

UK COOPERATIVE EXTENSION SERVICE

UNIVERSITY OF KENTUCKY — COLLEGE OF AGRICULTURE

Agritourism

Introduction

Agritourism is any commercial enterprise that combines agriculture and tourism on a working farm, ranch, or other agribusiness operation. Also referred to as “entertainment farming” or “agritainment,” agritourism is a means of diversifying the farm and adding value (i.e. the farm experience) to products already produced on the farm. This is a hospitality business that requires strong public relations skills. It also necessitates the cooperation of the entire farm family and a willingness to take risks.

Agritourism Opportunities

The opportunities for agritourism are virtually endless and can take the form of providing accommodations, entertainment opportunities, educational activities, and/or outdoor recreation. A myriad of farm activities, special events, festivals and demonstrations are possible. Direct agricultural sales opportunities exist in the form of U-pick, roadside stands, farm stores, and food services. In addition to standard fare, on-farm sales can include specialty crops and products, as well as agricultural gift and craft items. Providing visitors with something to see, something to do and something to purchase is a sound strategy.



Examples of agritourism opportunities include:

Accommodations

- Bed and breakfast
- Guest/dude ranch

Educational

- Agricultural tours
- Cultural/heritage tours
- Exotic/domestic animals
- Farm demonstrations
- Historical re-creations
- School tours

Entertainment

- Barn dances
- Festivals
- Petting zoos

Outdoor recreation

- Camping
- Picnic grounds
- Fee fishing/hunting
- Scenic trails
- Horseback riding
- Wagon/sleigh rides

Marketing

The target market will largely be determined by the type of agritourism planned. For example, a bed and breakfast is more likely to attract out-of-town tourists, while hayrides, pumpkin patches and petting zoos will tend to draw local families with children, as well as school tours. Marketing strategies should be directed toward the appropriate target audience. Consulting with

potential customers can help to identify the products, services and recreational activities that are most desirable.





Market Outlook

Tourism is Kentucky's third largest industry, contributing more than 8 billion dollars annually to the state's economy. Agritourism, along with nature-based tourism, average a 30-percent increase annually nationwide, making these the fastest growing segments of the tourism industry.

Business Considerations

Site selection and planning

As with any new business, start small and expand as experience and success dictate. A thorough inventory of your current farm operation and available resources is an essential first step in determining the agritourism opportunities most suited for you and your farm. Begin by listing the crops, livestock, poultry or goods already produced on the farm.

In addition, take into consideration the farm's existing buildings, wildlife, natural landscape features, bodies of water, and proximity to other tourist attractions. An evaluation of resources should also include assessing family member interests, capabilities and limitations.

Consider also the location and size of your farm. The agritourism operation should be easily accessible and have sufficient parking. Because

urban and suburban residents are more likely to visit a farm than rural residents, the farm should be located within a reasonable distance of one or more significant population centers. Nearby cities can provide the new business with large numbers of potential customers.

Once you have evaluated your resources and decided to move forward, it is important to design a business and marketing plan as a guide to developing, and later expanding, your enterprise. Include activities you will start out with, as well as a timetable for adding new enterprises and expanding. You will also need to investigate the local, state and federal laws and regulations that govern the products and services being marketed. Adequate liability insurance protection will be required.

Labor requirements

Labor needs will vary depending on the type of enterprise and its size, as well as the hours and seasons of operation. Family may be able to meet the labor requirements of a small business, while outside labor may be needed for larger businesses. People skills are a must for workers who have direct contact with the public.

Economic Considerations

Startup expenses include the cost of renovations and new construction, liability insurance, advertising, providing restroom facilities, and parking. Additional costs can include various permits, signs and labor. Actual costs will vary depending on the type and size of operation planned, as well as available resources.

Sources of income can include: a per person general entrance fee, fees for extra activities (such as pony rides or tours), and on-farm sales. Fees are often nominally priced, with on-farm sales providing the main means of income. Linking an on-farm experience with something already being produced for sale on the farm is often the most successful strategy for producers to use agritourism to increase farm profitability.

More Information

- Agricultural Tourism (University of California Small Farm Center)

<http://www.sfc.ucdavis.edu/agritourism/agritour.html>

- Alternative Enterprises and Agritourism (USDA)

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

- Considering an Agritainment Enterprise for Georgia? (University of Georgia)

<http://www.agecon.uga.edu/%7Ecaed/Agritainmentpdf.pdf>

- Considerations for Agritourism Development (Cornell University, 2000)

<http://www.smallfarms.cornell.edu/pages/resources/pdfs/agritourconsid.pdf>

- Entertainment Farming and Agri-Tourism Business Management Guide (ATTRA, 2004)

<http://attra.ncat.org/attra-pub/entertainment.html>

- Liability for Visitors to Farm Property, ALS-1002-00 (Ohio State University, 2000)

<http://ohioline.osu.edu/als-fact/1002.html>

- Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resources Evaluation Guide (USDA)

<http://www.nrcs.usda.gov/technical/RESS/altenterprise/FirstSteps.pdf>