

Opportunities for Enhancing Rural Economies through Agroforestry

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Raising the Economic Profile of Agroforestry

Accelerating the adoption of agroforestry will require a better understanding of the economic opportunities and financial benefits to landowners and society.

To assess emerging opportunities, the U.S. Department of Agriculture (USDA) convened 60 people (landowners, entrepreneurs, scientists, and program managers) from across the country to generate ideas for raising the economic profile and viability of agroforestry. Workshop topics included:

1. **Access to Land and Capital**
2. **Access to Markets for Agroforestry Products**
3. **Participating in Ecosystem Services Markets**

Key Findings:

Intermediaries are critical. Farmer cooperatives, government offices, and others are critical for collecting, aggregating and disseminating resources.

Information must be accessible. Producers need information on the value of crops and products, grants and loans, and market access.

Education and outreach is needed. Producers and members of the banking and investment community are unaware of the benefits of agroforestry.

Government entities, universities, intermediaries, and producers must collaborate. Increasing collaboration among producers, program delivery staff, scientists, and others will help improve the delivery of programs that support agroforestry, from production to consumption.

Research is required to provide direction. Additional information is needed on financial and economic valuation, risk analysis, and market access and development to identify ripe opportunities for agroforestry in the United States



Use the QR code to download the report or go to:

www.fs.usda.gov/nac/documents/reports/Enhancing_Rural_Economies_through_Agroforestry.pdf



Access to Land and Capital



ISSUE – LACK OF ACCESS TO LAND & CAPITAL

Background

- Access to land is the #1 concern of young farmers
- Lack of agroforestry valuation constrains loan access
- 40% of US farmland will transfer in next 20 years
- 32% of ag land is farmed by lessees

Next Steps

- Share examples of long-term leases
- Explore creative lease opportunities (e.g. reclaimed lands)
- Reach out to absentee landowners

Opportunities

- Long-term agroforestry leases
- Impact investing
- USDA resources, including land and operating loans

Some Research Questions

1. How do intermediaries help with land and capital access?
2. How much does it cost to convert to agroforestry?
3. As systems scale up, what kinds of management systems and equipment will support larger scales of production?

Access to Markets for Agroforestry Products



ISSUE – LACK OF MARKET KNOWLEDGE & ACCESS

Background

- Food is the 3rd largest consumer expenditure
- Farms with direct sales more likely to exist in 5 years
- Market share from small farms: 23%
- Sales in organic products has doubled since 2006, 5% of sales

Next Steps

- Disseminate information on marketing specialty products
- Explore new certification program
- Increase access to harvesting and processing infrastructure (e.g. through cooperatives)

Opportunities

- Cooperatives—lessons of what works and what doesn't
- Diversity of USDA programs to support production, processing, aggregation/distribution, and consumer markets

Some Research Questions

1. What are the markets for non-timber forest products?
2. Are some products more marketable than others? Does this vary by region?
3. Would consumers pay a price premium for an agroforestry-related label or is there a better label to use?

Participating in Ecosystem Services Markets



ISSUE – UNDERSTANDING & CONNECTING TO MARKETS

Background

- Challenges in building ecosystem service markets
- Complex process
- Intensity of monitoring

Next Steps

- Outreach to utilities to capitalize on water quality functions of agroforestry
- Explore ways to reduce financial risks (e.g. insurance)
- Assess current markets to better understand role of agroforestry

Opportunities

- Growing interest and experience in ecosystem service markets
- Riparian forest buffers are included in some markets
- Credit stacking and mitigation banks are another option

Some Research Questions

1. Which ongoing water quality credit schemes currently use agroforestry?
2. What level of specificity is required for the measurement and quantification of agroforestry ecosystem services?
3. What level will be good enough for the markets, and how can we make it not cost prohibitive?