

Agritourism

Introduction

Agritourism is any commercial enterprise that combines agriculture and tourism on a working farm, ranch, or other agribusiness operation. The Commonwealth of Kentucky defines agritourism as “The act of visiting a working farm or any agricultural, horticultural, or agribusiness operations for the purpose of enjoyment, education or active involvement in the activities of the farm or 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
- Farm vacations
- Guest/dude ranch
- Retreat centers

Educational/Entertainment

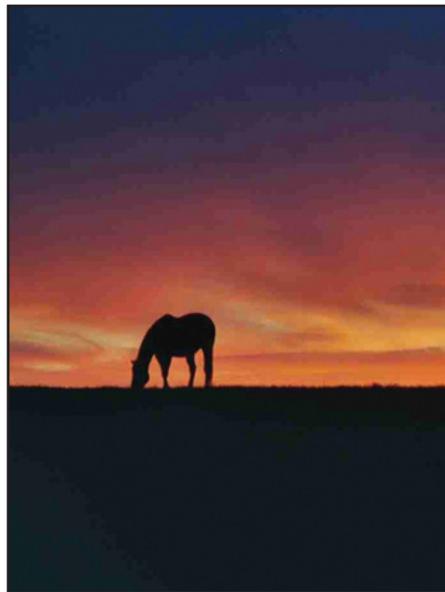
- Agricultural tours
- Barn dances
- Cook-offs/baking contests
- Concerts/musical events
- Cultural/heritage tours
- Exotic/domestic animals
- Farm demonstrations
- Festivals
- Historical re-enactments
- Holiday events (e.g.

Christmas, Halloween)

- Host special occasion events (e.g. weddings)
- Horse farm tours
- Mazes
- Petting zoos
- Winery/distillery tours/events/wine-tasting
- Pony rides
- School tours
- Seasonal festivals

Outdoor recreation

- Bird-watching
- Bonfires
- Camping
- Fee fishing/hunting
- Horseback riding
- Picnic grounds
- Scenic/nature trails
- Wagon/sleigh/hay 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 or surveying potential customers can help to identify the products, services and recreational activities that are most desirable.

The Kentucky Department of Agriculture (KDA) Division of Agritourism has launched a Web site for the purpose of promoting agritourism in the Commonwealth. Agritourism operators can have their business information included in the site's searchable database. Currently there are roughly 300 agritourism and agritourism-affiliate operators in the Farms Are Fun database.

In addition to the database, the KDA will use the registrant's information to create a free Web page accessible from this site. Up to 3 digital images may be included with the business information (business name, contact information, hours of operation, directions, and upcoming events). To register, click on the "Agritourism Business Submission Form" link near the middle of the Kentucky Farms Are Fun home page.

Additional means of advertisement include the use of billboards and other well-placed signage, mass media (newspapers, radio, and TV), and social media (e.g. Facebook, Twitter). Distributing brochures and flyers to schools and business can also help promote your business. Local chambers of commerce, welcome centers, and visitor bureaus can also provide free advertising.

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

Pros and Cons

It is important to examine and weigh all of the pros and cons before entering into any kind of agritourism venture. On the plus side, agritourism can provide supplementary income to the farm business and serve as a means of employing staff beyond the regular growing season. For those who enjoy working with the public, agritourism can be fun and rewarding. It is also an excellent way of promoting crops and value-added products produced on the farm. Agritourism can also strengthen the local economy of the community by drawing more tourists (and their dollars) into the area, as well as providing employment opportunities. However, there can also be challenges to agritourism. Start-up costs, including farm renovations, marketing, and liability insurance, can be high. Operating an agritourism business requires management and marketing skills different from those needed for running the typical farm. A tourism enterprise can require long, labor-intensive hours often focused on weekend and holiday traffic. Even for those with excellent social skills, dealing with the public can be challenging. Finally, agritourism may significantly impact the entire farm family; be sure all members are "on board" before moving forward.

Site selection and planning

Starting small and expanding as experience and success dictate can be an effective strategy for beginning an agritourism enterprise. 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 may 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.

Potential sources of income 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 using agritourism to increase farm profitability. Agritourism operators can link the experience of visiting the farm with a particular product, creating a desire for consumers to consume and

purchase additional farm products even after the agritourism experience is completed.



Selected Resources

- Division of Agritourism (Kentucky Department of Agriculture)

<http://www.kyagr.com/marketing/agritourism/index.htm>

- Kentucky Farms Are Fun (Kentucky Department of Agriculture)
<http://www.kentuckyfarmsarefun.com/index.htm>
- Liability for Visitors to Farm Property (University of Kentucky, 2004)
http://ces.ca.uky.edu/cesrc-files/west/Liability_for_Visitors_to_Farm_Property.pdf
- Marketing Assistance Available for Tourism Businesses in Kentucky (University of Kentucky, 2004)
<http://www.ca.uky.edu/agc/pubs/dev/dev4/dev4.pdf>
- Roadside Farm Markets: Certified Roadside Market Program (Kentucky Farm Bureau)
<https://www.kyfb.com/federation/program-links/roadside-farm-markets/>
- West Kentucky Agritourism
<http://westkyagritourism.com/>
- Agricultural Tourism (University of California Small Farm Center)
<http://www.sfc.ucdavis.edu/agritourism/>
- Agritourism (Virginia Cooperative Extension, 2001)
<http://www.ces.purdue.edu/extbusiness/stories/310-003.pdf>
- Alternative Enterprises and Agritourism: Farming for Profit and Sustainability Resource Manual (USDA-NRCS, 2008) *1.5 MB file*
http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/nrcs143_009322.pdf
- Agritourism in Focus: A Guide for Tennessee Farmers, PB-1754 (University of Tennessee Extension, 2005) *2.7 MB file*
<https://utextension.tennessee.edu/publications/Documents/PB1754.pdf>
- Center for Profitable Agriculture (University of Tennessee)
<http://cpa.utk.edu/>
- Considerations for Agritourism Development (Cornell University, 2000)
<http://nsgl.gso.uri.edu/nysgi/nysgig98001.pdf>
- Considering an Agritainment Enterprise for Georgia? (University of Georgia, 2002)
http://www.agmrc.org/media/cms/Agritainmentpdf_263439021F9DA.pdf
- Direct Marketing (ATTRA, 1999)
<https://attra.ncat.org/attra-pub/summaries/summary.php?pub=263>
- Entertainment Farming and Agri-Tourism (ATTRA, 2004)
<https://attra.ncat.org/attra-pub/summaries/summary.php?pub=264>
- Providing Farm Tours (Alberta, Canada, 2001)
[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agdex1360?opendocument](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agdex1360?opendocument)
- Starting Your Agritourism Venture (North Carolina Department of Agriculture, 2008)
http://www.ncagr.gov/markets/agritourism/documents/Starting_Your_Agritourism_Venture.pdf
- Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resources Evaluation Guide (USDA, 2004)
<ftp://ftp-fc.sc.egov.usda.gov/Economics/AltEnterprise/FirstSteps.pdf>
- Tips for Selling with: Agritourism and “Pick-Your-Own” (ATTRA, 2012)
<https://attra.ncat.org/attra-pub/summaries/summary.php?pub=400>
- Using Alternative Enterprises and Recreational Development to Bolster Farm Incomes (University of Arkansas et al., 2013) *10 MB file*
http://www-stage.ofp.scc.wa.gov/wp-content/uploads/2013/01/rrumley_agritourism-workbook.pdf

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