

bae urban economics

Agritourism Economic and Land Use Analysis

Prepared for Queen Anne's County Maryland

August 8, 2024



bae urban economics

August 8, 2024

Heather Tinelli, Director of Economic and Tourism Development
Queen Anne's County Economic & Tourism Development
425 Piney Narrows Road
Chester, MD 21219

Dear Ms. Tinelli:

BAE Urban Economics, in conjunction with RHI, is pleased to submit this Agritourism Economic and Land Use Analysis. This report includes an economic analysis of the existing agriculture and agritourism sector and its components, a land use and zoning analysis of the agritourism industry, and case studies of successful agritourism operations in the broader region. The report concludes with a set of preliminary recommendations for policies, initiatives, and code revisions.

Please let us know if you have any questions on this analysis before we develop the Agritourism Study and Policy Report. Thank you for the opportunity to be part of this important work for Queen Anne's County.

Sincerely,



Mary Burkholder
Principal

ACKNOWLEDGEMENTS

We acknowledge the following people for their assistance in producing this Agritourism Economic and Land Use Analysis.

County Commissioners

James J. Moran, At Large
Jack N. Wilson, Jr., District 1
J. Patrick McLaughlin, District 2
Phil Dumenil, District 3
Christopher M. Corchiarino

Queen Anne's County Staff

Department of Economic and Tourism Development

Heather Tinelli, Director
Rebecca Clark, Economic Development Coordinator

Department of Planning & Zoning

Amy G. Moredock, Director
Stephanie Jones, Long Range Principal Planner

University of Maryland Extension - Queen Anne's County

Jennifer L. Rhodes, Principal Agent, Agriculture and Food Systems
Lee Bridgman, Extension Program Assistant

With special thanks to Focus Group Participants and Interviewees

Kevin Atticks, MD Dept. of Agriculture
Lauren Ambruster, QAC Health Department
Alicia Boyd, Humble Hearts Catering
Katharine Bonner, Travel & Tourism Advisory Committee
Marshall Cahall, MD Farm Bureau District Representative
Mark Cascia, Cascia Vineyards
Matthew Cimino, MD Dept. Of Commerce
Alan Eck, Green View Hydroponics
Paige Evans, Possum Point Farm
Lisa Godfrey, Godfrey's Farm
Berl Jastram, QAC 4-H Park

Eric Miller, QAC Dept. of Public Works
Jeff Morgan, QAC Office of Fire Marshall
John E. Nickerson QAC Environmental Health
Rachel Ross, Sunkissed Flower Farm
Faith Elliot Rossing, Former QAC Director, Economic Development and Tourism
Jason Sheubrooks, Grain Farmer
Vivian Swinson, QAC Planning & Zoning
Ben Tilghman, QAC Planning Commission
Brian Truitt, Patriot Acres Farm Brewery
Gigi Windley, Kent Narrows Dev. Foundation

We also gratefully acknowledge the funding of this study by the Rural Maryland Economic Development Fund, and the support of the Maryland Department of Commerce, and the Upper Shore Regional Council.

EXECUTIVE SUMMARY

BAE Urban Economics and RHI were commissioned by the Queen Anne's County Department of Economic and Tourism Development, in partnership with the county's Department of Planning and Zoning and the University of Maryland Extension-Queen Anne's County, to prepare an Agritourism Economic and Land Use Study of Queen Anne's County. The report that follows is the first part of the scope of the study, the Agritourism Economic and Land Use Analysis. It includes four primary components: 1) an economic analysis of the existing agriculture sector, agritourism, and related components, 2) a land use and zoning analysis of the agritourism industry, 3) case studies of other Maryland counties and successful agritourism operations in those counties, and 4) preliminary recommendations for policies, initiatives, and code revisions. The report also includes a summary of stakeholder input that was factored into the key findings of the economic analysis and the development of the preliminary recommendations. A summary of the key findings, case studies, and preliminary recommendations are provided below.

Economic Analysis

Key findings of this economic analysis of agriculture and agritourism; general tourism; wine, craft beer and distilleries; agricultural technology (agtech); transportation; and programs and resources for agritourism businesses are as follows:

Agriculture and Agritourism

- Using the USDA Census of Agriculture as a primary source of information, overall, the agriculture sector in Queen Anne's County has been ranging from stable to gradually increasing. In the 2002 Census there were 443 farms on 155,566 acres and in 2022 there were 505 farms on 162,145 acres.
- From 2002 to 2022, the average farm size in the county has decreased from 351 acres to 321 acres, while the median farm size has decreased from 107 acres to 66 acres.
- The most common farm type in Queen Anne's County continues to be the category of grains, oilseeds, dry beans and peas, though the farms of this type have declined over time, from 235 in 2002 to 190 in 2022. Grains grown in the county are primarily corn, barley, and wheat, and oilseeds are primarily soybeans. The crop market value of this category in 2022 was \$115 million.
- Poultry, which is part of the livestock, poultry and products category, made up a larger portion of the county's farms by operation type in 2022 than it did in 2002; there were

33 such farms in 2002 versus 66 in 2022. Poultry's market value led the livestock, poultry and products category in the county at nearly \$127 million of market value.

- Farm employment, as reported the U.S. Bureau of Economic Analysis (BEA), has remained relative stable for the last 10 years, with some ups and downs, though the numbers are small (737 or 2.8 percent of all jobs in the county)) and largely considered to be underreported. It is likely that the contribution of all family members to the farm are not accounted for in the farm jobs numbers because they are not officially employees.
- Agritourism, as reported in the USDA Census of Agriculture, continued to grow in Queen Anne's County from 2017 to 2022; farm-related income from agritourism and recreation services grew from \$240,000 to \$833,000 in that five-year period. The number of farms that reported generating income from agritourism grew from 16 to 22.
- Agritourism businesses and income as reported in the USDA Census of Agriculture are likely underreported either because not all agritourism businesses choose to report information for the USDA Census of Agriculture and because agritourism businesses can fall into a wide range of industry sectors or types including retail, food service, breweries, wineries, distilleries, and petting zoos, among others.
- Because the county does not have a staff person dedicated to promoting and supporting agritourism, it does not have a listing of agritourism operations and does not know how many or what portion of annual visitors to the county see and appreciate agritourism businesses and sites.
- There is an opportunity to create a position in county government responsible for tracking and promoting agritourism in the county, likely combined with helping agribusinesses navigate regulatory requirements in Queen Anne's County.

Tourism

- Tourism is strong in Queen Anne's County, which bodes well for agritourism. The county's tourism industry recovered quickly from the peak of COVID, with visitor numbers and spending increasing by more than 50 percent from 2020 to 2021. The 2022 visitor count (391,800) nearly matched pre-pandemic numbers from 2019 (403,200). All indications are the visitor numbers are continuing to increase.
- Chesapeake Bay sites are a major draw for visitors to Queen Anne's County. The Maryland Office of Tourism reports that the top three points of interest in the county

are the Terrapin Beach Park, Matapeake Fishing Pier and Beach, and Wye Island Natural Resource Management Area.

- There is an opportunity to bring together agritourism in Queen Anne's County with Chesapeake Bay attractions. This could include everything from waterfront events with agritourism vendors to wine and craft brew trails or farm trails. It could include "farm to boat cruises" featuring food from Queen Anne's County farms, as well as the Chesapeake Bay, and wine and beer from local wineries and farm breweries. Windmill Creek, a Worcester County winery profiled in the case studies section of this report hosts summer boat cruises that includes a wine tasting.

Wine, Craft Beer and Distilleries

- Wine and craft brew industries continue to grow in Queen Anne's County. There are two wineries in the county, Cascia Vineyards and Winery and Love Point Vineyards and Winery, both are located on the water in Stevensville on Kent Island. Queen Anne's County ranked fourth in total winery vineyard acreage (42 acres) in the state.
- There are five craft breweries in the county, two of which are farm breweries: Big Truck Queenstown Brewhouse & Farm and Patriot Acres Farm Brewery. All five of the breweries are part of a local brewers coalition that works together on events and promotion.
- There is one distillery in the county, Old Courthouse Distilling, located in Centreville. Established in 2019, it produces American-style whiskey, rum and agave spirits.
- There is an opportunity to plan for more annual or bi-annual events that highlight the county's wineries and breweries. Ideas include spring and fall brewery tours, winery open houses, and special wine tastings,
- There is an opportunity, and support in the county, to expand the number of distilleries and possibly other types of alcohol production, including meaderies.

Agricultural Technology (Agtech)

- The state has expressed interest in establishing an agtech incubator in Queen Anne's County. This agtech incubator would host and provide technical support for small agriculture technology companies that could include everything from artificial intelligence to improving farming systems and methods to designing and developing unmanned aerial vehicles to help farmers with planning, hydration, and pest control.
- The state is also recommending that the agtech facility includes commercial kitchen facilities for small food producers, whether farm-based or not, because there is a lack

of Health Department-approved facilities to serve a growing number of these types of small businesses.

Transportation

- In general, the road system with federal and state highways—US Route 50, US Route 301, MD Route 213 and MD Route 313-- in Queen Anne’s County serves the agriculture sector and agritourism businesses well. The transportation network is adequate for moving agricultural products and allowing easy access for employees to get to agriculture and agritourism jobs.
- One aspect related to transportation that was reported in a focus group is the lack of road signs on major roadways and state highways guiding visitors to agritourism sites. Such signs, which are controlled by the Maryland State Highway Administration (SHA) raise awareness of agritourism experiences and pique interest. There may be an opportunity to coordinate with SHA to increase the amount of signage.

Programs and Resources for Agritourism Businesses

- The Micro Agricultural Grant Program, managed by the Queen Anne’s County Department of Economic and Tourism Development, with funding from the Upper Shore Regional Council, provides grants from \$2,500 to \$10,000 to agricultural businesses for strategic marketing, technology innovation or implementation, climate resiliency projects, capital improvements for start-up businesses, and research projects. On it’s fourth competitive round funding small agribusinesses, it is widely considered successful.
- Annie’s Project, a six-week course sponsored by the University of Maryland Extension for people interested in starting an agricultural business, including an agribusiness or an agritourism business. Over the six-week course participants learn from experts in production, financial management, human resources, marketing , and legal requirements. A participant in one of the focus groups credited Annie’s Project for helping her establish her farm to table catering business.
- Chesapeake College runs an agriculture program for an A.A. degree to help students “build foundations in plant science, animal science, soil science, business and economics.” The college also offer other programs that could be useful for people interested in establishing agribusinesses, such as Commercial Driver’s License (CDL) training and welding. There may be an opportunity for Chesapeake College to offer a semester long course in starting up an ag business and also a tie-in to CDL training, welding, and other training programs that could be useful for people looking to establish and agriculture business or agritourism operation.

- There are several state and federal technical assistance and financing programs for agriculture and agritourism businesses managed by the Maryland Department of Agriculture, the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO), and the USDA Farm Service Agency and financing program including those provided by Farm Credit. There is a need to help with navigation of these programs so new businesses can take advantage of them.

Land Use and Zoning Analysis

Key findings the land use and zoning analysis are as follows:

General

- **Core agritourism activities have strong connections to the principal agricultural use of a parcel, however many peripheral activities can complement agriculture and agritourism that can be beneficial to promote.** Peripheral activities included related uses, such as events hosted on farms (e.g., weddings, farm-to-table dinners, other private parties), site access for photography, among others. These peripheral uses are strong tourism drivers and they help make core agritourism activities more viable but they may have impacts on land and neighbors. In Queen Anne’s County these special events are permitted on farms but are considered separate from agritourism.
- **Queen Anne’s County can address some barriers to agritourism on its own, but other barriers are beyond the county’s control.** While this study identifies opportunities to support and promote agritourism in the county, it is important to note that some current barriers stem from how agritourism is defined and regulated at the state level. Other local jurisdictions provide differing levels of support to agritourism operators in navigating these requirements and, by some accounts, interpret permitting requirements differently. However, by all indications, state requirements and guidance are likely to continue to evolve and some existing barriers could be addressed through future refinements to the state’s approach to agritourism.
- **Queen Anne’s County lacks a definition of agritourism that encompasses the full range of activities considered to be agritourism.** Maryland counties have taken different approaches to the definition and classification of agritourism uses, either using the state’s guidance as a base or using a local definition that predates the state’s effort. Queen Anne’s County does not have an official definition for agritourism in the Zoning and Subdivision Regulations Code. Instead, some agritourism uses are included in the definition for Agriculture, others are spread across other uses, and some common agritourism uses are not specifically addressed at all in the Code.

- **Many agritourism uses are treated as conditional uses, creating additional levels of review and steps in the approval process that may not be necessary.** With a clear definition of agritourism, there may be the opportunity to allow more agritourism activities by right, removing or simplifying the additional review requirements.

Complexity of Permitting Processes

- **Navigating the approval and permitting process can be complex and costly, due to multi-layered regulatory requirements at the state and local levels.** County ordinances are not the only standards agritourism operators are subject to, they must frequently comply with state health and building codes, among others. Additionally, agricultural preservation easements can add another level of restriction to properties.

For any construction project, developers hire consultants and lawyers to guide their projects through complex entitlement processes, a cost few farmers can afford. A lack of professional representation can lead to dead ends during permitting for those unable to pay. Regulations are codified at the state level but administrated and interpreted at the local level. There is a perception that some counties are more willing to work with applicants in finding solutions that are compatible with both regulatory and agritourism goals.

Additional Regulatory Barriers

- **Some current agritourism trends are not reflected in the Zoning and Subdivision Regulations Code.** Activities such as farm-to-table dinners and incidental overnight stays do not have clear definitions or standards. These examples came up anecdotally as emerging agritourism uses that lack clear guidance in the code.
- **State building code exemptions for agritourism uses are helpful but narrow, which could cause issues for farms looking to expand agritourism operations or introduce additional activities.** Health codes related to food service permits and restroom requirements may change with different activities. The County has limited ability to change these codes but can assist applicants to understand the complex regulations they may be held to.
- **Farm alcohol production uses and definitions are inconsistent with State definitions and those of neighboring counties.** Breweries and wineries are permitted by right in the county under the Agriculture use which may not fit with their impact on the land.
- **All Special Events uses are permitted conditionally, subject to additional standards and a hearing and vote by the Board of Appeals and are only permitted on parcels 20 acres**

or larger. The standards in the Code are not exact and are determined on a case-by-case basis, which can deter applicants and increase frustration in navigating the system.

Case Studies

BAE selected three counties and total of four case studies of agritourism operations that can be instructive to Queen Anne's County as it works to expand and strengthen agritourism offerings. The three counties are Frederick County, Carroll County, and Worcester County. For each of these counties there is a brief description of the current state of agritourism, followed by a short summary of an agritourism operation considered successful by each county's economic development or agriculture staff. In the case of Frederick County, there are two agritourism operations profiled in the report.

Frederick County

According to the 2020 USDA Census of Agriculture, Frederick County has 31 farms engaged in agritourism. This compares to 22 in Queen Anne's County. While the amount of annual agritourism income reported by Frederick County is not much different than what is reported by Queen Anne's County, \$813,000 for Frederick versus \$833,000 for Queen Anne's, the amount of value-added agriculture reported in the agriculture census is vastly different. Frederick County reported \$13,577,000 of value-added agriculture income, while Queen Anne's County reported just \$348,000.

Frederick County has a strong agritourism industry sector due, in part, to specific policies and initiatives that promote agriculture and a culture of addressing emerging issues as they arise in the industry. The county's definition of agritourism predated the state's and has since been updated to add other uses described in the case study profile in this report. Frederick County's ability to succeed is supported by its attention to the farming community's needs. The county has an Office of Agriculture that has centralized services related to farming. A staff member of the Office of Agriculture acts as a liaison between the county and the agriculture community, assisting both sides to carry out the entitlement process efficiently.

This study profiles two best practice operations in Frederick County, Linganore Winecellars and Gaver Farm.

Linganore Winecellars began as a family-run vineyard in 1971 on a former dairy farm in Mt. Airy in Frederick County. The owners, Jack and Lucille Aellen, then opened a farm winery, Maryland's first, in 1976. The winery, which employs 75 people, about half of whom are full-time, is open year-round except for major holidays.

Linganore has both indoor and outdoor spaces to host guests and events. The winery offers private wine tastings, estate and vineyard tours, a dog park, private weddings, and special events such as Weekends at the Winery (with live music and food trucks), sunset picnics, trivia

nights, bingo, hiking tours, goat yoga, fundraisers, and has become a destination for festivals (e.g., the Summer Reggae Festival & the Caribbean Festival).

In addition to the winery and vineyards, there is a brewery on the property called Red Shedman. The farm brewery and hopyard is a separate operation opened by the Aellen family in 2014 after the passage of the Maryland Farm Brewery law. Red Shedman serves craft beers, ciders, and seltzers in its tap room, and hosts its own weekly events such as stand-up comedy, open-mics, and trivia nights.

As is the case with any farm alcohol they are regulated by local, state, and federal policy and laws. Linganore's owner indicate they work closely with Frederick County to make sure they comply to all local zoning. The owner is in close contact with Frederick County's Office of Agriculture and appreciates the help the director of the office provides with navigating the development review process and with marketing and promotion.

Gaver Farm is another successful agribusiness in Frederick County, more so in the agritourism sector, than value-added agriculture. Gaver operates a working farm of 1,000 acres in the fall and winter seasons. The farm has only one full-time employee, as seven family members run the operation as principals but are not employees. In the fall season (September 1 through October 31) Gaver Farm has 100 seasonal employees. In the holiday season (the day after Thanksgiving until Christmas) they have 20 seasonal employees.

In the fall, the farm has many activities including a farm market, pick your own, the Fall Fun Fest, and farm fresh stands. The Fall Fun Fest runs the whole fall season and has 60 plus attractions including a corn maze, jumping pillows, farm animals, giant slides, a chicken show, mini mazes, playgrounds, duck races, ball games, and photo centers. The holiday season offers Christmas trees, a wreath shop, a Christmas café, and Christmas photography sessions.

The Gaver Farm was established by the Gaver Family in 1978 with its first sales in 1984. The Gaver Farm was one of the first agritourism farms in Frederick County and one of the first to provide on-site farm tours and farm animal petting for children. The apple orchard was planted in 2010 and the sunflower fields in 2018.

Carroll County

According to the 2022 USDA Census of Agriculture, Carroll County has 26 farms engaged in agritourism, far more than reported in Queen Anne's County. The amount of annual agritourism income reported by Carroll County is much more than in Queen Anne's County, \$1,942,000 versus \$833,000. Income from value-added agriculture is also significantly more in Carroll County (\$1,331,000) than in Queen Anne's County (\$348,000).

According to county officials, Carroll County is passionate about preserving its agricultural industry and rural character. Agriculture is the county's largest industry, ranking second

nationally in the number of acres preserved through conservation easements, 79,000 as of March 2024. The county strongly supports and promotes agritourism. Its tourism website has 40 different agritourism operators. The Department of Economic Development has a dedicated Agriculture Development Specialist who works on marketing, business development, and outreach initiatives.

Carroll County recently updated their zoning code to stay current with state trends and tweaked their definition of agritourism to align with the state's definition. The county added camping and incidental overnight stays to the definition and limited them to one site per parcel by right. More than one site requires additional approvals. Although the farm alcohol producer use is permitted conditionally and requires Board of Zoning Adjustments approval, the county is home to three wineries, two distilleries, and a farm brewery, a clear indication that the local board is supportive of the industry.

This study profiles one best practice operation in Carroll County, Baugher's Orchards and Farms.

Baugher's Orchards and Farms is a 1,200 acre farm where several different types of fruits and vegetables are grown. In addition to the farm, the property includes a retail market, bakery, and restaurant. The business has 12 full-time employees, as well as part-time seasonal workers. The restaurant and bakery are open year-round daily from 7:30 a.m. to 8:00 p.m., while the farm and market are only open Spring and Summer from 8:00 a.m. to 8:00 p.m.

The farm offers pick your own with different crops all season long including strawberries, peas, and cherries (mid-May through early July); blackberries, black currants, and gooseberries (July through early September), peaches, plums, and nectarines (July and August); and apples, pumpkins, and sunflowers (September through early November). The farm's Orchard Market also sells ice cream and baked goods. The farm's petting zoo is free to visit and open May through October.

Baugher's Orchards and Farms is a destination attraction. According to the owners, most customers come from Carroll, Baltimore and Howard counties, some a little farther.

Worcester County

Compared to Queen Anne's County, Worcester County has fewer farms and less farmland on the whole. The county has 361 farms across 104,121 acres of farmland compared to Queen Anne's County's 505 farms on 162,145 acres. It has just 16 farms engaged in agritourism, according to the 2022 USDA Census of Agriculture, up from five in 2017. Though Worcester County has significantly less market value of agricultural products than Queen Anne's County has, Worcester earned more income from agritourism and recreational services-- \$1,323,000 for Worcester County versus \$833,000 for Queen Anne's County. However, Worcester County

earned less income from value-added agricultural products (\$102,000) than Queen Anne's County did in 2022 (\$348,000).

While Worcester County's coastal location makes it a desirable tourist destination, the county did not have a formal definition of agritourism until 2021 after a broad discussion and planning effort. The outcome of that process led to defining agritourism in the zoning code and specifically reforming the standards for farm alcohol production and special events. Worcester County's approach to agritourism has been more moderate than other Maryland counties, reflecting local concerns about overtourism.

While Worcester County generates a significant amount of income from what the USDA Census of Agriculture classifies as "agritourism and recreational services," the County considers many of its agritourism operations as "agritainment," combining agriculture with entertainment. This category was created to accommodate events on agricultural land, such as vineyards and horse farms.

This study profiles one best practice operation in Worcester County, Windmill Creek Vineyard and Winery.

Windmill Creek Vineyard and Winery is a 12.5-acre farm located in northern Worcester County, about 10 miles from Ocean City, in Berlin. Windmill Creek offers local wine and beer, dining, live music, scenic views, and community events. The winery is open year-round. In the fall and winter, it is open Wednesday through Sunday from 12:00 p.m. to 8:30 p.m. In the spring and summer, it is open every day from 12:00 p.m. to 8:30 p.m.

Throughout the year, Windmill Creek hosts a variety of events including bingo nights, cupcake decoration events, yoga classes, bonfires and farmers markets. Windmill Creek also partners with the Ocean Princess to offer sunset wine tasting cruises in the summer months, something that could be done in Queen Anne's County with local wines or brews and food. Other major events in recent years at Windmill Creek include Wags and Wine, a fundraiser for the Worcester Humane Society with a 5K run, pet vendors, and on-site pet groomer and an annual fall festival with pumpkin patches, hayrides, a corn maze, a carnival, a beer garden, and artisan market shopping.

Windmill Creek's current owner, Barry Mariner, grew up on the property, which was, at the time, a corn and soybean farm. He inherited the farm and farmhouse in 2015 and he and his wife decided to convert the property to a winery and vineyard to preserve the land and continue the family tradition of making wine. After three and a half years of renovations and meeting regulatory requirements, the Mariners opened Windmill Creek to the public. With attractions such as an historically significant farmhouse that dates back to 1858 (on the National Register), water-based recreation, community events, and locally crafted wine, Windmill Creek successfully leverages local assets to attract tourism and revenue.

Preliminary Recommendations

The following preliminary recommendations, which are described in full in this report, take into account all of the data collected for the economic, and land use and zoning analysis sections of the study. This is not intended to be comprehensive list of recommendations but does include some of the most important steps that will need to be taken to foster sustainable growth of the agritourism sector in Queen Anne's County.

1. Develop a definition of agritourism that encompasses a full range of activities considered to be agritourism.
2. Once an agritourism definition is developed, allow more agritourism uses to be permitted by right instead of being treated as conditional uses.
3. Create an Agriculture Specialist position within the Department of Economic and Tourism Development that would include the following in the job description: 1) providing navigation assistance to agritourism businesses working through complex regulatory and approval processes at the county and state levels, 2) helping start-up agritourism businesses develop workable business plans, and 3) marketing and promotion of everything about agritourism businesses in the county.
4. Update farm alcohol production uses and definitions to make them more consistent with state definitions and those of neighboring counties.
5. Revise the way special events are addressed in the Code, dividing them into two tiers of intensity based on size, time of day, and other standards.
6. Work in partnership with the state to site an agriculture technology incubator with commercial kitchen facilities in Queen Anne's County.
7. Expand programs and resources for agritourism businesses.
8. Identify events and activities that bring together agritourism with Queen Anne's County's greatest tourism assets including Chesapeake Bay sites, parks, and trails

Table of Contents

| | |
|------------------------------------------------------|-----------|
| EXECUTIVE SUMMARY | II |
| INTRODUCTION..... | 1 |
| Purpose..... | 1 |
| Background..... | 2 |
| Approach..... | 3 |
| ECONOMIC ANALYSIS | 6 |
| Demographics (General)..... | 6 |
| Agriculture Sector..... | 7 |
| Agritourism..... | 11 |
| Tourism..... | 14 |
| Wine and Craft Beer Industry..... | 20 |
| Other Agriculture Economy Topics..... | 25 |
| Key Findings..... | 31 |
| LAND USE AND ZONING ANALYSIS | 37 |
| Agritourism: Regulatory Context..... | 37 |
| Comprehensive Plan..... | 37 |
| Definitions and Classifications of Agritourism | 39 |
| PlanQAC Comprehensive Plan | 39 |
| County Policies and Standards | 43 |
| State Regulatory Considerations..... | 44 |
| Farm Alcohol Production..... | 52 |
| Key Findings..... | 55 |
| CASE STUDIES..... | 61 |
| 1. Frederick County | 61 |
| 2. Carroll County..... | 70 |
| 3. Worcester County..... | 76 |
| STAKEHOLDER INPUT..... | 81 |
| Focus Groups..... | 81 |

| | |
|----------------------------------------|----|
| Stakeholder Interviews..... | 85 |
| PRELIMINARY RECOMMENDATIONS | 88 |
| APPENDIX A: SELECTED DEFINITIONS..... | 91 |
| APPENDIX B: PERMITTED USE TABLE..... | 93 |
| APPENDIX C: FOCUS GROUP QUESTIONS..... | 95 |
| Focus Group #1..... | 95 |
| Focus Group #2 and #3..... | 95 |
| APPENDIX D: INTERVIEW QUESTIONS..... | 97 |

List of Tables

| | |
|--------------------------------------------------------------------------------------|----|
| Table 1: Population and Households, 2010 and 2022 | 6 |
| Table 2: Total Agricultural Acreage, Queen Anne’s County, 2002-2022 | 8 |
| Table 3: Farms by Operation Type, Queen Anne’s County, 2002-2022 | 8 |
| Table 4: Market Value of Agricultural Products Sold, Queen Anne’s County, 2022 | 9 |
| Table 5: Agritourism Operations in Queen Anne’s County | 14 |
| Table 6: Queen Anne’s County Total Visitors and Visitor Spending, 2018–2022..... | 15 |
| Table 7: Queen Anne’s County Visitor Spending Breakdown, 2018–2022..... | 15 |
| Table 8: Queen Anne’s County Hotel Tax Revenue, 2018–2022 | 16 |
| Table 9: Maryland Total Visitors and Visitor Spending, 2018–2022 | 18 |
| Table 10: Queen Anne’s County Visitors and Visitor Spending, 2018–2022 | 18 |
| Table 11: Queen Anne’s, Talbot & Dorchester CBR Visitation, 2021 | 19 |
| Table 12: Maryland Vineyard Survey, 2020..... | 22 |

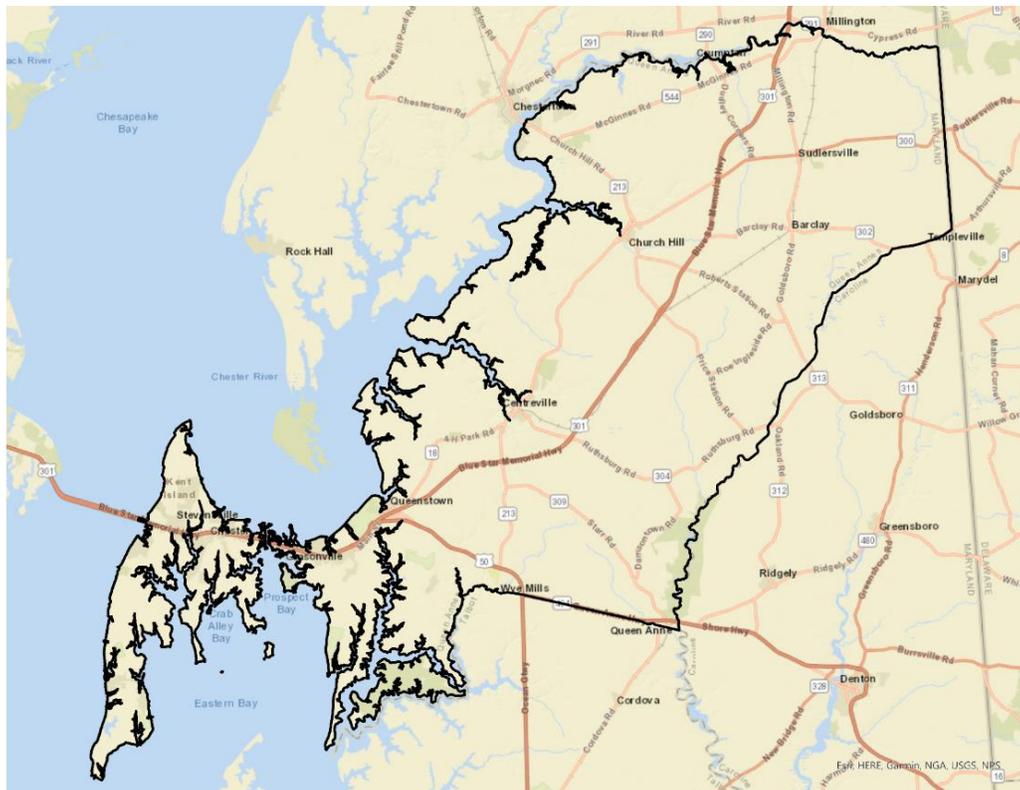
List of Figures

| | |
|-------------------------------------------------------------------------------------------------------------------|----|
| Figure 1: Queen Anne’s County | 1 |
| Figure 2 Employment by Industry, Queen Anne’s County, 2023..... | 7 |
| Figure 3: Total Farm Employment, Queen Anne’s County, 2002-2022..... | 10 |
| Figure 4: Farm Employment Share of Total Employment, Queen Anne’s County, 2002-2022. | 11 |
| Figure 5: Number of Queen Anne’s County Farms Engaged in Agritourism in 2017 and 2022 | 12 |
| Figure 6: Agritourism & Recreational Services and Value Added Agricultural Products income for 2017 and 2022..... | 13 |
| Figure 7: Queen Anne’s County Visitor Spending Breakdown Average, 2018-2022..... | 16 |
| Figure 8: Queen Anne’s County Chesapeake Bay Region (CBR) Point of Interests (POIs) and Visitor Volume 2021..... | 17 |
| Figure 9: Economic Impact of Wine Production in Maryland, 2022 | 21 |
| Figure 10: Craft Beer Production in Maryland, 2023 | 24 |
| Figure 11: Number of Farms & Total Farm Acreage, Frederick & Queen Anne’s, 2022..... | 61 |
| Figure 12: Highest Grossing Agriculture Products, Frederick & Queen Anne’s, 2022 | 62 |
| Figure 13: Number Frederick County Farms Engaged in Agritourism in 2017 and 2022..... | 63 |
| Figure 14: Agritourism & Value-Added Agriculture Income, Frederick & Queen Anne’s, 2022. | 64 |
| Figure 15: Number of Farms & Total Farm Acreage, Carroll & Queen Anne’s, 2022..... | 70 |
| Figure 16: Highest Grossing Agriculture Products, Carroll & Queen Anne’s, 2022..... | 71 |
| Figure 17: Carroll County Farms Engaged in Agritourism in 2017 and 2022..... | 71 |
| Figure 18: Agritourism & Value-Added Agriculture Income, Carroll & Queen Anne’s, 2022 | 72 |
| Figure 19: Number of Farms & Total Farm Acreage, Worcester & Queen Anne’s, 2022 | 76 |
| Figure 20: Highest Grossing Agriculture Products, Worcester & Queen Anne’s, 2022 | 77 |
| Figure 21: Number Worcester County Farms Engaged in Agritourism in 2017 and 2022..... | 77 |
| Figure 22: Agritourism & Value-Added Agriculture Income, Worcester & Queen Anne’s, 2022 | 78 |

INTRODUCTION

This report, commissioned by the Queen Anne’s County Department of Economic and Tourism Development, in partnership with the county’s Department of Planning and Zoning, and the Queen Anne’s County Office of University of Maryland Extension, seeks to analyze the economics of agritourism in concert with a current assessment of county land use policies specific to the industry sector, and relevant case studies. The scope of the study focuses on Queen Anne’s County, which is located on the Eastern Shore of Maryland, immediately east of the Chesapeake Bay Bridge as shown in Figure 1.

Figure 1: Queen Anne’s County



Source: BAE 2024.

The purpose, background, methodology and approach taken to develop the Agritourism Economic and Land Use Study for Queen Anne’s County are summarized below.

Purpose

The purpose of the Agritourism Economic and Land Use Study for Queen Anne's County is to assess and evaluate the economic and land use implications of agritourism activities within the county. Specifically, the study aims to offer the following :

- **Economic Benefits:** With available data and information gleaned from agritourism businesses and others, a discussion of how agritourism contributes to the local economy in terms of revenue generation, job creation, and overall economic benefits.
- **Land Use Impacts:** An examination of how agritourism activities affect land use patterns within Queen Anne's County. This includes a review of current zoning regulations, agricultural and agritourism practices, preservation efforts, and potential conflicts with other land uses.
- **Best Practices:** A review of data-driven insights and successful examples of agritourism in Maryland counties similar in size or location with respect to a major metro market. This will equip county officials, policymakers, and stakeholders to make informed decisions on managing agritourism and its integration with existing land use plans and economic development strategies.
- **Preliminary Recommendations:** Recommendations and strategies to support and sustain agritourism in the county while managing any associated land use challenges. This will involve policy, business development, marketing, and/or educational initiatives.

Overall, the study aims to provide a comprehensive understanding of how agritourism interacts with the economic and land use framework of Queen Anne's County, enabling strategic planning and fostering sustainable growth in this industry sector. The purpose of the portion of the Agritourism Economic and Land Use Study that follows, the Agritourism Economic and Land Use Analysis, is to present a detailed review of existing conditions in order to be able to develop specific actions and recommendations for the final Agritourism Study and Policy Report. The latter will serve as the final report and will be a standalone document to guide agritourism policy going forward.

Background

With a grant from the Rural Maryland Economic Development Fund, administered by the Maryland Department of Commerce and the Upper Shore Regional Council, Queen Anne's County has initiated a study of the county's agritourism economy and land use policies as they relate to agricultural uses. In March 2024, BAE Urban Economics, together with Rhodeside Harwell, a Virginia-based planning firm were selected in a competitive procurement to prepare this study. As noted above the Agritourism Study and Policy Report will provide policy recommendations to support the future of agriculture and agritourism in the county.

Queen Anne's County government leaders acknowledge the need to have a clearer understanding of agritourism opportunities and their economic benefits. This study should assist the county in understanding the potential for agritourism and value-added agriculture that needs to be factored into infrastructure development, the county code, and other policy decisions.

The 2022 Queen Anne's County Comprehensive Plan was part of the impetus for the Agritourism Study and Policy Report as it identifies agriculture as a significant economic driver

in Queen Anne’s County, noting the growth of agritourism and its impacts on the local agriculture and tourism industries. The Comprehensive Plan recognizes that agriculture has been an important part of the economy and the heritage of Queen Anne’s County and that agritourism merges agriculture and tourism and creates economic opportunity for the county.

In the 2022 Comprehensive Plan two goals, 8-2 and 8-3, and corresponding strategies and recommendations are related to agritourism. These goals, strategies and recommendations are as follows:

- Under Goal 8-2, to “preserve and promote a resource-based economy,” Strategy 1 includes supporting agricultural businesses, among other businesses, “through existing markets and exploration of new and innovative agricultural markets” and their promotion.
- Recommendation 1 under Goal 8-2, Strategy 1 is to “create ways of offering incentives to agricultural, Agritourism, and eco-businesses, with an emphasis on regenerative initiatives and eco-friendly businesses.”
- Under Goal 8-3 in the 2022 Comprehensive Plan, to “explore opportunities for niche hospitality and tourism industries,” Strategy 1, Recommendation 2 is to “develop and promote ecotourism, Agritourism, and recreational tourism utilizing the existing natural resources in the County and working with industry partners and stakeholders.”

While it is clear that working to meet these two goals and associated recommendations will primarily be led by the Queen Anne’s County’s Department of Economic and Tourism Development, there is a role in their implementation for the Department of Planning and Zoning and other regulatory agencies to help the cause. The University of Maryland Extension, which works directly with farmers, is also an important partner in this effort.

Approach

The BAE Urban Economics’ team’s approach to the Agritourism Economic and Land Use Analysis is as follows.

1. Focus Groups: Stakeholder input from three focus groups led by the consulting team, to better understand Queen Anne’s County’s strengths or positives as well as the challenges for farming and agritourism operations. The focus groups consisted of industry leaders, internal staff, and county board and commission representatives. Stakeholders were asked to identify successful agritourism businesses in the county, and identify obstacles that farmers encounter in their efforts to add or expand an agritourism business in Queen Anne’s County. Additionally, the focus groups included a discussion of which, if any, particular county regulations present barriers to creating or expanding agritourism business, and what agritourism businesses, specifically or by type, not currently operating in the county, could be successful in Queen Anne’s

County. The focus groups were also asked for suggestions for how Queen Anne's County can help support farms and tourism more.

2. Individual Interviews: Interviews with stakeholders including Queen Anne's County farmers whether engaged or not in agritourism, a member of the county's Liquor Board, the Maryland Secretary of Agriculture Kevin Atticks, as well as an official from the Maryland Department of Commerce, Departments of Planning and Zoning and Economic & Tourism Development staff, and the University of Maryland Extension representatives. One or more members of the BAE consulting team led these interviews. In addition to gathering background information on the interviewees' farms or businesses (i.e., type of farm, how long in business, industry trends, etc.) to understand their perspective, they were asked to review the state's definition of agritourism and applicability to Queen Anne's County, and the list of agritourism activities associated with the state's definition. They were also asked the extent to which the agricultural industry is evolving, the interviewees' experience with agritourism operations, how they feel about the public having access to farms and farm buildings, and how they see agritourism operations absorbed into existing state and local processes.

The interview with Secretary Atticks is understandably quite different than the ones with farmers and agritourism businesses. The purpose of the interview with the Secretary is to have a clear understanding of what the state's current position is on agritourism and what policy or legislative changes may be pending that could affect Queen Anne's County. This will be described in more detail later in the report.

3. Economic Analysis: The economic analysis of the Queen Anne's County agriculture sector starts with a compilation of data from the 2022 USDA Agriculture Census, the Bureau of Labor Statistics, the U.S. Census, the State of Maryland, Queen Anne's County, the University of Maryland Extension and other sources. Some information is gleaned from the focus groups and stakeholder interviews as well. The economic analysis looks at growth and trends in the Queen Anne's County agriculture sector from the data, comparing the 2022 data to the 2017 and 2012 agriculture census data in order to identify trends. This also includes a comparison of 2002 through 2022 Agriculture Census data specific to agritourism. This section of the report follows the prescribed scope of services from Queen Anne's County and includes an analysis of tourism data and trends in the county and the surrounding area, and a close look at the wine and craft brew industry in Queen Anne's County as alcohol production is a key part of the agritourism picture. Finally, it will include a short summary of other topics that are an important part of the agriculture economy including transportation infrastructure, agtech, and ag financial and business development mentoring programs.

4. Land Use and Zoning Analysis: The land use and zoning analysis reviews the text of the 2022 Comprehensive Plan, PlanQAC and the discussion of agriculture and agritourism in Chapter 4 (Land Use) and Chapter 8 (Economic Development and Tourism). The latter chapter has a subsection on agritourism concluding with a set of potential positive outcomes including expanding “business with value-added products, uses and services,” and increasing “direct farm sales opportunities.” The analysis reviews agritourism definitions including the state’s model definition and those in three case study Maryland counties: Frederick, Carroll, and Worcester. The analysis describes Queen Anne’s County’s policies and standards, state regulatory standards including the health, building and fire codes, and the state’s agricultural preservation program, the Maryland Agricultural Land Preservation Program (MALPF). The latter is important because the MALPF program has its largest holdings in the state in Queen Anne’s County with over 35,000 acres. Finally, the analysis details federal, state, and county regulations for farm alcohol production and looks at farm alcohol production in the three case study jurisdictions: Frederick, Carroll, and Worcester.

5. Case Studies: The case studies section examines the status of agriculture and agritourism in three case study counties—Frederick, Carroll, and Worcester. This section gives to a sense of how the Queen Anne’s County’s agriculture sector stacks up in various categories versus these three counties. Four different successful agritourism operations that are located in Frederick, Carroll, and Worcester counties are profiled. This includes a discussion of how the four agritourism operations described here could be feasible in Queen Anne’s County.

ECONOMIC ANALYSIS

This economic analysis explores the basic demographics of Queen Anne’s County, key characteristics of the current agriculture sector in the county, agritourism in the county, Queen Anne’s County tourism (in general), the wine and craft beer industry, and other agriculture economy topics including agricultural technology (agtech), transportation, and programs and resources for Queen Anne’s County’s agritourism businesses.

Demographics (General)

According to the U.S. Census, as shown in Table 1, as of 2023, Queen Anne’s County had 51,132 residents and 19,868 households. This represents a 7.0 percent increase in residents compared to 2010, and a 10.3 percent increase in households. While the population grew, the county’s average household size shrank slightly, from 2.63 in 2010 to 2.56 in 2023.

Table 1: Population and Households, 2010 and 2022

| Queen Anne's County | 2010 | 2023 | Change 2010-2023 | |
|------------------------|--------|--------|------------------|---------|
| | | | Number | Percent |
| Population | 47,798 | 51,132 | 3,334 | 7.0% |
| Households | 18,016 | 19,868 | 1,852 | 10.3% |
| Average Household Size | 2.63 | 2.56 | - | - |

Sources: U.S. Census Bureau via ESRI Business Analyst, 2023; BAE, 2024.

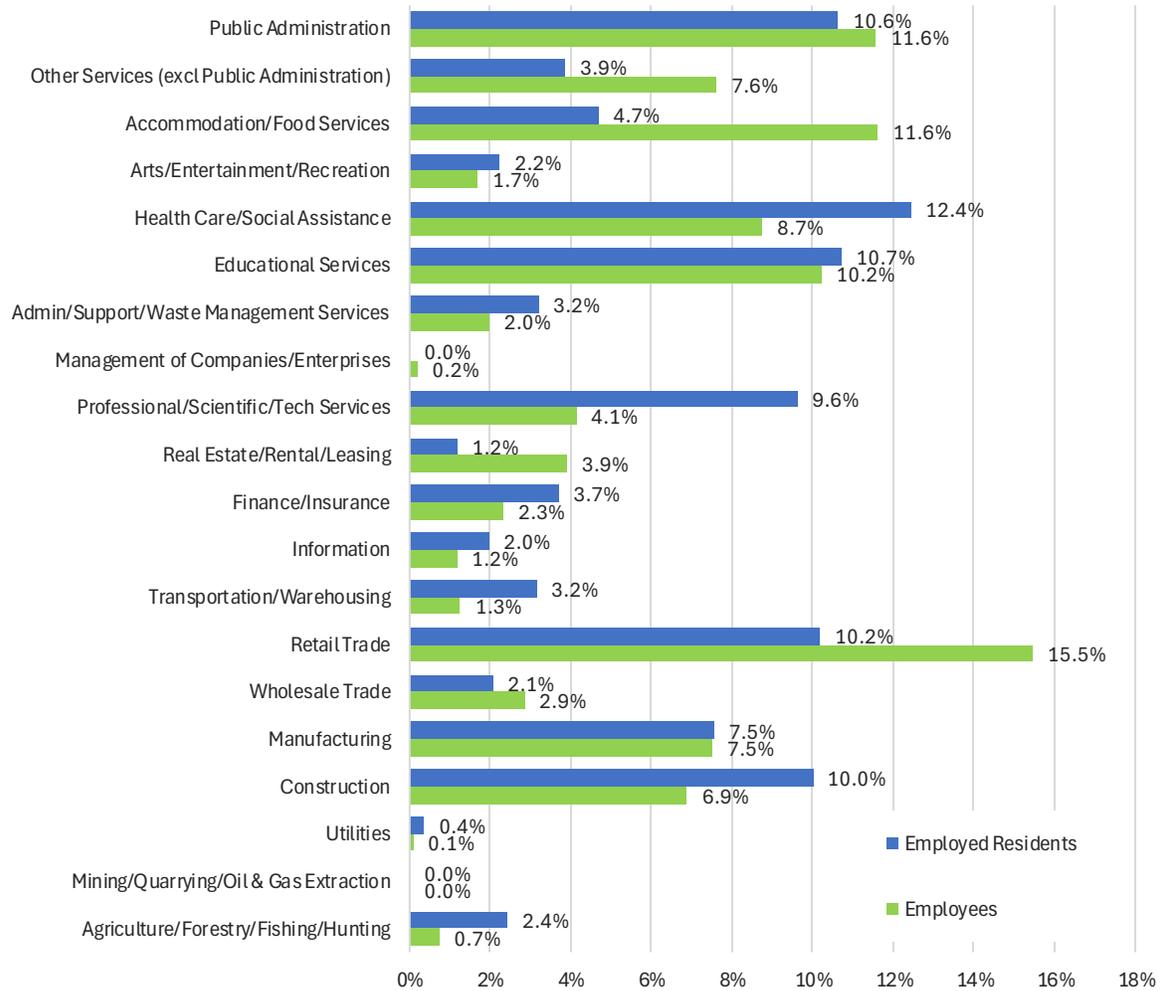
Resident Employment

In 2023, there were 27,172 residents of Queen Anne’s County that were employed. Figure 2 shows the distribution of these employed residents across all industries. The industries in which the largest shares of employed county residents work are healthcare and social assistance (12.4 percent), education services (10.7 percent), and public administration (10.6 percent). The industry sector of agriculture, forestry, fishing and hunting employs 2.4 percent of Queen Anne’s County residents.

Jobs

Figure 2 also shows the distribution of all jobs in Queen Anne’s County across industries. Of the 18,533 employees that fill these jobs, the industries that employ the most people in the county are retail trade (15.5 percent), accommodation and food services (11.6 percent), and public administration (11.6 percent). The industry sector of agriculture, forestry, fishing and hunting has 0.7 percent of jobs in Queen Anne’s County

Figure 2 Employment by Industry, Queen Anne’s County, 2023



Sources: U.S. Census Bureau via ESRI Business Analyst, 2023; BAE, 2024.

Though the U.S. Census is widely recognized as the best source for employment information, it should be noted that agriculture support and agritourism industries can be classified under several different categories including Management of Companies/Enterprises; Professional/Scientific/Tech Services; Retail Trade; Wholesale Trade; Food Service; Construction, etc. Accordingly, it is difficult to accurately quantify agriculture and agritourism industry employment numbers through these statistics.

Agriculture Sector

Below is a compilation and analysis of the agriculture trends in Queen Anne’s County. The primary source for this information is the 2022 USDA Census of Agriculture.

Farmland

Since 2002, the total number of farms and total agricultural acreage has generally increased over time, as shown in Table 2. In 2002 there were 443 farms across 155,566 acres and in 2022 there were 505 farms across 162,145 acres of land. While overall there has been an increase in the number of farms and total farmland across this period, the average farm size has decreased from 351 acres to 321 acres, and the median farm size has decreased from 107 acres to 66 acres.

Table 2: Total Agricultural Acreage, Queen Anne’s County, 2002-2022

| Queen Anne's County | 2002 | 2007 | 2012 | 2017 | 2022 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Farms | 443 | 521 | 530 | 483 | 505 |
| Total Acreage | 155,566 | 146,927 | 156,941 | 163,001 | 162,145 |
| Average Size of Farm | 351 | 282 | 296 | 337 | 321 |
| Median Size of Farm | 107 | 86 | 85 | 92 | 66 |

Sources: USDA Census of Agriculture, County Summary, 2002-2022; BAE 2024.

Farms by Operation Type

Of the 505 farms in Queen Anne’s County, the most common farm type is dedicated to growing grains, oilseeds, dry beans and peas, with 190 farms in 2022. As shown in Table 3, this has consistently been the most common farm type since 2002, although the total number of grains, oilseeds, dry beans, and peas farms has been declining. The second-most common farm type, poultry and eggs, has actually doubled in the same time period, from 33 in 2002 to 66 in 2022. Most of the farms in the poultry and eggs category are farms with poultry for human consumption, and not farms focused on egg production.

Table 3: Farms by Operation Type, Queen Anne’s County, 2002-2022

| Land Use Category | Number of Farms | | | | |
|---------------------------------------------------------|------------------------|-------------|-------------|-------------|-------------|
| | 2002 | 2007 | 2012 | 2017 | 2022 |
| Grains, Oilseeds, Dry Beans, & Dry Peas | 235 | 238 | 294 | 223 | 190 |
| Tobacco | - | 1 | - | - | - |
| Cotton and cottonseed | - | - | - | - | - |
| Vegetables, Melons, Potatoes, & Sweet Potatoes | 27 | 30 | 29 | 26 | 24 |
| Fruits, Tree Nuts, & Berries | 17 | 14 | 14 | 21 | 19 |
| Nursery, Greenhouse, Floriculture, & Sod | 23 | 23 | 22 | 20 | 25 |
| Cultivated Christmas Trees & Short Rotation Woody Crops | 5 | 7 | 4 | 4 | 7 |
| Poultry & Eggs | 33 | 65 | 68 | 77 | 66 |
| Cattle & Calves | 57 | 71 | 45 | 53 | 33 |
| Milk from Cows | 19 | 18 | 8 | 10 | 7 |
| Hogs & Pigs | 7 | 8 | 5 | 13 | 11 |
| Sheep, Goats, Wool, Mohair, & Milk | 16 | 19 | 16 | 25 | 22 |
| Horses, Ponies, Mules, Burros, & Donkeys | 21 | 14 | 19 | 19 | 16 |
| Aquaculture | 4 | 2 | - | - | - |
| Other Animals & Animal Products | | | | | |
| Total Farms | 443 | 521 | 530 | 483 | 505 |

Sources: USDA Census of Agriculture, Table 2, 2002-2022; BAE 2024.

Note: The grains grown in Queen Anne’s County are primarily corn, barley, and wheat, and the oilseeds primarily grown in the area are soybeans. There are very little, if any dry beans and peas grown in the county.

Market Value of Agricultural Products

As shown in Table 4, in 2022 farms in Queen Anne’s County produced \$283,334,000 worth of agricultural products sold, with an average of \$561,058 per farm. Crops made up \$145,799,000 (51.5 percent) of the total market value and livestock, poultry, and their products made up \$137,536,000 (48.5 percent). As noted in Table 4, the agricultural product categories with the highest market value in Queen Anne’s County are poultry and eggs (\$126,721,000), grains, oilseeds, dry beans, and dry peas (\$115,221,000), and nursery, greenhouse, floriculture, and sod (\$23,916,000).

Table 4: Market Value of Agricultural Products Sold, Queen Anne’s County, 2022

| Product | Value |
|--------------------------------------------------------|----------------------|
| Crops | \$145,799,000 |
| Grains, oilseeds, dry beans, dry peas | \$115,221,000 |
| Tobacco | \$0 |
| Cotton and cottonseed | \$0 |
| Vegetables, melons, potatoes, sweet potatoes | \$5,179,000 |
| Fruits, tree nuts, berries | \$1,198,000 |
| Nursery, greenhouse, floriculture, sod | \$23,916,000 |
| Cultivated Christmas trees, short rotation woody crops | \$17,000 |
| Other crops and hay | \$268,000 |
| Livestock, poultry, and products | \$137,536,000 |
| Poultry and eggs | \$126,721,000 |
| Cattle and calves | \$1,805,000 |
| Milk from cows | \$7,885,000 |
| Hogs and pigs | \$479,000 |
| Sheep, goats, wool, mohair, milk | \$108,000 |
| Horses, ponies, mules, burros, donkeys | \$512,000 |
| Aquaculture | \$0 |
| Other animals and animal products | \$26,000 |
| Total | \$283,334,000 |

Sources: USDA Census of Agriculture, Table 2, 2017-2022; BAE 2024.

Farm Employment

According to the U.S. Bureau of Economic Analysis, as of 2022, there were 737 farm jobs in Queen Anne’s County, about 2.8 percent of all jobs in the county. As illustrated in Figure 3, the county saw an overall decline in farm employment between 2002 and 2009, an increase between 2009 and 2017, and another decrease between 2017 and 2022. Overall, the county has seen a 4.1 percent increase in farm jobs between 2002 and 2022.¹

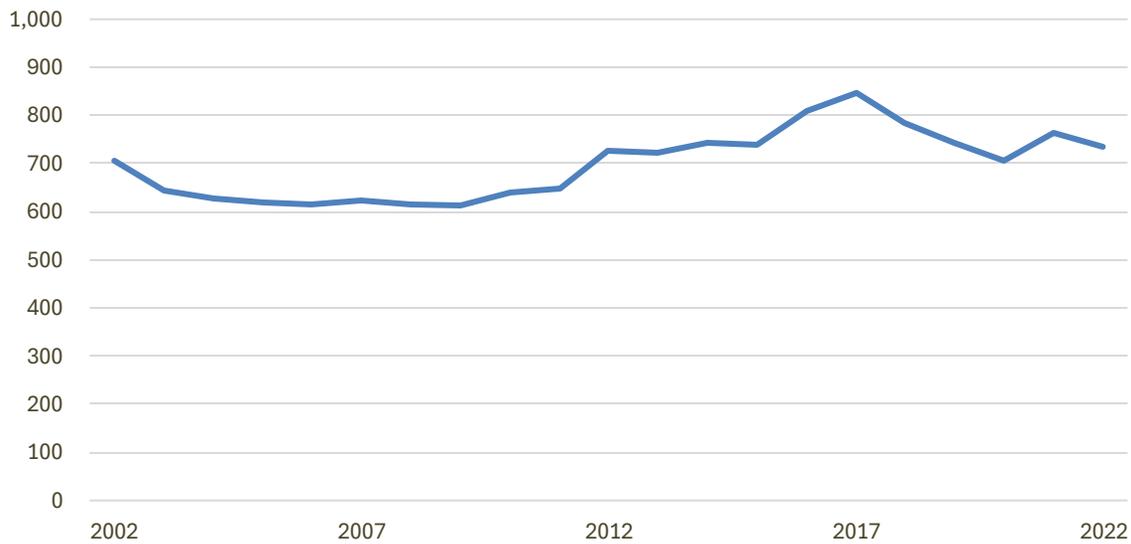
The percentage of total employment has followed similar trends, as can be seen in Figure 4. However, whereas the total number of farm jobs in the county have increased, albeit

¹ The number of farm jobs reported here are almost certainly an undercount. This only counts jobs on the farm, not agriculture jobs as a whole. Also, members of farm families often have second jobs elsewhere and their jobs are counted in different categories.

marginally, the share of farm jobs has decreased due to the growing number of total jobs in the county. At their highest in 2002, farm jobs comprised 3.8 percent of total county employment compared to only 2.8 percent in 2022.

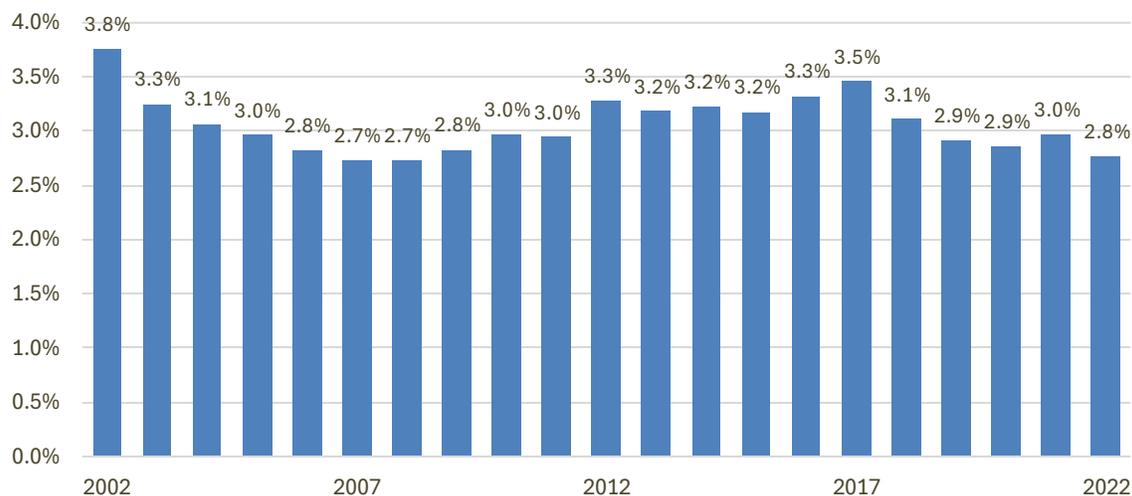
As noted above agriculture support and agritourism industries can be classified under several different categories including Management of Companies/Enterprises; Professional/Scientific/Tech Services; Retail Trade; Wholesale Trade; Food Service; Construction, etc. It is therefore difficult to accurately report the number of jobs in agriculture support and agritourism by specific industry sector(s). Additionally, many people in farm families work off the farm part time and they may be counted in one category or the other. It can be difficult to break down those numbers.

Figure 3: Total Farm Employment, Queen Anne’s County, 2002-2022



Sources: U.S. Bureau of Economic Analysis, Table CAEMP25N, 2002-2022; BAE 2024.

Figure 4: Farm Employment Share of Total Employment, Queen Anne’s County, 2002-2022



Sources: U.S. Bureau of Economic Analysis, Table CAEMP25N, 2002-2022; BAE 2024.

Agritourism

While there are many definitions of agritourism, since the USDA prepares the Census of Agriculture, which collects data on agriculture, as well as agritourism, it is appropriate to use the USDA definition of agritourism in this section of the report which compiles those data.

USDA’s definition of agritourism is as follows:

A form of commercial enterprise that links agricultural production and/or processing with tourism in order to attract visitors onto a farm, ranch, or other agricultural business for the purposes of entertaining and/or educating the visitors and generating income for the farm, ranch, or business owner.²

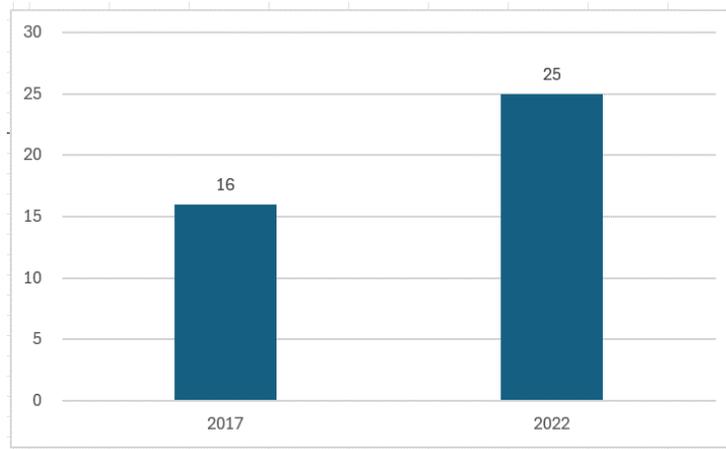
Below are data available from the USDA Census of Agriculture from 2017 and 2022 for agritourism and value-added agriculture income, presumably counting income from farm, ranch, or other agricultural business from their own definition of agritourism.

Agritourism and Value-Added Agriculture Income

Figure 5 shows the number of Queen Anne’s County farms engaged in agritourism in 2017 and 2022.

² <https://agclass.nal.usda.gov/vocabularies/nalt/concept?uri=https://lod.nal.usda.gov/nalt/301118>

Figure 5: Number of Queen Anne’s County Farms Engaged in Agritourism in 2017 and 2022

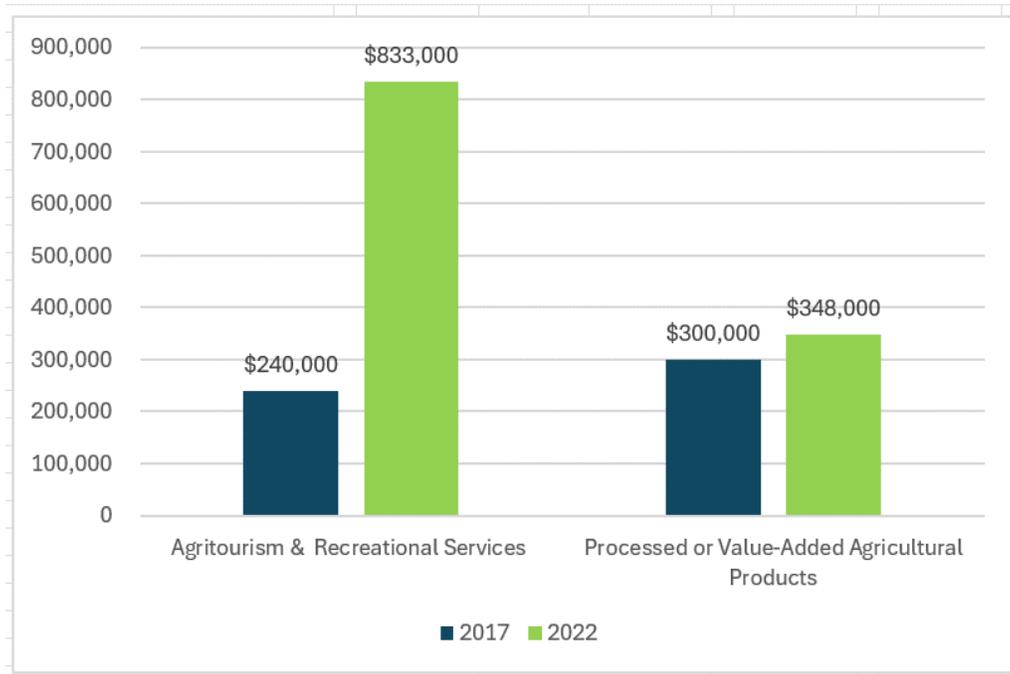


Sources USDA Census of Agriculture, 2017 & 2022, BAE 2024.

Figure 6 presents the total farm-related income from agritourism and recreation services and value-added agricultural products in Queen Anne’s County in 2017 and 2022. Over the five-year period, the agritourism and recreation services income grew from \$240,000 to \$833,000. While the agritourism and recreation services income grew significantly, the total number of farms that generated this income marginally increased from 16 in 2017 to 25 in 2022.

According to the USDA, about \$348,000 worth of processed or value-added agricultural products were sold in Queen Anne’s County in 2022. This is a modest increase from 2017, when \$300,000 worth of processed or value-added agricultural products were sold.

Figure 6: Agritourism & Recreational Services and Value Added Agricultural Products income for 2017 and 2022



Sources USDA Census of Agriculture, 2017 & 2022, BAE 2024.

As Queen Anne’s County aims to improve its agritourism and value-added agriculture industries, it can continue to support its existing agritourism businesses, such as the ones listed in Table 5.

Table 5: Agritourism Operations in Queen Anne’s County

| Operation | Location |
|--------------------------------------------------|-----------------|
| Godfrey Farms | Sudlersville |
| Patriot Acres | Sudlersville |
| Big Truck | Queenstown |
| Oksana’s Produce | Chestertown |
| Mason Farms Produce | Ruthsburg |
| Wye Branch Manor & Native Shore Hunting Preserve | Wye Mills |
| Where Pigs Fly Farm | Centreville |
| Party Animals | Sudlersville |
| Cascia Vineyards | Stevensville |
| Mason’s Branch Hunting Preserve | Centreville |
| Sunkissed Flowers | Stevensville |
| Dominic’s Farm | Queenstown |
| Lowery’s | Chester |
| Possum Point Farm | Centreville |
| Love Point Winery | Stevensville |
| Tomahawk Farms | Centreville |
| Blue Heron Tree Farm | Centreville |
| Kent Fort Farm | Stevensville |
| Arnold Farms | Crumpton |
| Serenity Farm Produce | Centreville |

Source: University of Maryland Extension, Queen Anne’s County, 2024.

Tourism

Queen Anne's County is attracting a growing number of visitors, showing positive trends in its tourism industry. As shown in Table 6, the county’s tourism industry recovered quickly from the pandemic—faster than most other Maryland counties and the state as a whole—with the visitor spending increasing by more than 50 percent between 2020 and 2021. Although the county saw a more modest rise in visitors in 2022 from the previous year, the total count of 391,000 visitors exceeds the 385,100 visitors in 2018 and is only about 10,000 visitors shy of 2019, the last full year before the pandemic. Visitor spending in Queen Anne's County reached \$168 million in 2022, reflecting a significant 7.0 percent increase from the prior year and exceeding the pre-pandemic years between 2018 and 2019. The data suggest an encouraging trend with visitor count and spending for the county.

Table 6: Queen Anne’s County Total Visitors and Visitor Spending, 2018–2022

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Total Visitors | 385,100 | 403,200 | 255,900 | 385,400 | 391,800 |
| YOY Increase/Decrease | | 4.7% | -36.5% | 50.6% | 1.7% |
| Visitor Spending (million) | \$ 137 | \$ 147 | \$ 104 | \$ 156 | \$ 168 |
| YOY Increase/Decrease | | 7.3% | -29.3% | 50.0% | 7.7% |

Sources: Queen Anne's County Department of Economic and Tourism Development 2022-2023; BAE 2024.

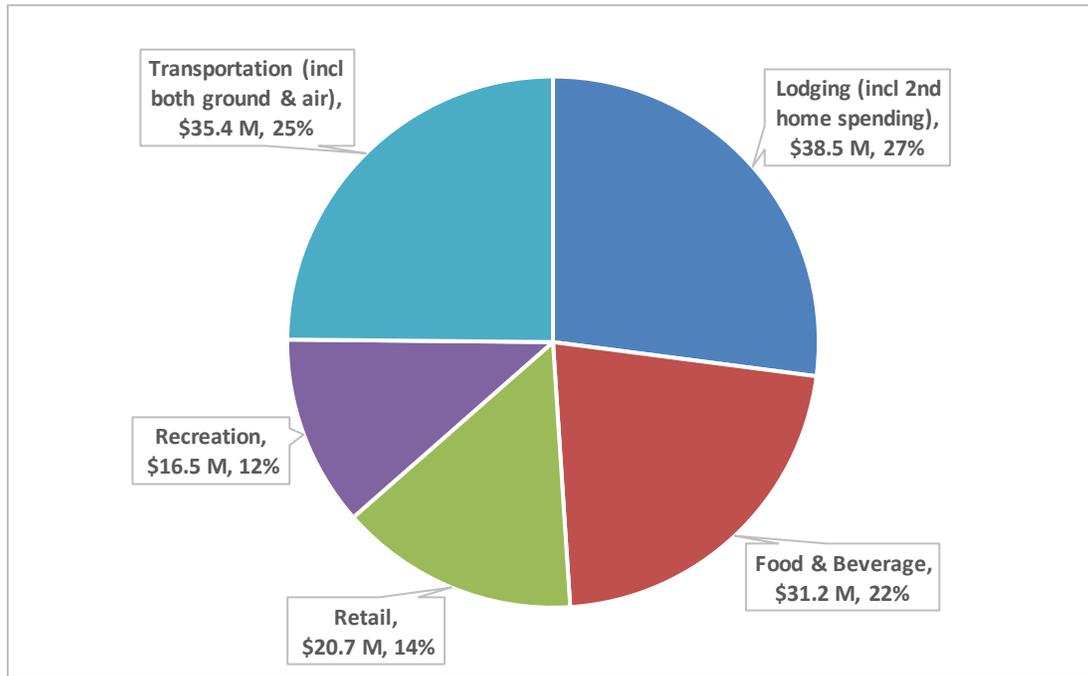
Of the top three spending categories of the Visitor Spending breakdown shown in Table 7 as an average from 2018 through 2022, Lodging (which includes second home spending), ranks first, then transportation (which includes both ground and air), and Food & Beverage a close third. The range between Lodging (first) and Food & Beverage is only \$7.3 million (about five percent of the total average visitor spending). Given that Food & Beverage has a natural tie-in with agritourism, this is a promising avenue to explore further for growth opportunities in this tourism sector.

Table 7: Queen Anne’s County Visitor Spending Breakdown, 2018–2022

| | 2018 | 2019 | 2020 | 2021 | 2022 | AVG |
|-----------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Visitor Spending (million) | \$ 136.7 | \$ 147.4 | \$ 103.6 | \$ 156.3 | \$ 167.5 | \$ 142.3 |
| Lodging (incl 2nd home spending) | \$ 41.1 | \$ 43.9 | \$ 28.1 | \$ 37.6 | \$ 41.8 | \$ 38.5 |
| Food & Beverage | \$ 27.1 | \$ 30.3 | \$ 25.5 | \$ 35.6 | \$ 37.4 | \$ 31.2 |
| Retail | \$ 19.1 | \$ 20.0 | \$ 16.8 | \$ 23.2 | \$ 24.5 | \$ 20.7 |
| Recreation | \$ 17.1 | \$ 17.6 | \$ 11.4 | \$ 17.5 | \$ 19.1 | \$ 16.5 |
| Transportation (incl both ground & air) | \$ 32.3 | \$ 35.6 | \$ 21.8 | \$ 42.4 | \$ 44.7 | \$ 35.4 |

Sources: Queen Anne's County Department of Economic and Tourism Development 2022-2023; BAE 2024.

Figure 7: Queen Anne’s County Visitor Spending Breakdown Average, 2018-2022



Sources: Queen Anne's County Department of Economic and Tourism Development 2022-2023; BAE 2024.

Another indicator of Queen Anne’s County’s positive tourism trend is hotel tax revenue, which shows a 12.5 percent increase in 2022 to \$900,000 from 2021 when it was \$800,000. These numbers, shown in Table 8 represent another data point demonstrating that tourism in the county has exceeded pre-COVID levels, suggesting that Queen Anne's County is continuing to gain traction as a tourist destination.

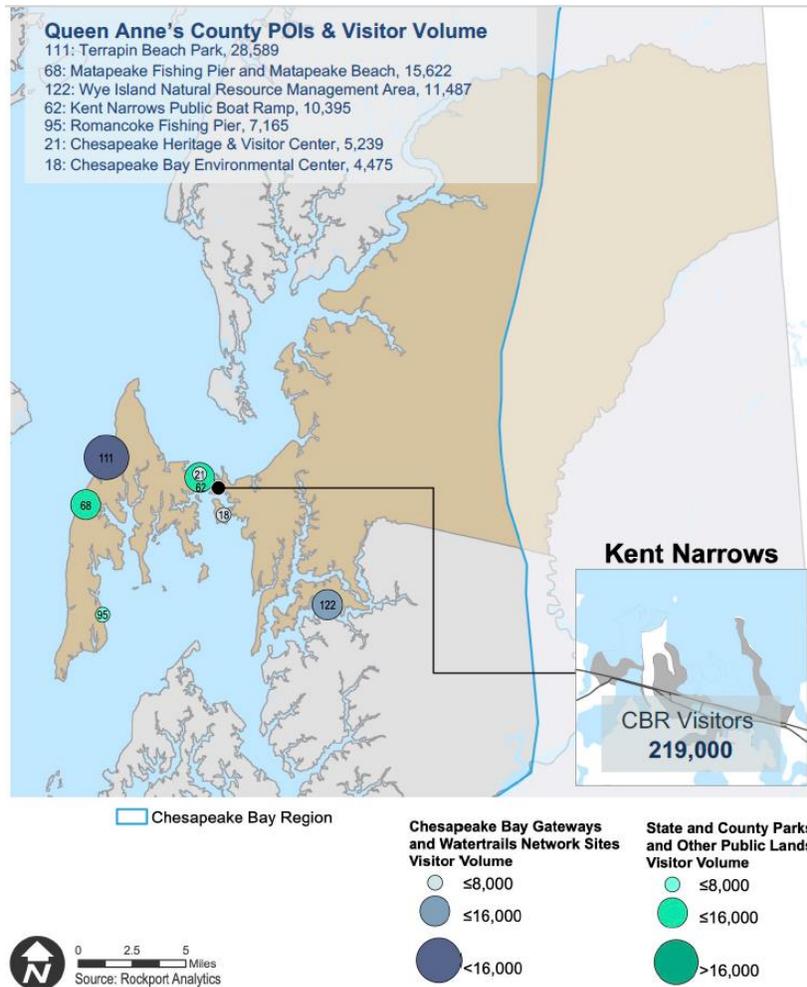
Table 8: Queen Anne’s County Hotel Tax Revenue, 2018–2022

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|------|-------|--------|--------|-------|
| Hotel Tax Revenue (million) | 0.6 | 0.7 | 0.4 | 0.8 | 0.9 |
| YOY Increase/Decrease | | 16.7% | -42.9% | 100.0% | 12.5% |

Sources: Queen Anne's County Department of Economic and Tourism Development 2022-2023; BAE 2024.

Queen Anne’s County’s tourism, with its various Chesapeake Bay Region (CBR) destinations, benefits from visitors traveling through and to the points of interest (POIs) within the region. Figure 8 from the 2023 study of visitation to Maryland’s CBR commissioned by Maryland Office of Tourism shows the key points of interest in the county and the number of visitors of each of them. The top three CBR points of interest in the county are Terrapin Beach Park, Matapeake Fishing Pier and Beach, and Wye Island Natural Resource Management Area.

Figure 8: Queen Anne’s County Chesapeake Bay Region (CBR) Point of Interests (POIs) and Visitor Volume 2021



Sources: Maryland Office of Tourism ; BAE 2024.

As shown in Table 9, at the state level, visitor spending in Maryland reached \$19.4 billion in 2022. This represents a significant increase from 2021 (\$16.4 billion), demonstrating the state’s tourism industry’s recovery from the pandemic. Queen Anne’s County’s rebound in tourism from the pandemic is confirmed in the state’s recovery. Maryland’s tourism experienced a strong rebound since the pandemic with visitor spending growing by 42 percent between 2020 and 2021, though not as steep of an increase as was seen Queen Anne’s County at 50 percent in that same year.

Table 9: Maryland Total Visitors and Visitor Spending, 2018–2022

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Visitors (million) | 41.9 | 42.1 | 24.7 | 35.2 | 43.5 |
| YOY Increase/Decrease | | 0.5% | -41.3% | 42.5% | 23.6% |
| Visitor Spending (million) | \$ 18,050 | \$ 18,590 | \$ 11,619 | \$ 16,391 | \$ 19,402 |
| YOY Increase/Decrease | | 3.0% | -37.5% | 41.1% | 18.4% |

Sources: Maryland Office of Tourism ; BAE 2024.

For comparison, Table 10 shows Queen Anne’s County Total Visitors and Visitor Spending from 2018 to 2022.

Table 10: Queen Anne’s County Visitors and Visitor Spending, 2018–2022

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Total Visitors | 385,100 | 403,200 | 255,900 | 385,400 | 391,800 |
| YOY Increase/Decrease | | 4.7% | -36.5% | 50.6% | 1.7% |
| Visitor Spending (million) | \$ 137 | \$ 147 | \$ 104 | \$ 156 | \$ 168 |
| YOY Increase/Decrease | | 7.3% | -29.3% | 50.0% | 7.7% |

Sources: Queen Anne’s County Department of Economic and Tourism Development 2022-2023; BAE 2024.

How Queen Anne’s County’s numbers compare with its neighbors can be viewed in the table below. Talbot and Dorchester counties are chosen for comparison because of their general geographic and economic similarities but also specifically because US Route 50 cuts through these counties just as it passes through Queen Anne’s County to and from Ocean City and other Eastern Shore destinations. The table below shows 2021 CBR visitor count and spending extracted from a 2023 study of visitation to Maryland’s CBR, commissioned by Maryland Office of Tourism. A primary attraction of Queen Anne’s County is its Chesapeake Bay waterfrontage. The data in Table 11 below underscore the importance of making the connection between Queen Anne’s County tourism and its Chesapeake Bay assets.

Table 11: Queen Anne’s, Talbot & Dorchester CBR Visitation, 2021

| 2021 CBR Visitor Data | Queen Anne's County | Talbot County | Dorchester County |
|----------------------------------|---------------------|---------------|-------------------|
| Total CBR Visitor Count | 248,000 | 516,000 | 206,000 |
| Total Visitor Spending (million) | \$142 | \$281 | \$137 |
| Average Length of Stay (day) | 1.3 | 1.6 | 1.6 |
| | | | |
| 2021 CBR Visitor Ranking | Queen Anne's County | Talbot County | Dorchester County |
| Total CBR Visitor Count | 2 | 1 | 3 |
| Total Visitor Spending (million) | 2 | 1 | 3 |
| Average Length of Stay (day) | 3 | 1-Tied | 1-Tied |

Sources: Maryland Office of Tourism; BAE 2024.

Queen Anne’s County is in the middle of the pack with Talbot ranking first for all three factors: Visitor Count, Visitor Spending, and Average Length of Stay. One reason for this is that Talbot County has the benefit of well-defined, established tourist destinations in the towns of St. Michaels and Easton, somewhat like Queen Anne’s County’s Kent Narrows. That Dorchester County is tied with Talbot for Average Length of Stay can be attributed to the Hyatt Regency Chesapeake Bay Golf Resort, Spa And Marina in Cambridge. With its ample conference and recreational facilities, the resort has proven to be successful in attracting not just tourists looking for rest and recreation but also business travelers from the Mid-Atlantic region attending meetings and conferences.

Queen Anne's County’s main asset is its beautiful location on the Chesapeake Bay. With this foundation, the county has great potential for growing its tourism industry with these strategies: Queen Anne's County

- With its Eastern Shore charm has a rich history and culture. The county has quaint towns, historic sites, local shops and restaurants, and the opportunity to better define some of its towns as tourist destinations in the mold of St. Michaels and Easton in Talbot County.
- Has many water destinations on the Chesapeake Bay that lend themselves to recreation, such as kayaking, paddleboarding, boating, and fishing.
- Also has many parks, trails, and wildlife refuges to attract visitors looking to hike, bike, birdwatch, or go horseback riding.
- Has great assets in its farms and vineyards/wineries for promoting the county as a foodie destination for farm-to-table dining and fine wines.
- Has equestrian activities and resources including the Tuckahoe Equestrian Center, a non-profit organization that offers opportunities for trail riding and other equestrian activities, and the Conquest Preserve, which has a 1.5-mile equestrian trail with plans for expansion.

When attempting to determine how much of Queen Anne’s County tourism could be agritourism, the consulting team discovered it is difficult to extract that information because Queen Anne’s County does not have a staff person for marketing and promoting agritourism specifically. Accordingly, there is no separate accounting for visitors to the agritourism sites listed in the “Agritourism” section of the Economic Analysis chapter. As discussed later in this report, most Maryland counties with significant agriculture sectors, including Frederick and Carroll counties profiled as case studies in this report, have an agriculture specialist on staff who markets agriculture and agritourism businesses and sites to visitors and helps to navigate agribusinesses through the county regulatory processes as needed.

Wine and Craft Beer Industry

Queen Anne’s County has a developing wine area in Stevensville on Kent Island with two wineries with vineyards. These wineries produce a range of wines, including popular varieties like Chardonnay, Merlot, and Cabernet Sauvignon. The county’s terroir, or the combination of factors that influence grape growth, is particularly well-suited for viticulture, contributing to the high-quality wines produced here. The two wineries and vineyards in the county are:

- **Cascia Vineyards and Winery** (<https://mcascia.wixsite.com/cascia-vineyards>): This twenty plus year family-run establishment in Stevensville on Kent Island includes a tasting room on a waterfront property along Cox Creek. The vineyard grows over 12 acres of premium wine varietals and produces red and white wines, as well as dessert wines, from vinifera and native varietals, grown in their vineyard.
- **Love Point Vineyards and Winery** (<https://lovepointvineyards.com/>). Located in Stevensville on the northern tip of Kent Island known as Love Point, this family-run operation was established in 2015 with a 15-acre vineyard. The waterfront winery offers tasting of their wines in a tasting room with a view of the Chester River.

In addition to the two wineries in Stevensville, Queen Anne’s County also has a wholesale vineyard operation on Schmidt Farms in Sudlersville. The owners of Schmidt Farms originally started growing grapes in 2003 to diversify their crops with something that had value-add potential. According to an article in *Lancaster Farming* in October 2022, Schmidt Farms at that time had six to eight wholesale customers a year with Carroll County’s Boordy Vineyards, its largest buyer, with an annual purchase of approximately 40 tons of grapes. A Maryland law that went into effect in May 2022, requiring licensed on-farm wineries to produce their wines with at least 51 percent of Maryland-grown grapes has only increased demand for their grapes.³

According to the National Association of American Wineries, as shown in Figure 9, Maryland’s wine industry generates close to \$3.10 billion in total economic activity in 2022 from a total of

³ https://www.lancasterfarming.com/farming-news/produce/growing-wholesale-wine-grapes-to-meet-demand-at-schmidt-farms/article_b8dd5794-59ea-51d7-ad3e-99b901fbc798.html

77 wine producers as well as 69 acres of vineyards. Relevant to this study in the 157,881 tourism visits based on Total Visitors of 47,955⁴ that yielded \$53.58 million in tourist expenditures.

Figure 9: Economic Impact of Wine Production in Maryland, 2022



Sources National Association of American Wineries, (<https://wineamerica.org/economic-impact-study/maryland-wine-industry/>), BAE 2024.

In the Maryland Vineyard Survey prepared by the Maryland Grape Growers Association (MGGA), Queen Anne’s County ranked fourth in total winery vineyard acreage among Maryland counties. Frederick County’s 243.5 acres of winery vineyard acreage leads all counties. Queen Anne’s County’s 42 acres, which is more than double its neighboring Talbot and Dorchester counties, leads Maryland counties on the Eastern Shore. This distinction may provide an opportunity for the county to distinguish itself to the CBR visitor.

⁴ National Association of American Wineries, (<https://wineamerica.org/economic-impact-study/maryland-wine-industry/>),

Table 12: Maryland Vineyard Survey, 2020

| Maryland Vineyards | 2020 Acres (Fruit-Bearing and Non Fruit-Bearing) | | | |
|--------------------|--------------------------------------------------|--------------------|--------|--------|
| | Commercial Grower | Winery in Planning | Winery | Total |
| Allegany | 1.85 | 0 | 0 | 1.85 |
| Anne Arundel | 2 | 0 | 38.55 | 40.55 |
| Baltimore | 11.5 | 0 | 26.5 | 38 |
| Calvert | 2.5 | 0 | 7 | 9.5 |
| Caroline | 0 | 0 | 12.5 | 12.5 |
| Carroll | 2.4 | 5.1 | 31.55 | 39.05 |
| Cecil | 0 | 0 | 32 | 32 |
| Charles | 2.5 | 0 | 3 | 5.5 |
| Dorchester | 0 | 0 | 13.5 | 13.5 |
| Frederick | 0 | 10 | 243.5 | 253.5 |
| Garrett | 0 | 0 | 0 | 0 |
| Harford | 0 | 0 | 14 | 14 |
| Howard | 4 | 0 | 0 | 4 |
| Kent | .5 | 0 | 14.5 | 15 |
| Montgomery | 13 | .25 | 98 | 111.25 |
| Prince George's | 1.7 | 12.4 | 17.4 | 31.5 |
| Queen Anne's | 45 | 0 | 42 | 87 |
| St. Mary's* | 0 | 9.5 | 25 | 34.5 |
| Talbot | 5.25 | 0 | 7 | 12.25 |
| Washington | 24 | 2 | 81.5 | 107.5 |
| Wicomico | 0 | 0 | 14.5 | 14.5 |
| Worcester | 0 | 0 | 4 | 4 |

Sources: Maryland Grape Growers Association (<https://marylandgrapes.org/wp-content/uploads/2021/05/2020-Vineyard-Survey-Report-051221.pdf>); BAE 2024.

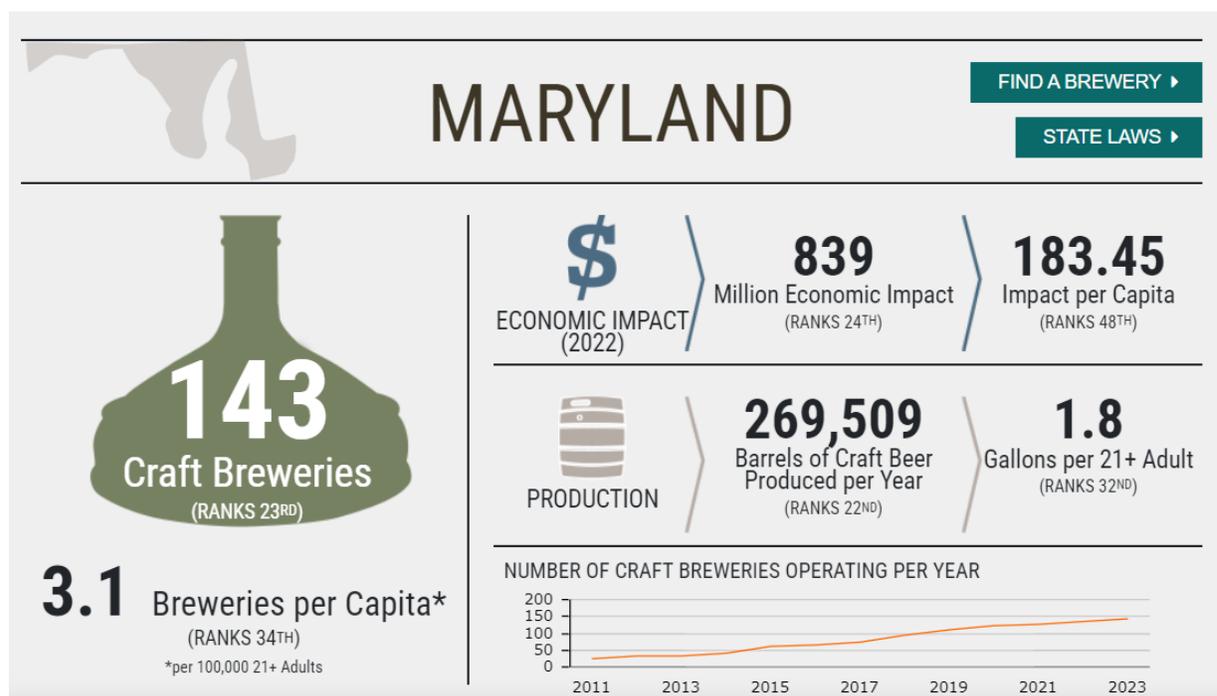
The craft beer scene is thriving in Queen Anne's County as well. Among the county's breweries are two farm breweries that would be considered agritourism, Big Truck Queenstown Brewhouse & Farm and Patriot Acres Farm brewery in Sudlersville. Several other breweries across the county offer a diverse selection of beers, from classic styles like lagers and ales to more adventurous IPAs and stouts. Local ingredients, including specialty grains and fruits, are frequently used by these breweries for different brews, though hops, which are a primary ingredient in beer, do not grow well in Queen Anne's County and therefore mainly come from

outside the county. The breweries can serve as destinations for the typical CBR visitor with a taste for craft beers. A complete list of breweries located in Queen Anne's County includes:

- **Big Truck Queenstown Brewhouse & Farm** (<https://btfbeer.com/>). The beer from this farm brewery located in Queenstown is crafted from grains and hops grown on their farmland, though hops may be coming from their location in Baltimore County.
- **Bull & Goat Brewery** (<https://bullandgoatbrewery.com/>). Established in the early 2010s, this brewery offers a taproom located in downtown Centerville.
- **Cult Classic Brewing** (<https://cultclassicbrewing.com/>). Founded around 2018, this operation consisting of a brewery, taproom, and live music venue, is located on Kent Island.
- **Patriot Acres Farm Brewery**.(<https://cultclassicbrewing.com/>). This veteran-owned farm brewery is situated outside Sudlersville. This brewery is located on a 100-acre farm that has been in the family for over a century.
- **Ten Eyck Brewing Company** (<https://teneyckbrewing.com/>): Founded by women and opened during the pandemic year of 2020, this brewery is in Queenstown.

In 2023, some 143 licensed craft breweries operated throughout Maryland. These breweries produced 269,509 barrels of craft beer per year with an economic impact of \$839 million. The following figure from the Brewers Association shows the relevant metrics related to the production of craft beer in Maryland, including the growth of craft breweries from 25 in 2011 to 143 in 2023.

Figure 10: Craft Beer Production in Maryland, 2023



Sources Brewers Association (<https://www.brewersassociation.org/statistics-and-data/state-craft-beer-stats/?state=MD>), BAE 2024.

A 2021 study by the Rural Maryland Council to examine the relationship between craft beer drinkers and tourism is particularly salient for this report. The study from December of 2020 through December of 2021 also seeks to determine the impact of COVID on the craft beer industry in Maryland. A key finding from this study is the willingness of craft beer drinkers to travel. The study states:

“95% of surveyed beer drinkers visited a brewery while traveling in 2020. This number dropped to 76% after COVID struck. The survey also shows a corresponding diminution in total leisure trips: 97% of respondents took at least one leisure trip in 2019, prior to COVID, with only 82% of respondents deciding to travel for leisure after March 1, 2020. Nevertheless, these craft beer drinkers still visited a brewery while traveling. 95% of respondents visited a brewery while traveling in 2019 and 76% of respondents visited breweries during a leisure trip after March 1, 2020. While the number of trips to breweries while traveling certainly diminished, it still represents a significant potential revenue source for local breweries here in Maryland and on the Shore.”⁵

⁵ The Rural Maryland Council, Craft Beer & Tourism Study, December 2021, p. 21. Link: <https://shorecraftbeer.com/wp-content/uploads/2022/03/7-maerdaf-beer-tourism-study-011322.pdf>

Key findings from this study include:

- Craft beer drinkers travel.
- Craft beer drinkers still travel and still visit breweries despite interruptions from COVID.
- Craft beer drinkers travel longer distances to attend craft beer related events.
- Craft beer related events pull from broader geographic areas over time.
- All tourism and craft beer related businesses can benefit from targeting craft beer drinkers for tourism marketing.
- Craft breweries showed adaptability and success during COVID.
- Craft breweries increased demand during COVID.⁶

It is noteworthy that in addition to the wineries and breweries in Queen Anne’s County discussed above there is one distillery, Old Courthouse Distilling located in Centreville. Old Courthouse Distilling was established in 2019. The distillery’s specialty spirit is American-style whiskey, though they also offer rum and agave spirits. They currently sell a barrel-aged rye whiskey bottled at 95 percent alcohol by volume (ABV). The company is located at Bull & Goat Brewery and is open Wednesday through Saturday.

Other Agriculture Economy Topics

Included below is information about other agriculture economic topics relevant to Queen Anne’s County. This includes a description of the developing agriculture industry subsector, agricultural technology; a discussion of transportation infrastructure in the county as it relates to agritourism; and programs and resources to support Queen Anne’s County’s agritourism businesses.

Agricultural Technology (Agtech)

Agricultural technology, or agtech, has emerged as a powerful solution for increasing efficiencies for farming in an environmentally conscious way. Agtech refers to the use of technology to improve and innovate in all aspects of agriculture. This encompasses a wide range of technologies, including:

- Precision agriculture: Utilizing data and sensors to optimize resource use, improve yields, and minimize environmental impact.
- Agricultural robotics and automation: Employing robots for tasks like harvesting, weeding, and milking, reducing labor costs, and increasing efficiency. For example, drones and other similar unmanned aerial vehicles (UAV) are being used to collect high-resolution data quickly and efficiently, including visual data from aerial imaging.⁷

⁶ Ibid., p. 1.

⁷ Conversation with Matthew Cimino, PhD, Manager, Business and Innovation Development, Maryland Department of Commerce, July 3, 2024.

These data can help farmers make decisions about everything from planting and harvesting times to hydration and pest control.

- Internet of Things (IoT) in agriculture: Connecting farm equipment and sensors to a central network for real-time data collection and analysis. For example, autonomous fencing technology connects the farm to the internet and other related technology infrastructure, such as global positioning system (GPS) to install an invisible barrier, or 'virtual fence', which controls where livestock can graze without the need for a physical barrier.⁸
- Agricultural biotechnology: Using genetic engineering and other techniques to develop new crop varieties with improved resistance to pests and diseases.
- Indoor farming: Growing crops in controlled environments, independent of weather conditions.

The agtech industry is driven by factors such as:

- Rising global population: The demand for food is expected to increase significantly in the coming decades.
- Climate change: Changing weather patterns threaten traditional agricultural practices.
- Need for sustainability: Consumers are increasingly demanding food produced using environmentally friendly methods.
- The need to operate and maintain more acres of agricultural land with fewer employees.

Agtech has the potential to address these challenges by:

- Increasing agricultural productivity: By using data and technology, farmers can make better decisions about planting, irrigation, and pest control, leading to higher yields.
- Reducing environmental impact: Precision agriculture can help farmers use water and fertilizers more efficiently, reducing pollution.
- Improving food quality and safety (Food Security): Agtech can be used to track food from farm to fork, ensuring its quality and safety.⁹

Most prominent agtech trends include:

- Artificial intelligence (AI) and machine learning (ML): These technologies are being used to develop smarter farming systems that can analyze data and make real-time decisions.
- Blockchain: Blockchain technology can be used to improve traceability in the food supply chain, providing consumers with greater transparency about the origin of their food.

⁸ Ibid.

⁹ Ibid.

- Vertical farming: This technology involves growing crops in vertically stacked layers, maximizing space utilization and reducing reliance on land.

Recently Queen Anne’s County was informed by an official from the Maryland Department of Commerce that the state is potentially looking to site an agtech incubator and that the county could be a good location for this operation given its agricultural strength and heritage. By locating the agtech incubator in Queen Anne’s County, the part of the Eastern Shore closest to the Baltimore-Washington metro area, the incubator could leverage Chesapeake College and the University of Maryland Eastern Shore, along with the University of Maryland College of Agriculture and Natural Resources at UMD (College Park) and the Beltsville Agricultural Research Center for technology transfer enabling commercialization of new agtech companies. Some of the types of companies that could locate in this incubator include unmanned aerial vehicles research to help farmers with planting, hydration and pest control, autonomous fencing for livestock control, as well as artificial intelligence (AI) needed for the software to enable the functionalities of these devices,

This official also recognizes that farm-based small food producers in Queen Anne’s County have had an especially difficult time meeting the state’s strict health code requirements and would also propose that the incubator facility, if it comes to fruition, could include commercial kitchen facilities. These commercial kitchen facilities could then be used by the small food producers in Queen Anne’s County and other parts of the Eastern Shore nearby.

Transportation

Transportation infrastructure is the foundation of tourism. It acts like a circulatory system, allowing tourists and customers to get to their agritourism destinations and explore different areas. An optimal transportation system accounts for these factors:

- Accessibility: Without good transportation, it is simply too hard for tourists and customers to reach a destination, limiting the number of visitors and harming the local agritourism industry.
- Convenience: Efficient transportation makes getting around enjoyable, allowing tourists and customers to see more sights and have a more positive experience.
- Attracting Tourists: A well-developed infrastructure, including sustainable options like bike paths, can be a selling point itself, attracting specific types of tourists.
- Business Transportation. An efficient road network is necessary for transportation of farms goods and equipment, and related business logistical requirements.

In a study by the University of Maryland Eastern Shore titled “Maryland Agritourism: A Baseline Profile, 2023”, the authors highlight the criticality of access, making the point that “the distance of the highway interstate from the agritourism center was one of the primary factors

affecting tourist visits.”¹⁰ An efficient transportation network also connects agritourism businesses to one another. The nature of agritourism sites requires them to be far apart. Not only does an efficient transportation network connect these destinations, enabling tourists and customers to easily visit more than one site at the same time, it also enables needed workers and business transportation to get to these farms. The study notes that “an agritourism business’s proximity to the transportation route affects its ability to find and attract experienced and cost-effective labor – which is often seasonal,”¹¹ as well as ensuring these farms can receive and transport goods efficiently.

An aspect related to transportation convenience is the prominence of road signs guiding the visitors to the agritourism businesses. Many agritourism businesses are often located in rural areas, off the beaten path. Clear and informative signs help visitors discover these hidden destinations. They also raise awareness that these agritourism experiences exist and pique interest. But most important of all, they contribute to a visitor’s positive experience, which can be severely undermined when the visitor gets lost along the way. Since the Maryland State Highway Administration (SHA) oversees most roadways in the state and controls signs on state highways, they do not advertise private businesses like agritourism sites. Consequently, Queen Anne’s County agritourism initiatives must include an effort to coordinate with the SHA to ensure visitors and customers to the county have an opportunity to easily discover and travel to its agritourism sites.

Queen Anne’s County main highways include:

- US Route 50. This highway cuts through Queen Anne's County and is the major east-west route connecting the Baltimore-Washington metro area with the Eastern Shore and the Atlantic Ocean.
- US Route 301 (Queen Anne's Bypass). This major north-south highway runs through the eastern part of the county, merging with US Route 50 in Queenstown. It provides access to other major highways in the region, such as I-95 and the Chesapeake Bay Bridge via US Route 50. It also provides connectivity to customers from Delaware.
- MD Route 213. The route runs from Wye Mills north to the Pennsylvania border in Cecil County, where the road continues into that state as PA 841. The route passes through mainly rural areas as well as the towns of Centreville, Chestertown, Galena, Cecilton, Chesapeake City, and Elkton. MD 213 intersects many routes including US 50 near Wye Mills, US 301 near Centreville, and US 40 in Elkton.
- MD Route 313. This north-south route runs through five counties in Maryland from south to north: Wicomico, Dorchester, Caroline, Queen Anne's, and Kent.

¹⁰ Ejiogu, K. U., Escobar, E. N., & Kairo, M. University of Maryland Eastern Shore.. Maryland Agritourism: A Baseline Profile 2023. p.22..

¹¹ Ibid. p.22.

Junctions along these highways provide the necessary direct connections to the agritourism businesses. The University of Maryland Eastern Shore study identifies US Route 301, MD Route 313, and MD Route 213 as the primary highways in Maryland's Upper Eastern Shore region, which includes Queen Anne's County.¹² Within this region, US Route 213 has the lowest (12 miles) mean distance to agritourism locations in the region. MD Route 313 with its 220 route junctions has the most connections to agritourism locations, with MD Route 213 having 135 route junctions and US Route 301 with 65 route junctions.¹³

In the process of conducting this study, the only mention of a transportation issue affecting agriculture or agritourism in Queen Anne's County was in the industry leaders group, when a focus group attendee noted that the Chesapeake Bay Bridge was "both a blessing and a curse." Presumably, it is a blessing because it connects Queen Anne's County and the Eastern Shore to the Western Shore and the Baltimore-Washington metro areas, where there is a significant market for businesses of all kinds on the Eastern Shore, including agritourism. This focus group indicated the bridge could be a curse because any sort of delay on the bridge, whether for an accident, major construction limiting the capacity of the bridge, or other reasons, which break or stall the connection to the Western Shore, has an outsized impact on Queen Anne's County. There is no transportation alternative to the Chesapeake Bay Bridge anywhere near the county.

Programs and Resources for Agritourism Businesses

Below are short descriptions of two programs designed to help agriculture and agritourism businesses in Queen Anne's County, the Queen Anne's County Micro Agricultural Grant Program, and Annie's Project. Also included here is a listing state and federal sources available to farmers and agribusinesses.

Queen Anne's County Micro Agricultural Grant Program – Queen Anne's County Department of Economic and Tourism Development, in partnership with the Upper Shore Regional Council, provides grant funding to county agricultural businesses looking to expand, diversify, improve marketing and outreach efforts, implement capital improvement projects, or conduct agricultural research initiatives. The purpose of the program is to help support and sustain the development, expansion, and coordination of agricultural enterprises and initiatives in Queen Anne's County.

In order to be considered for a micro grant, applicants must operate an agricultural business in Queen Anne's County, MD and be actively engaged in the farming community in one or more of the following categories:

¹² Though it may be an oversight, the UMES study on agritourism did not identify US Route 50 as a primary highway in the Upper Eastern Shore Region.

¹³ Ibid. p.25.

- Crop and/or livestock production (including Equine) Agricultural product processing
- Agricultural education or support
- Agricultural Cooperatives
- Timber production or processing

In the most recent competitive round, the fourth for the micro ag grant program, \$64,000 was made available to fund initiatives put forward by ag business applicants. The applicants were directed to submit requests for between \$2,500 and \$10,000. More information on this program can be found at <https://choosequeenannes.com/micro-ag-grant/>.

Annie's Project – The University of Maryland Extension - Queen Anne's County sponsors a six-week course called Annie's Project for people interested in starting an agricultural business, including an agritourism enterprise. Annie's Project is designed to empower people in agriculture to manage and lead their own businesses in a discussion-based workshop with others. Over the course of six weeks, participants learn from experts in production, financial management, human resources, marketing, and the legal field. The program was designed especially for women to help them develop their management and decision-making skills, but the program in Queen Anne's County is open to men and women. A \$50 project course fee covers all sessions and materials.

In the first focus group that was part of this study, one of the focus group participants credited Annie's Project for helping her establish her agriculture business. She indicated Annie's Project was far more valuable than more traditional agricultural coursework available at area colleges.

In addition to Annie's Project, University of Maryland Extension Agriculture and Food Systems Program conducts applied research and provides educational programs for the production and marketing of grains, oilseeds, horticulture, floriculture, poultry, dairy and beef cattle, sheep and goats, equine, and other livestock, helping producers adopt new technologies and practices to improve profitability.

Other State and Federal Programs

In addition to the sources described above, there are state and federal technical assistance and financing programs available for agriculture and agritourism operations. These are available through the Maryland Department of Agriculture, the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO), and the USDA Farm Service Agency and financing program including those provided by Farm Credit.

It should be acknowledged that barriers to farm purchasing and retention have historically existed for some groups in the country. For this reason, many of the federal programs are beneficial for socially disadvantaged, beginning, limited resourced, female farmers, and veteran farmers.

Key Findings

Below are key findings from each portion of the economic analysis. Some of these findings are paired with opportunities that become preliminary recommendations in this report.

Agriculture Sector

The agriculture sector in Queen Anne's County has been ranging from stable to gradually increasing. In 2002 there were 443 farms on 155,566 acres and in 2022 there were 505 farms across 162,145 acres of land. The average farm size has decreased from 351 to 321 acres across that same period, as has the median the median farm size from 107 acres in 2002 to 66 acres in 2022.

Since 2002, the most common farm type in Queen Anne's County continues to be grains, oilseeds, dry beans, and peas, though the numbers of farms of this type have declined over time, from 235 in 2002 to 190 in 2022. Poultry makes up a larger percentage of Queen Anne's County farms by operation type than it did in 2002; there were 33 such farms in 2002 versus 66 in 2022. Grains, oilseeds, dry beans, dry peas led the crop market value numbers of agricultural products in Queen Anne's County in 2022 at more than \$115 million. Poultry's market value led the livestock, poultry, and products list for the county at nearly \$127 million of market value.

Farm employment in Queen Anne's County has stayed relatively stable in the last 10 years, with some up and downs, though the numbers are small: there were just 737 farm jobs in the county in 2022, about 2.8 percent of all jobs in the county.

Agritourism

Agritourism continues to grow in Queen Anne's County: between 2017 and 2022 the farm-related income from agritourism and recreation services grew from \$240,000 to \$833,000. The number of farms generating this income grew from 16 to 25 from 2017 to 2022. The range of agritourism operations in Queen Anne County is far-reaching, including businesses ranging from produce stands to flower farms to wineries and farm breweries to a petting zoo.

Because Queen Anne's County does not have a staff person dedicated to promoting and supporting agritourism, the county does not even have a listing of agritourism operations. Additionally, the county does not know how many or what portion of the annual visitors to the county see and appreciate agritourism businesses and sites.

Opportunity:

- Designate a person in county government, who is responsible for tracking and promoting agribusinesses of all kinds. This person, who would likely be part of the

Department of Economic and Tourism Development, would be responsible for promoting agritourism in the geographies from where most tourists come on websites, social media and on other broadly visible places in the market, particularly in the Baltimore-Washington metro area. This person might also plan events to highlight various agritourism uses. This role would likely be part of the job of an Agriculture Specialist who would also help agribusinesses navigate the regulatory requirements in Queen Anne's County.

Tourism

Overall tourism is strong in Queen Anne's County, which bodes well for agritourism. The county's tourism industry recovered quickly from the peak of COVID with visitor numbers and spending increasing by more than 50 percent between 2020 and 2021, a steeper increase than most other Maryland counties and the state as a whole. Visitor numbers continue to be strong with the county's 2022 visitor count of 391,800, nearly matching pre-pandemic (2019) visitor numbers at 403,200.

Chesapeake Bay sites in Queen Anne's County are a major draw for visitors. According to the Maryland Office of Tourism the top three points of interest in the county are Terrapin Beach Park, Matapeake Fishing Pier and Beach, and Wye Island Natural Resource Management Area.

According to tourism experts, Queen Anne's County's greatest tourism assets are associated with the Chesapeake Bay and associated recreational activities. There are also many parks, trails and wildlife refuges in Queen Anne's County. If there is a way to connect the agritourism sites with Chesapeake Bay sites, parks and trails that offers an attraction that would have broad appeal to many, especially those coming from the Baltimore-Washington market.

Opportunity:

- Identify activities or events that bring together agritourism with Queen Anne's County's greatest tourism assets including the Chesapeake Bay sites, parks and trails. To do this the county must look for ways agritourism businesses can operate or hold events along, near or on the Chesapeake Bay and its tributaries, parks and trails. This could include developing wine or craft brew trails or farm trails. It could even include "farm to boat" cruises with local food from Queen Anne's County farms and wine and beer from local wineries and farm breweries.

Wine, Craft Brew Industry and Distilleries

The wine and craft brew industry continues to grow in Maryland and in Queen Anne's County. The two wineries and vineyards in Queen Anne's County stand apart from other wineries in Maryland by virtue of their physical settings. Both Stevensville wineries are located on water; Cascia Vineyards and Winery is located in on Cox Creek on Kent Island, and Love Point Vineyards and Winery is located on the Chester River, also on Kent Island.

In the Maryland Vineyard survey, Queen Anne’s County ranked fourth in total winery vineyard acreage (42 acres). Frederick County was first with 243.5 acres of winery vineyards.

The number of craft breweries in Maryland continues to grow validating the appeal of craft brew. There were 25 craft breweries in Maryland in 2011 and 143 in 2023.

A study conducted by the Rural Maryland Council from December 2021 to December 2022 sought to examine the impact of COVID on the craft brew industry. It revealed that even in the peak period of COVID, craft brew drinkers continued to travel to visit breweries. This bodes well for Maryland and Queen Anne’s County since there are so many breweries that are a short distance from major population centers and easily accessible from highways and major roadways.

There are five craft breweries within a relatively short distance from one another in Queen Anne’s County. Two of these are farm breweries, Big Truck Queenstown Brewhouse & Farm and Patriot Acres Farm Brewery. Each of these grow some of their beer ingredients on their farms, though mostly grains since hops do not grow well in Queen Anne’s County. All five breweries are part of a local brewers coalition that works together on events and promotion.

There is one distillery in the county, Old Courthouse Distilling, located in Centreville. Established in 2019, this distillery produces American-style whiskey, rum, and agave spirits. According to county officials, others have considered opening distilleries but have not moved much beyond concept stage.

Opportunity:

- Plan for more annual or bi-annual events highlighting Queen Anne’s County’s wineries and breweries and take advantage of farm alcohol production in the region (e.g., spring and fall craft brewery tours, winery open houses with special wine tastings, etc.)
- Work to create more opportunities for other alcohol production facilities in Queen Anne’s County, including distilleries and meaderies.

Agricultural Technology (Agtech)

Employing agricultural technology or agtech has become an increasingly common way for farmers to increase efficiencies in an environmentally conscious fashion. Farmers contacted for this study were already using various types of agtech on their farms today. Some of the contributions agtech businesses are making include increasing agricultural productivity by using data and technology to make better decisions about planting, irrigation and pest control; and reducing environmental impact with precision agriculture that helps farmers use water and fertilizers more efficiently.

Recognizing that Queen Anne's County has a strong agricultural heritage and is located on the part of the Eastern Shore closest to Baltimore-Washington metro area, the state of Maryland is considering establishing an agtech incubator¹⁴ in Queen Anne's County. An agtech incubator would be able to host and provide support for new companies that focus on the full range of agtech including, for example, artificial intelligence that develops smarter farming systems, vertical farming methods that allow farmers to grow crops in layers thereby maximizing space utilization, and even developing unmanned aerial vehicles to help farmers with planting, hydration and pest control.

In addition to the agtech incubator the state recognizes that farm-based small food producers in Queen Anne's County have had an especially difficult time meeting the State's strict health code requirements and would also include commercial kitchen facilities at the incubator. The need for Health Department-approved commercial kitchen facilities was confirmed in the focus groups and stakeholder interviews that were part of this study.

Opportunities:

- Work with the state toward successfully locating an agtech incubator in Queen Anne's County.
- Work with the state on successfully including commercial kitchen facilities for small food producers, whether farm-based or not, as part of the agtech incubator facility in Queen Anne's County.

Transportation

A good transportation network is critical for easy accessibility for customers to get to agritourism businesses and sites, but also important for moving agricultural products to larger customers, (e.g., grain shipments to grain elevators for use in the poultry industry elsewhere on the Eastern Shore) and allowing easy access for employees to get to agriculture and agritourism jobs. In general, the federal and state highways of US Route 50, US Route 301, MD Route 213, and MD Route 313 provide the necessary direct connections to agritourism businesses, as well as agriculture operations, in Queen Anne's County.

One aspect related to transportation that was reported in a focus group and in stakeholder interviews is the lack of road signs guiding visitors to agritourism businesses on state highways, in particular. Clear and informative signs help visitors discover these hidden destinations. They also raise awareness that these agritourism experiences exist and pique

¹⁴ Because data centers are in demand in the Washington DC area and controversial because of their size and high level of electric power usage, it is important to note that an agtech incubator is not a data center. A data center is a building or group of buildings used by businesses or organizations for remote storage, processing and distribution of data, and not a facility that houses and supports start-up tech businesses.

interest. Unfortunately, the Maryland State Highway Administration (SHA) controls and severely limits signs on major roadways and state highways. Queen Anne's County needs to work to address this concern and improve visibility and, ultimately business for agritourism operations.

Opportunity:

- Make a concerted effort to coordinate with the SHA to increase the amount of signage for agritourism operations along or proximate to state highways. An increase in signage will help ensure visitors and customers to the county have an opportunity to easily discover and travel to its agritourism sites.

Programs and Resources for Agritourism Businesses

Two different programs have proven to be helpful for new and emerging agritourism and value-added agriculture businesses in Queen Anne's County, the Queen Anne's County Micro Agricultural Grant Program, and Annie's Project, which is sponsored by the University of Maryland Extension. The Micro Agricultural Grant Program, which is managed by the Queen Anne's County Department of Economic and Tourism Development with funding from the Upper Shore Regional Council, provides small grants, between \$2,500 and \$10,000 to agricultural businesses for strategic marketing, technology innovation or implementation, climate resiliency projects, capital improvements for business start-up or expansion, research projects, or animal welfare improvements. This program, which just competed its fourth competitive round for grants, is widely considered successful, especially for helping agritourism and value-added agritourism businesses

Annie's Project is a six-week course for women interested in starting an agricultural business, including an agritourism business. Annie's Project is designed to empower women in agriculture to manage and lead their own businesses in a discussion-based workshop with other women. Over the six-week course, the Annie's Project participants learn from experts in production, financial management, human resources, marketing, and legal requirements. It is notable that a participant in a focus group held as part of this study credited Annie's Project for helping her establish her agriculture business, which might be described as farm to table catering. She indicated she also took advantage of Chesapeake College's agriculture program but it did not offer this type of class focused on starting an agribusiness.

There are also state and federal technical assistance and financing programs available for agriculture and agritourism operations. These are available through the Maryland Department of Agriculture, the Maryland Agriculture and Resource-Based Industry Development Corporation (MARBIDCO), and the USDA Farm Service Agency and financing program including those provided by Farm Credit.

Opportunities:

- Work to expand funding for the Micro Ag Grant Program to help more agribusinesses grow. This could mean the number of grants or the maximum amounts of grants to help businesses with costly improvements that have great potential for a high return on investment.
- Work to expand the reach of Annie's Project within the capacity of University of Maryland Extension to enable more people to be able to take advantage of this unique, valuable program.
- Work with Chesapeake College to test the need for an adult education class for anyone in Queen Anne's County on the basics of starting an agriculture or agritourism business, which matches a stated objective on the college's agriculture program's website to help "students build foundations in plant science, animal science, soil science, business, and economics."
- Explore a tie-in with other Chesapeake College programs that could be useful for people interested in establishing agribusinesses, such as Commercial Driver's License (CDL) training and welding.
- Assist with navigation of state and federal technical assistance and financing programs for agriculture and agritourism businesses. This task could be carried out by a new person in the Department of Economic and Tourism Development who would be responsible for tracking and promoting agribusinesses.

LAND USE AND ZONING ANALYSIS

Agritourism: Regulatory Context

Queen Anne’s County’s rural culture and cherished agricultural industry are central to its identity. The county’s land use policies and decisions reflect this, from the Comprehensive Plan to the Zoning Code. Agritourism is a growing part of the agricultural industry, with farmers offering various activities and experiences to locals and visitors. As the county’s economy has grown over time, so too have the policies and regulations that affect agritourism, many of which come from state and federal sources which the county has little ability to influence. Continued development of the county’s agritourism industry relies on having an understanding of the factors both within and outside of the county’s control and optimizing policy to balance economic opportunities and impacts to the community.

This land use and zoning analysis takes a comprehensive look at the regulatory environment farmers navigate with many types of agritourism and identifies barriers that may restrict agritourism potential and opportunities for change and growth, recognizing that factors outside of the county’s control play a large role. Some barriers may be resolved without any action needed from the county and other opportunities may emerge as Maryland policy evolves.

Comprehensive Plan

Queen Anne’s County adopted its most recent Comprehensive Plan, PlanQAC, in 2022, updating the previous 2010 edition. The Comprehensive Plan affirms an overall vision for future growth, development, and preservation in the county across topics including land use, transportation, utilities, community facilities, and economic development. Agritourism is explicitly mentioned in the Comprehensive Plan and is impacted indirectly by many other sections within it. While the Comprehensive Plan is not legally binding, it is official policy of the county and used extensively during decision making processes.

Chapter 4: Land Use

PlanQAC’s Land Use chapter outlines the county’s rural land use and establishes goals and policies that seek to preserve this way of life while remaining flexible to change and growth. Agritourism, including wineries and other value-added production, is listed as part of the county’s agricultural environment.

The chapter maps the county’s Priority Preservation Area (PPA), the area in the county set aside to “support and sustain a strong, diversified agricultural community” through agricultural preservation policies and land use restrictions. Land is designated as part of the PPA based on principles from Maryland’s Agricultural Stewardship Act and targets productive agriculture and forested land in large, contiguous swaths. Two of the stated goals of the Priority Preservation program address advancing and diversifying agritourism in the county.

- Creating a greater awareness of the County’s agrarian history through effective preservation policies and agritourism; and
- Advancing specialty farming industries and markets such as agritourism.¹⁵

Agritourism is also mentioned as an opportunity for the land preservation program – expressing the need to “support the burgeoning agritourism industry” while staying true to the purposes of the AG and CS zoning districts, which is for the preservation and use of land for bona fide agricultural purposes and the protection of sensitive natural and rural areas, respectively.

Chapter 8: Economic Development & Tourism

The Economic Development & Tourism chapter seeks to balance the economic needs of the county with the deep-rooted desire to maintain Queen Anne’s County’s rural culture and quality of life. Agriculture is a vital part of the county’s economy and is featured prominently in the chapter.

Agritourism has its own subsection under the chapter’s Tourism section alongside ecotourism, heritage tourism, and outdoor recreation. This subsection recognizes agritourism’s growth in the county as well as some of the issues inhibiting the industry’s further development, chiefly the lack of a definition and “reliable and consistent” policies and programs. It lists potential positive outcomes of agritourism, including:

- Preserve agricultural heritage and rural life
- Promote diversification of farm-related activities
- Expand business with value-added products, uses, and services on working farms
- Provide education and information to tourists and the community
- Increase direct farm sales opportunities, including access to affordable, healthy foods¹⁶

A number of Comprehensive Plan implementation goals and strategies call for further study and development of agritourism policies. This study is part of a suite of actions that will help to implement the Comprehensive Plan and achieve its goal of developing a larger agritourism industry. These goals recognize the potential of agritourism to help support the long-term viability of small farms in Queen Anne’s County while contributing to the cultural vibrancy and rural heritage of the Eastern Shore.

¹⁵ https://www.qac.org/DocumentCenter/View/17397/2022-Queen-Annes-County-Comprehensive-Plan_FINAL_links pg. 75

¹⁶ https://www.qac.org/DocumentCenter/View/17397/2022-Queen-Annes-County-Comprehensive-Plan_FINAL_links pg. 227

Definitions and Classifications of Agritourism

On a local level, zoning entitlements are regulated in the Queen Anne's County Code, which governs where and how land uses may be located. While the Code does not have a single, comprehensive definition for agritourism that encompasses the full spectrum of agritourism activities, many uses commonly understood as agritourism are included in the definition for Agriculture. Further agritourism activities are defined as individual uses permitted under different names or use categories. Other county documents and policies, such as PlanQAC, also offer guidance on the types of activities that should be considered agritourism. Additionally, due to the complex and layered regulatory structure of many agritourism operations, there are applicable definitions of agritourism from other regulatory sources, including State of Maryland guidance and statutes.

PlanQAC Comprehensive Plan

The PlanQAC Comprehensive Plan identifies this dispersed approach as a barrier to development of agritourism in the county and offers guidance on classification and definition of agritourism activities.²

A universal understanding of agritourism is needed for clear communication, reliable and consistent measurement, informed policies, and programs that support farms and their communities. To that end, a multi-state team developed a conceptual framework in 2018 that incorporates five major categories of activities: direct sales, education, hospitality, outdoor recreation, and entertainment. Specific core and peripheral agritourism activities fit within at least one of the five categories and may span multiple categories.

Core activities (e.g., fishing and hunting, wildlife viewing, farm stays, classes and tours, farm-to-table dinners and tastings, U-pick/cut, farm stands, festivals on-farm, corn maze/hayrides, and horseback riding) take place on farms and are deeply connected to agriculture. In contrast, peripheral activities (e.g., concerts on-farm, agricultural fairs off-farm, outfitter services on-farm, hiking, art and photography, weddings on-farm, farmers' markets, agricultural museums off-farm) may not be considered agritourism in some regions because they take place off the farm or are not deeply connected to agriculture.

In the list of definitions, PlanQAC defines agritourism as follows:

An accessory farm-based business which is secondary to the primary agricultural use of the properties where activities such as on-farm processing of agricultural products and agritourism occur. Agritourism is a series of activities conducted on a farm and offered to the public or to invited groups for the purpose of education, recreation, or active involvement in the farm operation. These activities may include, but are not limited to, farm tours, hayrides, corn mazes, seasonal petting farms, farm museums,

guest farm, pumpkin patches, “pick your own” or “cut your own” produce, classes related to agricultural products or skills, and picnic and party facilities offered in conjunction with the above.¹⁷

Land Use and Development Code

Chapter 18 Appendix A: Glossary. This section includes the official definition of Agriculture, as well as definitions for other uses commonly understood as agritourism. The current official definition for Agriculture is broadly applicable to a range of agricultural activities and specifically identifies a subset of potential agritourism and value-added activities in part C:¹⁸

All methods of production or management of livestock, poultry, crops, vegetation and soil, other than commercial logging and timber harvesting operations; and includes but is not limited to:

- A. Tillage, plowing, seeding, fertilization, pest control, harvesting, maintenance of best management practices, and marketing;
- B. Feeding, housing, grazing, raising, and maintaining animals such as cattle, dairy cows, sheep, hogs, poultry and equine and the handling of their by-products;
- C. Orchards, nurseries, vineyards, cheese making, winery, U-pick operations, and farm breweries; and
- D. Silviculture, sod production, and aquaculture.

The value-added activities described under part C of the definition are common agritourism-enabling or -adjacent uses. Some of these definitions cover uses included in the State’s optional definition for agritourism, discussed in the next section. The following defined uses from the Queen Anne’s Code are relevant to rural tourism but are not currently defined as agritourism or may be peripheral agritourism activities. Their associated definitions are found in Chapter 18 Appendix A.

- Agricultural/equestrian activity
- Agricultural/equestrian events
- Campgrounds
- Commercial stable
- Country inn
- Country store
- Farmers market
- Outdoor recreation
- Special events
- Youth camp

¹⁷ https://www.qac.org/DocumentCenter/View/17397/2022-Queen-Annes-County-Comprehensive-Plan_FINAL_links pg. AA-2

¹⁸ Queen Anne’s County Code Chapter 18App-1

State Guidance

In 2018, Maryland adopted a suggested definition for agritourism as guidance for municipalities to adopt as they see fit. Borne out of the uncertainty surrounding classification of agritourism uses, the definition was developed by the Governor’s Intergovernmental Commission on Agriculture and formally adopted in MD Code, Land Use, § 4-212.¹⁹ It reads as follows:

- (1) In this section, “agritourism” means an activity conducted on a farm that is offered to a member of the general public or to invited guests for the purpose of education, recreation, or active involvement in the farm operation.

In subsection (2), the definition lists uses to be considered agritourism. Table 14 below compares the State-suggested permitted uses from section (2) against comparable uses permitted in Queen Anne’s County. This definition is not static; since its adoption it has been updated to include camping and incidental outdoor stays as included uses. The Commission’s intent is for the definition to be refined and expanded as needed.

Table 14: Uses in State Definition of Agritourism vs. Queen Anne’s County Code

| Uses Included in State Definition for Agritourism | Uses Defined in Queen Anne’s County Code |
|----------------------------------------------------------------------------------|------------------------------------------|
| Farm tours | Agricultural Support |
| Hayrides | Undefined, permitted under Agriculture |
| Corn mazes | Undefined, permitted under Agriculture |
| Seasonal petting farms | Undefined, permitted under Agriculture |
| Farm museums | Institutional Use |
| Guest farms ¹ | No corresponding use |
| Pumpkin patches | Agriculture (u-pick) |
| “Pick your own” or “cut your own” produce | Agriculture |
| Camping | Campground Youth Camp |
| Incidental outdoor stays | Campground |
| Classes related to agricultural products or skills | Agricultural Support |
| Picnic and party facilities offered in conjunction with any agritourism activity | Outdoor Recreation Special Events |

¹Defined as “a farm used for temporary rental accommodations of no more than 4 guest rooms, which may include meals for guests only, for the purpose of experiencing farm or ranch activities including horseback riding.

Sources: [MD. Land Use Code § 4-212 \(2023\)](#); RHI, 2024.

¹⁹ <https://law.justia.com/codes/maryland/land-use/division-i/title-4/subtitle-2/section-4-212/>

Notably, some common agritourism uses, including hayrides and corn mazes, are not clearly defined in the Queen Anne’s County Code, nor is there clarity about the use definitions under which these activities would fall. This lack of clarity could result in ambiguity about how to treat certain activities during the entitlements process. Other uses, such as camping-related activities, are defined in the Code but not specifically in the context of agriculture and farm-based activities.

Regional Comparison of Agritourism Definitions and Uses

Maryland counties have taken multiple approaches to how they define and permit agritourism. As agritourism policy from the State has evolved over time, so have county codes. In the case of the three case study jurisdictions selected for comparison in this study, all have adopted modified versions of the State’s recommended definition. The following tables show how they define agritourism and deal with three other uses that are associated with agritourism but not always defined within the same use.

Table 15: Agritourism Definition Comparison

| Agritourism Definition Comparison | | | |
|------------------------------------------|-------------------------------|-----------------------------------------|------------------------------|
| | Has Definition of Agritourism | Definition is Based on State Definition | How Agritourism Is Permitted |
| Queen Anne’s County* | No | No | Depends |
| Frederick County | Yes | Yes | By Right |
| Worcester County | Yes | Yes | Special Exception |
| Carroll County | Yes | Yes | By Right |

| Selected Associated Uses Comparison | | | |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Farm Alcohol Production | Special Events (e.g., weddings) | Incidental Stays, Camping |
| Queen Anne’s County* | <ul style="list-style-type: none"> Included in definition for Agriculture (beer and wine only) Permitted by right | <ul style="list-style-type: none"> Included in definition for Special Events Permitted conditionally | <ul style="list-style-type: none"> Separate from Agritourism; included in definition for Campground Permitted conditionally |
| Frederick County | <ul style="list-style-type: none"> Standalone uses for the types of farm alcohol producers; tasting rooms are also standalone uses Farm alcohol production permitted by right; tasting | <ul style="list-style-type: none"> Included in definitions for ‘Facility for functions’ and ‘Country inn’ uses Permitted by special exception | <ul style="list-style-type: none"> Separate from Agritourism; definitions split between Tent Campgrounds and Recreational Vehicle Campgrounds |

| Selected Associated Uses Comparison | | | |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Farm Alcohol Production | Special Events (e.g., weddings) | Incidental Stays, Camping |
| | rooms permitted with Planning Commission approval | | <ul style="list-style-type: none"> Permitted by special exception |
| Worcester County | <ul style="list-style-type: none"> Included in definition for Agritourism Permitted by special exception | <ul style="list-style-type: none"> Included as an accessory use on farm uses No zoning entitlement required; other permits apply | <ul style="list-style-type: none"> Separate from Agritourism; included in definition for Campground No special provisions for farms Permitted conditionally |
| Carroll County | <ul style="list-style-type: none"> Separate from Agritourism; standalone definition for farm alcohol producers Permitted conditionally | <ul style="list-style-type: none"> Separate from Agritourism; included in definition for 'Banquet and Meeting Facilities' Permitted conditionally | <ul style="list-style-type: none"> Included in definition for Agritourism, one site per property; larger uses defined separately No zoning entitlement required for single campsites |

Sources: Queen Anne’s County, Frederick County, Worcester County and Carroll County Codes; RHI, 2024.

County Policies and Standards

Where Are Agritourism Uses Permitted?

The Agriculture use is permitted by right in the Agricultural District and the Countryside District, meaning that zoning applications which meet all land use and development standards must be approved. Agriculture is also permitted conditionally in more districts with rural and suburban character. See Appendix B for a breakdown of related uses and the zoning districts in which they are permitted.

Special Events Regulations

Festivals, weddings, celebrations, and other public and private events are desirable to hold on farms due to their rural and often pastoral and scenic settings. While not necessarily having a strong nexus to agriculture through the activities or events themselves, the proximity to agricultural land is marketable. Special Events such as those described above are not typically included in definitions of agritourism but may be permitted on farms, subject to distinct approval processes and requirements.

As detailed in Appendix B, Queen Anne’s County permits Special Events uses in the Agricultural and Countryside Districts conditionally. The use standards for Special Events, located in §

18:1-95T of the Queen Anne’s County Code, seek to minimize the impact and externalities of these uses on adjacent properties. A number of the other use standards are set at the discretion of other entities. For example, the permitted hours for events are determined by the Board of Appeals and the number of guests permitted is determined by the County Health Department and Fire Marshall. Additionally, property owners holding Special Events must apply for a special events zoning certificate on an annual basis. Conditional use approvals can be contentious due to the perception of subjectivity and the additional layers of review involved, but conditional uses also give members of the public the ability to weigh in on applications that may affect their communities, both positively and negatively.

Notably, Special Events are permitted only on parcels 20 acres or larger. The 20-acre minimum lot size may be a constraint to small farms seeking to hold proportionally sized events on their property. Anecdotally, through stakeholder interviews, this requirement has posed a barrier to holding certain activities, such as farm-to-table dinners on smaller farms.

Each of the three case study counties have different approaches to special events on farm properties as follows:

- Frederick County
 - 10-acre minimum lot size
 - Only permitted in historically designated structures
 - Hours of operation limited to 10:00 AM to 10:00 PM
 - Noise limited to 40 decibels
 - Traffic management plan required
 - Applicants must enter a revokable Memorandum of Understanding with the County
- Worcester County
 - 25-acre minimum lot size
 - Amplified music permitted until 11:00 PM
 - Events must be clearly accessory and subordinate to the principal agricultural use of the property
- Carroll County
 - 3-acre minimum lot size
 - Only permitted accessory to Farm Alcohol Producers
 - Requires site plan approval

State Regulatory Considerations

Health Department

State health codes are most relevant to agritourism operations when they feature on-site food sales or consumption or have public restrooms. These are common accessory or complementary uses to principal agritourism uses. For example, a farm that hosts a petting

zoo or u-pick operations over the summer may wish to sell food to provide a more complete experience to their guests, encouraging them to stay on-site longer and spend more money at the farm. However, food preparation requires Health Department permitting with strict standards to protect the health and safety of consumers.

Food Facilities

There are two main types of food service facilities (FSFs) permitted in Maryland, permanent or semi-permanent, and mobile. Regulations for FSFs are established in Title 21, Subtitle 3 of the Maryland Health – General Statutes. Permanent FSFs are, as the name suggests, fixed and immovable. Semi-permanent FSFs are permitted similarly but distinguished as being prefabricated or technically movable but not moved on a regular basis. In contrast, mobile FSFs include food trucks and trailers that are not tied to a fixed location and are assumed to move from location to location on a temporary basis. All of these facility types are considered commercial kitchens, and each has its own advantages, challenges, and considerations for agritourism operators.

Permanent and semi-permanent FSFs must comply with all requirements for commercial kitchens in the Code of Maryland. These include strict separation from other structures or uses, which sometimes poses a challenge for farms as construction costs of structures or adequate separation walls and doors can be costly. Water is another major concern during the permitting process. While the process is relatively straightforward on properties with central water and sewer access, the vast majority of farms in Queen Anne’s County use wells and septic systems for potable water supply and wastewater discharge, respectively. In these cases, gaining approval entails additional steps and costs, and existing infrastructure may not be sufficient to meet minimum capacity and quality requirements.

Permanent FSFs also require public restrooms if the facility provides indoor seating. The advantage of having a permanent or semi-permanent FSF are the longevity and permanence of facilities in comparison to temporary facilities, while mobile FSFs offer more flexibility and can have a lower cost of entry.

Mobile FSFs are currently a popular choice for agritourism operators in Maryland and elsewhere. They are required to meet the same health and safety standards as permanent FSFs but can be much easier to site on a farm due to the technicalities of the standards. Mobile FSFs are also required to have a permanent location in addition to the mobile unit (e.g., truck or trailer) called a commissary. The commissary is the permanent base of operations for the mobile unit and must meet certain requirements in addition to the mobile unit. For example, potable water supply and wastewater discharge are regulated at the commissary, absolving farm properties from having to conduct testing and potentially upgrading their systems to receive a permit. By utilizing mobile FSFs, farms can sidestep many requirements by fashioning agreements with already-licensed operators to serve food on their farms during their agritourism season or on selected days. One additional consideration for mobile FSFs

not applicable to permanent facilities is the requirement to regularly move in order to fill up potable water tanks and dispose of wastewater at the commissary or other approved location.

Restroom Requirements

Restroom requirements are tied to the type and frequency of a use. Food service facilities, special events, and overnight accommodations are all required to provide water supply and sewage disposal according to the intensity of the use. While this is fairly straightforward on existing commercial properties and areas with public water and sewer access, the vast majority of farms are not connected to these networks. As they venture into agritourism, they may have to install new or additional well and septic capacity to meet code requirements. Grey areas exist within these regulations -- what constitutes temporary and permanent operations is not clearly defined, and this distinction can have major cost implications in some cases. Stakeholder feedback has indicated that there is variance in how different Maryland counties define temporary and permanent uses in practice. Work has been undertaken at the state level to create more exact guidance for counties to use in determining what uses are considered temporary and permanent, but differences in interests have led to stalled policymaking. Given this, the Queen Anne's County Health Department works with applicants at the outset of the process to determine the type of facility and any potential septic system requirements they may be required to conform to.

Temporary Facilities

Temporary restroom facilities are those which are moveable and do not dispose of waste on-site. Rather, they utilize a holding tank which is removed and disposed of properly, off-site. Chemical toilets are the most common form of temporary restroom facility and include porta-potties and bathroom trailers. The State permits these facilities for uses that are considered to be temporary. Festivals and uses that are held with special event food permits, which are valid up to 30 days per event, may use temporary facilities. Other Special Events uses, including weddings, are permitted to use temporary facilities when the event is held up to 6 times a year. Past this threshold, under Queen Anne's County's current interpretation of state law, businesses are required to provide permanent facilities.

Permanent Facilities

Permanent restroom facilities are housed in fixed structures connected either to public sewer or a septic system. Chemical toilets (porta-potties, trailers) are not considered permanent facilities. Installing septic systems can usually be accommodated on a site, but may be financially infeasible for farmers, so clear expectations and requirements are essential for applicants. Agritourism and adjacent uses that require permanent facilities include all campgrounds, and Special Events when they are "regular or permanent" (more than 6 times a year under current policy). Under Queen Anne's County's interpretation of state law, all permanent food service facilities must provide a permanent restroom facility, and temporary food service facilities (as defined in the previous section) are required to when seating is provided for diners.

Building & Fire

The International Building Code (IBC) is the model building code used in the United States. Its language is adopted by states with additions and deviations to fit local needs. Maryland's building code law is entitled the "Maryland Building Performance Standards."

Under the IBC, agricultural buildings are held to different building and fire standards than many other commercial buildings intended for regular human occupancy. This can be a barrier to agritourism when a property owner wishes to use an agricultural building for additional or alternative purposes for which it was constructed. As of 2021, Section 105.2 of the IBC²⁰ now exempts many types of agricultural buildings from needing a building permit. These structures include:

- Storage sheds and shade cloth structures constructed for agricultural or storage purposes, up to 120 square feet
- Agricultural buildings in any of the following categories
 - Agricultural buildings constructed without walls, doors, or windows; without any sanitary connections
 - Enclosed agricultural buildings under 600 square feet; without any sanitary connections
- Agricultural buildings over 600 square feet – foundation-only building permit is required

These exemptions seek to reduce the financial burden of farmers in constructing new structures that pose little risk to the health and safety of other occupants. However, potential conflicts can arise when expanding the use of an agricultural building beyond bona fide agriculture. If any uses are introduced into an agricultural building, the IBC would require a permit application and compliance with all applicable code sections for the uses proposed. Complying with this requirement could be time-consuming and costly in many cases and render agritourism proposals and associated start-up costs infeasible. Seeking to rectify this, Maryland established an opt-in statute to exempt agricultural buildings from needing to apply for a change of occupancy requiring a building permit when introducing agritourism activities, under certain conditions.

Queen Anne's County has adopted this statute and therefore follows the following rules:

- Existing agricultural buildings used for agritourism are not considered change of occupancies if:
 - the agritourism use only occupies the ground level of the building (§12-508(d)(2))

²⁰ <https://codes.iccsafe.org/content/IBC2021P1/chapter-1-scope-and-administration>

- the maximum occupancy of the agritourism use is 200 people; and (§12-508(e)(1))
- egress requirements for buildings without sprinkler systems are met or exceeded. (§12-508(e)(2))
- The statute does not apply to the construction, alteration, or modification of an agricultural building for which agritourism is an intended subordinate use. (§12-508(c))
- The building need not comply with requirements for bathrooms, sprinkler systems, and elevators set forth in the Standards; or any other requirements of the Standards or other building codes as set forth in regulations adopted by the Department. (§12-508(g)(2))

This exemption can reduce a major barrier to implementing agritourism. However, it must be understood as a limited action that does not cover all activities included in the State’s agritourism definition or all activities commonly classified as such. First, the statute does not apply to any modifications of the agricultural building, meaning that the subordinate agritourism use cannot require any changes to the building structure to happen. Second, the statute defines agritourism using a definition in the Maryland Building Performance Standards, which is more limited in scope than the State’s, reading as follows:²¹

(a) "Agritourism" means tourism of agricultural farms and buildings by members of the general public for recreational, entertainment, or educational purposes for which tourists may or may not pay fees.

(b) Agritourism includes the following activities, when performed by a tourist:

- (i) Viewing rural activities, farming, ranching, and wine making;
- (ii) Viewing natural, historical, and cultural resources; and
- (iii) Harvesting agricultural products.

Under this definition the only activities which are considered agritourism are a) “viewing” of activities and resources, and b) harvesting agricultural products. Many agritourism operations and activities go beyond these activities and may fall into a grey area in the eyes of the law.

State Highway Administration

The Maryland State Highway Administration (SHA) impacts agritourism operations in that it controls signage permissions along state routes. SHA limits the number and size of advertising signs permitted along state routes to minimize clutter and potential distractions to drivers. These goals may come into conflict with agritourism operations because many farms are located off of arterial roads and thoroughfares and are therefore less visible to the public. SHA makes distinctions between on-premises and off-premises advertising and the classification of road the sign would be on. On-premises advertising refers to signage that

²¹ <https://www.dllr.state.md.us/labor/build/comar091251.pdf>

advertises activities or products available on the subject property. All other advertising is considered off-premises advertising. Both of these types refer only to signage on private property--state right of way is reserved for official purposes. On-premises advertising is allowed without a permit subject to location standards. Off-premises advertising signs require SHA permits, are subject to location, sizing, and other requirements, and are prohibited along State-designated scenic byways.

While the above sign types refer to any type of advertisement, SHA also has a specific program for standardizing and permitting agritourism signage across the state.²² The main advantage of this program over the on- and off-premises signage programs discussed above is that the agritourism signs are located in state right-of-way. The signage has a standard design, with versions for state highways and country roads. The operation name and months of operation are the only variations.

Eligibility for the program is restrictive. Operations are required to be open to the public for at least 6 months a year, 4 days a week. Additionally, the program's definition of agritourism differs from the state's optional definition and local definitions. Other standards also apply, including an on-site restroom requirement. These requirements were cited in focus groups and interviews as a barrier to marketing and enhancing the visibility of agritourism operations. In addition, current requirements are in many cases stricter than the standards agritourism operations are held to by other regulatory bodies discussed in this study.

Agricultural Preservation Programs

There are multiple programs in Maryland that preserve prime agricultural and forested land from development pressure and environmental threats. Maryland was one of the first states to create an agricultural preservation program and has preserved more land than any other state. The Maryland Agricultural Land Preservation Foundation (MALPF) easement purchase program is the state's most accomplished, having preserved over 350,000 acres in 44 years. The MALPF program has the largest holdings in Queen Anne's County, with over 35,000 acres. The next two largest programs in the county are the Maryland Environmental Trust (MET), which seeks to protect open land in the state, and Maryland's Rural Legacy program which focuses on large, contiguous tracts of land to preserve for a variety of reasons.²³

As of December 2023, 86,848 acres of land are considered permanently preserved in Queen Anne's County. Appendix C shows a map of all preserved land in Queen Anne's County as of December 2023. Land held under conservation easements does not change ownership and no restrictions are placed on buying or selling the land. The use of the land is the primary concern of these programs.

²² https://www.roads.maryland.gov/OOTS/Ag-Tourism_Signing_Guidelines_Application.pdf

²³ Anecdotally, the Eastern Shore Land Conservancy co-administers some agricultural land in the county under preservation in the county, but on a smaller scale; therefore, the three largest programs are highlighted here.

While the specific administrators, funding sources, and goals of the different easement purchase programs vary, they all use the same underlying legal mechanism, the swap of a parcel's future development rights for a one-time payment. Farms are under pressure from investors, the cost of doing business, and other forces. The intent of these programs is to provide farmers with an alternative to selling their land for development by providing them with money to invest in their farming operation, maintaining the viability of the state's broader agriculture industry. Language of the easements tends to restrict land use to agriculture and its ancillary uses with few exceptions.

Agritourism can fall into a grey area under these programs, especially given the lack of a set definition for what it encompasses, the complexity of different easement programs' language, the property-specific nature of easement restrictions and the time elapsed since easements were put into place (many predate the emergence of contemporary agritourism uses), and interpretation by program administrators (the easement holders). Understanding what activities and structures are allowed on a property is crucial for landowners looking to begin or expand agritourism operations.

MALPF Easements

The MALPF program was statutorily established by the State, the source of its funding. It has the express goal of preserving agricultural land and woodland for the production of food and fiber while supporting sustainable growth practices and curbing urban sprawl. The easement language²⁴ restricts commercial land uses on preserved property as follows:

Article III.A.

All manner of non-agricultural commercial, industrial or residential use or purpose or any use that temporarily or permanently impairs or interferes with the Land's agricultural value, use or utility is prohibited.

Article III.C.

Commercial uses or activities are only permitted upon the Land if they are Agricultural Uses permitted by Grantee's regulations, or as permitted under Title 2, Subtitle 5 of the Agriculture Article, Annotated Code of Maryland.

Many agritourism core activities seem to be permitted on the land due to their strong nexus to the principal agricultural use and lighter footprint. Along similar lines, many of the peripheral activities are likely not to be permitted due to their less-direct relationship to the principal use.

²⁴ <https://mda.maryland.gov/malpf/Documents/MALPF%20Template%20DOE%20form.pdf>

MET Easements

The MET is over 50 years old and operates as an arm of the Maryland Department of Natural Resources. Its goal is to protect many kinds of open space, including agricultural land. It is particularly active on the Eastern Shore, which includes four out of the five counties where it holds the most land. MET easements are donated. Property owners do not receive compensation for their easements but may be eligible for significant tax benefits.

The MET easement language²⁵ is generally more permissive with commercial uses than that of the MALPF. THE MET program permits commercial uses as follows:

(2.) seasonal or occasional outdoor Commercial activities that are accessory to the Agricultural uses of the Property such as: hay rides, corn mazes, farm animal petting zoo, pick your own produce, and sale of Agricultural products produced off of the Property but associated with such seasonal or occasional activities such as the sale of apple cider at one of the above-referenced activities;

(3.) production, processing and sale within an allowed Structure of Agricultural products and derivatives, a majority of which are sourced from the Property or another property owned by Grantors;

(5.) Commercial, Passive Recreational uses operated by a resident of a Dwelling Unit on the Property, or by the Grantors. Structures associated with these uses must be allowed according to Article V.F(3) below. Commercial Passive Recreational uses shall be limited to a de minimis amount;

Many agritourism core activities would be permitted under this language. Certain peripheral activities may be permitted, specifically those which could fall under part (5.) as passive recreational uses.

Rural Legacy Easements

Similar to the MET, Maryland's Rural Legacy program²⁶ is operated by the Department of Natural Resources. However, it has a distinct goal from the aforementioned programs: specifically, preserving large, contiguous tracts of land with a focus on viable resource-based land uses. The Rural Legacy program permits commercial uses as follows:

(2) seasonal or occasional outdoor Commercial activities that are accessory to the Agricultural uses of the Property (for example: hay rides, corn maze, farm animal petting zoo, pick your own produce) and sale of Agricultural products produced off

²⁵ https://dnr.maryland.gov/met/Documents/PDFs/MET_ModelEasement.pdf

²⁶ https://dnr.maryland.gov/land/Documents/RuralLegacy/rlp_model_easement.pdf

of the Property but associated with such seasonal or occasional activities (for example, the sale of apple cider on a hay ride);

(5) the Commercial retail and/or non-retail sale of (i) Agricultural products (as listed in Article III.B above), a majority of which are produced on the Property or on a property owned by Grantors; or (ii) derivatives produced pursuant to III.C.(4) above;

(7) Commercial Passive Recreational (as defined below) uses operated by a resident of a Dwelling Unit on the Property, or by the Grantors. Structures associated with these uses must be permitted according to Article III.E (3) below.

The language is very similar to that of the MET easement and similar uses are expected to be permitted.

While easement language must be sufficiently strict to ensure the long-term security of the land, agritourism should be allowed to prosper on preserved farmland so long as it does not impact the conservation goals of the programs holding the easements. Under all programs, there is room for interpretation at the discretion of the easement granter and landowners should work with program administrators to identify the bounds of agritourism activities permitted under the easement agreements.

Farm Alcohol Production

Farm alcohol production is an increasingly popular subset of agritourism that is often defined separately as a value-added activity that supports farms and farming. Interest in craft beverages continues to grow, and the high value-added nature of alcohol production can be an economic boon to farmers. Farm alcohol production, however, tends to be a more complex agritourism practice because of the additional layers of regulation that breweries, wineries, and distilleries are held to by federal, state, and local entities. All of these levels of government impact how beer, wine, and distilled spirits can be produced, consumed, and sold in Queen Anne's County.

Federal Regulations

The Alcohol and Tobacco Tax Trade Bureau (TTB) regulates all levels of commercial alcohol production for tax purposes. All commercial breweries are required to receive a brewer's notice from the TTB²⁷. To be approved for a brewer's notice, applicants must comply with the applicable federal regulations for breweries. One relevant statute is that alcohol production cannot occur on residential premises, e.g., within a dwelling or residential structure. As many farms are also principal residences for their owners, this could be a barrier for farm alcohol

²⁷ <https://www.ttb.gov/regulated-commodities/beverage-alcohol/beer/ttb-beer-brewers-notice>

producers. A University of Maryland Extension publication²⁸ advises applicants to submit a variance form to this requirement to gain approval.

State Regulations

The state has jurisdiction to license and regulate different types of alcohol production uses, covering breweries, wineries, and distilleries. The State has developed multiple permit types for each of the uses, recognizing nuance in smaller operations and creating opportunities for craft beverage and farm operations to succeed. The 2023 MD. Alcoholic Beverages Code Ann. § 2 holds the sections establishing the different license types.²⁹

Types of Licenses

- **Class 1 Distillery License**
 - Permission to produce and distribute to wholesalers
 - Can sell distilled spirits for off-premises consumption, only to participants of a guided tour or promotional event
 - Can sell beer for on-premises consumption, only with separate license from the local licensing board

- **Class 9 Limited Distillery License**
 - As of yet, there is no specific farm distillery license as there is for breweries or wineries.
 - Similar to the Class 1 Distillery License but for concurrent holders of a Class B or D beer, wine, and liquor license with permission for on- and off-premises consumption
 - Produce a maximum of 100,000 gallons a year
 - Cannot sell spirits for off-premises consumption outside of the Class B or D permitted area

- **Class 4 Limited Winery License**
 - Permission to produce and distribute to wholesalers
 - Must have a minimum of 20 acres of grapes or other fruit in cultivation, otherwise ensuring that at least 51% of the ingredients used are from Maryland
 - Can sell wine or brandy for on-premises consumption
 - Can sell and serve some types of food (others require separate license)

- **Class 8 Farm Brewery License**
 - Produce a maximum of 15,000 barrels a year
 - Permission to produce and distribute to wholesalers
 - Beer must be manufactured with at least one ingredient from Maryland, including hops, grain, and fruit, produced on the licensed farm

²⁸ <https://umaglaw.org/download/microbreweries-and-the-new-class-8-farm-brewery-license-pdf/?tmstv=1719498792>

²⁹ <https://law.justia.com/codes/maryland/2021/alcoholic-beverages/division-i/title-2/subtitle-2/>

- Can sell beer for on-premises consumption
- Can sell and serve some types of food (others require separate license)

A key feature of the Class 8 Farm Brewery License is that it permits the holder to sell the beer produced on the farm for on-premises consumption, regardless of local alcohol laws. Beer produced off-site may not be sold except during a multi-brewery promotional event. Despite this, the Maryland Extension recommends breweries pursue full licensing and obtain local permission for tasting and on-premises service to insulate themselves from any changes in the law that would present liabilities to their business operations.³⁰

County Regulations

The Queen Anne's County Code defines the different use types for farm alcohol producers and establishes where they are permitted to be approved. Receiving zoning approval is only one part of the entitlements process for farm alcohol producers and does not supersede any other regulations.

Farm breweries and wineries are included in the definition for *Agriculture* and are therefore permitted in all the same areas as bona fide *Agriculture*. Distilleries are not defined in the Code and, therefore, are not currently permitted in Queen Anne's County. Farm breweries are defined in the Code and include an on-site cultivation requirement that simply states the operation must "brew beer from ingredients grown and produced on the farm." This definition does not specify whether ingredients cultivated off-site are permitted to be used in brewing and, if so, to what extent. Wineries are defined as being "part of a producing vineyard" which infers on-site cultivation for the alcohol production but does not explicitly require it.

In 2020, County Ordinance No. 20-08 was introduced to the County Commission, which would have created a definition for farm alcohol producers, to include breweries, wineries, and distilleries, and permitted them as a conditional use. The Board ultimately chose to not adopt the ordinance after a lengthy process which included changes to the on-site cultivation requirement. The final proposed text amendment language required farm alcohol producers to have at least two acres of agricultural product under cultivation used in the alcohol. While this is less strict than the State's requirement for farm wineries, it could be stricter than the requirement for farm breweries, which only states that the alcohol must be brewed with one ingredient grown on-site. Because any farm alcohol producer must meet State requirements for licensing, more lenient county standards would have minimal impact on the ability of farms to pursue alcohol production. Because there is no State farm distillery license and no distilleries operating in Queen Anne's County, the distillery language would not have had any impacts on existing operators or conflicted with State regulations.

³⁰ <https://umaglaw.org/download/microbreweries-and-the-new-class-8-farm-brewery-license-pdf/?tmstv=1719498792>

Comparison of Farm Alcohol Production Regulations

The three case study jurisdictions – Frederick County, Worcester County, and Carroll County, all treat farm alcohol producers separately in their respective codes. At a county level, the principal concerns are determining how the use(s) are defined, the approval process they are subject to, and the on-site or in-county cultivation standards they are held to.

Frederick County

Frederick County defines three types of farm alcohol producers, each with its own requirements for on-site cultivation. Farm breweries must use hops or at least one grain produced on-site, and a majority of either hops or grains used must be produced on-site. Farm wineries must have at least 10 acres of land and cultivate one acre of fruit for every 2,000 gallons of wine produced. Parcels may be owned or leased and contiguous or non-contiguous. Farm distilleries must use at least one grain or fruit that is cultivated on-site. All three uses are permitted by right and must have the respective, valid Maryland alcohol production license.

Tasting rooms for any type of farm alcohol producer are entitled separately from the production facility and are considered conditional uses. A zoning certificate is required for tasting rooms and is revokable if the permit-holder fails to comply with noise restrictions.

Worcester County

Worcester County classifies all types of farm alcohol producers together under the Agricultural Alcohol Production definition, which itself is part of the Agritourism use. This definition requires only that “any portion” of ingredients used is produced on the farm. Such facilities must be located on farms which are defined as having a minimum lot size of five acres and must have the respective, valid Maryland alcohol production license. This setup is a recent change; previously wineries were considered their own use. Tasting rooms are included in the overall definition for Agricultural Alcohol Production, which is permitted by special exception in Agriculture districts as Agritourism.

Carroll County

Carroll County defines farm alcohol producers together in a simple definition that includes any farm that engages in alcohol production using on-site cultivation. Conditional use standards restrict the functional definition of farm alcohol producers with other provisions. Farm alcohol producers are required to use at least one ingredient grown on-site with a caveat for years where crop failures would make this difficult to achieve. Facilities must have the respective, valid Maryland alcohol production license. Tasting rooms, accessory food sales, and retail sales are permitted as an accessory use to a farm alcohol producer.

Key Findings

Agritourism has been increasing in popularity across Maryland and the country as a strategy that helps meet agricultural preservation goals while contributing to economic development,

the tourism industry, and an area's cultural vibrancy. Developing policy for agritourism is not without challenges, due to the variety of activities that can fall under its umbrella and the various other regulatory processes they are typically subject to. Through review of the Queen Anne's County Zoning and Subdivision Regulations (Chapter 18), stakeholder interviews, focus groups, and research on other Maryland counties, two major themes emerged: the lack of an official County definition for agritourism, and the sometimes-overwhelming complexity and layered nature of regulations at the local, state, and federal levels.

General

Core agritourism activities have a strong connection to the principal agricultural use of a parcel. However, there are many peripheral activities that complement agriculture and agritourism that can be beneficial to promote. Queen Anne's County already includes many core agritourism activities within its definition for Agriculture. Peripheral activities include related uses such as events hosted on farms (e.g., weddings, farm-to-table dinners, and other private parties), site access for photography, and food and beverage service, among others. These peripheral uses can be strong tourism drivers and may help make core agritourism activities more viable to pursue, their lesser connection to agriculture and often times higher impact on the land means they should be considered separately but are complementary to agriculture. This is the case in Queen Anne's County, where Special Events are permitted on farms but considered separate from Agritourism.

Queen Anne's County can address some barriers to agritourism on its own, but other barriers are beyond the County's control. While this study identifies opportunities to support and promote agritourism in the county, it is important to note that some current barriers stem from how agritourism is defined and regulated at the state level. As described below, state permitting requirements are a significant challenge for current and prospective agritourism operators throughout Maryland to navigate. Local jurisdictions provide differing levels of support to agritourism operators in navigating these requirements and, by some accounts, interpret permitting requirements differently. However, by all indications, state requirements and guidance are likely to continue to evolve and some existing barriers could be addressed through future refinements to the state's approach to agritourism.

Definition of Uses

Queen Anne's County lacks a definition of agritourism that encompasses the full range of activities considered to be agritourism.

In many cases, code-defined uses refer to a singular type of activity. In the case of agritourism, definitions typically include many different activities with various levels of intensity and impact. Maryland counties have taken different approaches to the definition and classification of agritourism uses, either using the state's guidance as a base or using a local definition that predates the state's effort.

- Queen Anne’s County does not have an official definition for agritourism in the Zoning and Subdivision Regulations Code. Instead, some agritourism uses are included in the definition for Agriculture, others are spread across other uses, and some common agritourism uses are not specifically addressed at all in the Code.
- The use definitions were developed over time, rather than through a concerted process with a focus on the needs of agritourism. This has led to gaps in the uses that are defined and ad hoc application of the Code to fill these gaps.

Many agritourism uses are treated as conditional uses, creating additional levels of review and steps in the approval process that may not be necessary. With a clear definition of agritourism, there may be the opportunity to allow more agritourism activities by right, removing or simplifying the additional review requirements.

Opportunities:

- Update the Chapter 18 Appendix A: Glossary to include a definition for agritourism that includes many constituent uses, with language that allows for flexibility to include additional emerging or uncommon uses as agritourism continues to evolve in the future.
- Move other uses into their own definitions and reserve the Agriculture use for bona fide farming activities.
- Review and refine other use definitions and standards such that peripheral agritourism uses are coordinated and that regulatory requirements are commensurate with the needs and scale of on-farm activities.

Complexity of Permitting Processes

Navigating the approval and permitting process can be complex and costly, due to multi-layered regulatory requirements at the state and local levels.

County ordinances are not the only standards agritourism operators are subject to, they must frequently comply with state health and building codes, among others. Additionally, agricultural preservation easements can add another level of restriction to properties. Regulations across levels can be difficult to understand and outcomes difficult to predict. The County government has limited ability to change many of these codes but can foster greater understanding on how to navigate the system.

- For any construction project, developers hire consultants and lawyers to guide their projects through complex entitlement processes, a cost few farmers can afford. A lack

of professional representation can lead to dead ends during permitting for those unable to pay.

- While necessary to protect health and safety, State health and building requirements can be difficult or costly to fulfill. Many farmers are unable to fully understand their options and alternatives to the barriers they face.
- Different state agencies have different definitions of agritourism. For example, SHA and the Maryland Building Performance Standards deviate in what they consider to be agritourism.
- Regulations are codified at the state level but administrated and interpreted at the local level. There is a perception that some counties are more willing to work with applicants in finding solutions that are compatible with both regulatory and agritourism goals.

Opportunities:

- Create a position within County government that can serve as a liaison and advocate for agritourism businesses, while assisting those wishing to start new or add to existing agritourism operations in navigating the approval and permitting processes. Many counties in Maryland have created positions for agribusiness liaisons whose purpose is to work with farmers to grow their businesses and help them navigate complex regulatory environments. Implementing something similar could benefit Queen Anne's County by creating a new source of expertise for both farmers and County departments while fostering communication and coordination between Planning and Zoning and Economic & Tourism Development.
- Align State and local definitions and regulations where appropriate.

Examples of jurisdictions with designated "navigator" positions that serve as a liaison and advocate for agritourism business

- Baltimore County has an Office of Agriculture within its Department of Economic and Workforce Development which serves as a liaison between farmers and the County government.
- Carroll County has a dedicated agricultural specialist within their Economic Development Department.
- Frederick County has an Agriculture Division which includes liaison services with County government.

Additional Regulatory Barriers

Some current agritourism trends are not reflected in the Zoning and Subdivision Regulations Code. Activities such as farm-to-table dinners and incidental overnight stays do not have clear definitions or standards. These examples came up anecdotally as emerging agritourism uses that lack clear guidance in the code.

Opportunities:

- Update the code to address emerging agritourism trends, such as incidental overnight stays, and be proactive in permitting and regulating new types of agritourism activities.
- Regularly update definitions for agritourism and related uses based on State policy updates.

State building code exemptions for agritourism uses are helpful but narrow, which could cause issues for farms looking to expand agritourism operations or introduce additional activities. Health codes related to food service permits and restroom requirements may change with different activities. The County has limited ability to change these codes but can assist applicants to understand the complex regulations they may be held to.

Opportunity: Work with applicants at the outset of their journey to understand long-term goals and potential barriers that may emerge down the line. Stress the importance of solid business plans that anticipate future goals and needs. This coincides with the opportunity to create an agribusiness liaison within the County government.

Farm alcohol production uses and definitions are inconsistent with State definitions and those of neighboring counties. Breweries and wineries are permitted by right under the Agriculture use which may not fit with their impact on the land.

Opportunity: Renew efforts to pass an ordinance that better regulates farm alcohol producers and recognizes their unique opportunities and impacts, using lessons learned from the first effort. Regulatory language should classify farm breweries, farm wineries, and farm distilleries as a single use with standards for each type of facility or as separate uses from each other. Requirements for farm breweries and farm wineries should be equal to state licensing requirements as they would be required to meet these standards regardless. There are different options for how to handle farm alcohol producer entitlements. For example, the production facilities could be permitted by right and separated from the tasting and sale uses, which tend to have more impact on adjacent properties and review needs.

All Special Events uses are permitted conditionally, subject to additional standards and a hearing and vote by the Board of Appeals and are only permitted on parcels 20 acres or larger.

The standards in the Code are not exact and are determined on a case-by-case basis, which can deter applicants and increase frustration in navigating the system.

Opportunity: Split Special Events into two tiers of intensity based on size, time of day, and other standards. Permit lesser-intensity Special Events by right on agricultural parcels with smaller minimum lot sizes. For both tiers, establish exact standards and conditions for hours of operation, capacity, outdoor music, and parking.

CASE STUDIES

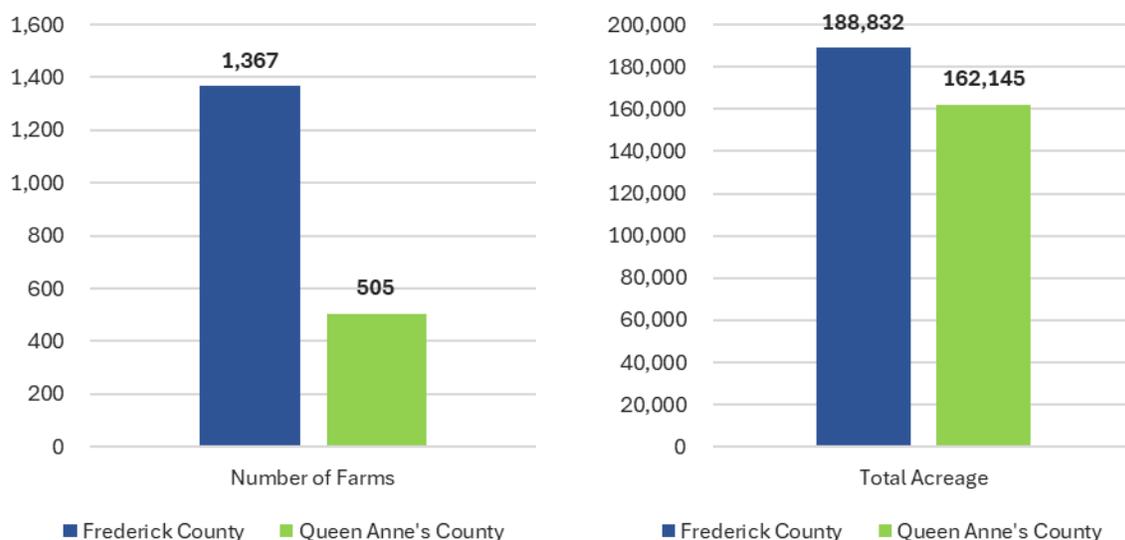
As we review the overall economic conditions of the agritourism sector in Queen Anne’s County, BAE looks to comparable Maryland counties for best practices. BAE has selected Frederick County, Carroll County, and Worcester County as municipalities with similar economic and agricultural conditions to Queen Anne’s County and thriving agritourism activities.

1. Frederick County

Farmland Overview

Frederick County has more than twice as many farms as Queen Anne’s County (1,367 compared to just 505), as illustrated in Figure 11. However, Frederick only contains about 16.5 percent more acres of farmland than Queen Anne’s—188,832 acres compared to 162,145 acres. The average farm size in Frederick County is about 138 acres, and the median farm size is only 39 acres.

Figure 11: Number of Farms & Total Farm Acreage, Frederick & Queen Anne’s, 2022



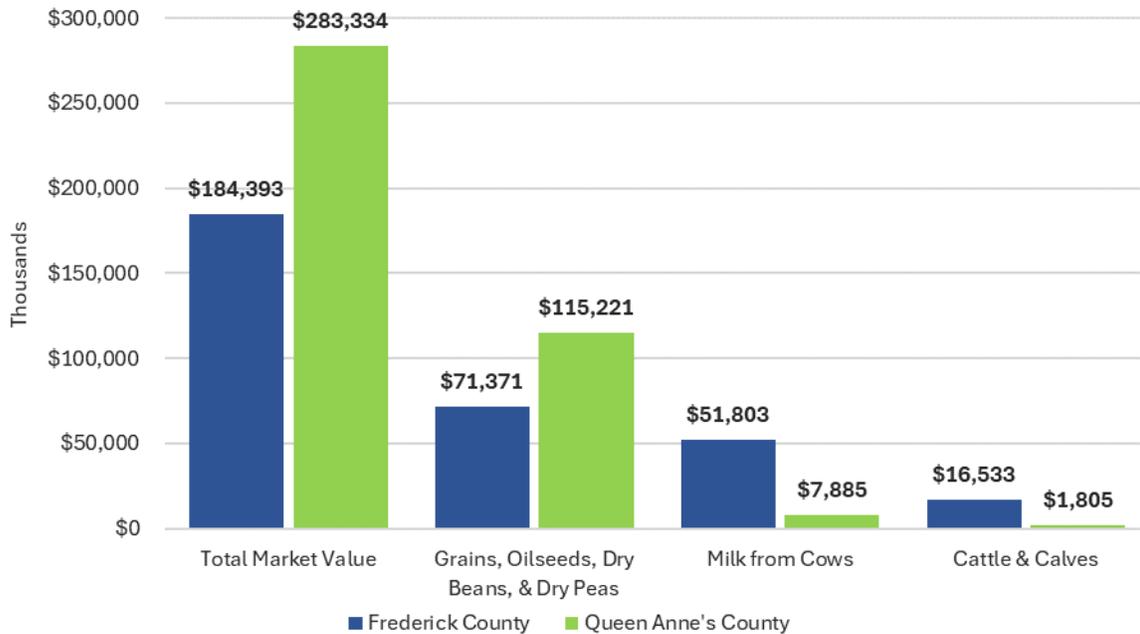
Sources: U.S.D.A. Census of Agriculture, County Summary, 2002-2022; BAE 2024.

Top Agricultural Products

Although Frederick County has more farmland and farms than Queen Anne’s County, it sold about 35 percent less in agricultural products than Queen Anne’s County in 2022. As can be seen in Figure 12, Frederick County has an agricultural production market value of only \$184,393,000 versus Queen Anne’s County’s value of \$283,334,000. The top-selling

agricultural products in Frederick County include grains, oilseeds, dry beans, and dry peas (\$71,371,000 or 38.7 percent of the total market value), milk from cows (\$51,803,000 or 28.1 percent of the total market value), and cattle and calves (\$16,533,000 or 9.0 percent of total market value). Frederick produces less than Queen Anne’s County does in grains, oilseeds, dry beans, and dry peas, but more than Queen Anne’s in both milk from cows, and cattle and calves.

Figure 12: Highest Grossing Agriculture Products, Frederick & Queen Anne’s, 2022

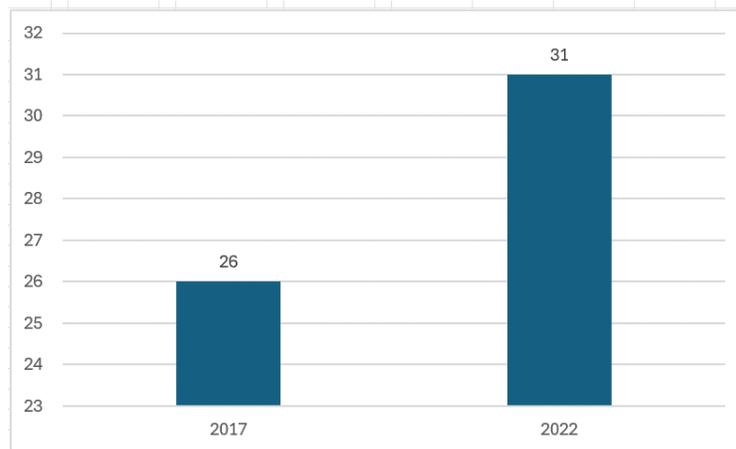


Sources: U.S.D.A. Census of Agriculture, Table 2, 2002-2022; BAE 2024.

Agritourism and Value-Added Agriculture Income

Figure 13 shows the number of Frederick County farms engaged in agritourism in 2017 and 2022.

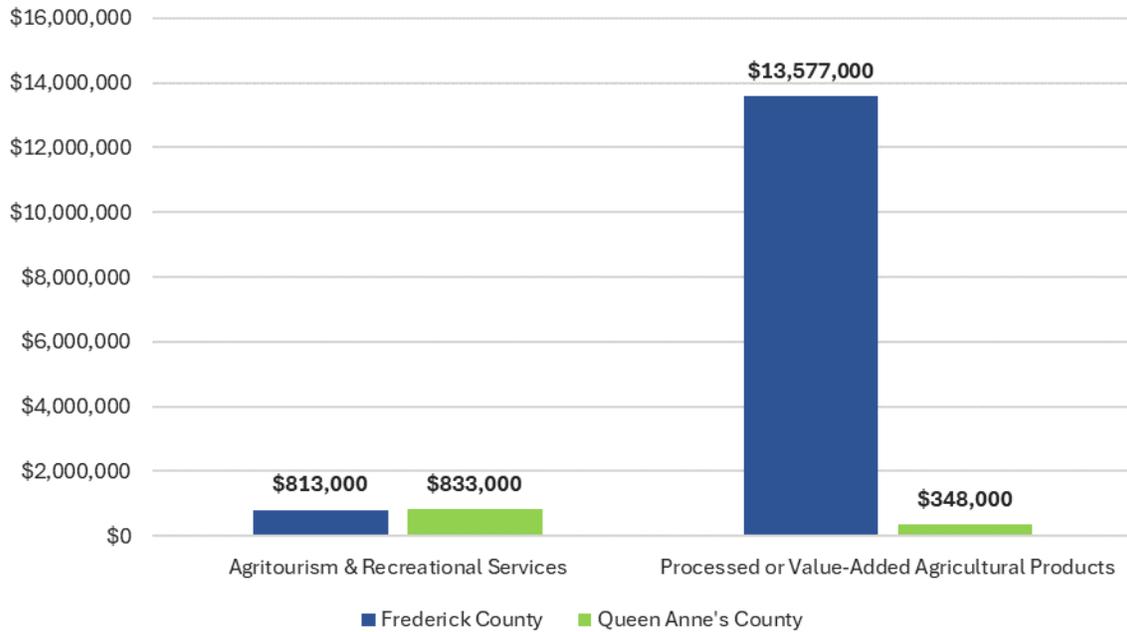
Figure 13: Number Frederick County Farms Engaged in Agritourism in 2017 and 2022



Sources USDA Census of Agriculture, 2017 & 2022, BAE 2024.

While Frederick County may produce a smaller market value than Queen Anne’s County in agricultural production, it earns about the same amount in agritourism and recreational services income and significantly outpaces Queen Anne’s County in processed or value-added agricultural product sales. As illustrated in Figure 14, in 2022 Frederick County generated approximately \$813,000 in income from agritourism and recreational services versus \$833,000 by Queen Anne’s County, and about \$13,577,000 from processed or value-added agricultural products compared to only \$348,000 in Queen Anne’s County for the same year.

Figure 14: Agritourism & Value-Added Agriculture Income, Frederick & Queen Anne's, 2022



Sources: U.S.D.A. Census of Agriculture, Tables 2 & 6, 2022; BAE 2024.

Land Use & Zoning

Frederick County has one of the strongest agritourism industries in the state, due in part to its strong policies and initiatives that promote agriculture and a culture of addressing emerging issues that arise in the industry. The county's definition for agritourism predated the state-developed definition and has since been updated to include many of the specific uses identified therein. Agritourism and farm alcohol production are permitted by right, which removes a layer of oversight and streamlines the entitlement processes. The county was home to the first farm brewery in Maryland, an effort which required collaboration between the applicant and many regulatory departments to create standards that worked for all parties.

Frederick County's ability to succeed is supported by its attention to the farming community's needs. The county has an Office of Agriculture that has centralized services related to farming. Their staff acts as a liaison between the county and the agriculture community, assisting both sides to carry out the entitlement process efficiently. Similarly, in 2023, the county convened an Agritourism Workgroup whose goal was to review the county's existing laws and regulations relating to agritourism and recommend actions and policies to advance the industry without compromising health, safety, and the county's rural character. These initiatives show that

Frederick County recognizes the complex regulatory burdens farmers face and is willing to regularly revisit and modernize code language when necessary.

Best Practices

The major income from value-added agriculture can be attributed to the booming alcoholic craft beverage industry in the county. Types of agritourism in Frederick County include pick your own, Christmas tree farms, corn mazes, strawberry festivals, pumpkin patches, apple orchards, rodeos, creameries, and other agricultural education activities. The county considers the craft beverage industry to be separate and is regulated as such, although there are some vineyard/wineries, farm breweries, and farm cideries. Frederick County is home to 39 craft beverage businesses, some located on-farms and some standalone operations, which include wineries, breweries, cideries, and distilleries.

According to Frederick County staff, the county's craft beverage industry has exploded over the last seven years. Much effort has gone into promoting the industry by the county's economic development department, having published a comprehensive 10-step guide to starting a craft beverage business in Frederick County as well as consistently publishing updated directories of all the craft beverage businesses for tourism purposes. The County also markets its direct-to-consumer farms in a magazine and online through Home Grown Frederick (<https://homegrownfrederick.com/>).

Best Practice Operation: Linganore Winecellars

One of the successful craft beverage enterprises in Frederick is Linganore Winecellars. Linganore is a winery located in Frederick County on a farm with over 230 acres of land. The winery employs 75 people about half of whom are full time.

Linganore's Winery is open year-round, except for major holidays. Their hours are as follows: Monday to Wednesday 10:00 a.m. to 5:00 p.m., Thursday 10:00 a.m. to 8:00 p.m., Friday and Saturday 10:00 a.m. to 9:00 p.m., and Sunday 12:00 p.m. to 6:00 p.m.



Though specific sales numbers were unavailable for this private business, the owner reports 2021 was the winery's most successful year to date. Sales have dropped some in 2022 and 2023 from that peak. So far, 2024 is looking to earn approximately the same as in 2019, pre-

COVID. One of the largest factors that impacts their business, however, is the weather. Since January of 2024, most weekends have been rainy and deterred visitors, who mainly visit the vineyards to enjoy the open air.

As with any farm alcohol producer they are regulated by local, state, and federal policy and laws. Linganore's owner indicates they work closely with Frederick County to make sure they comply to all local zoning. The owner is in close contact with Frederick County's Office of Agriculture and appreciates the help the director of the office provides with navigating the development review process and with marketing and promotion.



Most of Linganore's customers come from about a 40-mile radius, from Carroll County, Montgomery County, Howard County, and of course Frederick County. According to the owners, some of the winery's visitors are coming from farther away, such as Washington D.C., Baltimore, New Jersey, and Pennsylvania, and may visit Linganore Winecellars as well as some of the eight other wineries within 10 miles, and stay at hotels, Airbnb's, or bed and breakfasts in the city of Frederick.



Linganore is open year-round with both indoor and outdoor spaces to host guests and events. The winery offers private wine tastings, estate and vineyard tours, a dog park, private weddings, and special events such as Weekends at the Winery (with live music and food trucks), sunset picnics, trivia nights, bingo, hiking tours, goat yoga, fundraisers, and has become a destination for festivals (e.g., the Summer Reggae Festival & the Caribbean Festival).

The vineyard is a family-run operation established in 1971 by Jack and Lucille Aellen. The family-run winery opened in 1976 in the barn which was previously used as the farm's dairy operation and in 1977 hosted Maryland's first wine festival. As the vineyard operations have

expanded and improved, the tasting and sales facilities were renovated, and the festival grounds and picnic areas were expanded to accommodate more customers and festivalgoers. Linganore's schedule has additionally expanded to hold five major festivals and 20 smaller indoor events throughout the year.

Soon, Linganore will be expanding its operations even more, with a new winery operation called Simple Theory located in Downtown Frederick. Simple Theory wines will be higher-end, European-style wines grown on 40 acres of newly acquired vineyards.



What also may help draw crowds to Linganore is its sister brewery Red Shedman, also located on the property. The farm brewery and hopyard is a separate operation opened by the Aellen family in 2014 after the passage of the Maryland Farm Brewery law. Red Shedman serves craft beers, ciders, and seltzers in its tap room, and hosts its own weekly events such as stand-up comedy, open-mics, and trivia nights.

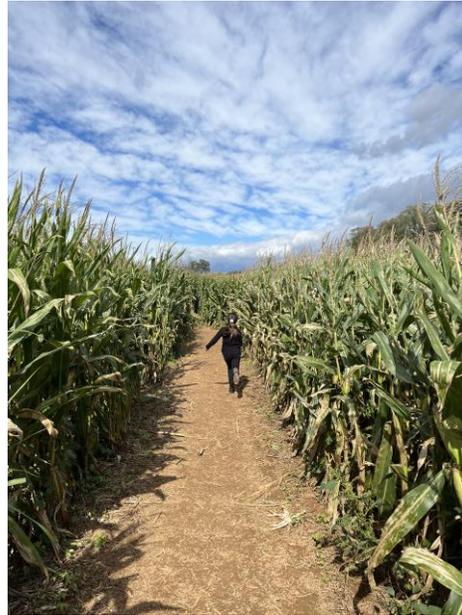
The Linganore operation is a good example of an agritourism use that is innovative in several ways. In addition to staying on top of industry trends in product development and programming. In 2011 power supplied to winery was converted to 100 percent wind power and soon thereafter Linganore received a grant from the Department of Agriculture which allowed for

the installation of two electric car charging stations, powered by a sun tracking solar panel.

Something similar to the Linganore operation would likely be feasible in Queen Anne's County. Both Frederick County and Queen Anne's County are directly adjacent to the Baltimore-Washington metro area but offer a bucolic respite from the busy, congested urban and suburban areas there. A similar business enterprise could operate at an existing winery or at another location on a large site elsewhere in Queen Anne's County.

Best Practice Operation: Gaver Farm

Gaver Farm is a similarly successful business in Frederick County, more so in the agritourism sector than value-added agriculture. Gaver operates a working farm of 1,100 acres during the fall and winter seasons. The farm has only one full-time employee, as seven family members run the operation as principals but are not employees. In the fall, typically 100 seasonal employees are hired and in the Christmas season 20 additional employees are hired.



During their open season, the farm is open every day. While the farm is operational year round, it is only open to the public for the fall season (September 1st through October 31st) and the holiday season (after Thanksgiving to Christmas). The fall season hours are 10:00 a.m. to 6:00 p.m. every day. The Christmas season hours are 9:00 a.m. to 5:00 p.m.



According to the owners, business is doing very well for the farm in general. However, 2023 was not a particularly good season due to the poor weather. Visitors to Gaver Farm generally come from a one-hour drive within the Baltimore Washington metropolitan area, mainly from Montgomery County and Howard County.

In the fall the farm has lots of activities and offerings, including a farm market, pick your own, the Fall Fun Fest, and farm fresh food stands. The Fall Fun Fest runs the whole fall season and includes a corn maze, jumping pillows, farm animals, giant slides, a chicken show, mini mazes, playgrounds, duck races, ball games, photo centers, and more with over 60 different attractions. The pick your own activities include pumpkins, sunflowers, and apples with hayrides around the farm. There are also on-site concessions including the Donut Hut and the Canteen. The farm market sells produce and other agricultural products such as gourds, pumpkins, squash, apples, corn stalks, Indian corn, straw, preserves, local



honey, apple cider, carving tools, scarecrows, decor, toys, and bakery goods.

The Christmas season offers Christmas trees, a wreath shop, and a Christmas cafe. In addition to the Christmas photography, the farm is available to be booked for photography sessions outside regular business hours in advance online for \$50 an hour or \$250 per day.

Gaver also hosts special events such as Touch a Tractor, Zen and Pick Sunset Yoga, the Apple Harvest Festival, the Pumpkin Harvest festival, MacKid's Spooktacular Trick or Treat, and Christmas photography sessions.

To accommodate the farm's limited capacity, Gaver provides several portable restrooms around the farm for guests to use during their visit.



Gaver Farm was established by the Gaver Family in 1978 with its first sales in 1984. In 1998 the farm's pumpkin business was started in the front yard and then was expanded in 2007 to include the hayrides and pick your own pumpkins and added an agritourism fall fun festival with a corn maze, farm animals, and other activities for families. The Gaver Farm was one of

the earliest agritourism farms in the county and one of the first to provide on-farm school tours and farm animal petting to children. The apple orchard was planted in 2010 and the sunflower fields in 2018.



In addition to the public activities, the farm also has cows, goats, pigs, and flocks of birds. It also operates a crop farm with corn, soybeans, wheat, rye, and other hays.

Gaver's Farm is innovative by nature, always looking to add activities that will be enjoyable for all, particularly children. Certainly, a similar operation, with both fall and holiday offerings, would likely be feasible in Queen Anne's County. Again, both Frederick and Queen Anne's County have locational advantages, and are easily accessible from the larger metro area surrounding Washington and Baltimore.

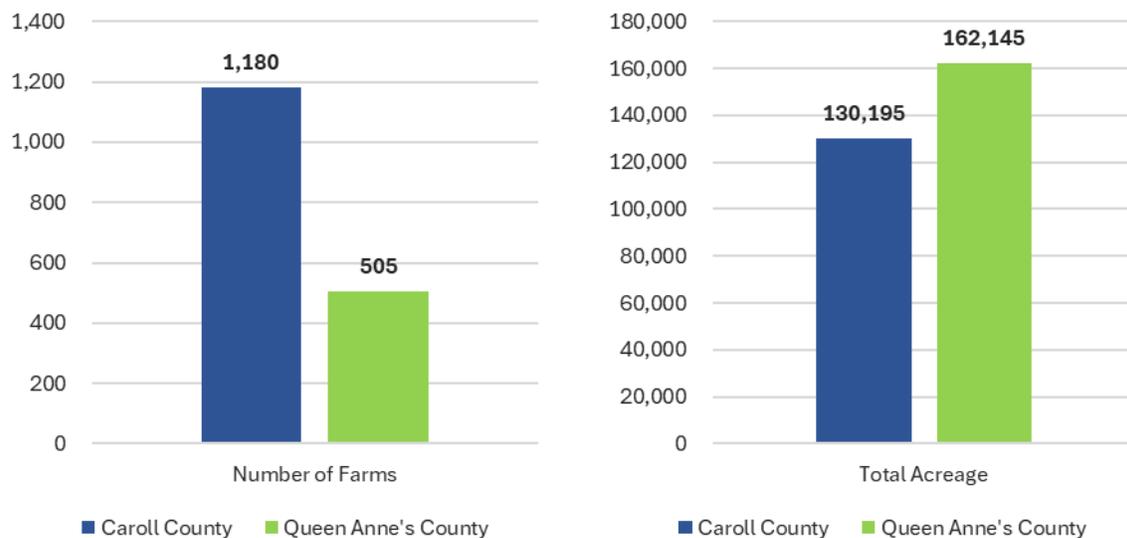
2. Carroll County

Farmland Overview

Carroll County has 1,180 farms, more than double the number of farms in Queen Anne's County. In contrast to Frederick County, however, Carroll County actually contains less farmland acreage than Queen Anne's County (Figure 15), with only 130,195 acres. This is further underscored by average farm size for Carroll County being approximately about 110 acres, about a third of the average size of a farm in Queen Anne's County. Additionally, the median farm size in Carroll County is only 29 acres.

Figure 15: Number of Farms & Total Farm Acreage, Carroll & Queen Anne's, 2022

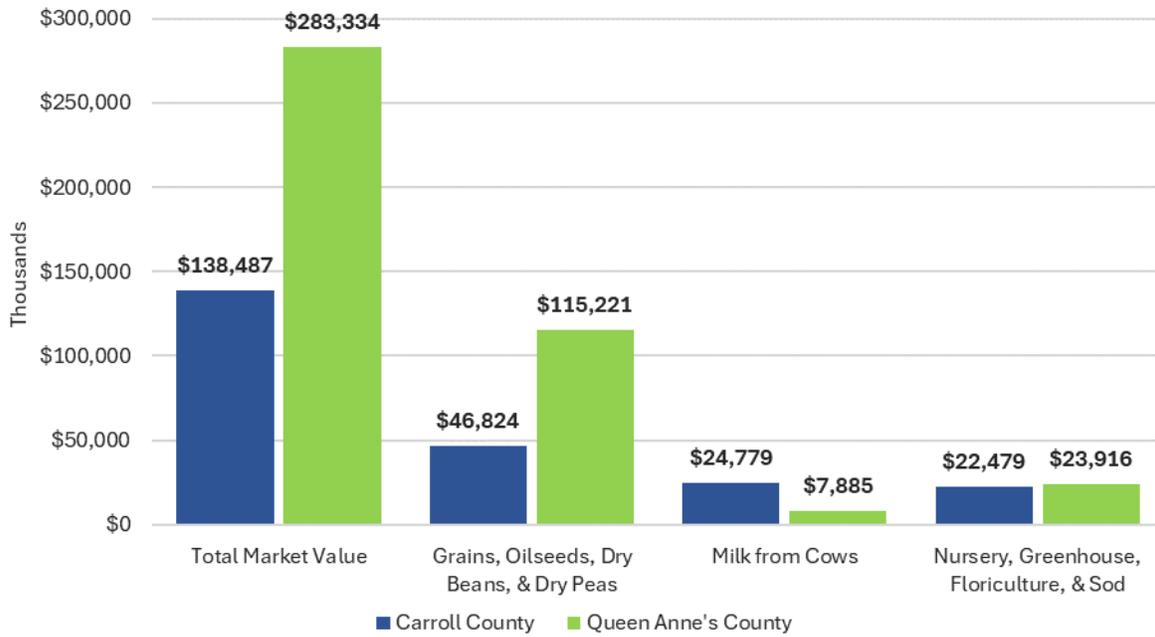
Sources: U.S.D.A. Census of Agriculture, County Summary, 2002-2022; BAE 2024.



Top Agricultural Products

In 2022, Carroll County sold \$138,487,000 worth of agricultural products, less than half of that sold by Queen Anne's County in the same year. Figure 16 further shows that Queen Anne's County outpaced Carroll County in two of its top three most popular products. Carroll County sold \$46,824,000 worth of grains, oilseeds, dry beans, and dry peas (33.8 percent of the total market value), \$24,779,000 of milk from cows (17.9 percent), and \$22,479,000 of nursery, greenhouse, floriculture, and sod (16.2 percent).

Figure 16: Highest Grossing Agriculture Products, Carroll & Queen Anne's, 2022

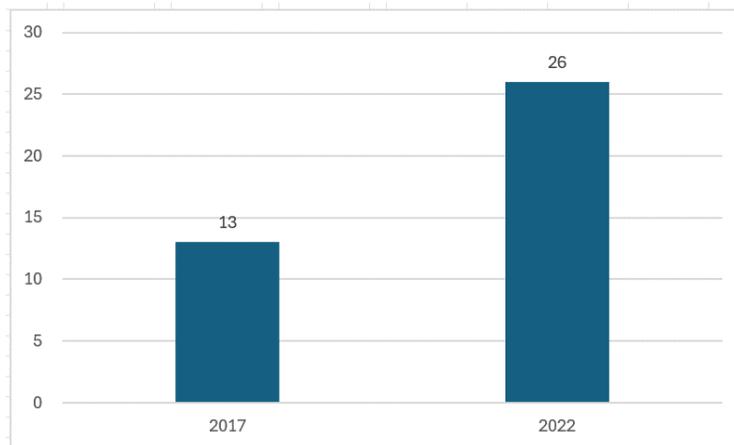


Sources: U.S.D.A. Census of Agriculture, Table 2, 2002-2022; BAE 2024.

Agritourism and Value-Added Agriculture Income

Figure 17 shows the number of Carroll County farms engaged in agritourism in 2017 and 2022.

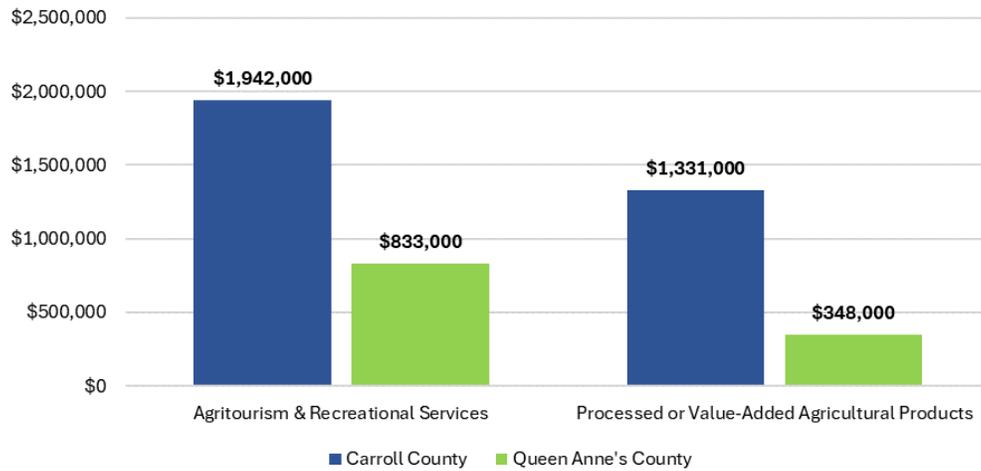
Figure 17: Carroll County Farms Engaged in Agritourism in 2017 and 2022



Sources USDA Census of Agriculture, 2017 & 2022, BAE 2024.

While producing a significantly smaller market value worth of agricultural products than Queen Anne’s County, Carroll County earned considerably more in agritourism and recreational services as well as processed or value-added agricultural products. As Figure 18 shows, in 2022 Carroll County earned \$1,942,000 from agritourism and recreational services, in addition to \$1,331,000 in processed or value-added agriculture sales. Both of these figures are more than double that for Queen Anne’s County in 2022.

Figure 18: Agritourism & Value-Added Agriculture Income, Carroll & Queen Anne’s, 2022



Sources: U.S.D.A. Census of Agriculture, Tables 2 & 6, 2022; BAE 2024.

Land Use & Zoning

Carroll County is deeply passionate about preserving their agricultural industry and rural character. Agriculture is the county’s largest industry, ranking second nationwide by number of acres preserved through conservation easements, with over 79,000 acres preserved as of March 2024. They have achieved this through ambitious local funding and dedication of County staff and resources to the effort. Preservation efforts have created an additional consideration for, but not stifled, the development of an agritourism industry. The county tourism website features 40 different agritourism operators. Their Department of Economic Development has a dedicated Agriculture Development Specialist who works on marketing, business development, and outreach initiatives.

The county has updated their zoning code to stay current with state trends and recent developments, including tweaking their definition of agritourism to more closely align with the state’s. They added camping and incidental overnight stays to the definition and limited them to one site per parcel by right. Having more than one site requires additional approvals, signaling an understanding of how nuance can be applied to code standards and new uses in a way that minimizes impact. Although their farm alcohol producer use is permitted

conditionally and requires Board of Zoning Adjustments approval, the county is home to three wineries, two distilleries, and a farm brewery, which is a sign that the local board is supportive of the industry.

Best Practices

Carroll County's significant income from agritourism and value-added products can be attributed to the county's push to support its agricultural sector. Some of the most successful agritourism and value-added producers include corn mazes, pick your own, an alpaca farm, stables, farm stands, wineries, breweries, and cideries.

The county's economic development agency works with its Office of Tourism to promote all of its agriculture, not just its agritourism and value-added operations. As agriculture is the county's biggest industry, it has channeled its resources, retaining on-staff marketing support, promoting its businesses online and through social media. The county has actually cited the growing and accessible social media presence of its businesses partly for their success. Carroll County has even published a website to promote its agricultural tourism, which includes an accessible directory for all local farms, craft beverage businesses, restaurants, and other businesses for people to visit (<https://carrollgrown.org/>).

Best Practice Operation: Baugher's Orchards and Farms



Carroll County is host to many agritourism venues as well as sellers of value-added agriculture. One business that is active in both sectors is Baugher's Orchards and Farms, which welcomes visitors onto their farm for activities, sells value-added products on-site, runs a fruit market, bakery, and restaurant in town with their produce, fresh baked treats and other goods.

Baugher's has a property of over 1,200 acres used for fruits, vegetables, and other activities. Between its farm, retail market, bakery, and restaurant, the business has 12 full-time employees, in addition to part-time harvest season workers. While the restaurant and bakery are open year-round daily from 7:30 a.m. to 8:00 p.m., the farm and orchard market are only open Spring and Summer from 8:00 a.m. to 8:00 p.m. The farm offers pick your own



activities, with different crops all season long including strawberries, peas, and cherries (mid-May through early-July); blackberries, black currants, and gooseberries (July through early-September); peaches, plums, and nectarines (July and August); and apples, pumpkins, and sunflowers (September through early-November). The farm's Orchard Market also sells ice cream and baked goods.

Additionally, the farms petting zoo is free to visit and is open May through October. The petting zoo includes donkeys, chickens, lambs, pigs, turkeys, ducks, cows, rabbits, alpacas, peacocks, emus, guinea fowl, and goats. Like Gaver Farm, Baugher's also offers private photography sessions outside operating hours: \$100 for the first hour, \$50 per additional hour, or \$300.00 for the entire day (maximum 8 hours).

To accommodate visitors, there is a bathroom located in the Orchard Market, as well as various port-a-pots located in the orchards and fields with a handwashing station attached.

Baugher's Orchard was originally established in 1904 as a working farm with an orchard. In 1948 the Baugher family opened Baugher's Restaurant & Fruit Market to sell the farms fruit directly to customers in



Westminster. Over the years, the family delved into many business ventures to supplement the farm's income such as trucking for hire, raising poultry and hogs, making apple butter, and making homemade ice cream for the restaurant. Additional land was also purchased to add to the operations and the family continued to develop the retail, pick your own, and wholesale parts of the business.

Baugher's Orchard and Market is a destination attraction. According to the owners, most customers come from Carroll, Baltimore, and Howard counties, some a little farther.

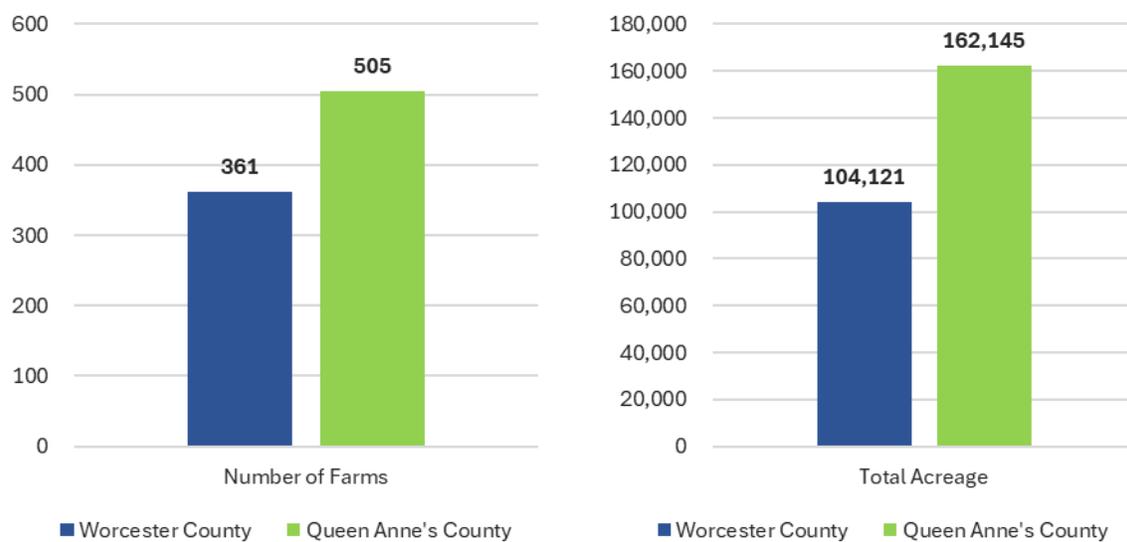
Though Baugher's Orchards and Farms, a privately-held business, does not release sales information, it is clearly a successful business that has grown and diversified several times over the past 120 years. Like the Linganore Cellars and Gaver Farm case studies, a business similar to the Baugher's Orchards and Farms example would likely be feasible in Queen Anne's County. (The only caveat to that statement is that apples do not grow well in Queen Anne's County's soils but peaches are certainly possible.) That could be an expanded version of Godfrey's Farm or possibly a new location, closer to U.S. 50 and more accessible for population from the Baltimore-Washington metro area.

3. Worcester County

Farmland Overview

Compared to Queen Anne’s County, Worcester County has fewer farms and less farmland on the whole. As noted in Figure 19, as of 2022, Worcester County houses only 361 farms across 104,121 acres of farmland, with an average farm size of 288 acres and a median farm size of 63 acres.

Figure 19: Number of Farms & Total Farm Acreage, Worcester & Queen Anne’s, 2022

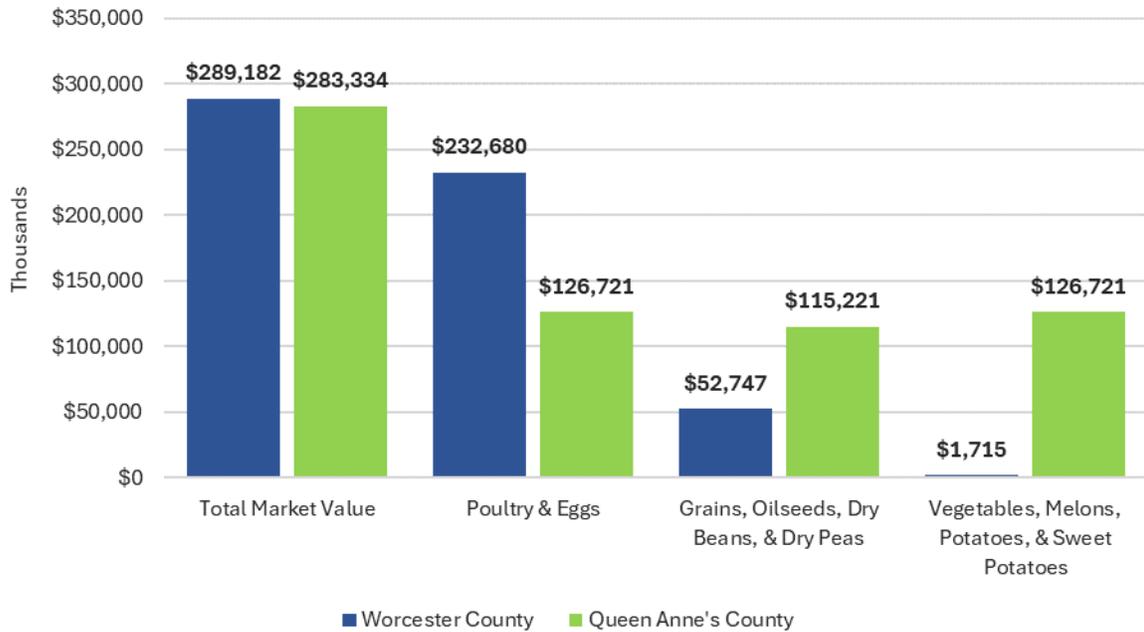


Sources: U.S.D.A. Census of Agriculture, County Summary, 2002-2022; BAE 2024.

Top Agricultural Products

Although Worcester County possesses fewer farms and less farmland than Queen Anne’s County, it actually produces slightly more income from its agricultural products. Figure 20 highlights an agricultural production market value of \$289,182,000 for Worcester County in 2022. The most significant product market for the county is poultry and eggs, which generated \$232,680,000 (80.5 percent of the county’s total market value) in sales in 2022. The poultry and eggs sector seems to yield a greater profit while needing less land than the next top-grossing sectors: grains, oilseeds, dry beans, and dry peas, which brought in \$52,747,000 (18.2 percent of total market value) and vegetables, melons, potatoes, and sweet potatoes, which earned the county \$1,715,000 (0.6 percent).

Figure 20: Highest Grossing Agriculture Products, Worcester & Queen Anne's, 2022

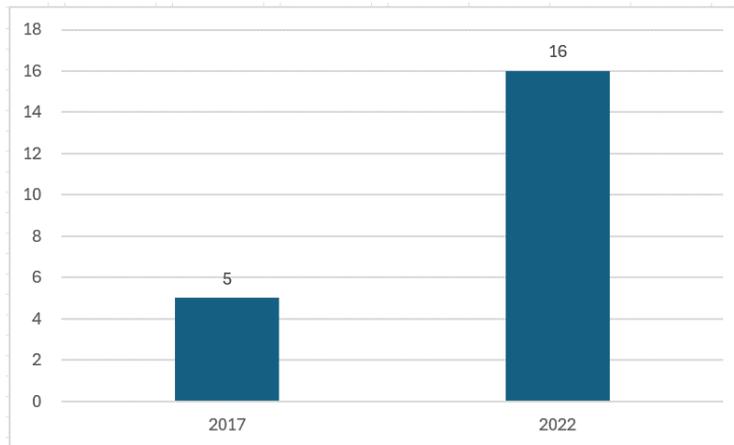


Sources: U.S.D.A. Census of Agriculture, Table 2, 2002-2022; BAE 2024.

Agritourism and Value-Added Agriculture Income

The following table shows the number of Worcester County farms engaged in agritourism in 2017 and 2022.

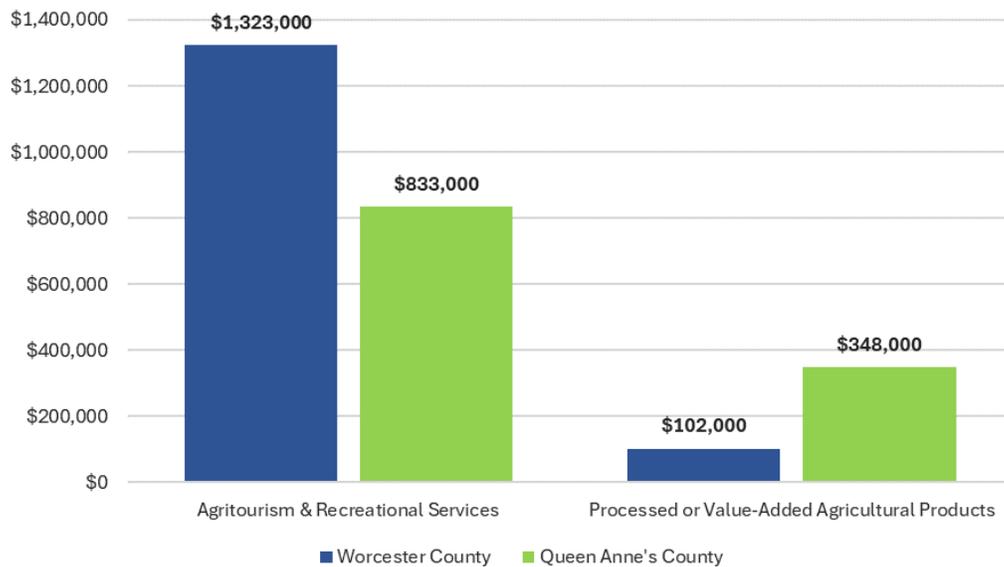
Figure 211: Number Worcester County Farms Engaged in Agritourism in 2017 and 2022



Sources USDA Census of Agriculture, 2017 & 2022, BAE 2024.

While producing a significantly smaller market value worth of agricultural products than Queen Anne’s County, Worcester County earned more in agritourism and recreational services as well as processed or value-added agricultural products. As Figure 22 shows, in 2022 Worcester County earned \$1,323,000 from agritourism and recreational services, in addition to \$102,000 in processed or value-added agriculture sales.

Figure 22: Agritourism & Value-Added Agriculture Income, Worcester & Queen Anne’s, 2022



Sources: U.S.D.A. Census of Agriculture, Tables 2 & 6, 2022; BAE 2024.

Land Use & Zoning

Worcester County’s coastal location makes it a desirable tourist destination, but the county did not have any formal definition for agritourism until 2021, when a broad discussion and planning effort took place. The outcomes of this process were defining agritourism in the zoning code and reforming the standards for farm alcohol producers and special events. Notably, the current Maryland Secretary of Agriculture consulted on the project prior to his appointment. While the ordinance was not approved unanimously, it did pass and take effect. Worcester County’s approach to agritourism has been more moderate than some other counties, reflecting local concerns about overtourism and the long-term integrity of agricultural zoning.

The county has been relatively open to allow uses such as special events, recognizing the boon they could be to farms, but limiting them through development standards such as high minimum lot sizes and setbacks, stressing their accessory nature to agriculture. While they do not have a dedicated agriculture liaison to assist farmers with their pursuits, the county’s economic development website has numerous resources for different questions and common

issues alongside contact information for companies and organizations that can provide further technical support. Worcester County serves as an example of how jurisdictions grapple with balancing economic opportunities for farmers with the rural quality of life enjoyed by residents.

Best Practices

Worcester County, while producing a significant amount of income from agritourism and recreational services, actually considers many of its operations as “agritainment” (agriculture and entertainment). The county has aimed to explore non-traditional farm uses through the lens of entertainment uses, which includes special events and music but does not include alcoholic beverage uses. The category was created to accommodate events on agricultural land such as vineyards and horse farms. The current industry does not include things like pick your own, as most of the crop farms are producing grains, oilseeds, dry beans and dried peas, as mentioned above. One of the most successful “agritainment” businesses in the county is Windmill Creek, a winery which often hosts special events with live music and food trucks.

Best Practice Operation: Windmill Creek Vineyard and Winery



Windmill Creek Vineyard and Winery is in northern Worcester County and near Ocean City, downtown Berlin, and the Isle of Wright Bay. Windmill Creek consists of a 12.5-acre farm and historic farmhouse, registered in the National Registry of Historic Places. Windmill Creek offers local wine and beer, dining, live music, scenic views, and community events. According to the Worcester County Office of Tourism & Economic Development, Windmill Creek is a successful agritourism enterprise.

Windmill Creek’s winery is open to visitors year-round. In the fall and winter, the winery is open Wednesday through Sunday, 12:00 p.m. to 8:30 p.m. In the spring and summer, the winery is open daily, 12:00 p.m. to 8:30 p.m. Windmill Creek also offers an igloo village dining experience Thursday through Sunday where visitors can enjoy a fonduesque dinner in a private igloo. Throughout the year, Windmill Creek hosts a variety of events including bingo nights, cupcake decoration events, yoga classes, bonfires and farmers markets. Windmill Creek also partners with the Ocean



Princess to offer a sunset wine tasting cruise. Windmill Creek prides itself on being kid friendly. They offer “Family Funday Sunday” with discounted meals for children. In the past, Windmill Creek has partnered with the Worcester Humane Society to host a “Wags & Wine” event, which raises donations for the humane society and provides the opportunity for visitors to spend time with their pets at the winery. This event included a 5K run, pet vendors, and on-site pet groomer. In the Fall, Windmill Creek offers an annual fall festival with activities including but not limited to pumpkin patches, hayrides, corn maze, carnival games, beer garden, and artisan market shopping.

Windmill Creek is a family-owned operation and was first opened to the public in August 2018. Windmill Creek’s current owner, Barry Mariner, grew up on the farm, which, at that time, consisted of 150 acres of corn and soybean crops, as well as vegetable gardens and farm animals. Barry’s grandparents, Ed and Gertrude Mariner owned the farmhouse. After inheriting the land in 2015, Barry and his wife decided to convert the property to a winery and vineyard to preserve the land and continue their family’s tradition of making homemade wine. In preparation for the property conversion, the Mariners researched and documented the history of the farmhouse on their land. More specifically, they found that Lemuel Showell II, founder of the town of Showell and Ocean City, built the house in 1858. With this information, the Mariners completed farmhouse renovations that preserved the historical significance of the building while also ensuring it was suitable for public use. After three and a half years of renovations and obtaining public regulatory permissions, the Mariners opened Windmill Creek to the public. With attractions such as a historically significant building, water-based recreation, community events, and locally crafted wine, Windmill Creek successfully leverages local assets to attract tourism and revenue.

STAKEHOLDER INPUT

In addition to collecting and analyzing data from the USDA Agriculture Census and other sources, the consultant team gathered input on agritourism in Queen Anne's County from local farmers, some of whom are engaged in an agritourism business, as well as county officials, members of boards and commissions, and the University of Maryland Extension staff. First, the consulting team along with the client's project leaders, conducted three focus groups, one with representatives of agritourism business, a second with county agencies, and the third with members of boards and commissions. Next, the consultants conducted nine stakeholder interviews with farmers, agritourism business owners, a Liquor Board member, the head of the Queen Anne's County Farm Bureau, Secretary of the Maryland Department of Agriculture, and the head of the local Soil Conservation District.

Below is a listing of notable input from three separate focus group meetings with 1) farmers and industry leaders, 2) county staff, and 3) boards and commission members, and also from consulting team interviews with stakeholders. Since the purpose of this part of the study is to collect input from the focus groups and individual stakeholders on the current status of agriculture and agritourism in Queen Anne County, most of the input outlined here comes from invited participants in the focus groups or interviews, as opposed to county staff, the University of Maryland Extension, or the consultants. In a few instances, if there is an important point of clarification, input from county staff or the University of Maryland Extension is included.

Focus Groups

Each of the three focus groups were asked to answer the same set of questions from their perspective. After being shown the most recently available agriculture data from the 2022 USDA Census of Agriculture, the questions ranged from what are strengths or challenges about farming in the county to asking members of the focus group if they know of farms seeking to add an agritourism business. The groups were also asked if there were changes to existing county regulations and land use policies they would like to see the study explore. A full listing of questions is included in Appendix C.

In addition to invited focus group participants at each focus group, other attendees include staff from the Queen Anne's County (Planning and Zoning, and Economic and Tourism Development), staff from the University of Maryland Extension, and consultants from BAE Urban Economics and RHI. The consultants facilitated the meeting.

Focus Group #1 – Farmers/Industry Leaders

Farmer/Industry Leader Participants: Alicia Boyd, Humble Hearts Catering; Mark Cascia, Cascia Vineyards; Lisa Godfrey, Godfrey's Farm; Rachel Ross, Sunkissed Flower Farm; and Brian Truitt, Patriot Acres Farm Brewery.

Input from the farmers/industry leaders, all of whom own and operate agritourism businesses, included the following:

- One of Queen Anne’s County’s strengths is that it is a destination place for day trips as well as overnight and weekend visits. Accordingly, many local businesses need support from outside of the county to be sustainable.
- The Bay Bridge is a blessing and a curse—if the bridge is backed up people don’t come. Related to that is a concern about the closure of exits from US 50.
- Restriction on signage on state highways, under the purview of the State Highway Administration (SHA), is an impediment for businesses. SHA has put a prohibition on more signs.
- The county needs a definition for agritourism. It would help businesses to know what is possible.
- There is a concern about the recent push in other parts of the state (i.e., Montgomery County, Howard County, etc.) to zone agriculture buildings as commercial. If that trend spreads to Queen Anne’s County it would hurt the agriculture sector.
- Participants indicated that there is a lot of local support for farmers. The community likes farms and the rural nature of the county and they want to support local farms.
- There is no clear direction on navigating regulatory requirements for agritourism uses. One business indicated they “would be lost without help from the Extension.”
- Agritourism business owners are putting a lot of money and hard work into their operations and need clearer direction from the county.
- There is interest among attendees to have a distillery but it is currently not allowed.
- Planning and Zoning staff attending this session expressed their support for distilleries and other agritourism uses but noted limitations from State regulations, particularly on alcohol production.
- The flower farm is a new business. The owner has contracts with restaurants for fresh cut flowers and does a fresh cut flower subscription in Queenstown for 100 different people. Also does flower arranging workshops.
- Another participant wants to create a farm with others growing different crops to get people interested in where food comes from. Envisions a co-op with a group of chefs.
- A participant stated that Annie’s Project, a “discussion-based workshop bringing women together to learn from experts in production, financial management, human resources, marketing, and the legal field” led by the Queen Anne’s County University of Maryland Extension, has been extremely helpful for establishing a business.
- One obstacle for alcohol production is the state rule that breweries and wineries need to have separate storefronts, even if located on the same property.
- Insurance requirements can be an obstacle for trying out new attractions (e.g., insurance for goat yoga at Godfrey’s).
- Examples of agritourism from elsewhere: Chesapeake Culinary Center in Denton, and Crow Farm winery in Kent County.

Focus Group #2 – County Staff

County Staff Participants: Lauren Armbruster, Health Department; Stephanie Jones, Long Range Principal Planner, Planning and Zoning; Eric Miller, Department of Public Works; Amy Moredock, Director, Planning and Zoning; Jeff Morgan, Assistant Chief, Office of the Fire Marshall; and April Plummer, Tourism Director, Economic and Tourism Development

The purpose of this session was to collect input from County staff, many of whom are required to regulate agritourism and agriculture uses.

- Group agreed that there is strong tourism demand in Queen Anne’s County; people in the Baltimore-Washington area are looking for “genuine Chesapeake experiences.”
- The group agreed that Queen Anne’s County is a strong location for agritourism.
- The group noted that land conservancies (e.g., Eastern Shore Land Conservancy) and state agencies have done a good job of preserving farmland.
- For some agritourism uses, such as alcohol production, there are layers of regulations, both state and local.
- Farmers need guidance to go from the idea stage on an agritourism use to a business plan that makes sense and accounts for whatever approvals they are required to meet.
- The group assembled would like to see more guidance, available on-line or presented in industry meetings explaining the development review process for agritourism uses.
- It was noted that some counties have started their own Department of Agriculture (Frederick, Baltimore counties). Giving people a central hub putting the Extension, Soil Conservation, etc. all in one place.
- There needs to be a clearer understanding of the agriculture building code exemption.
- There should be a “navigator” on County staff, outside of regulatory agencies, who could help guide prospective agritourism operators through the permitting process.
- Two examples of local businesses that successfully navigated the permit process in Queen Anne’s County: Godfrey’s and Big Truck Farm Brewery
- A concern was expressed that the difficulty of the regulatory process for some uses requires a lawyer and farmers who do not have the capital to cover this type of expense.

Focus Group #3 – Boards and Commissions

Boards and Commissions Participants: Katharine Bonner, Travel and Tourism Advisory Committee; Lee Bridgman, Economic Development Commission; Bert Jastram, Queen Anne’s County 4-H Park; Ben Tilghman, Queen Anne’s County Planning Commission; and Gigi Windley, Executive Director, Kent Narrows Development Foundation.

The purpose of this focus group was to get input on agritourism from the perspective of county commission members, business advocacy groups, and other non-profits. Input received includes the following:

- There is community support for farms and farmers and most people seem to understand that they should buy local when possible.
- Queen Anne’s County farmers frequently collaborate and support other farmers, including buying from one another rather than from others outside the county.
- Farms provide scenic vistas and those sight lines are an important part of the county’s character.
- Farms and the bucolic lifestyle are appealing to the “city dwellers” on the other side of the bridge. That is why agritourism in Queen Anne’s County has so much potential.
- Some see the biggest challenges for the agriculture sector in Queen Anne’s County are providing jobs for young workers who want to stay here and related to that, finding that group of people workforce housing.
- A second challenge is that the two largest categories of agriculture, poultry and grains, do not lend themselves to bringing people in for visits/tourism.
- Another potential challenge is that the county is dependent on poultry and grains on the peninsula and the industry will be in trouble if those went away or was diminished.
- There is a strong push in the community at large to keep farms in the family.
- There is a need to strengthen ties between agriculture and tourism with agritourism.
- Fruit markets are an attraction for visitors.
- Corn mazes can be an educational component about how corn plants came to be to further the communication of work and science.
- Other types of mazes can be created including sorghum mazes (kids are more visible), soybean mazes, and sunflower mazes. Many “outside-of-the-box” options for mazes.
- Some aspects of agriculture are not meant for agritourism, including large grain operations and some dairy farms.
- The public may need to be restricted from certain types of farming operations, e.g., poultry operations for food security reasons.
- A question remains on how agritourism standards are connected to production. One example of this pertains to alcohol production: Should there be a quantifiable amount of crop that is contributing to the production of alcohol on a farm?
- Easements can be very restrictive and sometimes second generation owners do not understand restrictions. Even if certain uses are permitted by Planning and Zoning, they still need to be approved by the easement holder.
- There should be more communication out to the general public on the complexities of agriculture businesses. Is this something that could be handled by a County staff person focused on agriculture? Perhaps part of Economic Development?
- Group noted a few agritourism successes:
 - **Godfrey’s** has a newsletter and does good outreach. The produce is now highlighted on restaurant menus, e.g., a high-end restaurant in Baltimore.
 - **Oksana’s Produce** has table dinners on the farm, a storefront with a pickling boutique and classes, and a production facility with a commercial kitchen.
 - **Sunkissed Flower Farm** is putting up a building on its property and holding classes.

Stakeholder Interviews

The BAE Team conducted individual stakeholder interviews with farmers, agritourism business owners, and the head of the Queen Anne's County Farm Bureau, who is also a farmer. In addition to the farmers and agritourism business owners, the consultants also interviewed the head of the local Soil Conservation District, the chairman of the Queen Anne's County Liquor Commission, and a former Queen Anne's County Director of Economic and Tourism Development, who is also an agricultural property owner. In addition to these farmers, agritourism business owners and current and former Queen Anne's County officials, consulting team members also interviewed Maryland Department of Agriculture Secretary Kevin Atticks.

The questions the consulting team asked the two sets of interviewees: 1) farmers and agritourism business owners, and 2) farmers and agritourism business owners along with current and former Queen Anne's County officials are described below and included in Appendix D of this report. The first set of questions the consultants asked the interviewees are profile questions (e.g., What type of farm or agritourism business do you have? How long have you been farming or have had your agritourism business?, etc.). The second set of questions were suggested by county staff in order to get input on the definition of agritourism and questions pertaining to aspects of regulating agritourism businesses.

The interview with the Maryland Secretary of Agriculture was not as scripted. The consulting team wanted to understand what, if anything, was being proposed to encourage the growth of agritourism and the advancement of agricultural technology. A summary of the interview is included at the end of this section.

Below is summary of the responses to the key profile questions and other questions suggested by county staff pertaining to the definition of agritourism and to aspects of regulating agritourism businesses.

Types of Farms/Crops

Four of the nine interviews were with more traditional farmers. Two of these farmers' crops were primarily wheat, corn, and soybeans. Another farmer's crops were grain, chickens, hay, straw, barley, hogs, and hydroponic lettuce. A fourth farmer grows only produce/vegetables to be sold at the family's grocery store.

Crop Mix Changes

Two of the four farmers interviewed had changed their crop mix in recent years. One added hydroponic lettuce, replacing beef cattle on the farm. This farmer sold the lettuce and greens to restaurants in the Baltimore-Washington metro area, as well as farmers markets in the region. The demand for lettuce in the marketplace is substantial. Another farmer whose family only grew wheat, corn, and soybeans for generations recently added certified organic spinach. This is an attempt to expand the market for his products.

Definition of Agritourism

All seven of the farmers and county officials interviewed thought the state's model definition of agritourism seemed reasonable. One added a caveat to the statement that the county should be flexible in supporting adding new agritourism uses to the list as it was important that the county support farmers who are fighting to remain sustainable. Another said that petting farms should not be only seasonal.

Increase in Niche/Value-Added Agriculture

All seven of the farmers and former and current county officials agreed there has been an increase in niche/value-added agriculture. One farmer noted there is more emphasis on "farm to table," and food directly from the producer. Another noted that more niche farming and agritourism is happening everywhere. Another farmer stated farmers must stay on top of trends and try different crops and activities on the farm. He indicated "that is key to survival."

Experience with Agritourism

Only one of the four farmers is engaged in agritourism if events are included in the agritourism definition. This farmer has permission to host five weddings per year but has only hosted one in the last year. She would like to do farm to table dinners and believes this should be allowed under agritourism. One of the other farmers would like to sell lettuce and greens at a roadside stand but would only do that if he could do that 180 days per year, year-round. He requested this from the county at one point but did not receive a response.

Public Access to Farms and Farm Buildings

Only one of the seven farmers or former or current county official interviewees had issues with the public having access to buildings. One farmer has "some safety and liability concerns" with allowing the public to have access to access to farms and farm buildings but believes that is up to the farmer to control. The other responses indicated a similar conclusion on the topic: if a farmer allows the public on the farm it is up to the farmer to secure or lock up buildings or areas they do not want the public to access.

Agritourism and State and Local Review Processes

All of the seven interviewees felt that agritourism should be able to be absorbed better within the state and local review processes. One farmer said the county should accommodate agritourism "as much as they can" in the permitting process and the county should recognize that farmers often need to find other ways of earning income so more flexibility is helpful.

Another said farmers "don't like regulations, but they know they have to go through the approval process." They "just need better predictability" and someone to explain requirements. Still another said she had issues with the county's review process and believes "other places do things differently."

One of the farmers (not the farmer approved for weddings on the farm) said the county should have clearer guidance on events and weddings on farms. This same farmer also believes that wineries need clearer direction in the review process.

Other Interviews

Kevin Atticks, Secretary, Maryland Department of Agriculture (MDA)

In an interview with the consulting team, Secretary Atticks indicated that the MDA is working with other state agencies, including the Maryland Department of Environment and the Maryland Department of Planning, to make it easier for agritourism business to operate in Maryland. That effort will start with reviewing several locally regulated state laws to make sure that the local interpretation of state laws is consistent across Maryland. MDA recently hired a value-added ag specialist to help coordinate this effort.

Secretary Atticks also noted the Governor's Intergovernmental Commission for Agriculture would be reconvening soon after being dormant for the past three years. The commission membership includes representatives from several state agencies including Commerce, Environment, Health, Natural Resources, Planning, and the University of Maryland College of Agriculture and Natural Resources. The remainder of the members are either from member organizations such as the Maryland Agricultural Commission, the Maryland Association of Counties, and the Maryland Farm Bureau, or general public members from local governments, Purdue Farms, Inc., and Maryland Agricultural Education Foundation. He indicated that the Governor's Intergovernmental Commission would be a place where challenges between governments and local agencies on agriculture issues could come to be resolved.

Secretary Atticks indicated that the state's definition of agritourism was likely to change. He emphasized it is a model that counties can adapt as they see appropriate. Many counties now have a definition of agritourism, though he knows that Queen Anne's County does not.

The Secretary believes the most important things local governments can be doing now is help agritourism companies navigate the local regulatory process. Every local government should have a designated navigator to help guide agribusinesses through the various steps of the regulatory process. Local governments should also help to market and promote agritourism and value-added agriculture. This could include, for example, creating events like a fall tour, or charting an ag trail with farms and agritourism open to the public along the way.

These two roles, regulatory navigator and agriculture marketer, could be the job responsibilities of an agriculture specialist. Secretary Atticks believes Queen Anne's County has enough going on in agritourism and value-added agriculture that it should have an Agriculture Specialist on staff, just as many other counties do, including Frederick County, Carroll County, and Baltimore County.

PRELIMINARY RECOMMENDATIONS

The following preliminary recommendations take into account all of the data and information collected for the economic, and land use and zoning analysis sections of this study, in addition to the case studies and stakeholder input from focus groups and interviews. This is not necessarily a comprehensive list of recommendations yet. These are meant to be preliminary recommendations that need review and input from Queen Anne's County and University of Maryland Extension staff before they are put into final form, with greater specificity and action steps, in the Agritourism Study and Policy Report, the second and final document of the Agritourism and Land Use Study for Queen Anne's County.

1. **Develop a definition of agritourism that encompasses a full range of activities considered to be agritourism.** Queen Anne's County does not currently have a definition of agritourism, unlike other counties in Maryland that have significant numbers of agritourism businesses. The feedback from the stakeholder interviews on the state's "model" definition of agritourism were almost entirely positive but one person commented that animal petting farms should not be just seasonal and others who felt the definition should allow for flexibility to include additional emerging or uncommon uses as agritourism continues to evolve. This may include, for example, uses such as farm to table dinners and incidental overnight stays that do not have clear definitions or standards presently. A definition would not only help the county as it reviews agritourism proposals, but it would help prospective agritourism business owners develop business plans for businesses that fit into an acceptable range.
2. **Once an agritourism definition is developed, allow more agritourism uses to be permitted by right instead of being treated as conditional uses.** With a clear definition of agritourism, more agritourism uses can and should be allowed by right, removing the additional review requirements.
3. **Create an Agriculture Specialist position within the Department of Economic and Tourism Development that would include the following in the job description: 1) providing navigation assistance to agritourism businesses working through complex regulatory and approval processes at the county and state levels, 2) helping start-up agritourism businesses develop workable business plans, and 3) marketing and promotion of everything about agritourism businesses in the county.** In the focus groups and the interviews, the consultants heard about the need for help from ag businesses in all three categories, especially for help navigating the regulatory process. Having a staff person focused on supporting agribusinesses of all kinds, including agritourism, should make regulators' jobs easier with better prepared permit applicants, and will also help staff focused on general tourism who do not have the bandwidth to do extensive marketing and promotion of agritourism. Agriculture

Specialist positions as described here exist in other counties, including Frederick and Carroll counties (the case study counties in this report) and in Baltimore County.

4. **Update farm alcohol production uses and definitions to make them more consistent with state definitions and those of neighboring counties.** Renew efforts to pass an ordinance that better regulates farm alcohol producers and recognizes their unique opportunities and impacts, using lessons learned from the first effort. Regulatory language should classify farm breweries, farm wineries, and farm distilleries as a single use with standards for each type of facility or as separate uses from each other. Requirements for farm breweries and farm wineries should be equal to state licensing requirements as they would be required to meet these standards regardless. There are different options for how to handle farm alcohol producer entitlements.
5. **Revise the way special events are addressed in the Code, dividing them into two tiers of intensity based on size, time of day, and other standards.** Currently special events are permitted conditionally, subject to additional standards and vote by the Board of Appeals and are only permitted on parcels 20 acres and larger. The standards in the Code are not exact and permitted on case-by-case basis, which deters and frustrates applicants in the regulatory process. The county should permit lesser-intensity special events by right on agricultural parcels with smaller minimum lot sizes. For both tiers, establish exact standards and conditions for hours of operation, capacity, outdoor music, and parking.
6. **Work in partnership with the state to site an agriculture technology incubator with commercial kitchen facilities in Queen Anne's County.** The state is exploring developing an ag tech incubator that also includes commercial kitchen facilities in Queen Anne's County. The county should be prepared to demonstrate why and how such a facility should be located in Queen Anne's County. It should gather best practices or case study examples of other agtech incubators elsewhere, including out of state, to show how an agtech incubator could work in the county. Once the state decides to move forward with the agtech incubator, the county should work hand-in-hand with the state on how the facility would operate and be managed.
7. **Expand programs and resources for agritourism businesses.** The county should expand two successful programs that assist small and emerging agritourism businesses, the Micro Ag Grant Program and Annie's Project. The county should work with the Upper Shore Regional Council to increase funding for the micro grant program to increase the number of grants and/or the maximum amount of grants to help with especially costly improvements that have good potential for a high return on investment. The County should work with the University of Maryland Extension to expand the reach of Annie's Project to enable more people to take advantage of this unique, valuable program, provided the Extension has the capacity to do so. Finally,

the county should work with Chesapeake College to provide a course or courses that help adults interested in starting in agriculture or agritourism business. The college's current programs are centered around traditional agriculture as opposed to agritourism or value-added agriculture.

8. **Identify events and activities that bring together agritourism with Queen Anne's County's greatest tourism assets including Chesapeake Bay sites, parks, and trails.** To do this the county must look for ways agritourism businesses can operate or hold events along, near or on the Chesapeake Bay and its tributaries, parks and trails. This could include developing wine or craft brew trails or farm trails. It could even include "farm to boat" cruises with local food from Queen Anne's County farms and wine and beer from local wineries and farm breweries.

APPENDIX A: SELECTED DEFINITIONS

- Agricultural/equestrian activity
 - The care, breeding, boarding, rental, riding or training of equines and other farm animals or the teaching of equestrian skill and open houses, clinics and demonstration.
- Agricultural/equestrian events
 - A competition, exhibition, or other display of skills on private lands, where an admittance fee is charged for spectators.
- Campgrounds
 - A commercial, for-profit area used for camping and/or recreational vehicles, limited to tenancies of not more than 30 calendar days.
- Commercial stable
 - A building or land where horses are kept for remuneration, hire, sale or boarding.
- Country inn
 - A building containing not more than 20 individual rooms or suites of rooms for the purpose of providing overnight lodging facilities, not to exceed 30 consecutive days, to the general public for compensation which also offers dining facilities for guests.
- Country store
 - A small-scale, rural store providing a limited range of retail uses designed to serve surrounding agricultural and rural residential needs and tourists.
- Farm
 - A. A parcel or combination of parcels under the same ownership that is:
 - (1) Classified as an agricultural use by the Maryland Department of Assessment and Taxation; and
 - (2) Used for agricultural purposes, including farming, dairying, pasturing, agriculture, horticulture, floriculture, viticulture, aquaculture, silviculture and animal and poultry husbandry.
 - B. Includes necessary accessory uses for packing, treating or storing produce that are purely secondary to and support normal agricultural activities conducted on the parcel.
 - C. Does not include the business of garbage feeding of hogs or other animals or the raising of such animals as rats, mice, monkeys and the like for use in medical or other tests and experiments.

- Farm brewery
 - A part of a producing farm operation that brews beer from ingredients grown and produced on the farm. Incidental operations include fermenting, distilling, blending, aging, storing, administrative activities, warehousing, bottling, and shipping facilities. Retail sales and tasting facilities for beer and related promotional items shall be permitted as part of the use. Planned promotional events or other organized activities as permitted under Section 2-110 of the Alcoholic Beverages Article, as amended, of the Annotated Code of Maryland are included in this definition.
- Farmers market
 - An establishment or premises used by more than two growers in the sale of farm products, 50% or more of which have been grown within Queen Anne's County.
- Outdoor recreation
 - A recreational use generally conducted outdoors, including jogging, cycling, tot lots, playfields, playgrounds, outdoor swimming pools, tennis courts, golf courses, arboretums, hiking facilities, nature areas, wildlife sanctuaries, picnic areas, parks, garden plots, and beaches. Enclosed structures associated with outdoor recreational uses shall be ancillary and accessory to the principal use of the property.
- Special events
 - Personal or business social engagement or activities conducted at a bed-and-breakfast, single-family residence, or on a farm where guests assemble for parties, wedding events, reunions, birthday celebrations, or similar uses for compensation, during which food and beverages may be served to guests and music and other entertainment is provided to guests. This definition shall not include places of worship.
- Winery
 - A part of a producing vineyard. Wineries include crushing, fermenting, blending, aging, storage, administrative office functions for the winery, warehousing and shipping facilities. Retail sales and tasting facilities of wine and related promotional items shall be permitted as part of the winery operations. Planned promotional events or other organized activity as permitted under Article 2B, § 2-205 as amended of the Annotated Code of Maryland are included in this definition.
- Youth camp
 - A facility or site used for organized activities for children, including sports, arts and crafts, entertainment, recreation and educational activities. "Youth camp" may include incidental food services and facilities for the overnight stay of camp participants. "Youth camp" may also include the incidental use of camp facilities by private organizations otherwise unaffiliated with the youth camp.

APPENDIX B: PERMITTED USE TABLE

| | Agriculture | Agricultural/equestrian activity | Agricultural/equestrian events | Commercial and private stables | Farmers market | Outdoor recreation | Campgrounds | Country inn | Country store | Youth camp | Special events |
|--------------------------------------------------|-------------|----------------------------------|--------------------------------|--------------------------------|----------------|--------------------|-------------|-------------|---------------|------------|----------------|
| Agricultural (AG) District | | | | | | | | | | | |
| Countryside (CS) District | | - | - | | | | | | - | | |
| Estate (E) District | | - | - | 2 | - | | - | | - | - | - |
| Suburban Estate (SE) District | | - | - | 2 | - | | - | - | - | - | - |
| Suburban Residential (SR) District | | - | - | 2 | - | | - | - | - | - | - |
| Neighborhood Conservation (NC) District | 1 | - | - | 2 | - | | - | - | - | - | - |
| Urban Residential (UR) District | | - | - | | - | | - | - | - | - | - |
| Suburban Commercial (SC) District | - | - | - | - | | | | | | - | - |
| Urban Commercial (UC) District | - | - | - | - | | | - | | | - | - |
| Suburban Industrial (SI) District | | - | - | - | - | | - | - | - | - | - |
| Light Industrial Highway Service (LIHS) District | | - | - | - | | | - | - | - | - | - |

| | | | | | | | | | | | |
|------------------------------------------|---|---|---|---|--|--|---|--|---|---|---|
| Village Center (VC) District | - | - | - | 2 | | | - | | | - | - |
| Waterfront Village Center (WVC) District | - | - | - | - | | | - | | - | - | - |
| Town Center (TC) District | - | - | - | 2 | | | - | | | - | - |

¹ allowed only on *farms* that are five *acres* or more in size; and permitted agricultural activities in this district shall be limited to commercial production or management of crops, vegetation, soil and the related activities of tillage, fertilization, pest control, silviculture *aquaculture* (with up to two ponds created by extraction, which are each less than or equal to five *acres* in size, on any single *lot*), harvesting, and marketing.

² private stables permitted by right; commercial stables permitted conditionally

Zoning Districts Not Included:

- Grasonville Planned Residential Neighborhood (GPRN) District;
- Stevensville Master-Planned Development (SMPD) District;
- Stevensville Historic Village Center (SHVC) District;
- Grasonville Neighborhood Commercial (GNC) District;
- Grasonville Village Commercial (GVC) District;
- Airport Development (AD) District;
- Suburban Industrial Business Employment (SIBE) District;
- Kent Island Suburban Commercial (KISC) District;
- Neighborhood and Village Center (NVC) District.
- Utility Scale Solar Array Overlay (USSA) District.

APPENDIX C: FOCUS GROUP QUESTIONS

Focus Group #1

1. Do you have any reactions to the data presented? Is it what you expected or is it surprising? Are there other data points we should look at and consider as we do this study?
2. Thinking of your farm operations in Queen Anne's County, what are some of the strengths and positives about farming in this location?
3. What are some of the challenges you face farming here in the County or in the region?
4. Have you added or would you like to add a business line beyond the original operations/products of your farm in recent years that would be considered agritourism?
5. What obstacles did you or have you encountered in efforts to add or expand an agritourism business?
6. Are there potential changes to existing County regulations and land use policies that you would like us to explore as part of this study?
7. Do you have any concerns about agritourism generally or potential revisions to existing regulations and policies?
8. Do you know of other places that have been especially accommodating to agritourism business?
9. Are you familiar with particular agritourism businesses or types of agritourism elsewhere that you think could be successful in Queen Anne's County?

Focus Group #2 and #3

1. Do you have any reactions to the data presented? Is it what you expected or is it surprising?
2. Are there other data points we should look at and consider as we do this study?

3. From your perspective, from what you know about farm operations in Queen Anne's County, what are some of the strengths and positives about farming here?
4. From your perspective, from what you know about farm operations in Queen Anne's County what are some of the challenges farmers face here in the County or in the region?
5. Do you know of a farm that has a successful, however you want to define that, agritourism business? If so, why do you consider it successful?
6. Are you aware of any obstacles that farmers encounter in their efforts to add or expand an agritourism business?
7. Do you happen to know of potential changes to existing County regulations that would be helpful and possible, that we should explore as part of this study?
8. Do you have any concerns about agritourism generally or potential revisions to existing regulations?
9. Do you know of other places that have been especially accommodating to agritourism business?
10. Are you familiar with particular agritourism businesses or types of agritourism elsewhere that you think could be successful in Queen Anne's County?
11. Do you have any suggestions for how the County can help support farms and agritourism more?

APPENDIX D: INTERVIEW QUESTIONS

For the interviews with farmers without an agritourism component to their farm the consulting team asked the following questions to initiate the conversation:

1. What type of farm do you have?
2. How long have you been farming?
3. What are your primary crops?
4. Have you changed crops or the mix of crops in recent years?
5. Who are your customers? How has that changed over time?

Additionally, the county requested that the consulting team ask these questions:

1. Here is the state definition of agritourism (Md. Land Use Code Ann. 4-212) (*which the consultant read aloud to the interviewee*):

(a) (1) In this section, “agritourism” means an activity conducted on a farm that is offered to a member of the general public or to invited guests for the purpose of education, recreation, or active involvement in the farm operation.

(2) “Agritourism” includes:

- (i) farm tours;
- (ii) hayrides;
- (iii) corn mazes;
- (iv) seasonal petting farms;
- (v) farm museums;
- (vi) guest farms;
- (vii) pumpkin patches;
- (viii) “pick your own” or “cut your own” produce;
- (ix) camping;
- (x) incidental outdoor stays;

(xi) classes related to agricultural products or skills; and

(xii) picnic and party facilities offered in conjunction with any agritourism activity.

(b) A local jurisdiction may adopt the definition of “agritourism” as defined in this section by local ordinance, resolution, law, or rule.

Question 1 continued

Is this how you would define agritourism? Do you see a need to update that definition?

2. How do you see the nature of the agricultural industry evolving in a traditional sense (grain, vegetables, poultry, eggs, cattle, so on)?
3. How do you see the nature of the agricultural industry evolving to include niche/value added (farm tours; hayrides; corn mazes; seasonal petting farms; farm museums; guest farms; pumpkin patches; “pick your own” or “cut your own” produce) or nontraditional agricultural operations (alcohol production facilities like wineries, breweries, distilleries and camping; incidental outdoor stays; classes related to agricultural products or skills; and picnic and party facilities, wedding venues, and events venues)?
4. Do you have experience with agritourism operations?
5. Do you have concerns about the public having access to farms and farm buildings?
6. How do you see these agritourism operations being absorbed into the existing state and local review processes?