastructure necessary for more regionalized food environments. **Food Enterprise Centers** (FECs) typically supply infrastructure needed for food processing and food preparation, for instance commercial kitchens, food prep rooms and cooled storage, along with business planning, technical assistance and coaching tailored to food enterprises.

Food Hubs offer social, economic and environmental advantages for communities.

Economic advantages provide the following for communities, growers and consumers:

- A combination of production, distribution and marketing services that are difficult for small local operations to develop or access on their own
- An efficient, less costly process for growers wanting to sell local produce to regional purveyors, ie “one stop shopping”
- Increase in number of producers, products and therefore added employment opportunities for support of Food Hub operation
- Sales opportunities for small or mid-sized farmers/ranchers who don't have time or interest to sell in farmers markets
- More reliable sources of income and higher returns leading to increased production, diversity and expansion for food producers.
- Food hub activities will generate public interests in a local label of fresh foods grown in Johnson County

Environmental advantages

- Increase in the availability of local foods reduces amount of fuel needed for distribution
- Support for new generation of farmers and ranchers interested and/or involved in sustainable agriculture increases chance of success
- Sale of food that uses sustainable, organic practices limits distance and therefore time between production and sale.
- Less food is wasted because producers/farmers deliver only what has been sold to buyers

There are also social advantages associated with Food Hubs as described below:

- Local healthy foods are more available in “food desert” neighborhoods due to Food Hubs facilitating collaboration between food production and schools, hospitals, and neighborhood stores as well as food assistance programs
- Increased availability of healthy produce and meat results in increased health of consumers.
- Increased production and distribution of local foods enhances long-term food security for county residents

Developing Food Hubs face a variety of challenges which need to be addressed in order to ensure success.

A community must first identify a source for capital and develop a successful business model for the Food Hub. Achieving a breakeven scale for community-supported hubs is difficult but essential for success. The financial issues inherent in finding and serving profitable markets combined with sourcing primarily from small (and very small) suppliers is usually more of a challenge than even the actual distribution of food. Diverse revenue streams are recommended, such as a market-priced CSA-type offering or grant support to pay farmers fairly and in a timely fashion *and* succeed in providing fresh food to underserved communities. Lastly, managing tensions between the overall mission and financial self-sufficiency is needed for the success of a community food hub.

When establishing a Food Hub, many decisions and problems need to be addressed. Educating those involved, as well the community, about the role, organization, and management of the Food Hub is necessary if it is to be successful. This includes:

- Determining year-round versus seasonal operations
- Deciding whether to hire full time or seasonal staff, and/or include volunteers
- Determining capacity and finding warehousing/storage space
- Choosing location while considering access to truck routes
- Setting up process for delivery; ie, equipment and trucking
- Balancing supply with demand

- Streamlining work flow for efficiency and appropriate technology to manage operations

Lastly, it is important to recognize that providing necessary outreach to producers and potential markets about the value of switching to a Food Hub needs to be part of the process. The education and involvement of the entire community, including consumers, will contribute to the chance of success. It takes time to fully implement a successful Food Hub (typically 7-10 years) and it is important to maintain community interest and investment in the process.

Recommended Actions: Food Hubs need support

It is important for the community and the county to support a Food Hub. We ask that the Board of Supervisors consider the following recommendations:

- Provide free or reduced-cost space for Food Hub operations
- Support utilization of county infrastructure for Food Hub activities (such as equipment, buildings)
- Secure federal funding to create community scale processing facilities (small-scale and mobile slaughtering, greenhouses and more)
- Inventory and facilitate collaboration among businesses that serve as intermediary steps in local food supply chains (e.g. value-added processors, meat and seafood processors, cheese manufacturers, specialty jams and pickling operations, fresh produce wholesaler/distributors, multi-farm CSA's, food hubs, community kitchens, incubator farms, and cold storage locations)

Food Hub Resources

1. The National Food Hub Collaboration: <http://www.wallacecenter.org/foodhubcollaboration/>
2. Food Hubs in Iowa - <https://www.leopold.iastate.edu/marketing/food-hubs>
3. Food Hubs - Local Food - Iowa State University - <https://www.extension.iastate.edu/localfoods/food-hubs/>
4. Exploring the Rationale for and role of Public Financing for Food Hubs by Marie E. Anselm:
http://ir.library.oregonstate.edu/xmlui/bitstream/handle/1957/40120/Anselm_MPP_Essay.pdf?sequence=1

Iowa communities have invested in Food Hubs

Successful Iowa Food Hub statistics include:

- As of April 2017, 31 food hubs (None are in Johnson County)
- 2013 Revenue: Gross: \$4.5 million; Ave/hub: \$451,975; Median/hub: \$114,000
- Used 13 types of financial resources to begin (46% membership; 38% founder's own capital)
- Rely heavily on income from services provided: 85% food services; 31% bank loans
- Bank loans increase as viability and importance of hubs are recognized
- Food Hub types: 50% for profit; 23% cooperative; 15% non profit; 8% informal
- 38% only sell to wholesale markets; 31% sell directly to consumers
- Iowans spend \$8+ billion on food but only 10% produced locally

Johnson County Food Policy Council January 2018

The Johnson County Food Policy Council was created in 2010 by the Johnson County Board of Supervisors to provide guidance on food and agriculture issues. The council is charged to provide annual recommendations on how to improve our local food system, hold public forums to obtain feedback on food system issues and to educate county citizens on the value of supporting a strong community food system.

The Johnson County Food Policy Council has 15 members. The council recently went from one Chair, one Vice-Chair and one Secretary to electing two Co-Chairs, a Vice Chair, Secretary and Special Event Coordinator. All members are volunteers living in Johnson County, Iowa.

2017 Recommendations We created and formally approved position papers on the following topics:

- Food Hubs
- Definition of a Farm
- Agritourism
- Sustainable Agriculture

Mobile Meat Processing We are hearing from more and more citizens that they not only want to have increased access to local produce, but to local meat as well. Our most recent recommendations to the Board of Supervisors is to allow mobile meat processing as an agricultural service to farmers who are among those that do not require a conditional use permit for their operation. We have also suggested that the ordinance allowing brick and mortar meat processing businesses to not be limited to a number of animals, but rather animal units as used by Iowa State University Extension and Outreach.

2018 Public Forum Previous forums have allowed representatives from all sectors of the food system to come together and discuss issues within the county food system and help guide the Food Policy Council's work and recommendations to the county Board of Supervisors. Planning for the 2018 Forum has begun, and the forum will be on March 22, 2018. While the formal title will be approved later this month, the theme will be to address the benefits and challenges of agritourism in Johnson County. This year's forum will again include a Local Food Expo with booths from farmers and local agricultural organizations and businesses.

Education A multimedia educational project is planned to showcase our local food system and how it benefits our economic, environmental and community health. The videos and photos will be available on the Johnson County website, and farmers and area non-profit organizations promoting local food will be able to use the images. It will support the council's work to provide education to the general public, to promote local farmers growing local fruit, vegetables, and meat, and to provide resources for community health advocates. The media project will also highlight the need in our community for an infrastructure that supports our growing food system.

Budget TOTAL \$3,000 annually. We spent just under \$200 on our county fair booth in July. We are planning to spend \$1400 on our public forum and \$1400 on a media project. Spending on our forum is

reduced from previous years and we hope to continue the multimedia educational campaign next fiscal year, spanning at least one full growing season.

Other Local Food related topics:

Local Food Specialist for Johnson County This position has great potential. We are hopeful that the position will be filled by someone who has experience and knowledge of building strong local food systems through community economic development, fostering cross-sectoral collaboration, leveraging community resources and strengthening regional assets to support food supply chain businesses, while creating and supporting local educational efforts and increasing accessibility to healthy foods.

Food Hub The Iowa Valley Food Co-op is currently reorganizing and working to transform from a consumer food cooperative into a wholesale local foods distributor. Our past and current recommendations to the BOS have emphasized the need for a wholesale local food distributor in our area as a vital component to a strong community food system.

Certified Local Food Marketing/ Label Campaign This initiative is still searching for initial funding to launch in Johnson County. If funded, Field to Family, with guidance from the working group, will lead the initiative utilizing research from the UI Marketing Institute. The working group includes representatives from ICAD, Iowa City Downtown District, Johnson County Board of Supervisors, Iowa Valley RC&D and local farmers plus a Linn County Planning & Zoning representative and formal support from the Linn County Food Systems Council. Funding has been requested from the Leopold Center for Sustainable Agriculture and Johnson County Board of Supervisors. If initial funding is obtained, financial support from Linn and surrounding counties will be sought as well as a plan to encourage public involvement in determining the name and design of the label and marketing campaign. Once determined, the program will formally launch.

Promoting sustainable agriculture in Johnson County, Iowa

Committee on Sustainable Agriculture, Food Policy Council, Johnson County

Sustainable agriculture is defined by U.S. Code Title 7, Section 3103 as an integrated system of plant and animal production practices having a site-specific application that will, over the long-term:

- Satisfy human **food and fiber** needs.
- Enhance **environmental quality** and the natural resource base upon which the agriculture economy depends.
- Make the most **efficient use of nonrenewable resources** and on-farm resources and integrate, where appropriate, natural biological cycles and controls.
- Sustain the **economic viability** of farm operations.
- Enhance the **quality of life** for farmers and society as a whole.

Sustainable food production is a constant balancing act. Any particular farming operation, practice, or governmental policy will likely not address all five areas at once. Instead, it is incumbent upon all participants in the food system to work to identify deficiencies in the local food system and work to correct them. Elected officials have a particular responsibility to consider the food system as a whole when drafting ordinances or setting policy. It is not a simple task, but considering these five goals together will provide a basic framework for evaluating agricultural policy.

The goals of sustainable agriculture:

1. Satisfy food and fiber needs

The primary purpose of any agricultural system is to ensure the adequate production of food, fiber, fuel and other valuable human resources. Policies should be adopted which allow farmers to produce efficiently while minimizing negative external effects. Johnson County should be a place where farms of all sizes and with a wide variety of products and production methods can experiment and be successful.

2. Enhance environmental quality

Agricultural production, perhaps more than any other human endeavor impacts environmental quality. Especially in Iowa where more than 90% of land is in agricultural production, water quality, air quality, topsoil, and wildlife are all strongly impacted by agricultural methods. Johnson County should work with local government agencies and non-profits to promote the adoption of more environmentally friendly practices on all Johnson County farms including using appropriate levels of tillage, windbreaks, and cover crops.

3. Use non-renewable resources efficiently

Agriculture remains largely dependant on non-renewable resources, primarily fossil fuels and rock phosphate. As these resources are depleted agriculture will have to find new sources of energy and nutrients. Johnson County should encourage the adoption of technologies which allow farmers to diversify their energy and nutrient sources.

4. Sustain economic vitality

If a farming system is not economically viable, it is not sustainable no matter its benefits in other areas. Johnson County should focus on the economic needs of farmers to ensure that they can last long-term. Focusing on reducing unnecessary regulation, promoting local markets, and incentivising beginning farmers will all help to ensure that all of Johnson County's farms can compete and thrive.

5. Enhance quality of life

Even in a state like Iowa, fewer and fewer individuals work directly in agriculture. Still, agriculture impacts the quality of life of everyone. Johnson County should focus on policies which promote quality of life for farmers. Clear and fair regulations, strongly developed local markets, and incentives for beginning farmers are all steps that the county should support in enhancing the quality of life for local farmers. Further agriculture that has positive impacts on those off the farm should be supported and recognized. Supporting agritourism is one of the strongest ways to reward farmers for maintaining attractive and desirable farms while offering all of the residents of Johnson County the opportunity to directly interact with the Counties farms.

Sustainable agriculture is a loaded term with many interpretations. It is also not an ideal that can ever truly be obtained. Instead it should be conceived of as a framework for analysing policy and acting to improve the state of agriculture in Johnson County for all.