Extra Income through Agritourism

Stacey McCullough
Outdoor Business Workshop for Landowners
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What is Agritourism?

Any enterprise combining elements of agriculture and tourism

- Direct sale of products
- Special events
- Alternative uses of farmland
- Farm tours
- 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
Research on Agritourism
(2005 Farm Market Annual Survey)

• More likely to see an increase in net income
• Most operations charge, but pricing structure varies
• On average, higher number of employees
• More likely to preserve & use historical/cultural/heritage practices
• Recreational tourism & special events most commonly cited diversification strategy
Visits & Characteristics
(National Survey on Recreation and the Environment, 2005-08)

• 71.3 million people visited farms or agricultural settings
  – 27.6% of population
  – 20.2% increase from 1999-2001
  – Excludes school groups
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
(2007 Census of Agriculture)

- 268 farms
- $4.1 million in receipts
Reasons for Engaging in Agritourism
(2009 U of A Division of Agriculture Public Policy Center Study)

- Supplement income: 32%
- Teach visitors about farm heritage: 17%
- Enjoy working with people: 26%
- Eco-friendly nature of activities: 20%
- Other: 5%
Distribution Based on Receipts
(2009 U of A Division of Agriculture Public Policy Center Study)

Total Annual Farm Sales

- No Income: 7%
- < $10,000: 19%
- $10,000 - $49,999: 28%
- $50,000 - $99,999: 10%
- $100,000 - $249,999: 13%
- $250,000 - $999,999: 13%
- > $250,000: 13%
- Don't Know: 18%
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)
Types of Visitors
(2009 U of A Division of Agriculture Public Policy Center Study)
Expenditures
(2009 U of A Division of Agriculture Public Policy Center Study)
## Hunting v. Non-Hunting Operations

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

### Non-Hunting

- **Average visitor expenditure**: $42.54 76
- **Average per-farm revenue**: $43,641 78
- **Average number of weekly visitors**: 3,343 79
- **Average weeks of operation**: 24 82

### Hunting

- **Average visitor expenditure**: $423.00 17
- **Average per-farm revenue**: $213,936 17
- **Average number of weekly visitors**: 747 16
- **Average weeks of operation**: 19 17
Planning Considerations

• Personal assessment
  – What are your goals for the farm?
  – Are you willing to give up privacy?
  – Do you enjoy people?

• Tourism potential
  – What features of land and operation might appeal to the public?
  – What other attractions are nearby?
Planning Considerations

• Business planning
  – Business description
  – Management and staffing
  – Market analysis
  – Advertising and marketing
  – Financial plan
Planning Considerations

• Risk management
  – Laws and regulations
  – Insurance and liability
  – Safety plans

• Customer service
  – Professionalism
  – Appearance
  – Making visitors comfortable
  – Assessing satisfaction
Issues of Concern
(2009 U of A Division of Agriculture Public Policy Center Study)
Arkansas Agritourism Initiative

http://www.facebook.com/arkagritourism

- Training events
- Resource publications
- Web and social media
- On-farm consultations
- www.uaex.edu