



Agritourism

**A NEW AGRICULTURAL
business enterprise**





Agritourism Activities

Farm and Ranch Based

Pick-your-own operations
 Pumpkin patches
 Christmas tree farms
 School tours
 Guided crop tours
 Garden/nursery tours
 Mazes (e.g., corn, hay bale)
 Horseback/pony riding
 Wagon rides
 Petting zoos
 Beekeeping
 Farm/ranch stays
 Bed and breakfast
 Winery
 On-farm sales

Outdoor/Ecotourism

Wildlife viewing and photography
 Fee hunting
 Fee fishing
 Hiking trails
 Paddling
 Nature walks
 Camping

Community & Rural

Farmers markets
 Roadside stands
 Value-added products
 Fairs and festivals
 Agricultural exhibits
 Events (weddings, family reunions, company retreats)

Agritourism is a business venture on a working farm, ranch or agricultural enterprise that offers educational and fun experiences for visitors while generating supplemental income for the owner. Visitors participate in friendly “discovery” and learning activities in natural or agricultural settings. Because it blends entertainment and education, agritourism is also known as “agriertainment,” “agritainment” or “agrotourism.”

Agritourism dates back to the late 1800s when city dwellers escaped urban life on short vacations to the farm to visit their relatives. In the 1920s, the growth of automobile travel made it easier for people to head for the country. Rural recreation rose significantly in the 1930s during the Great Depression and in the 1940s following World War II. In the 1960s and 1970s, horseback riding and farm petting zoos became popular. In the 1980s and 1990s, farm vacations, overnight stays at bed and breakfasts and commercial farm tours became popular. Today, demand continues to grow for agritourism.

Benefits of Agritourism

Agritourism can provide many benefits to the agricultural producer:

- Opportunity to generate cash flow during the off-season
- Opportunity to diversify income streams
- 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 and knowledge of agriculture with others

Agritourism as a Business

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

Supplementing cash flow during lean months can help agricultural owners meet the demand of payroll and keep competent workers year-round.

Ventures expecting to **make a profit** must make sure that expenses are less than the income generated and that those 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.

Ventures that provide **fun and enjoyment to others** without making a profit still require capital to operate and must have the 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 Agritourism Business

Assess your personality. Are you an individual who would enjoy becoming an agritourism operator? 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 is yes, you are a good candidate for agritourism.

Identify your SMART goals.

Your goals should be Specific and Measurable. What are your dreams for your agritourism venture? What do you hope to accomplish by opening this business? Your goals should be Attainable and Reasonable. 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 with your own funds? Your goals should be Timely. Make a timeline 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. With a clear vision of your goals, see if there is a market for your agritourism venture. How do you do this? You can (1) hire a marketing firm and pay for the service, (2) consult a local Small Business Development Center and ask if they offer the service or (3) do it yourself.

If you choose the third option, consult chambers of commerce, tourism boards and state tourism centers to see what types of agritourism ventures are popular in your area. If you are hoping to attract school-age children, ask the schools if they are interested in what you plan to offer. For example, ask how many classes would come if you had a petting zoo field trip? If similar agritourism businesses exist in the area, observe how busy they are. If the owners are approachable, ask for their input.

Do some research online, too. 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.

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 online 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. Be realistic. 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? Assessing your financial resources can be difficult. In most cases, it's a good idea to involve other family members and outside professionals to assist you in making that decision.

Estimate your time and labor needs.

Anyone starting an agritourism venture will need the full support of his or her family. A new business takes time, energy and collective effort.

Most agricultural operations already have workers, and those workers will need to adjust. 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 multitasking and learning of new skills will be necessary.

If you cannot run your new agritourism 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 success means offering a good attraction by charging more, choose

charging more. Remember, people want the "experience," so it needs to be a good one.

Identify safety issues and comply with state law.

Are you ready for visitors? Is your facility handicapped accessible? Are there plenty of restrooms? Are there handwashing stations? (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?

In 2008, the Louisiana legislature expanded the limitation of liability found in La R.S. 9:2795 et seq to include limitation of liability for certain agritourism activities: to provide for definitions, to provide for exceptions, to provide for certain warnings and to provide for related matters. These provisions have now been adopted and can be found in La R.S. 9:2795.5.

Seek legal assistance. As the owner, it is your responsibility to see that your visitors are safe and protected. Accidents happen, however. 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 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. Insurance is a necessity. Be advised that not all companies insure agritourism 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. Ask for their suggestions.

Market your venture. With your market analysis in hand, begin planning your marketing strategy. Where do the people live and work who would like to participate in your agritourism venture? How do you reach them with information? Make a budget and consider the following as possibilities: newspaper ads, television commercials, brochures, flyers, website, social media, personal appearances and word of mouth.

Develop a business plan. Once 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?" Business plans offer an opportunity to think through your operation and plan for the perfect as well as the not-so-perfect days when you experience hardships, such as equipment failure or employee problems. After you create the plan, consult with a banker. Even if you don't need the additional funds, it's wise to know whether you have a marketable venture.

Free help with business plans is available from the Louisiana Small Business Development Center. For a directory of SBDC locations, log onto www.lsbdc.org.

Business Startup Help from the LSU AgCenter

Starting your new agritourism business venture can be overwhelming, but community rural development agents with the LSU AgCenter are available to assist. To contact an agent, call your local LSU AgCenter parish office and ask for a member of the CRD Team.

For more information contact:

Tara Smith

Statewide Contact

tsmith@agcenter.lsu.edu

Mobile: 318-557-9501

Suggested Online Reading References

www.nrcs.usda.gov/wps/portal/nrcs/detail/null/?cid=nrcs143_009750
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 agritourism.

<https://extension.tennessee.edu/publications/Documents/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 agritourism operations.

This is an excellent manual to assist people beginning an agritourism venture.

www.sare.org/publications/naf2/naf2.pdf
The *New American Farmer* is available on this Web site. 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.

Article References

Agricultural Tourism Operation Fact Sheets, Small Farm Center, The University of California at Davis, 2006.

<http://sfp.ucdavis.edu/agritourism/factsheets/>

"Agri-Tourism: Selling an Experience" Ag Opportunities Newsletter, November-December (Vol.12, No 3) Bruce Wicks, University of Illinois.
<http://extension.missouri.edu/news/DisplayStory.aspx?N=936>

Agritourism in Focus, A Guide for Tennessee Farmers, Extension PB 1754, University of Tennessee, 2005.

<https://extension.tennessee.edu/publications/Documents/PB1754.pdf>

"Developing Agri-Tourism Attractions," Action Newsletter, Alabama Cooperative Extension Service, J. Thomas Chestnut, Editor, Summer 2006.
<http://www.aces.edu/pubs/docs/A/ACTION-0077/ACTION-0077.pdf>

Individual Source

James R. Hatch, attorney at law, Homer, La.



**SOUTHERN
EXTENSION
RISK MANAGEMENT
EDUCATION**



United States Department of Agriculture
National Institute of Food and Agriculture

Authors: **Maria Bampasidou, Assistant Professor**

Dora Ann Hatch, Area Agent, Community Rural Development (Retired)

William B. Richardson, LSU Vice President for Agriculture,
Louisiana State University Agricultural Center, Louisiana Agricultural Experiment Station,
Louisiana Cooperative Extension Service, LSU College of Agriculture

Pub. AC-5 1M 09/17 rev.

The LSU AgCenter and LSU provide equal opportunities in programs and employment.