

Considering an Agritourism Enterprise?

Part of a How-To Guide for Successful Agritourism Enterprises

Prepared for The University of Georgia's Center for Agribusiness and Economic Development and North Carolina State Cooperative Extension Service's Business Side of Agritourism Program Series. The Primary Investigators on this project were Kent Wolfe, Center for Agribusiness and Economic Development and Gary Bullen, North Carolina State University Cooperative Extension Service.



Funding for this project was provided by grants from SARE and CSREES

An Introduction to Agritourism

Historical Overview

Agritourism – also known as farm tourism, agri-tainment, agricultural tourism, or agrotourism – has a long history in America. In the late 19th century city dwelling families visited farming relatives in an attempt to escape the summer heat in crowded communities. “Country” visits became even more popular in the 1920s when the automobile made it easier to travel. In the 1930s and 1940s country recreation was seen as a way to get away from the stress brought on by the Great Depression and World War II. There was great interest in riding horses, farm animal petting zoos, and general farm related nostalgia during the 1960s and 1970s. This led to farm vacations, dude ranch stays, commercial farm tours, and farm bed and breakfast visits being popularized in the 1980s and 1990s. Because of the generation gap between farm and non-farm families, the demand for a slower paced farm experience has now become the catalyst for farm-based recreation to become an important business. Agritourism has become a tool that has a direct economic impact on farms and the surrounding communities.

What is Agritourism

Agritourism experts still may not agree on a single or unique definition for agritourism. For example, rural tourism is an all-encompassing idea that places any tourism activity in a rural setting under the same umbrella definition (fishing, hunting, eco-tours, hiking, bird watching, etc). Under this definition, rural tourism may not be designed to generate a supplemental income for the farmer, but may be an business venture of travel and tourism professionals.

Farm tourism can be associated directly with agricultural activity on a farm with the idea of offering products for sale that are produced as a direct result of the activity. This may include food and lodging as well as on farm activities. Farm tourism could be actually participating in the agricultural work, farm craft workshops, traditional cooking workshops, or other farm related educational workshops, with tourism being an adjunct activity.

Most definitions of agritourism have a common theme that combines elements of farm life and elements of the tourism industry. The objective of agritourism involves having members of the public come to the farm, with the ultimate goal being to increase farm income by providing fee-based recreation and education to the clients. With proper planning and execution, agritourism is a tool that can have a direct affect on farm income.

One formal definition of agritourism is

An activity, enterprise or business that combines primary elements and characteristics of agriculture and tourism and provides an experience for visitors that stimulates economic activity and impacts both farm and community income.

Although other definitions exist, the fact remains that tourism and entertainment related farm activities have offered a new diversification enterprise to active farm families. Agritourism offers seasonal employment opportunities within a community and new sources of income for farmers. It is a prime direct marketing venue to market a farm experience and to add value to those products sold on the farm. Operators of agritourism venues may need many more products, resulting in new markets and new income by supplying their new farm business with popular products that they don't produce themselves. Agritourism represents a new opportunity for many farm families who seek to continue their farming traditions.

Agritourism activities and enterprises that usually meet the definition are:

| | |
|---|------------------------------|
| Fee hunting and fishing | On-farm bed and breakfasts |
| Agriculture related festivals and fairs | Wineries |
| Farm tours | On-farm petting zoos |
| U-pick vegetables and fruit | On-farm bird watching |
| Horseback riding | On-farm picnic areas |
| Farmers markets | Biking trails |
| Farm vacations | Hiking trails |
| On-farm retail markets | On-farm educational programs |
| On-farm vacations | |

Regardless of the definition, it is important to understand the elements of agritourism that make it more original than other types of tourism. Positive interaction between the agritourism venue operator and the customer is central to the success of the enterprise. An agritourism customer is more than just a number. In this form of tourism, the guest becomes a "member of the family". Agritourism encompasses exposure to and contact with local residents, customs, culture, way of life, and activities in the surroundings (outdoor and special programs). This enables an original experience and a complete adventure.¹

Potential Target Markets

Marketing is essential to the success of the agritourism enterprise. It is critical to determine if there is sufficient demand for the proposed agritourism venue products and services. In targeting a market, the consideration becomes the identification of a sub-segment of the total population that offers the highest potential for visiting an agritourism venue associated with a farming operation. Once identified, the potential for a particular agritourism product or service can be quantified. An example of this might be identifying a prime market of elementary school children. In that same population, a secondary market might be households with children. In other words, a marketing plan should provide a clear and complete view of the market potential for an agritourism venue. Marketing is the mechanism that establishes the planning and execution required to bring customers the agritourism provider. In locating and measuring the potential of a target market, there are four critical goals:

1. Determination and identification of a target audience and their needs and wants.
2. Finding a way to get the target audience to come to the farm.
3. Ensuring that the agritourism venue meets the wants and needs of the target market so that they will spend money on the farm.
4. Providing sufficient education and entertainment so that they will want to come back for another visit.

It is essential that the wants and needs of the target market (the customers) be the focus. Consumer values, needs, and wants will drive their decision to purchase. Consumers will make a purchase decision based on four factors:

1. What communication is required for the consumer to learn about the product or service?
2. How convenient is it to buy the product or service?
3. How much will it cost?
4. Will there be a consumer benefit received from purchasing the product or service?

Key Elements in Identifying Potential Target Markets

Understanding customers wants and needs, properly identifying a target market, evaluating the potential of target market, and implementing effective strategies to attract the target market can be challenging. Effective market planning will ensure a critical

identification, understanding of, and focus on the appropriate target market. An effective market plan must include:

1. Effective research and analysis.
2. Identification of goals and objectives.
3. Determining the appropriate market mix.
4. Establishing a budget.
5. Closely evaluating the market response.
6. Developing a backup plan.

Acknowledgement:

Special thanks to Dr. Kent Wolfe for giving permission to copy and/or adopt information in this resource document from *Agritourism in Focus, A Guide to Tennessee Farmers and other various self-help agritourism articles published by Dr. Wolfe.*

Additional Resources

Agritourism in Focus

A Guide for Tennessee Farmers
University of Tennessee Extension

Agritourism: Turning Small Profits into Big Opportunities

Tennessee Department of Agriculture

The New Farmers' Market

Corum, Rosenzweig & Gibson
New World Publishing

1. Rurialis: The History of Agriculture

Worksheets and Analysis Aids

Various worksheets and analysis tools to assist the decision making process when investigating the variables involved when considering a new Agritourism enterprise can be found in *Agritourism in Focus, A Guide for Tennessee Farmers*, UT Extension PB 1764.