

Resources for Agritourism Development

Introduction

Agritourism, or agricultural tourism, refers to leisure travel and experiences related to farm, ranch, or other agricultural industries. Popular agritourism activities include corn mazes, pick your own produce ("u-pick") operations, "dude" or guest ranches, and wine/vineyard tours. For agricultural operators, agritourism represents a means of diversifying operations and is a potential source of additional revenue. It may also present an opportunity to enhance relationships between farms, ranches, and other agricultural operations and surrounding communities.

This compilation of agritourism "checklists," compiled by The Vermont Farms! Association, and researchers at the University of Vermont, Utah State University's Institute for Outdoor Recreation and Tourism, and the University of Wisconsin, is intended to assist those involved in agritourism enterprises and agricultural operators interested in beginning agritourism operations. It provides an overview of strategies for developing successful agritourism projects, information about zoning and health regulations, an introduction to liability issues, gives examples of successful agritourism businesses, and describes resources available to those interested in developing an agritourism business.

The compilation consists of the following seven "checklists":

- Successes and Challenges in Agritourism
- Best Management Practices in Agritourism
- Risk Management and Liability in Agritourism
- Zoning and Health Considerations in Agritourism
- Agritourism Marketing
- Agritourism Associations and Networks
- Online Agritourism Resources

Compiled for the Agricultural Marketing Resource Center by The Vermont Farms! Association; Lisa Chase and Varna Ramaswamy, University of Vermont Extension; Steven W. Burr and Jascha Zeitlin, Utah State University Extension, Institute for Outdoor Recreation and Tourism; Gary P. Green and Michael Dougherty, University of Wisconsin Extension.



Successes and Challenges in Agritourism

Agritourism can be a useful way to expand and diversify a farm or ranch, but it doesn't work well in every situation. Below are examples of successful agritourism experiences and a discussion of common challenges, which may help you decide whether agritourism is right for your farm or ranch.

Success Stories

La Mota Ranch--Hebbronville, Texas

The La Mota Ranch just outside of Hebbronville, Texas is a cattle ranch, founded in the 1890s, and still owned and managed today by the descendents of the original owners. La Mota's primary business is its purebred and commercial cattle herds. Being amateur historians, La Mota's owners, the Hellen family, saw the value in promoting the unique mixture of Mexican and Texan ranching history along the South Texas border. They were further encouraged by the state legislature's recent recognition of the area's historical significance, so La Mota's owners capitalized on their natural amenities, historic buildings and local color to create a successful agritourism business. Owner/operator Bill Hellen attributes his success to identifying a market niche. In recent years La Mota Ranch received multiple busloads of tourists per week and charged around \$60 per person. The added income from running tours has allowed the Hellen family to keep the ranch working, and the involvement of the entire Hellen family in the tourist enterprise has made the business what it is. The La Mota owners became agritourism leaders in their region and helped develop other businesses through a regional agritourism collaboration known as the Llanos Mesteños South Texas Heritage Trail. www.lamotaranch.com

Doepkens Farm--Gambrills, Maryland

Doepkens Farm in rural Anne Arundel County, Maryland began many years ago as a tobacco farm. In 1992, owner and operator Bill Doepkens began making the transition from tobacco to ornamental flowers, gourds and fresh eggs. Today, Doepkens is a working family farm that specializes in chrysanthemums and has gained wide attention for its stunning giant murals made of flowering mums. Each year around Halloween, tourists from Maryland and beyond come to see the living mural which measures just less than half an acre. Other agritourism activities at Doepkens Farm include make-your-own flower arrangements and pumpkin picking. In addition, they cultivate and sell on wholesale and retail levels a wide variety of agricultural and finished food products including jams, jellies, corn, soy, wheat, squash, gourds and flowers. A diverse offering of products and services as well as creative, unique marketing techniques can help farms succeed in the marketplace. www.somarylandsogood.com/pdf/ttc.pdf

Shuster's Playtime Farm--Deerfield, Wisconsin

Fourteen years ago Don Schuster planted 1/3 acre of pumpkins. Six years later he had seven acres of pumpkins, and customers from all over the region came to pick pumpkins at Schuster's. Based on requests from customers for other agritourism services, Don and his wife Theresa developed additional agritourism activities as a way to increase farm visits, and thus increase pumpkin sales. The Schusters offer good advice to potential agritourism businesses. They say, "To get to our size takes time. We have seen many farms try to skip steps and before they know it they are out of business. There is a huge learning curve in this business. Anyone can grow a crop, but to harvest customers is a new venture for almost all farmers." Also, they add, "make sure to get good insurance." Lastly, the Schusters recommend that potential businesses join associations made of up other people in the business to "learn and grow from each other's experiences." www.schustersplaytimefarm.com

Challenges of Agritourism

For every agritourism success story, there is a counter-story of a farmer/rancher who got out of the agritourism because it wasn't profitable. Most surveys of farmers/ranchers find that the business is full of challenges and hardships...and that's just the folks who are still in the business. One study in California identified "dealing with visitors" as the biggest challenge agritourism businesses faced (Holland and Wolfe). A study of Pennsylvanian businesses listed property tax problems, high insurance and liability costs, and the limits of seasonality and weather as the most significant of the many problems operators faced (Ryan et al 2006). Similarly, a New Jersey study found that marketing the business was the biggest problem, with liability concerns and dealing with customers a close second and third (Schilling et al 2006).

In sum, agritourism has great potential for farmers and ranchers seeking to generate additional revenue, capitalize on underused assets, and educate the public. However, it is not a "magic bullet" and not all agritourism ventures have succeeded.

Additional Resources

More Success Stories

http://www.farmcreditmaine.com/notebook/L3/agritourism.htm

http://www.oklahomaagritourism.com/index.php?/news/success_stories

http://www.nrcs.usda.gov/Technical/RESS/altenterprise/success.html

http://www.swmarketingnetwork.org/success_stories.htm

http://www.nal.usda.gov/ric/ricpubs/stories.htm

Heritage Trails Examples and Resources

Green Routes A site for tourists to find heritage trails in Minnesota.

http://www.greenroutes.org/

Trails-R-Us A resource for trail enthusiasts and entrepreneurs in Kentucky and beyond.

http://www.trailsrus.com/

Missouri Regional Cuisine Project Mississippi River Hills Pilot Region.

http://www.showme.net/MRH

Southern Maryland Trails http://www.somdtrails.com.

Glossary of Terms

Heritage Trail: Collaboration between multiple enterprises in a single region that capitalize on the unique culture, history and amenities of the region to encourage tourism and buying locally.

Market Niche: A specific subset of consumers who desire a product or service not provided through mainstream channels. Small businesses stay solvent by identifying and catering to a specific market niche.

References

Considering an Agritainment Enterprise in Tennessee? Holland, Rob and Kent Wolfe; University of Tennessee Agricultural Extension Service. Available at http://www.utextension.utk.edu/publications/pbfiles/pb1648.pdf

Obstacles in the Agritourism Regulatory Process: Perspectives of Operators and Officials in Ten California Counties. Keith, Diana, Ellen Rilla, Holly George, Ramiro Lobo, Laura Tourte, and Roger Ingram (2003) AIC Issues In Brief, Agricultural Issues Center, University of California (22). Available at http://www.agmrc.org/NR/rdonlyres/87394D04-748C-43DC-B715-840E7C7FC5AB/0/agritourismfileca.pdf

Agritourism in Pennsylvania: An Industry Assessment. Ryan, Susan, Kristy DeBord and Kristin McClellan (2006). Center for Rural Pennsylvania. Available at http://www.ruralpa.org/agritourism2006.pdf.

The Opportunity for Agritourism Development in New Jersey. Schilling, Brian J., Lucas J. Marxen, Helen H. Heinrich, and Fran J. A. Brooks (2006), Food Policy Institute Rutgers University. Available at http://www.foodpolicyinstitute.org/docs/reports/Agritourism%20Development.pdf.



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Best Management Practices in Agritourism

Best Management Practices for an agritourism business include: 1) providing an authentic farm or ranch experience. 2) providing an educational experience. 3) providing excellent customer service.

| 4) providing adequate public facilities, 5) maintaining a safe and accessible environment, 6) creating good community relations, and 7) planning for your financial future. | | | | | | |
|---|--|--|--|--|--|--|
| When starting an agritourism business or assessing your existing operation, consult the available resources (see backside) and consider the following best management practices: | | | | | | |
| Authentic Farm or Ranch Experience An agritourism business can be defined as any person, farm, or corporation actively engaged in the operation, management, or promotion of an agriculturally-related tourism business open to the public. This business provides visitors with an educational experience aside from one that is solely commercial. It is important to keep in mind that your farm/ranch is often the "face of farming and ranching" in your community, region, or state. A product you offer to visitors may be the experience of farm or ranch living. It is also important to understand what aspects of agriculture your local associations (agricultural, tourism, and marketing) emphasize in your region so that you can develop your own niche in coordination with other farms and attractions nearby. | | | | | | |
| □ Educational Experience Farms and ranches can offer an agriculturally-oriented educational experience suitable for different ages. Food and fiber production, land stewardship, and history of agriculture are common topics that visitors enjoy learning about. Another way to diversify your operation and educate guests maybe on-property recreational activities (e.g., fishing, hunting, trail riding, cross-country skiing, or hiking). | | | | | | |
| ☐ Customer Service This should be an integral part of your business planning. Training your staff to interact with customers in an appropriate way will ensure a safe and high quality experience for customers. It also ensures these customers will return and tell other potential customers about your business. | | | | | | |
| ☐ Adequate Public Facilities Your farm/ranch needs to have sufficient capacity (staff and infrastructure) to provide basic services such as parking, transportation, signage, customer assistance, education, and roads. In order to maintain a safe and customer friendly business, provision of services and facilities like restrooms becomes necessary. | | | | | | |
| □ Safe and Accessible Environment You should ensure that your property and facilities are maintained and in compliance with zoning, health and environmental regulations. It is useful as well to create a risk management plan for your farm/ranch. In addition, depending on your type of business, consider compliance with the Americans with Disabilities Act, which mandates equal customer access to certain facilities (entrances, exits, and bathrooms). | | | | | | |
| □ Community Relations To create good community relations, it is important to regularly provide opportunities for organized groups and individuals in your community to visit your property (e.g., schools and business associations). | | | | | | |
| ☐ Planning for your Financial Future Regularly review your business plan and appropriately add value (price) to all farm/ranch services, | | | | | | |

products, and experiences in order to provide for the long-term sustainability of your business.

Resources

The following is a listing of available resources related to best management practices in agritourism:

State Resources

Your State's: Department or Agency of Agriculture, State Agritourism Organization, Department of Marketing or Tourism, University Cooperative Extension Service, and directories from the National Association of Resource Conservation and Development Councils (http://www.rcdnet.org/), and Natural Resources Conservation Service http://www.nrcs.usda.gov/technical/RESS// altenterprise (2004 Alternative Enterprises and Agritourism Liaisons Directory and Economic and Rural Community Development Directory).

Authentic Experience

National Geographic Center for Sustainable Destinations

1145 17th St. NW, Washington, DC 20036 202-828-8045, <u>sustourism@ngs.org</u> http://www.nationalgeographic.com/travel/sustainable/about_geotourism.html

On-Farm/Ranch Education

Agriculture in the Classroom

Tom Tate, National Program Leader USDA, 1400 Independence Avenue S.W. Stop 2251 Washington D.C. 20250-2251 Phone: 202-720-2727, Fax: 202-720-2030

E-mail: ttate@csrees.usda.gov
http://www.agclassroom.org/

Farm-Based Education Association

Minuteman National Historic Park 174 Liberty Street, Concord, MA 10742

Phone: 978-318-7827

info@farmbasededucation.org,

http://www.farmbasededucation.org/

A Farmer's Guide to Hosting Farm Visits

for Children, Univ. California Sustainable Agriculture Research and Education Program, UC Davis http://www.sarep.ucdavis.edu/Grants/Reports/Kraus/97-36FarmersGuide.htm

Farm Tours: A Marketing and Education

Tool - planning and implementing your own local farm tour. Cornell Cooperative Extension of Saratoga County, http://www.smallfarms.cornell.edu/pages/resources/pdfs/pschafer02.htm

Customer Service

Agritourism in Focus a Guide for Tennessee Farmers-chapter on 'Customer Service' http://extension.tennessee.edu/publications/ pbfiles/PB1754.pdf

Health and Safety Guidelines

National Institute for Occupational Safety & Health, Centers for Disease Control & Prevention (NIOSH)

http://www.cdc.gov/niosh/topics/agriculture/ Toll-Free: 800-35-NIOSH 800-356-4674

NIOSH Agricultural Research Centers

http://www.cdc.gov/niosh/agctrhom.html

National Safety Council

Farm safety & workplace fact sheets http://www.nsc.org/library/facts.htm 630-285-1121

The National Children's Center for Rural and Agricultural Health and Safety

Under Resources

http://www.marshfieldclinic.org/nfmc/

"Farm Animals & Visitors Public Health & Safety Tips for Animal/People Interaction" Vermont Department of Health

http://www.healthvermont.net/family/animals/farmanimals.pdf

Accessibility

Information and Technical Assistance on the Americans with Disabilities Act

800-514-0301 (voice) 800-514-0383 (TTY) http://www.ada.gov

Agri-Business Council of Oregon and Agriculture Council Northwest: Agri-Tourism

Workbook -Section on "Barriers and Access Considerations" http://www.aglink.org/agbook/agritourismworkbook.php

Financial Planning

Recreation Finance program

This program prints out reports of gross income, net income, visitation, cash flow and overhead. http://www.rpts.tamu.edu/tce/NT/business%20 planning.html



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warranted.

Risk Management and Liability in Agritourism

Farmers and ranchers are legally responsible (liable) for the well-being of their customers and employees. Considering safety and minimizing risk are important parts of business planning.

To protect your agritourism business, it is important to create a risk management plan. Some of the main areas of risk and negligence include site safety risk, product risk, employee related risk, and financial risk. To ensure the well-being of your business, it is recommended that you avoid certain activities, use liability waivers, purchase insurance, practice good management techniques, train employees, and pay attention to the legal structure of your business.

| Checklist for Managing Risk |
|--|
| Contact State or Local Agritourism Organizations and Key Consultants Key consultants to determine your needs are lawyers, insurance agents, financial managers, and accountants. See backside for available resources and technical assistance. |
| Understand Local and State Health and Safety Laws and Regulations See AgMRC Zoning and Health Considerations Checklist (http://www.agmrc.org). |
| Inventory Areas of Possible Risk □ Site Safety: Consider physical site hazards including visitor activities and attractive nuisances such as farm equipment likely to attract children □ Product: Consider what you are selling or producing and any health or safety regulations or considerations □ Employee related: Know your employees and know what will be required onsite to safeguard their health and safety □ Financial: Consider current record-keeping, billing processes, assets and debts |
| Develop a Risk Management Plan ☐ Site Safety ☐ a. Post rules for customers and conduct regular inspections ☐ b. Post and implement employee rules and regulations ☐ Product ☐ a. Establish a labeling protocol for products ☐ b. Establish a protocol based on state regulations for handling products ☐ Decide on the right type and amount of insurance coverage ☐ a. Business liability ☐ b. Product liability ☐ c. Workers' compensation ☐ Consider using preventative measures like waivers or product warnings if |

Resources

National Resources

USDA Risk Management Education Agency

Develops educational materials for 50 states. http://www.csrees.usda.gov/nea/economics/in_focus/farm_if_risk.html, 202-720-7441

Digital Center for Risk Mgmt Education

http://www.agrisk.umn.edu/

National Ag Risk Library at the University of Minnesota, St Paul, MN, Toll-free 800-234-1111

Regional Risk Management Education Centers

Northeast Center for Risk Mgmt Education

http://www.necrme.org/

University of Delaware, Phone 302-831-6540

North Central Risk Mgmt Education Ctr

http://www.farmdoc.uiuc.edu/ncrisk/

University of Nebraska, Phone 402-472-2039

Southern Region Risk Mgmt Education Ctr

http://srrme.tamu.edu/

Texas A&M University, Phone 254-968-4144

Western Center for Risk Mgmt Education

http://westrme.wsu.edu/

Washington State Univ., Phone 509-477-2168

State Resources

Your State's: Department or Agency of Agriculture, State Agritourism Organization, Department of Marketing or Tourism, University Cooperative Extension Service, and directories from the National Association of Resource Conservation and Development Councils (http://www.rcdnet.org/), and Natural Resources Conservation Service http://www.nrcs.usda.gov/ technical/RESS/altenterprise (2004 Alternative Enterprises and Agritourism Liaisons Directory and Economic and Rural Community Development Directory).

Health and Safety Guidelines

National Institute for Occupational Safety & Health, Centers for Disease Control & Prevention

(NIOSH) http://www.cdc.gov/niosh/topics/agriculture/

Toll-Free: 800-35-NIOSH 800-356-4674

NIOSH Agricultural Research Ctrs.

http://www.cdc.gov/niosh/agctrhom.html

National Safety Council

Farm safety & workplace fact sheets

http://www.nsc.org/library/facts.htm 630-285-1121

The National Children's Center for Rural and Agricultural Health and Safety

Under Resources

http://www.marshfieldclinic.org/nfmc/

Toll-free 800-662-6900

Risk Management Planning

"Farming for Profit and Sustainability Resource Manual" and "Taking the First Step: Farm & Ranch Alternative Enterprise & Agritourism Resource Evaluation Guide:"

Natural Resources Conservation Service (NRCS)-Alternative Enterprises & Agritourism http://www.nrcs.usda.gov/technical/RESS/ altenterprise/resmanual.html 202-720-2307

"Don't Break A Leg... Managing Risks on Your Small Farm," "Managing Marketing Risks" and other Risk Management Articles.

The Small Farms Program-Cornell University
http://www.smallfarms.cornell.edu/pages/resources/businessmanage/risk.cfm
607-255-9227

Articles on Risk Management Planning-

USDA Alternative Farming Systems Info Center http://afsic.nal.usda.gov/
National Education Library 301-504-6559
DC Reference Center 202-720-3434

Insurance Information

North American Farmer's Direct Marketing Association -member's liability insurance list http://www.nafdma.com/ 62 White Loaf Road,

Southhampton, MA 01073, 413-529-0386
"Understanding Farmers Comprehensive
Personal Liability Policy: A Guide for Farmers,

Attorneys and Insurance Agents." National Ctr for Agricultural Law, Research, & Information, University of Arkansas, School of Law http://www.nationalaglawcenter.orgreadingrooms 479-575-7646

"The Legal Guide for Direct Farm Marketing"

Des Moines, IA: Drake University

http://www.iowafoodpolicy.org/legalguide.htm
515-271-2947

Glossary of Terms

Liability: Legal responsibility of the business owner for the well-being of its customers **Insurance**: Used to recover and/or manage the outcomes of business practices and risks **Waiver/Disclaimer**: An agreement to forgo one's right to a legal claim

Negligence: The failure to exercise the care that a reasonable person would exercise

References: Agritourism and Nature Tourism in California, Univ. of California Agriculture & Natural Resources Pub No. 3484; In the Eyes of the Law: Legal Issues Associated with Direct Farm Marketing, Univ. of Minnesota Tourism Ctr.



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Zoning and Health Considerations in Agritourism

Agritourism businesses are subject to zoning and other regulations related to individual and environmental health. Such regulations are determined and enforced by federal, state, county, and/or municipal governments. Regulations can vary greatly by region, and it's important to be aware of and comply with regulations related to operating an agritourism business.

Zoning Considerations

Zoning is "the division of a city or county by legislative regulations into areas (zones), specifying the uses allowable for the property in these areas" (http://www.entrepreneur.com/homebasedbiz). Zoning ordinances can often be seen as a hurdle for beginning agritourism businesses. One survey found 13% of agritourism businesses surveyed had difficulties with zoning (University of Tennessee Extension 2005), and an online survey found that more than 50% had difficulties (Eckert 2007). Ordinances may prohibit particular commercial activities or require that specific facilities and/or structures be present. In some regions, ordinances have been altered to be more accommodating for farms involved in agritourism.

Zoning ordinances are generally handled by county or municipal governments. You can contact these entities (see backside) to determine which ordinances may be in place in your area. The nature of zoning ordinances and the ability to obtain zoning variances will vary greatly with each locality. For a discussion of zoning and home-based businesses visit http://www.entrepreneur.com/encyclopedia/term/82024. html

Examples of Zoning Ordinances:

| Limiting or prohibiting specific commercial recreational activities in an area |
|--|
| Requiring flush toilets and other facilities for sanitation |

- ☐ Prohibiting attractions, restaurants, or bed and breakfasts in certain areas
- □ Regulating location and size of structures

Health Considerations

Like zoning, there are legislative regulations in place aimed at protecting the health of both individuals and the environment. Health regulations will vary from place to place, but generally your county/local health department will handle these. Food preparation and safety, and waste disposal regulations, are often especially important considerations. Licenses and permits are generally required. Your County/Local Extension Agent should be able to provide the necessary information.

Examples of Health Regulations:

| Limiting the number of visitors allowed on a "home stay" farm or ranch |
|---|
| Requiring one or more persons involved with food preparation or handling to obtain food handlers' permits or certificates |
| Requiring certain types of equipment needed for food storage |
| Requiring a certain amount of drinking water be available for visitors and placing requirements on water quality |
| Enforcing specific requirements for septic systems and sewage disposal |

The Bottom Line

Due to the variability of zoning and heath regulations, it is important to check with local, county, state, and federal governments, and other organizations to identify which regulations may apply to your agritourism business. Useful agencies to contact include:

| State Agencies or Departments of | Chambers of Commerce | | |
|-------------------------------------|--------------------------------|--|--|
| Health/Agriculture | Secretary of State's Office | | |
| County/Municipal Health Departments | Tax Commission or Department | | |
| County/University Extension Offices | U.S. Department of Agriculture | | |
| Zoning or Planning Boards | Agritourism Organizations and | | |
| Economic Development Offices | Cooperatives | | |
| Tourism or Visitors Bureaus | State Farm Bureau Federations | | |

References and Sources for Further Information

- The Food Safety and Inspection Service (FSIS) Factsheets.
 Web site: http://www.fsis.usda.gov/Fact_Sheets/index.asp
- Food Safety State and Federal Standards and Regulations National Association of State Departments of Agriculture has links to other resources. http://www.nasda.org/nasda/nasda/Foundation/foodsafety/index.html
- **Association of Food and Drug Officials (AFDO) -** guidance on regulatory topics from a variety of federal, state, and local sources. http://www.afdo.org/afdo/states/topical.cfm
- Americans with Disabilities Act (ADA) Regulations and Technical Assistance
 Materials. ADA web site: http://www.ada.gov
- **Zoning Survey Shows Farm Challenges.** Eckert, Jane (2007). Available at http://www.eckertagrimarketing.com/articles/articleshome.shtml
- Agritourism and Nature Tourism in California. George, Holly, & Rilla, Ellie (2005).
 University of California, Agriculture and Natural Resources, Publication 3484.
 Available from University of California Small Farm Center for \$25 at http://ucce.ucdavis.edu/files/filelibrary/5327/3866.pdf
- Legal Structure Rules & Regulations for Direct Marketing Enterprises. From Direct Marketing and Tourism Handbook. Gibson, Richard D. (1995). University of Arizona, Department of Agriculture. Available at http://cals.arizona.edu/arec/pubs/dmkt/dmkt.html
- **Health and Safety Guidelines for Children.** Humann, M.J., & Lee, B.C. (2007). Marshfield, WI: Marshfield Clinic. Available at http://www.marshfieldclinic.org/nfmc/pages/default.aspx?page=nccrahs ag tourism
- **Agritourism in Focus: A Guide for Tennessee Farmers.** University of Tennessee Extension (2005). Available at http://extension.tennessee.edu/publications/pbfiles/PB1754.pdf



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Agritourism Marketing

"Marketing is the process of determining what customers want, and of using that information to produce and sell a good or service to satisfy that want" (Southern Maryland Resource Conservation and Development Board). Marketing includes identification of your customer base; a clear description of the goods, services, and experiences offered; and advertising and promotion of your agritourism business.

Create a Marketing Plan

One of the most important aspects of marketing your business venture is the formulation of a marketing plan. This should include:

- □ **Who are your customers?** Identify customers coming to your area for similar attractions. Such information may be found through agritourism associations, regional tourism councils, or local chamber of commerce and other outlets. Be specific in identifying the group of consumers you wish to target.
- □ **Become familiar with your market.** What types of agritourism activities are popular or increasing in popularity? Notice where growth is taking place in the industry and the types of activities and goods consumers are seeking. What changes and developments in the agritourism market might be expected in the foreseeable future?
- ☐ **Your niche.** What makes your agritourism business unique? What would set you apart from competitors? Some examples: a farm/ranch operated by your family for generations with unique heritage components; a unique location with attractive amenities; specialized attributes of your products or services, such as organic produce or meat, raising exotic animals, or unique activities available.
- □ **Budget.** A rule of thumb for a beginning agritourism operation is that 10 to 30 percent of gross revenues should be invested in marketing.

In your plan, clearly state marketing goals with regard to the number of visitors, revenue and expenses, etc. Assess your success in meeting these goals over time. Make sure your plan is flexible, so you can adapt to changes in the marketplace or results that do not match expectations as you monitor your business's progress.

The Four P's

Throughout the planning, building, and expanding of your agritourism business, it is important to keep these fundamental aspects of marketing in mind.

- □ **Product.** Is there a market for what you are selling? Is there some way to change your goods or services to more adequately address a consumer demand? The quality of your staff and their training is also an important consideration in agritourism.
- □ **Place.** Is your location one that is easily found by consumers? Will potential customers notice your agritourism business in passing? Are there other beneficial aspects to your location such as impressive natural scenery?
- □ **Price.** Balance the price charged for your goods and services between the need to attract customers and maximize sales, and the need for those sales to yield a profit.
- □ **Promotion.** Where and how to promote and advertise your business are important considerations. Advertising in agritourism and similar businesses has traditionally come mostly from customer to customer word-of-mouth communications. Advertising through various forms of media (websites, brochures, etc.) can also be effective in getting the word out about your agritourism operation. Membership in agritourism organizations and business associations, such as your local chamber of commerce, can help publicize your business and inform consumers specifically seeking the goods and services you offer. The popularity and usefulness of the internet can make it an effective place to market your business if used properly.

| Promotion and Advertising All of the following may be appropriate forums for promoting and advertising your agritourism | | | | | | | | |
|---|----------------------|--|-----------|--|-----------------|--|-------|--|
| | siness: Newspaper | | Brochures | | Business Cards | | Signs | |
| | Radio | | Internet | | Direct Mailings | | | |
| Mailing List | | | | | | | | |
| As agritourism businesses generally depend on repeat customers, building and maintaining a good mailing list and email list of your customers is important. | | | | | | | | |

Image and Partnerships in your Community

Creating a favorable public image is important both in attracting customers and in maintaining the ability to draw support from your community. In addition to providing customers, your community can provide you with potential business partnerships, promotion, and publicity. Others in your community can provide goods and services needed for your operation.

Public Relations

Recognizing the strength of your own stories and communicating them to the media, community members, visitors, and others to efficiently and effectively market your business.

References and Resources for Additional Agritourism Marketing Information

Market Maker is a searchable database of food industry related data http://national.marketmaker.uiuc.edu

Agritourism and Nature Tourism in California. University of California, Agriculture & Natural Resources, Pub. 3484. George & Rilla (2005). Small Farm Center for \$25 http://ucce.ucdavis.edu/files/filelibrary/5327/3866.PDF

Agritainment. North Dakota State University Extension Service (2004) http://www.ag.ndsu.nodak.edu/ced/resources/farmranch/introduction.htm

Considerations for Agritainment Enterprise in Georgia. University of Georgia, Center for Agribusiness and Economic Development http://www.agecon.uga.edu/~caed/Agritainmentpdf.pdf

Agri-Tourism. Virginia Cooperative Extension. http://www.ext.vt.edu/pubs/agritour/310-003/310-003.html

Agricultural Tourism Fact Sheets. University of California Small Farm Ctr http://www.sfc.ucdavis.edu/agritourism/factsheets.html

Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide. Southern Maryland Resource Conservation and Development Board. USDA NRCS. http://www.nrcs.usda.gov/technical/RESS/altenterprise/index.html

Considerations for Agritourism Development. Sea Grant New York (1998). http://www.seagrant.sunysb.edu/Pages/FactSheets-PDF/Tourism/Agritourism98.pdf

Agritourism in Focus: A Guide for Tennessee Farmers. Univ of TN Extension (2005). Publication 1754. http://cpa.utk.edu/level2/agri-tourism/training.htm



Agricultural Marketing Resource Center



Agritourism Associations and Networks

Agritourism associations, resources and networks, and other related organizations can provide benefits for farmers and ranchers wishing to diversify their operations. Such associations often provide information and resources, and can prove helpful in three general ways. First, these associations can provide an advertising outlet for your business through websites, brochures, and other media. For example, many associations maintain websites that market attractions in a geographic area or map driving routes to participating farms, ranches, and other agritourism sites. Second, these groups can provide an opportunity to network, interact, and learn from others who are involved in similar businesses. This enables farmers/ranchers to build upon the experiences of others in similar ventures. Third, they provide information on trainings, conferences, trends, and recent research.

Following is a listing of some of the agritourism and related associations, networks, and websites specifically developed for agritourism businesses in order to directly meet identified needs related to marketing their businesses. In addition, there are governmental, non-governmental, and university organizations dedicated to assisting in the development and marketing of agritourism. Online at http://www.agmrc.org, there is a more extensive listing including entries from most states.

Agritourism Associations, Resources, and Networks

National

Agricultural Marketing Resource Center (AgMRC) http://www.agmrc.org/

Regional

Southwest Marketing Network

http://www.swmarketingnetwork.org/

Dude Ranchers Association of America

http://www.duderanch.org

<u>State</u>

Alaska

Alaska Office of Tourism Development http://www.commerce.state.ak.us/oed/toubus

Alabama

Alabama Agri-tourism Trail: http://www.alabamaagritourism.com/

Arkansas

Naturally Arkansas:

http://www.naturallyarkansas.org/

California

California Agricultural Tourism Online: http://calagtour.org/
(UC California, Davis Small Farm Center)

Colorado

Colorado Dept of Agriculture, Market Div: http://www.colorado.gov/ag/markets

Delaware

Delaware Agritourism Association: http://www.defunonthefarm.org/home/

Georgia

University of Georgia, Ctr for Agribusiness & Economic Development, Georgia Ag & Nature Based Tourism Directory (AGNET): http://www.caed.uga.edu/agnet/

(consumer site: http://www.iiseyes.org/agnet/)

Hawaii

Hawaii AgVentures (Big Island Farm Bureau): http://www.hawaiiagventures.com/

Idaho

Rural Roots: http://www.ruralroots.org/

Illinois

Illinois Fresh (University of Illinois Extension) http://www.urbanext.uiuc.edu/fresh/

Iowa

The Choose Iowa program: http://www.chooseiowa.com/
(Iowa Dept of Agriculture & Land Stewardship)

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Kansas

Kansas Agritourism:

http://www.kansasagritourism.org/
(Kansas Agritourism Advisory Council)

Kentucky

Kentucky Agritourism:

http://www.kyagritourism.com/

Maine

Get Real Maine: http://www.getrealmaine.com/ (Maine Department of Agriculture)

Maryland

Maryland Direct Farm Market Association: http://www.mdpickyourownfarmmarkets.com/ (farmers' markets & pick-your-own operations)

Massachusetts

Association of Roadside Stands and Pick Your Own: http://www.massfarmstands.com/

Michigan

Michigan Farm Market & Agritourism Association: http://www.mi-fmat.org/

Minnesota

Minnesota Farmers' Market Association: http://www.mfma.org/

Missouri

AgriMissouri

http://www.agrimissouri.com/agritourism.htm

New Hampshire

New Hampshire Farmers' Market Association: http://www.nhfma.org/

New Jersey

Visit NJ Farms: http://www.visitnjfarms.org/

New Mexico

New Mexico Farmers' Marketing Association: http://www.farmersmarketsnm.org/

New York

New York Agritourism & Education program: http://www.nyagtours.com/

North Carolina

Homegrown Handmade, Art Roads & Farm Trails of North Carolina: http://www.homegrownhandmade.com/

North Dakota

North Dakota Nature & Rural Tourism Association http://www.ndnature.org/

Oklahoma

Oklahoma Agritourism Program: http://www.oklahomaagritourism.com/

Oregon

Oregon Farmers' Market Association: http://www.oregonfarmersmarkets.org/

Ohio

Farmland Center http://www.thefarmlandcenter.org

Pennsylvania

Pennsylvania Farm Vacation Association: http://www.pafarmstay.com/

Rhode Island

Rhode Island Farmways: http://www.rifarmways.org/

Tennessee

Tennessee Agritourism Association: http://www.visittnfarms.com/

Texas

Texas Farmers Market Association: http://www.texascertifiedfarmersmarkets.com

Vermont

Vermont Farms! Association: http://www.vtfarms.org/

Washington

Washington State Farmers Market Association: http://www.wafarmersmarkets.com/

Wisconsin

Wisconsin Agricultural Tourism Association: http://www.visitdairyland.com/

Wyoming

Wyoming Farmers Marketing Association: http://www.wyomingfarmersmarkets.org/



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Online Agritourism Resources

Much information on the Internet advises agritourism businesses about the ins and outs of the field. Below is a summary and synthesis of information from existing resources. If you would like to obtain the originals, links are provided at the end.

Why Agritourism?

Around the country, many farm/ranches are diversifying their product base and including value-added endeavors like agritourism to enhance profitability. According to the American Farm Bureau, agritourism is "an enterprise at a working farm, ranch or agriculture plant conducted for the enjoyment of visitors that generates income for the owner."

Agritourism has benefits for both the farmer/rancher and the consumer. In addition to serving as an additional source of income, agritourism can benefit farmers/ranchers by 1) helping create name recognition for your agricultural products, 2) helping educate consumers about farming/ranching and America's rural heritage, 3) generating financial incentives for the protection and enhancement of your farm/ranch's natural resources and natural amenities, and 4) generating "spillover" economic development opportunities in your community by bringing tourists into town who may then shop, eat and lodge locally. For more information on the benefits of agritourism see the introduction to The Opportunity for Agritourism Development in New Jersey.

Is Agritourism For Me?

Agritourism is not for all farms/ranches, and many farmers/ranchers who embark upon agritourism projects don't achieve the level of success they anticipated. Others have thrived as tourism operators. Many interviewees in a study conducted by Rutgers University described negative aspects as well as positive ones. Part of running an agritourism business is putting yourself, your family and your farm "on display." Successful farmers/ranchers must occasionally deal with difficult and demanding customers. Before you decide to embark on an agritourism venture, ask yourself: 1) am I comfortable putting my family and myself "on display"? and 2) do I enjoy interacting with all types of people? For more information see pages 8-11 of Agritourism in Pennsylvania: An Industry Assessment, The Opportunity for Agritourism Development in New Jersey, pages 15-17 of Taking the First Step, page 16 of Oklahoma Agritourism, Agricultural Diversification and Agritourism: Critical Success Factors and A Guidebook for Evaluating Enterprise Opportunities.

Who Is My Customer?

The people that choose to visit farms are often seeking "authentic" experiences. Many times these people are not directly involved in farming/ranching, but are interested in learning about it. Your customer could be 1) a tourist with an interest in preserving farms and the rural way of life, 2) someone interested in establishing a deeper connection with his or her food than what shopping at the supermarket allows, 3) someone interested in exploring rural landscapes and seeking rural wildlife, 4) someone who probably lives in the same state or region of the country as you do since most agritourism customers travel only regionally for their experiences, 5) someone who is likely to be middle aged or younger and physically fit, or 6) a group such as an extended family or school or church group. For more information see page 11 of Oklahoma Agritourism and pages 11-14 of Agritourism in Pennsylvania: An Industry Assessment.

What Is My Product?

There are many types of agritourism. The most popular agritourism activities include **1**) bed and breakfasts, **2**) meals featuring farm products, **3**) hayrides, **4**) farm/ranch tours, and **5**) direct sales (e.g. roadside vegetable stands and pick-your-own produce). Agritourism entrepreneurs are constantly redefining their products.

Your product needs to address a demand in the tourism industry that is not satisfied elsewhere. There are many things you can do to make your product stand out from the pack. These include making sure your product is: 1) clearly different from the other stuff out there, 2) of very high quality, 3) seasonal in nature or 4) original and innovative (Dunn, 1995: 169). Focus on freshness of produce and quality customer service. For more product and service ideas see page 16 of the Oklahoma Agritourism. See also Appendix One of Taking the First Step.

How Can I Evaluate My Potential Agritourism Site?

Agritourism is a way to add value to your farm/ranch without adding acreage. Not all properties have the right mix of natural and physical amenities to take advantage of the benefits of agritourism. Your product and what you do with it will depend in part on the landscape and natural resource endowment of your farm/ranch. Evaluate factors such as 1) land use, 2) characteristics of the landscape, 3) how close your farm/ranch is to population centers, 4) the types of buildings you have, and 5) your human resource assets.

For more information about evaluating your physical potential for agritourism see pages 20 and 21 of <u>Oklahoma Agritourism</u> and pages 4-14 of <u>Taking the First Step</u>. Also see page 11 of <u>Agritourism in Pennsylvania: An Industry Assessment</u> for general information.

How Do I Market My Agritourism Enterprise?

You may want to consider the following issues when designing your marketing strategy: 1) does your marketing approach emphasize the uniqueness of your product, 2) do you know your customers and have you directed your appeals to the specific types of people that you are targeting, and 3) have you selected an appropriate name? The <u>Direct Farm Marketing and Tourism Handbook</u> (see pages 169 to 174) reminds potential agritourism operators to "avoid creative names that may serve to confuse your customer" and suggests using the owner's name in the business name to create "a more intimate and sincere relationship with the consumer." 4) Have you identified advertising strategies? Most studies show that word of mouth is the most effective way to promote agritourism ventures. Luckily, this is the least expensive way to promote your product as well. But remember, successful word of mouth depends entirely on customer satisfaction. Other effective, low-cost methods include brochures and websites. See also pages 18-25 of <u>Taking the First Step</u> and the AgMRC checklist "Marketing in Agritourism" in this series.

Glossary of Terms

Business Diversification: Increasing the number and variety of products manufactured and sold by a particular business. This can make a business more independent and protect itself from the whims of the market.

Amenities: Non mass-producible assets that make an area a better place to live or visit. Examples include good weather, beautiful scenery, historic buildings, abundant wildlife, etc.

Value-added: Making a product worth more in the market by additional processing or marketing. Examples include turning fruit into jam or marketing the natural landscape to tourists.

References

Taking the First Step. www.nrcs.usda.gov/technical/RESS/altenterprise/FirstSteps.pdf

Oklahoma Agritourism. www.oklahomaagritourism.com/pdf/agritourism resource manual.pdf

 $\begin{tabular}{ll} \textbf{Critical Success Factors.} & \underline{www.uvm.edu/tourismresearch/agtour/publications/Agritourism%20Report.pdf \\ \end{tabular}$

Direct Farm Marketing and Tourism Handbook. www.ag.arizona.edu/arec/pubs/dmkt/directfarmmarket&tourbook.pdf
A Guidebook for Evaluating Enterprise Opportunities. http://www.rpts.tamu.edu/tce/NT/business%20planning.html



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