

Exploring Value-Added, Direct Marketing and Agritourism Opportunities for Your Farm



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A UNIVERSITY OF TENNESSEE - FARM BUREAU PARTNERSHIP



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Itinerary



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- Guided Tour of Value-Added, Direct Marketing and Agritourism in Tennessee
- Packing for Success
- Regulatory Roadmap
- Additional Resources

Guided Tour of Value-Added, Direct Marketing and Agritourism



What and Why

What is value-added?

- Allow producers to earn a greater portion of consumer expenditures by processing, packaging or marketing crops, livestock or farm resources.



What is direct marketing?

- Any marketing method whereby farmers sell their products directly to consumers
- Examples of direct marketing channels include
 - Roadside Stands
 - On-farm Stands
 - U-Pick/Pick-Your-Own Operations
 - Community Supported Agriculture (CSA)
 - Farmers Markets



Agritourism is...



Agritourism is everything from farm product purchases...

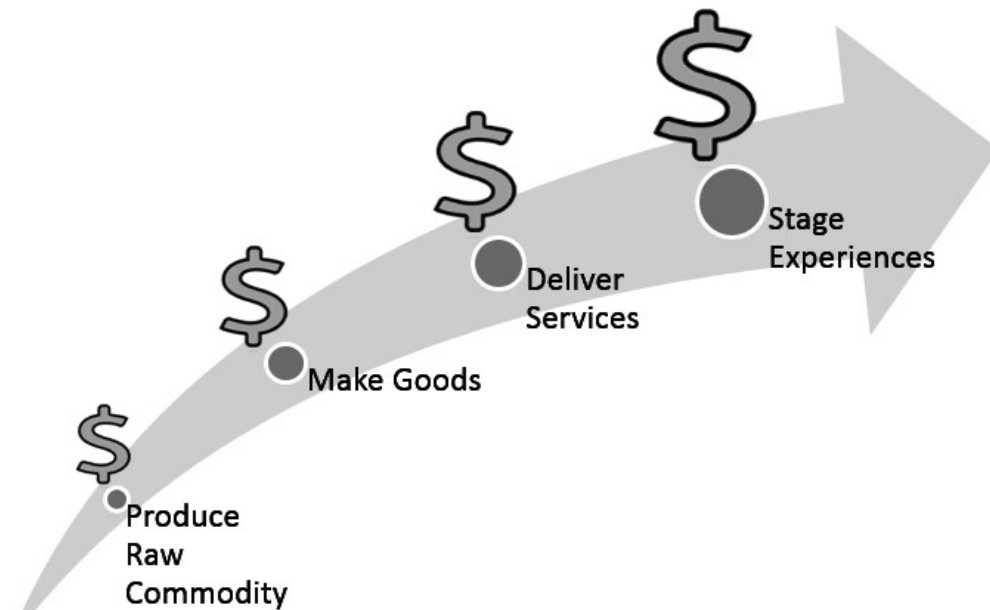


...to farm fun!



Why?

- Opportunities to increase financial returns
 - Remove middlemen from supply chain
 - Take advantage of demand for fresh/local products and experiences
 - Market small quantities



Children's Bakery Class - All About Apples!
Posted by Rachael Chambers on July 15, 2014

Children's Bakery Tour & Class
'All About Apples'
August 23rd- 9:00am-11:00am

Apple Blossom Tours

Join us for one of the best parts of the apple growing process!

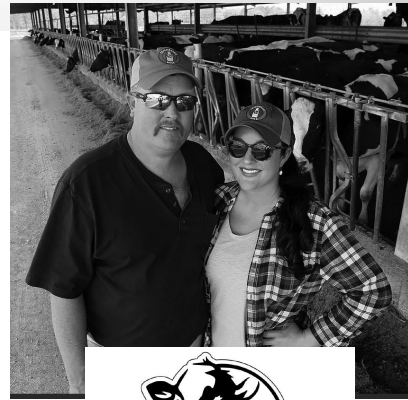


Guided Tour of Value-Added, Direct Marketing and Agritourism



Examples

Flowers Creamery



Grinder's Switch Winery



Granddaddy's Farm



Donnell Century Farm



Guided Tour of Value-Added, Direct Marketing and Agritourism



Industry Data and Trends

Direct Sales of Edible Food Products

(Including Value-Added)

Census of Agriculture Data



Agritourism is Growing

Census of Agriculture Data



	Tennessee
Number of farms	3,773
Value of products sold	\$34.8 million
Average sales per farm	\$9,235

Change in Agritourism 2012 to 2017	Tennessee
Number of farms	4.5% 616 to 644 farms
Agritourism and recreational sales	21.9% \$11.9m to \$14.5m
Average sales per farm	16.6% \$19,342 to \$22,545

Value-Added Products



- New item for 2017
- Products that originated from crop or livestock commodities produced on the operation and transformed by further manufacture or processing.
- 757 farms
- Value of \$16 million
- Average sales per farm of \$21,168

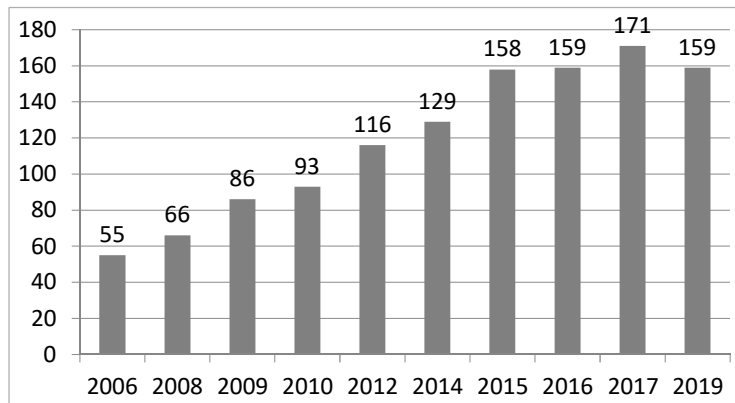
Food Sold Directly to Retail Markets, Institutions and Food Hubs



- New in 2017
- Sales to restaurants, grocery stores, schools, hospitals, etc.
- Includes value-added products
- 458 farms
- Value of \$30.2 million
- Average per farm of \$65,858

Number of Farmers Markets in Tennessee

(Source: Unofficial Count of PickTNProducts.org Listings)



Pick TN Products Data



- Farms offering on-farm sales
 - 808 in November 2019
 - 872 in November 2020
 - +8% change



Consumers' Perception of Local Food/Producers


Pick TN Products Category	# of Farms (11/7/2019)	# of Farms (11/30/2020)
Agritourism (Fun & Ed)	522	562
Pick Your Own	225	233
Farmers Markets	159	162
Equine Trails	113	112
Equine Overnight Stabling	98	98
Wineries	63	63
Equine Entertainment & Education	59	58
Christmas Trees		51
Breweries	21	31
Distilleries	13	14
Fee Fishing	13	13

LOCAL IS EVOLVING INTO A POWERFUL CATEGORY

Local is no longer merely a bridge between organic and natural; it now speaks to consumer desires for a food system with integrity. "Local" offers a compelling narrative that resonates with many salient food trends and consumer concerns.

Local...

- Offers greater transparency and trust: Consumers believe local producers and small farmers have more integrity and are deeply invested in the quality of their products
- Is fresher and more seasonal: Smaller production signals food that is in tune with the seasons and the unique qualities of the locale from which it comes
- Tastes good: Consumers attribute better taste and, in some cases, nutrition, to local foods
- Supports the proximate food economy and community: Purchasing locally produced food provides consumers with a sense of contributing to and supporting small farmers and their community
- Minimizes our carbon footprint: Shorter supply chains represent environmental benefits by requiring less fuel for transport



- Trustworthy
- Transparent
- Unique
- Authentic
- Tastes Good
- Nutritious
- Supports Small Farms
- Supports Community
- Environmentally Friendly

Opportunities

COVID-19 Has Given Consumers Five New Reasons To Eat Local

 **Daphne Ewing-Chow** Senior Contributor @ Food & Drink

f The journey of food from producers to geographically dispersed consumers relies on large, complex supply chains that, if disrupted, can impact food supplies and throw the global food system into a state of crisis.

t

in

- Locally sourced food...
1. Provides social benefits to consumers
 2. Is good for local economies
 3. Is healthier and safer
 4. Is more resilient to supply chain disruptions
 5. Is better for the environment

Packing for Success



<https://www.forbes.com/sites/daphneewingchow/2020/07/30/covid-19-has-given-consumers-five-new-reasons-to-eat-local/#4cad1a73ccc4>

If we build (grow, produce, offer) it,
they will come (and buy). And we will be
profitable.



Maybe not!

Direct marketing is in
but it's not easy.

Challenges of Direct Marketing

Production

- Input Selection and Purchase
- Soil Fertility
- Disease Control
- Weed/Insect/Wildlife Control
- Fertilization
- Irrigation
- Planting
- Cultivating
- Harvesting
- Field Sanitation
- Labor
- Records Keeping
- Farm Inspection/Certification
- Marketing

Direct marketing enterprises add another
dimension to management and
operations

Direct Marketing/Value-Added

- All Production Issues
- Processing
- Packaging
- Storage
- Regulations
- Marketing
- Distribution
- Customer Service
- Additional labor

New Food Product Stats

15,000

- Number of new food products
launched each year

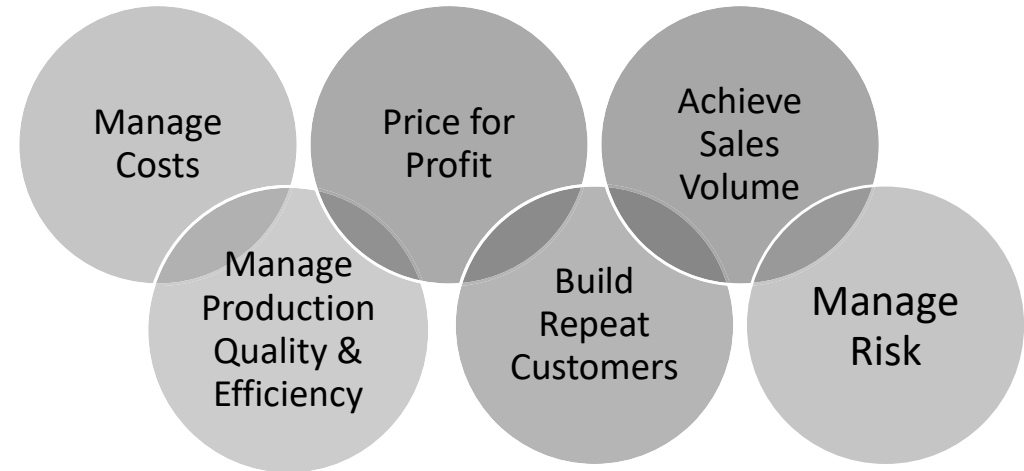
10%

- The success rate for new food
and beverage products

Why Businesses Fail (The 3 Ms)



How achieve profitability? Profit/Loss = Income – Expenses



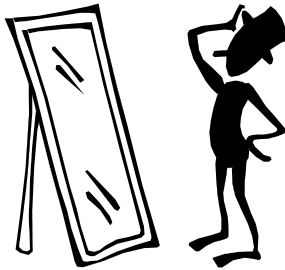
5 Major Steps to

Creating



Products

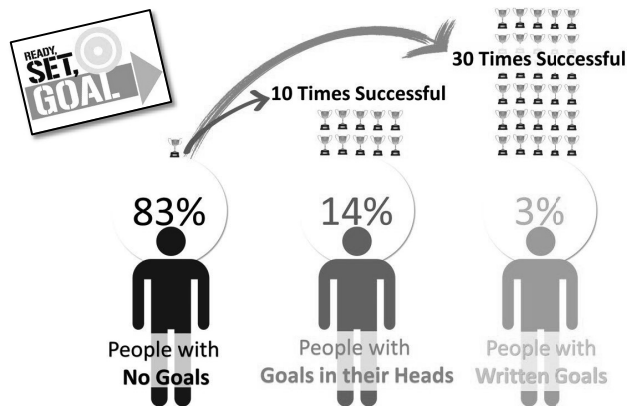
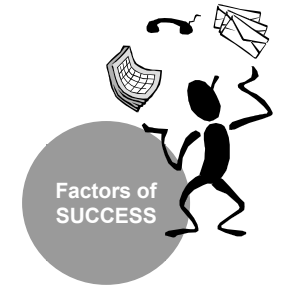
1. Assess your resources, mission and goals.



Personal Assessment

Do you have what it takes?

- Self-starter
- Responsible
- Leader
- Hard worker
- Effective communicator
- Adapt well to change
- Accepts risk
- Decision-maker
- Family support
- Healthy
- Ambitious
- Competitive
- Lifetime learner
- Goal-oriented
- Creative
- Patient
- Proactive



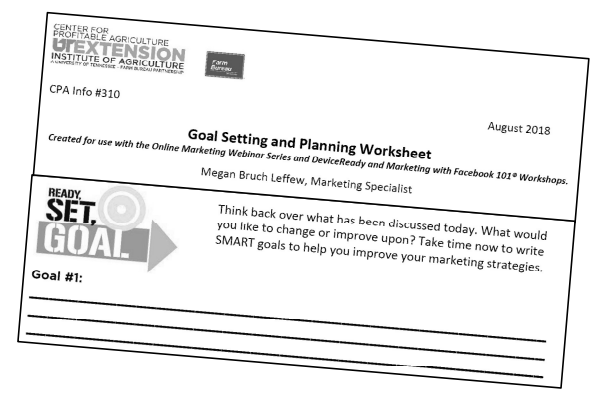
<https://www.linkedin.com/pulse/why-only-few-super-successful-people-naveen-raju/>



Answer These Questions

- Specific** • What will you specifically accomplish?
- Measurable** • How will you know when you have reached this goal?
- Attainable** • Is this goal attainable with available resources?
- Relevant** • Does this goal positively impact your mission and align with your values?
- Time-Based** • When will you achieve this goal?

Goal Setting Worksheet



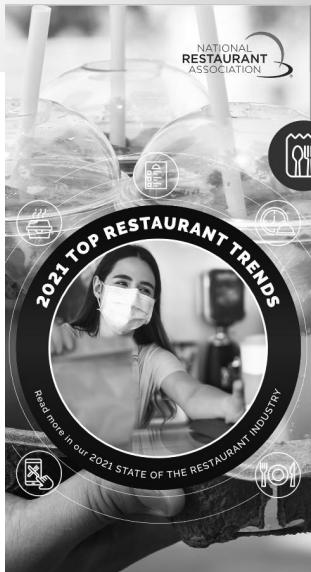
2. Research the market.



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Take a Market Driven Approach

- Is there a need/want your business can fulfill?
- What and how much is needed or desired?
- What is valued?
- What competition exists?



2020 was a year unlike any other for the foodservice industry. It tested the limits of operator innovation, accelerated trends, and confirmed that customers miss their restaurant experiences.

The following food and menu trends didn't offset the industry's devastation; it's down nearly \$240 billion in sales and nearly 2.5 million employees are still out of work. But they do show restaurants' resiliency, innovation and commitment. The following were the top operating means by which restaurants survived 2020, from a survey of 6,000 operators and consumer preferences from a survey of 1,000 adults.

- 1. Streamlined menus**
Full-service operators got lean fast, reducing inventories and developing menu items they could make well with a smaller staff. These items had to travel well and be what customers craved. Expect menus to stay trimmed in coming months.
- 2. Off-premises takes precedence**
Prior to the pandemic, 80% of full-service restaurant traffic was on-premises. Then in March 2020, most restaurants were forced to shut down on-premises dining. In what's likely the fastest pivot in industry history, focus quickly shifted to off-premises, via takeout and delivery.
- 3. Blended meals, a team effort**
Homebound, customers like to mix up meals—maybe make the main dish but order appetizers, sides or dessert from a restaurant. Millennials are especially big fans of the blended meal.
- 4. Bundled meals? Considered deals!**
Why do any cooking? Customers' restaurant choices can be influenced by the offer of a bundled meal that perhaps includes an appetizer, entrée and dessert in either family packs or for individual meals.
- 5. Meal kits make cooking fun**
More than half of adults surveyed say they'd likely purchase a meal kit if it was offered by one of their favorite restaurants. That percentage rises to 73% for both millennials and Gen Z adults. Kits package pre-measured ingredients and instructions to make the restaurant meal at home.
- 6. Meal subscriptions**
Customers sign up to get meals during the month for pickup or delivery—at a discounted price. More than half of consumers surveyed say they'd sign up if their favorite places offered this option.
- 7. Selling groceries**
Seems like anything that saves a trip gets a thumbs up. More than half of consumers surveyed would buy groceries (fresh, uncooked food items such as meat, produce, dairy, bread or pasta) if restaurants offered them.
- 8. Alcohol to go**
A third of off-premises customers (ages 21+) say they included an alcoholic beverage with takeout or delivery order since the beginning of the COVID-19 outbreak, and they'll continue to in the future.
- 9. Comfort foods**
Consumers say menus that offer a good selection of comfort foods influence their restaurant choice. From haute to homey, a third of fine dining operators surveyed are adding more comfort items—think burgers, pot pies, lasagna, soups, curries, sandwiches, pizza and noodle dishes.
- 10. Healthy and diet-specific food**
To the same degree the availability of comfort foods influences restaurant choice, so do healthful menu options. Diet-specific items (gluten-free, vegan, etc.) however, are less important right now.

Whole Foods Top 10 Food Trends

1. Well-Being is Served
2. Epic Breakfast Every Day
3. Basics on Fire
4. Coffee Beyond the Mug
5. Baby Food, All Grown Up
6. Upcycled Foods
7. Oil Change
8. Boozed Up Booch
9. The Mighty Chickpea
10. Fruit and Veggie Jerky

<https://www.wholefoodsmarket.com/trends/top-food-trends-2021>

Take a Market Driven Approach

Who is the target market?

- Demographics & Psychographics
- Customer Values (Customer Benefit, Cost, Convenience, Communication)

A portion of the population with a

Identify Target Audience

1. Need/want that your business can fulfill
2. Willingness to purchase
3. Ability to purchase

Your first and best customer



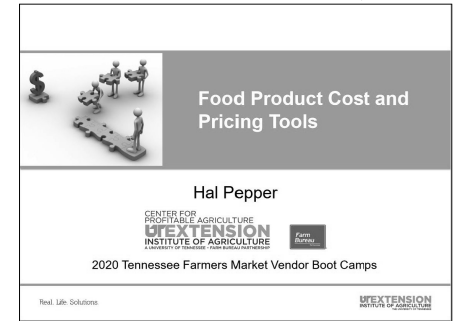
Take a Market Driven Approach

Does a profitable market exist?

- Is there adequate market size and potential share?
- Able to produce at a cost low enough and sell at a price high enough to generate a profit?

Additional Resource

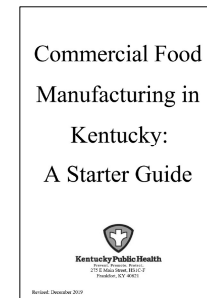
- Food Product Cost and Pricing Tools Webinar Recording
 - Instructor: Hal Pepper
 - tiny.utk.edu/FoodCost



3. Investigate the regulations.

- Product manufacturing/marketing
 - Food manufacturing, pet foods and pet treats, soaps and cosmetics, agricultural inputs, etc.
- Business license and taxes
- Sales taxes
- Employment regulations
- County planning and zoning

Regulations - Examples



- https://www.kyagr.com/marketing/documents/FM_Commercial_Food_Manufacturing_in_Kentucky.pdf
- https://fcs-hes.ca.uky.edu/homebased_processing_microprocessing

Regulations - Examples



cpa.tennessee.edu

4. Develop a business plan.



- **Farm businesses that developed a business plan were 2x more profitable!**
- **Producers who communicate were 21% more profitable!**

Dr. David Kohl
Business Planning Lite

Business planning helps determine:



- Where you are
- Where you want to go
- How you plan to get there
- What resources are needed
- Is it possible
- Expected results

The business planning process helps:

- Identify values important to you and your team
- Organize and prioritize
- Identify management tasks and people responsible, gaps, challenges and opportunities
- Communicate your vision, objectives, resources and financial considerations
- Develop a proactive mentality
- Defines when goals are reached

Business Planning Resources



- Building a Sustainable Business <https://www.sare.org/Learning-Center/Books/Building-a-Sustainable-Business>
- AgPlan: On-Line Plan Writing <https://agplan.umn.edu/>
- Small Business Development Centers

5. Assess and manage risk.



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Types of Risk

Legal	<ul style="list-style-type: none"> • Laws/regulations • Injury to customer or employee
Human Resources	<ul style="list-style-type: none"> • Death, divorce, disability, disagreement • Employee turnover
Business Interruption	<ul style="list-style-type: none"> • Weather, natural disaster, road construction, other
Production	<ul style="list-style-type: none"> • Weather, disease, pests, errors
Financial	<ul style="list-style-type: none"> • Cash flow, cost or availability of credit • Damage or loss of personal property
Marketing	<ul style="list-style-type: none"> • Ability to attract customers • Competition

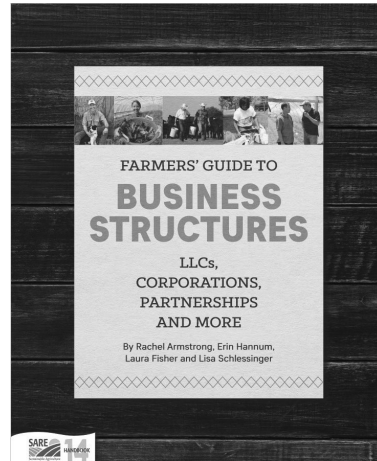
Risk Management Methods



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Choose a Business Structure

- <https://www.sare.org/resources/farmers-guide-to-business-structures/>



Tennessee Agritourism Liability Law

- Language that limits the liability of agritourism professionals for injuries to participants caused by inherent risks
 - Those dangers, conditions or hazards that are an integral part of an agritourism activity
 - Beyond the control of the agritourism professional
- <http://utextension.tennessee.edu/publications/Documents/PB1787.pdf>



Safety & Emergency Preparedness Resources



- Check sheets, walkthroughs, signs
 - Safeagritourism.com
- Emergency Preparedness Plan Workbook
 - u.osu.edu/directmarketing



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This material is based upon work supported by USDA/NIFA under Award Number 2018-70027-28585.



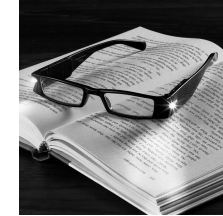
United States Department of Agriculture
National Institute of Food and Agriculture

Regulations can be confusing, and direction can vary depending upon...

Regulatory Roadmap



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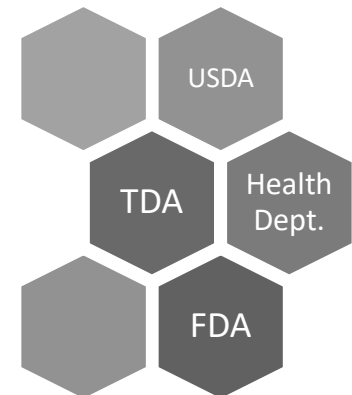


Many Types of Laws/Regulations/Rules (Including but not limited to...)

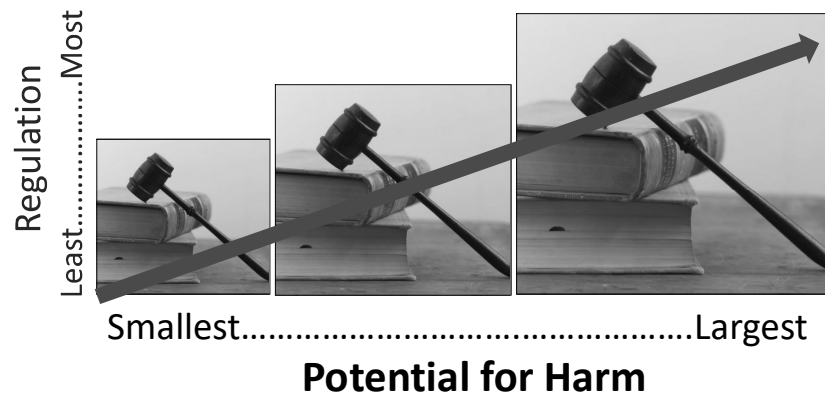
- Planning and Zoning
- Agritourism Liability Law
- Business License/Tax
- Personal Property Tax
- Sales Tax
- Employment Regulations
- American's with Disabilities Act
- Building and Fire Codes
- Signage
- Food Service
- Food Manufacturing
- Amusement Devices
- Animal Exhibitor License
- Equine/Bovine Liability Laws
- Day Camps
- Fee Fishing License
- Nursery/Greenhouse
- Winery/Brewery/ Distillery

Food Product Regulation

- Multiple agencies involved
- Agency with regulatory authority "depends"
 - The product
 - How it moves through commerce



Food Products Regulated for Customer Safety



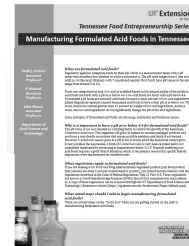
Cottage Food Law for Non-potentially Hazardous Foods

- Non-potentially hazardous foods do not support the growth of bacteria, and the processing steps do not require stringent time and/or temperature controls to assure a safe product
- Selling products directly to end consumers (retail sales) within the state of Tennessee. No full-time employees.
- May be manufactured in a home or other non-inspected facility or kitchen
- Must use Current Good Manufacturing Practices



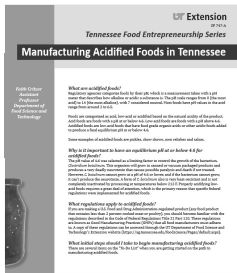
Potentially Hazardous Foods Requiring Time/Temperature Control for Safety

- All foods requiring refrigeration, frozen products, Time/Temperature Controlled for Safety (TCS) foods, and other potentially hazardous foods. Foods sold wholesale or across state lines.
- Must be manufactured in permitted commercial facility (TDA)
- Register with FDA



Formulated Acid Foods

- Regulations require formulated acid foods to have a final equilibrium pH below 4.6. The foods should not contain greater than 10 percent by weight of low-acid ingredients. Also, the low-acid ingredients cannot significantly raise the equilibrium the pH of the acid ingredient(s).
- Many shelf-stable sauces and dressings (BBQ sauce, hot sauces, marinades)
- Must be manufactured in permitted commercial facility (TDA)
- Register with FDA



Acidified Foods

- Acidified foods are low-acid foods that have food grade organic acids or other acidic foods added to produce a final equilibrium pH below 4.6. Acidified foods also have a water activity greater than 0.85.
- Examples: shelf-stable salsas, pickles, some hot sauces and BBQ sauces with lot of peppers
- All other requirements plus
 - Better Process Control School
 - FDA Scheduled Process



Eggs

- TN no longer has state-specific regulations
- Abide by federal regulations
- Producers with less than 3,000 laying hens who own the hens, raise the hens and pack the eggs themselves are exempt from many of the federal rules and regulations

Eggs

SAFE HANDLING INSTRUCTIONS:

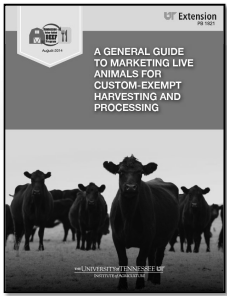
To prevent illness from bacteria: keep eggs refrigerated, cook eggs until yolks are firm, and cook foods containing eggs thoroughly.

- Required
- Appear prominently and conspicuously
- **SAFE HANDLING INSTRUCTIONS** in bold
- Text in a hairline box on the principal display panel or information panel
- Can be inside carton, if “Keep Refrigerated” added PDP or IP

Honey

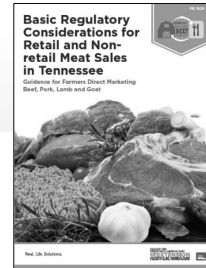
- No permit/inspection required
 - <150 gallons per year
 - Only sell product they produced
- Must be labeled
 - Name, address, & net weight
 - “100% Pure Honey”
 - “Not Pure Honey”- Include ingredient listing





Live Animal Sales for Custom-Exempt Processing

- Harvest and process for owner of the animal
- Meat is packaged and labeled “not for sale”
- Meat is to be consumed by the owner of the animal and their nonpaying family, guests and employees
- Clearly communicate and document the sale of the live animal

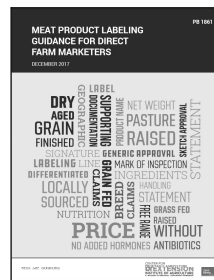


Retail Meat Sales

- Proper slaughter, packaging and labeling under USDA-inspection
- TDA Retail Meat Sales Permit - \$50 annual fee and inspection
- TDA Weights and Measures – meat must be sold by weight

Special Meat Label Claims

- Some claims deemed factual by FSIS without need for additional verification
 - Examples include geographic claims, state endorsement programs with no geographic emblematic design, “Aged” or “Dry-Aged” – if used according to FSIS definitions
- Other claims require sketch approval
 - Examples include animal raising claims, natural claims, nutrition claims



Non-retail Meat Sales

- Register as a wholesaler with USDA
1. Contact USDA FSIS to request an on-site consultation
 - Mickey Mancini located in Hamilton County
 - mickey.mancini@usda.gov
 - David Ford located in Shelby County
 - david.ford@usda.gov
 2. Submit FSIS Form 5020-1 provided during site visit **“Registration of Meat and Poultry Handlers”**



Poultry Processing

Table 1. Summary Table of USDA Exemptions and Limitations

Criteria	Producer/Grower 1,000 Bird Limit	Producer/Grower 20,000 Bird Limit	Producer/Grower or Other Person 20,000 Bird Limit
Slaughter Limit	YES – 1,000 per calendar year	YES – 20,000 per calendar year	YES – 20,000 per calendar year
Further Processing	YES	YES	YES
Can sell to any customer	YES	YES	NO
Can sell to Hotels, Restaurants and Institutions (HRIs)	YES	YES	NOT TO ALL Hotels, Restaurants and Institutions (HRIs)*
Sell to Distributor	YES	YES	YES
Sell to Retail Store	YES	YES	NO
Intra-State Distribution	YES	YES	YES
Inter-State Distribution	NO	NO	NO

*Product produced under the Producer/Grower or Other Person Exemption may not be sold to institutions

Building Codes

- Typically not required for agricultural buildings
- What is considered an agricultural building?



Food Service

- Permitted through the Tennessee Department of Health
- Contact your local county office
- <https://www.tn.gov/health/health-program-areas/eh/eh-programs/eh-foodservice.html>



State Fire Codes

- State Fire Marshal or local government (if exemption) administer
- Follow codes for the highest/riskiest use
- Agritourism not exempt for “assembly use” and possibly other categories
- Assembly Occupancies defined as a building or structure used for a gathering of 50 or more persons for civic, social, or religious functions, or for recreation and food or drink consumption.

State Fire Codes

- Applies to new buildings, expansions or renovations
- Registered engineer or architect must prepare plans
- Some plans must be submitted to SFMO for review
 - https://www.tn.gov/content/dam/tn/commerce/documents/fire_prevention/posts/FirePlansWhenSubmissionRequired.pdf

State Fire Codes

- General Website
 - <https://www.tn.gov/commerce/fire/codes-enforcement.html>
- Newsletter with Article on “Wedding Barns”+
 - https://www.tn.gov/content/dam/tn/commerce/documents/fire_prevention/posts/Codes-Review-Newsletter_August-2020.pdf
- Contact: Philip Cameron
 - p. 615-741-7190 or philip.cameron@tn.gov

Business Licenses

- Legal document provided by government that allows a business to operate in a specific geographic location
- Required in all 95 counties and many cities
- Separate licenses required for county/city of each location where sales are made

Who needs a Business License?



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- Any person in business for profit or gain who has gross annual sales of **more than \$3,000** in a city/county needs a business license.

Business License Exemptions



- A farmer selling only the farm products raised on his/her farm
- Value-added products with only products raised on the farm and salt, water, sugar, pectin and preservatives
- Admission for tours or activities that are purely educational in nature

Two Levels of Licenses

- Minimal Activity License
 - Gross annual sales of non-raised products of \$3,000 to \$9,999 in a city/county
 - Cost = \$15 per year
 - Not subject to business tax
- Business License
 - Gross annual sales of \$10,000 or more in a city/county
 - Initial fee = \$15
 - Subject to business tax
 - Renewed annually at no charge when business tax return(s) filed

How to Get a Business License

- Visit County Clerk/City Tax Collector for forms required for that jurisdiction
- Pay the license fee (\$15)
- Exhibit license in place of business

Business Tax



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- A privilege tax that permits you to engage in the business of:
 - Selling tangible personal property at wholesale or retail
 - Rendering certain services

Business Tax Rates

- Five classifications of businesses, each subject to a different rate
- Minimum tax of \$22
- Rates within some classifications vary according to whether the sales are made at wholesale or retail
- Dominant business activity determines classification

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- Any person in business for profit or gain who has gross annual sales of **more than \$3,000** in a city/county needs a business license.

Business License Exemptions



- A farmer selling only the farm products raised on his/her farm
- Value-added products with only products raised on the farm and salt, water, sugar, pectin and preservatives
- Admission for tours or activities that are purely educational in nature

Two Levels of Licenses

- Minimal Activity License
 - Gross annual sales of non-raised products of \$3,000 to \$9,999 in a city/county
 - Cost = \$15 per year
 - Not subject to business tax
- Business License
 - Gross annual sales of \$10,000 or more in a city/county
 - Initial fee = \$15
 - Subject to business tax
 - Renewed annually at no charge when business tax return(s) filed

How to Get a Business License

- Visit County Clerk/City Tax Collector for forms required for that jurisdiction
- Pay the license fee (\$15)
- Exhibit license in place of business

Business Tax



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- A privilege tax that permits you to engage in the business of:
 - Selling tangible personal property at wholesale or retail
 - Rendering certain services

Business Tax Rates

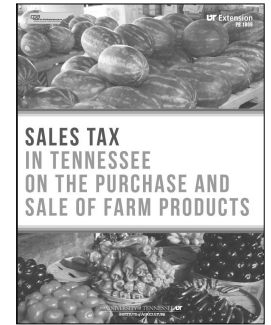
- Five classifications of businesses, each subject to a different rate
- Minimum tax of \$22
- Rates within some classifications vary according to whether the sales are made at wholesale or retail
- Dominant business activity determines classification

Paying Business Tax

- When taxable product sales are $\geq \$10,000$
- File business tax return for each county/city where sales occur
- Due on the 15th day of the 4th month following the business' fiscal year
- File and pay electronically with the Tennessee Department of Revenue

Sales Tax

- Privilege tax that permits you to
 - Sell tangible personal property at retail
 - Render certain services at retail
 - Charge admission to events



Sales Tax Exemptions for Farmers

- Farm products sold by the farmer who raised them
- Certain sales of farm products that were purchased from the farmer who raised them



Sales Tax Exemptions for Farmers

- The “farmer who raises the product” may be an individual or business entity
- The same “farmer” must both raise and sell the farm product for the sale to be exempt



Sales of Purchased Farm Products by a Farmer

- Resale of these purchased farm products is exempt from sales tax when...



1. The products are purchased from the farmer who raised them AND
2. The total amount of farm products raised and sold in a calendar year must be at least 50 percent of total sales

Sales Tax for Value-Added Products

- When a farmer adds value to farm-raised products by processing or packaging them, the **sales of the value-added products are exempt from sales tax as long as the only non-raised ingredients added are salt, water, sugar, pectin or preservatives.**



Threshold for Sales Tax

- You may have total sales up to \$4,800 per year of non-raised products and you do not have to charge sales tax as long as you have paid sales tax to suppliers.
- For example, you could sell up to \$4,800 of your baked bread at the farmers market and you do not have to charge sales tax as long as you have paid sales tax on the ingredients.

Admission Fees and Sales Tax

- Admission fees subject to sales tax
- If a tax exempt product is bundled with a taxable product, the bundle is taxable
- Exception for farm activity that is solely educational and void of amusement, recreation and entertainment



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Sales Tax for Non-Profit Customers

- Exempt from sales tax when
 - Exemption Certificate provided to business
 - Payment made by the non-profit (check or credit card recommended)



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Sales Tax on Venue Rentals

Examples	Taxable?
Land rental for event	No
Barn/building rental only (no overnight accommodations)	No
Rental of chairs, tables, decorations	Yes
Package rental (barn, chairs, tables, decorations)	Yes



Register to Pay Sales Tax

- Register with the Tennessee Department of Revenue
<https://www.tn.gov/revenue/taxes/sales-and-use-tax/registration.html>
- Business will receive
 - Certificate of Registration
 - Blanket Certificate of Resale
 - If qualified to make purchases for resale



Remitting Sales Tax

- File State and Local Sales and Use Tax Return on TNTAP
- Due monthly on the 20th day of the month following the end of the reporting period



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Sales Tax Rates

- State tax rate for most items (including prepared foods) = 7%
- State tax rate of food and food ingredients = 4%
- Local tax rates vary from 1% to 2.75%
 - <https://www.tn.gov/revenue/taxes/sales-and-use-tax/local-sales-tax-and-single-article.html>

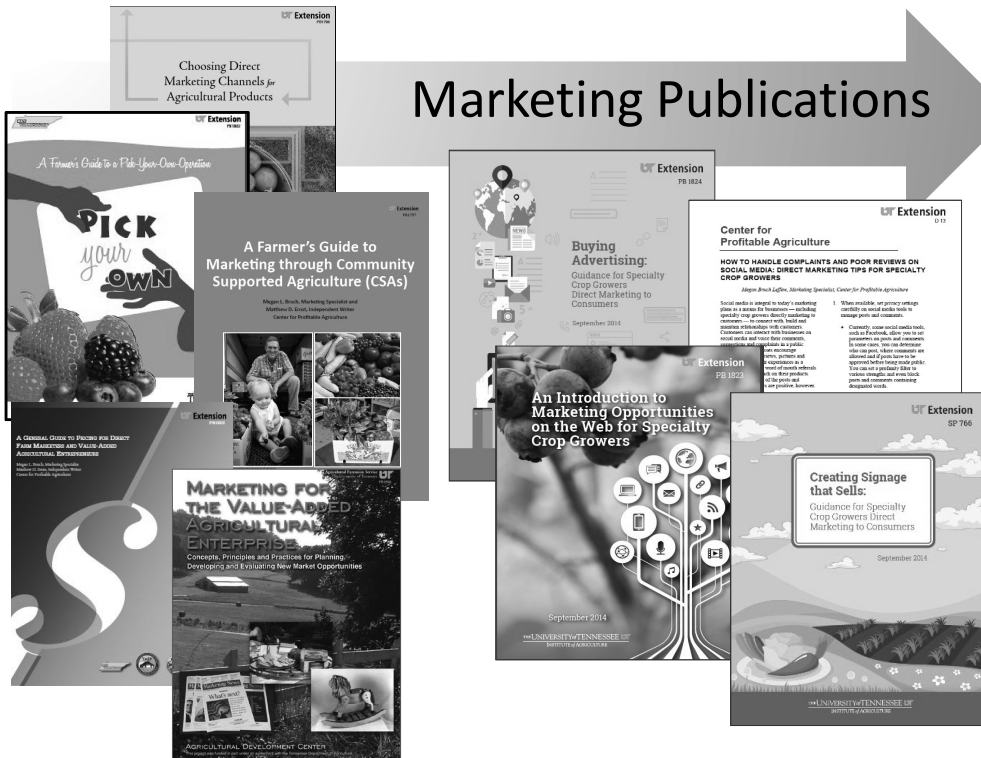


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Additional Resources



Marketing Publications

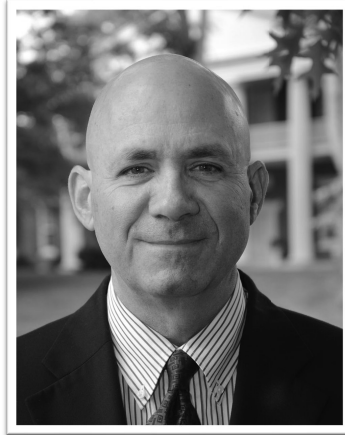


<https://cpa.tennessee.edu/program-areas/>

PROGRAM AREAS	
Our team of specialists work in many areas of value-added agriculture. Special initiatives have been developed in several program areas providing resources, educational events, and individual assistance. Find resources for these program areas below.	
Agritourism View Program Resources Contact: Sarah Stull	Farmers Markets View Program Resources Contact: Sarah Stull
Grapes and Wine View Program Resources Contact: Sarah Stull	Specialty Crops – Hops Learn more about our work in the Specialty Crops - Hops area View Specialty Crops Hops Resources Contact: Sarah Stull
Specialty Crop Profiles View Specialty Crop Profiles Contact: Sarah Stull	Value-Added Dairy View Value-Added Dairy Resources Contact: Sarah Stull
Value-Added Food Manufacturing View Value-Added Food Manufacturing Resources Contact: Sarah Stull	Value-Added Meats Beef, Pork, Lamb and Goat View Value-Added Meats Resources Contact: Sarah Stull
Value-Added Poultry View Value-Added Poultry Resources Contact: Sarah Stull	

Food Manufacturing Regulations

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Food Business Consultant
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Business Licenses, Sales Tax, Product Liability, Dairy, Poultry Processing



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Online Resources

- [facebook.com/ValueAddedAg](https://www.facebook.com/ValueAddedAg)
- E-news Lists
 - Agritourism e-News List
 - Farmers Market e-News List
 - Value-Added Beef Google Group
 - To join, email cpa@utk.edu and request to be added to the list or group(s) you are interested in.



Upcoming Workshops via Webinar

- Exploring Agritourism for Your Farm
 - Tuesdays in August at 12-2pm Eastern
- Starting a Food Manufacturing Business in Tennessee
 - Thursdays in August at 12-2pm Eastern

Details and registration at
<https://cpa.tennessee.edu/educational-events-2/>

Upcoming Educational Programs

- Pick TN Conference
 - Franklin, TN
 - February 17-19, 2022
 - PickTNConference.com



Anyone willing to share goals?

A worksheet titled "Goal Setting and Planning Worksheet" from the Center for Profitable Agriculture Extension. It includes a header with the organization's name and logo, a date of "August 2018", and a section for "Goal #1:" with a line for writing. The worksheet also contains a paragraph of text: "Think back over what has been discussed today. What would you like to change or improve upon? Take time now to write SMART goals to help you improve your marketing strategies." There is a small graphic of a target and an arrow pointing right.

Evaluation and Q&A



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