



Agri-tourism: A New Agricultural Business Enterprise

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Agri-tourism is a business venture located on a working farm, ranch, or agricultural enterprise that provides an “experience” for visitors while generating supplemental income for the owner. Experiences provided to visitors usually take the form of educational or entertainment discovery and learning in a nature or agricultural based environment. For this reason, agri-tourism is also referred to as “agri-entertainment” and “agro-tourism.”

The history of agri-tourism dates back to the late 1800’s when people began leaving the city to come to farms to visit relatives for short stays to escape the city life. After the invention of the automobile in the 1920’s it became easier for people to travel to the rural areas. In the 1930’s and 1940’s, the Great Depression and World War II gave rise to the first significant interest in rural recreation. In the 1960’s and 1970’s horseback riding and farm petting zoos became popular. In the 1980’s and 1990’s, farm vacations, overnight stays at bed and breakfasts, and commercial farm tours became popular. Today, the demand continues to grow for agri-tourism.

Forms of Agri-tourism:

- Horseback riding
- Wildlife viewing & photography
- Fee fishing
- Camping/picnicking
- Fee hunting
- Wagon rides
- School tours
- Garden/nursery tours
- Winery tours
- Agricultural exhibits
- Game preserve
- Skeet shooting
- Exotic farm animals
- On farm sales
- Roadside stand
- Agriculture related crafts
- U-pick operations
- Festivals/fairs
- Petting zoo
- Hunting/working dog trials/training
- Farm/ranch vacations
- B & B’s

- Guest ranch
- Youth camp
- Farmer's market
- Bird watching
- Christmas tree farms
- Guided crop tours
- Hay bale maze
- Corn maze
- Pony rides
- Hiking trails
- Packing trips
- Pumpkin patch

Benefits of Agri-tourism:

Agri-tourism can provide many benefits to the agricultural producer. It can provide:

- Cash flow during the off season.
- Opportunity to sell the “experience” of your agricultural venue.
- Opportunity to sell products grown and harvested in your agricultural operation.
- Opportunity to share your passion of agriculture with others.

Agri-tourism as a Business:

Anyone planning to start an agri-tourism venture should look at the venture as a BUSINESS. First ask yourself, what type of agri-tourism business do I want to operate? Will it be (1) to supplement cash flow (2) earn a profit or (3) provide educational fun and enjoyment to others without making a profit?

Let's look at each option separately. (1) Providing supplemental cash flow during lean months can help agricultural owners meet the demand of payroll and keep competent workers year round. (2) Ventures expecting to make a profit must make sure that expenses are less than the income generated and that profits are sufficient to satisfy the supplemental income needs of the owner and still allow for reinvestment dollars to expand or upgrade the venture for continued growth. (3) Ventures that provide fun and enjoyment to others without the burden of making a profit still require capital to operate and must have cash flow to continue operation even though their mission is not to make a profit. Few people have the dollars to operate entirely for free.

So, where do you begin?

Suggested Steps in Planning Your Agri-Tourism Business

Assess your personality- Are you the type individual who would enjoy agri-tourism? Find out by answering these questions. Do you enjoy people? Are you a good communicator? Are you patient? Are you organized? Can you adapt to change? If the answer to the majority of these

questions was yes, then you are a good candidate for agri-tourism. So, proceed with the rest of the list.

Identify your goals- What are your dreams for your agri-tourism venture? What do you hope to accomplish by opening this business? Are you interested in making a supplemental income, if so, how much money will you need? If you are not interested in supplemental income, are you aware of the cost involved in launching this venture and can you support it from your own funds? Once you have answered these questions, make a time line for reaching your goals. Within what time period do you expect to open your operation? Will it take 1-2 years, 1-3 years, etc? Once you decide, put your goals in writing.

Do a market analysis- Now that you have a clear vision of your goals, it's time to see if there is a market for your agri-tourism venture. How do you do this? There are three ways: hire a marketing firm and pay for the service, consult a local Small Business Development Center and ask if they offer the service, or do it yourself. If the latter is your choice, consult chambers of commerce, tourism boards, and state tourism centers to see what types of agri-tourism ventures are popular in your area. If you are hoping to attract school age children, survey schools to see if they are interested in what you plan to offer. Ask school officials how many classes would come if you had a petting zoo field trip? If similar agri-tourism businesses exist in the area, observe how busy they are and if the owners are approachable, ask for their input.

If you have a computer do some research online. Look at the U.S. Census records to determine the age classifications of people in your market area. The U. S. Census has a quick facts page that provides age classifications at <http://quickfacts.census.gov/qfd/states/00000.html>

The Louisiana Office of Culture, Recreation, and Tourism and the Louisiana Sea Grant College Program at Louisiana State University offer travel resources and economic data on line at: www.latour.lsu.edu

Evaluate your land resources - Do you have sufficient property resources for the venture and parking? Is your venture located near the market you hope to attract? Are directions to your location easy to give? What will you have to change about your property to accommodate your new venture? Will it be affordable? Is it possible to open your business for a trial run without making any major changes or investments?

Assess your financial resources- Will you have the cash you need to begin your venture or will you need to get a loan? Are you willing to borrow the money?

Estimate your time and labor needs – Anyone beginning an agri-tourism venture will need the full support of his or her family. The time and energy needed to run an operation will require work and support from the whole family.

Most agricultural owners already have workers and those workers will need to adjust to new changes. For example, when the cows are not being milked, workers can assist with the field

trips or plant corn for the corn maze. Lots of multi-tasking and learning of new skills will be necessary.

If you cannot run your new agri-tourism venture with the help of your family and existing workers, will you have sufficient funds to hire people? Hiring people affects your bottom line, but if it's the difference between offering a good attraction and charging more, choose charging more. Remember, people want the "experience," so it needs to be a good one.

Identify safety issues- Are you ready for visitors? Is your facility handicapped accessible? Are there plenty of restrooms? Are there hand-washing areas? If not, do you plan to offer hand sanitizers? Are ponds or other dangerous areas fenced off from visitors? If your mode of on farm transportation is wagons, what safety features do they have? Do they have high rails to keep children in? Are there safety barriers to prevent accidents? Are the steps into moving forms of transportation safe and secure? Are people in place to assist visitors who might have difficulty? Is there a plan in place to care for someone who has an accident?

Seek legal assistance- As the owner it is your responsibility to see that your visitors are safe and protected, but accidents happen. To protect yourself legally, from the actions of people employed by you, you might want to consider becoming a limited liability company (LLC). An LLC is a form of business organization that is a "legal person" having one or more members organized and filing articles with the Secretary of State. As an LLC you are removing liability from you personally for others' negligence. Legal issues are complex, and you should consult your local attorney for advice in this matter.

Explore insurance options- We've talked about safety issues, and limited liability companies, now let's discuss insurance. Insurance is a necessity. Be advised that not all companies insure agri-tourism ventures. The best place to start shopping for insurance is with the company that writes your present insurance. Tell them you are planning to expand your operations and will need more coverage and ask for their suggestions.

Market your venture- With your marketing analysis in hand; begin planning your marketing strategy. Where do the people live and work who would like to participate in your agri-tourism venture? How do you reach them with information? Make a budget and consider the following as possibilities: newspaper ads, t v commercials, brochures, flyers, Web site, personal appearances, and word of mouth.

Web sites whether interactive or informational are a great way to publicize your venture. The LSU AgCenter will begin offering E-Business Classes that will help people build their own Web site in the summer of 2008. Call your local LSU AgCenter office for details.

Develop a business plan- Now that you have thought through the process you are ready to formally write the business plan. Many people say, I'm not borrowing money and I know what I want to do, so why do I have to write a business plan? Yes, a business plan allows you to plan out every detail of the operation. It also gives you the opportunity to work with someone and get his input. Even if you don't need the additional funds, it's wise to know whether or not you have a marketable venture.

Free help with business plans are available by contacting Small Business Development Centers. For a Louisiana directory of SBDC log onto: <https://www.lsbdc.org/Default.aspx>

LSU AgCenter offers assistance to agri-tourism business startups:

Starting your new agri-tourism business venture can be overwhelming, but community rural development agents with the LSU AgCenter are available to help people get started. To contact an agent, call your local LSU AgCenter and ask for a member of the CRD Team.

Suggested Online Reading References:

<http://www.naturalresources.msstate.edu/resources/agritourism.html>

This Web site provides links to other states resources in agri-tourism.

<http://www.nrcs.usda.gov/technical/RESS/altenterprise/resmanual.html>

Alternative Enterprises and Agritourism: Farming for Profit and Sustainability Resource Manual –This Resource Manual contains 2,300 pages of reference material. It is divided into 20 chapters and 37 subchapters to guide you to a subject of interest. Among the most interesting parts of this manual are the 200 pages devoted to success stories in agri-tourism.

<http://extension.tennessee.edu/publications/pbfiles/PB1754.pdf>

Agritourism in Focus, A Guide for Tennessee Farmers, Extension PB 1754 from the University of Tennessee has 10 chapters and an appendix that deals with topics of agri-tourism operations. This is an excellent manual to assist people beginning an agri-tourism venture.

<http://www.sare.org/publications/naf2/naf2.pdf>

The *New American Farmer* is available on this website. It contains success stories of on-farm operations.

www.latour.lsu.edu is a Louisiana tourism data Web site maintained by the Louisiana Sea Grant College program at LSU and the Louisiana Office of tourism, Department of Culture, Recreation, and Tourism. The site contains recent statistical data, resource materials such as impact reports, demographic projections, industry trends, and links to various tourism Web sites.

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