Session Overview

✓ What is agritourism & why does it exist?
✓ Agritourism in Arkansas
✓ Getting started
✓ Resources available
What is Agritourism?

Any enterprise combining elements of agriculture and tourism

- Direct sale of products
- Farm tours
- Special events
- Alternative uses of farmland
- On-farm lodging
- Children’s activities
- Entertainment & activities
- Education museums or demonstrations
Potential Benefits to Farmers

• Increase income
• Identify new customers
• Lose the middle man
• Closer linkages to the nonagricultural business community
• Raise awareness of & appreciation for agricultural production
"When things are going good, we all tend to put on our blinders. A year like this one forces you to re-evaluate the scope of your operation. Many positives come out of a negative year. For example, diversification makes a difference."

Mitch Lazenby
Auburn, AL - 2007
Potential Benefits to Communities

• Increased tax base
• New employment opportunities
• Educational opportunities to public
• Preservation of rural way of life
• Economic development that can’t be outsourced to other countries
Travel Trends
(Travel Industry Association of America)

- Shorter trips & last minute planning
- Desire for new experiences
- Increasing travel by cars
- Strengthen family relationships

Potential Growth in Agritourism
Agritourism in Arkansas
Farms Engaged in Agritourism

(Census of Agriculture)

- 389 farms
- $3.65 million in receipts

**Number of Farms**

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<tbody>
<tr>
<td>Agritourism &amp; Recreational Services</td>
<td>478</td>
<td>268</td>
<td>389</td>
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**Value ($1,000)**

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<tbody>
<tr>
<td>Agritourism &amp; Recreational Services</td>
<td>$3,119</td>
<td>$4,124</td>
<td>$3,653</td>
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Farms Engaged in Agritourism
(Census of Agriculture)

Organization Type

- Family or individual: 75%
- Partnership: 14%
- Family-owned corporation: 8%
- Other corporation: 2%
- Other-cooperative, estate or trust, institutional, etc.: 1%

Community & Economic Development
University of Arkansas System
Strengthening Arkansas Communities
Types of Agritourism
(2009 U of A Division of Agriculture Public Policy Center Study)
Number of Activities
(2009 U of A Division of Agriculture Public Policy Center Study)
Visitors
(2009 U of A Division of Agriculture Public Policy Center Study)

Number of Weekly Visitors

- <25: 29%
- 26-50: 17%
- 51-75: 9%
- 76-100: 8%
- 101-125: 2%
- 126-150: 2%
- 151-175: 0%
- 176-200: 4%
- 201-225: 0%
- 226-250: 3%
- >250: 23%
- Don’t know: 3%
- Refused: 1%
# Hunting v. Non-Hunting Operations

*(2009 U of A Division of Agriculture Public Policy Center Study)*

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<thead>
<tr>
<th>Non-Hunting</th>
<th>Hunting</th>
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<tbody>
<tr>
<td><strong>Average visitor expenditure</strong></td>
<td>$42.54</td>
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<tr>
<td><strong>Average per-farm revenue</strong></td>
<td>$43,641</td>
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<tr>
<td><strong>Average number of weekly visitors</strong></td>
<td>3,343</td>
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<tr>
<td><strong>Average weeks of operation</strong></td>
<td>24</td>
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Arkansas
Getting Started
Initial Considerations

- Family goals & preferences
- Are you willing to give up some privacy?
- Are you willing to adopt new practices to make visitors feel welcome?
- Creativity is key
- Brainstorm ideas that fit your goals, resources & lifestyle
Current Activities

• What are you doing now that you can build upon?
  – Animals & livestock
  – Production practices
  – Processing of products
  – Potential end uses of products
Land & Property

• Land use
  – Unused land or land used only seasonally?
  – Existing structures for alternative purposes?

• Property attributes
  – Ponds, wooded areas, scenic vistas or other special features?
  – Wildlife
  – Historical structures or equipment
Location

• Nearby population centers
• Proximity to other tourist attractions or events
• Roads & access to property
• Neighbors interested in developing complementary enterprises
Time & Labor

• How much time can you commit to agritourism?
• Are family members willing to help?
• Neighbors & friends
• Students
• Retirees
• Other potential employees
Business Plan

- Executive summary
- Financial proposal
- Business description
- Industry analysis
- Products & services
- Market analysis
- Management & organization
- Operational plan
- Financial plan & projections
- Supporting documents
Financial Planning

• Start with small, low-cost activities
  – Generate revenue for expansion
  – Determine whether you enjoy it

• Do your homework
  – Estimate break-even points
  – Charge appropriately
Financing

• Loans
  – Well thought-out & professional business plan
  – Educate your lender

• Grants
  – Very specific program focus
  – Limitations on how funds can be used
  – Highly competitive
  – Examples - USDA Rural Development, USDA Agriculture Marketing Service, Southern SARE
Customer Service & Hospitality

• First & last impressions
  – Can customers find you?
  – Treating customers as guests
  – Positive attitude, smiles & interaction
  – Trained employees
  – Appearance & safety
  – What’s the last thing customers see?

• Customer’s PERCEIVED value is all that matters

• Evaluate yourself
Today’s Digital Age

- Computers
- Tablets
- Smartphones
- Cellphones
- Digital billboards
- Gaming

How are you using the Internet?
Keys to Success

- Choose something you can be passionate about
- Enlist in a support system of family & friends
- Consider what customers will want
- Start small

- Create a quality experience or product
- Do your homework & stay informed about industry
- Establish networks & partnerships
- Create a business plan
Resources Available

• Arkansas Agritourism Initiative
  – www.uaex.edu
    • mary.osteen@arkansas.gov or 501-682-7602

• Small Business Technology & Development Center (http://asbtdc.org/)
YOU’RE INVITED!
AR LOCAL FOOD MEETUPS

Who should attend?
• Producers
• Cooperative or farmers market managers
• Restaurateurs, caterers, grocers, retail buyers
• Institutional buyers
• Technical assistance providers
• Transporters, distributors, aggregators

Locations
• North Little Rock - JULY 6
• Hope - JULY 7
• Jonesboro - JULY 12
• Fayetteville - JULY 14
• Monticello - AUGUST 9
• All locations: 9:30 am-3:30 pm

Details & registration info:
www.uaex.edu/local-foods
Thank You

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