

Agritourism Planning Considerations

Stacey McCullough

SWREC Horticulture Field Day

June 16, 2016



Session Overview

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



What is Agritourism?

Direct sale of
products

Farm tours

Special events

Alternative uses of
farmland

Any enterprise combining elements of
agriculture and tourism

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)

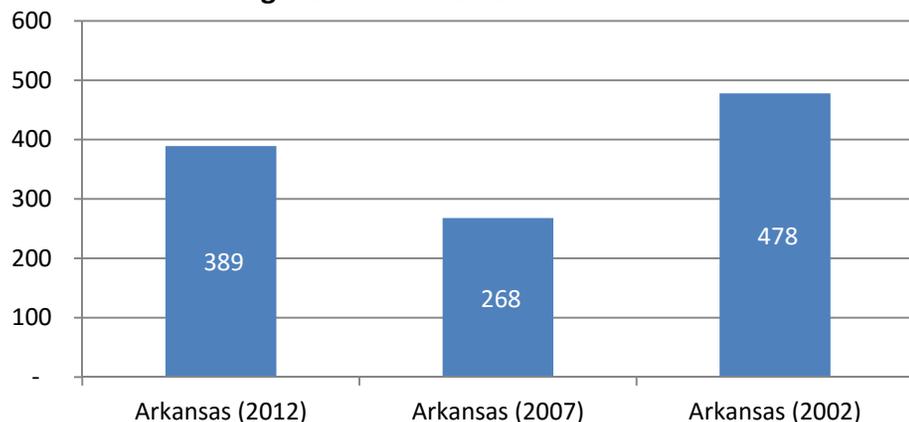




Farms Engaged in Agritourism

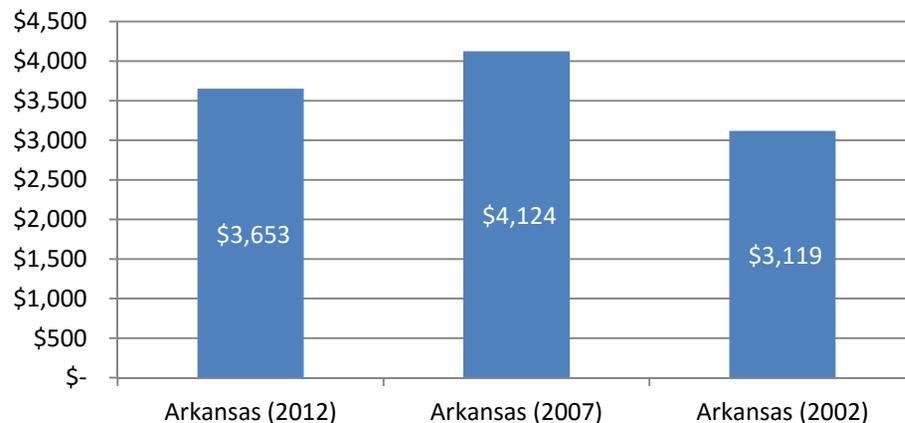
(Census of Agriculture)

Number of Farms
Agritourism & Recreational Services



- 389 farms
- \$3.65 million in receipts

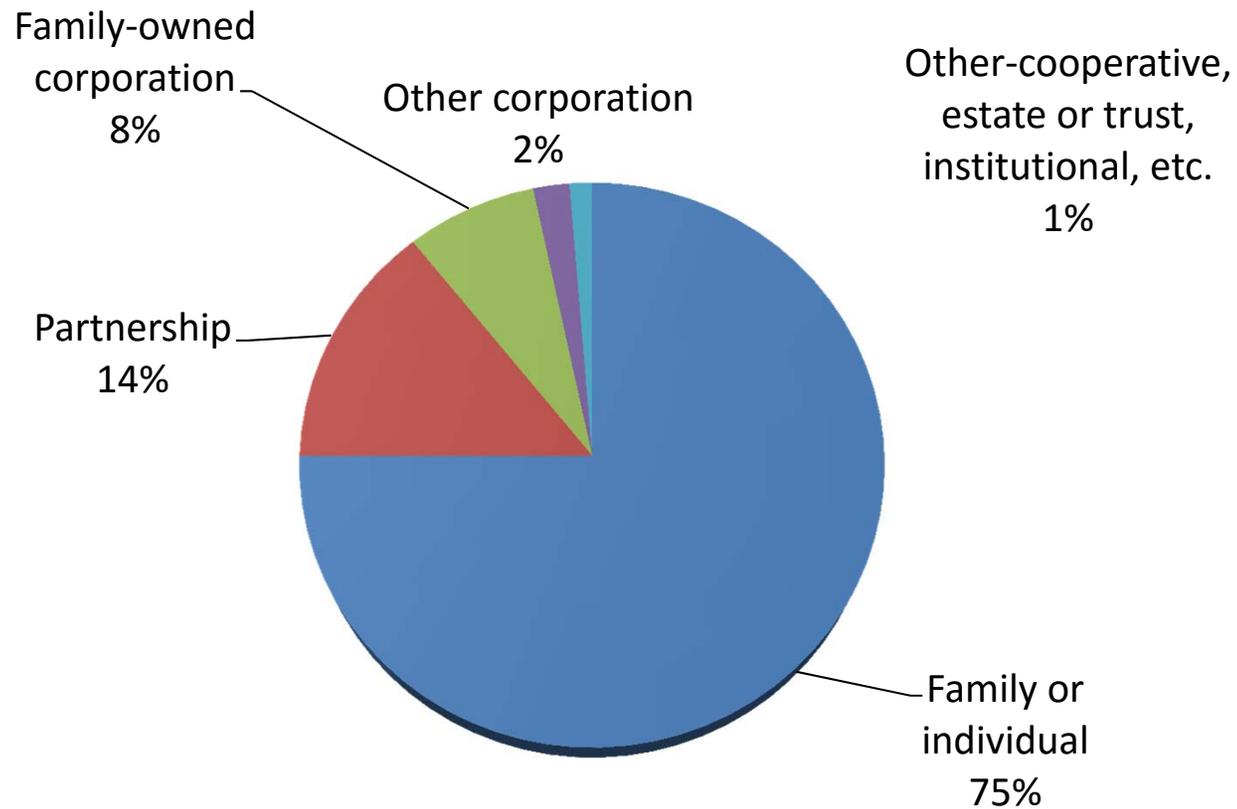
Value (\$1,000)
Agritourism & Recreational Services



Farms Engaged in Agritourism

(Census of Agriculture)

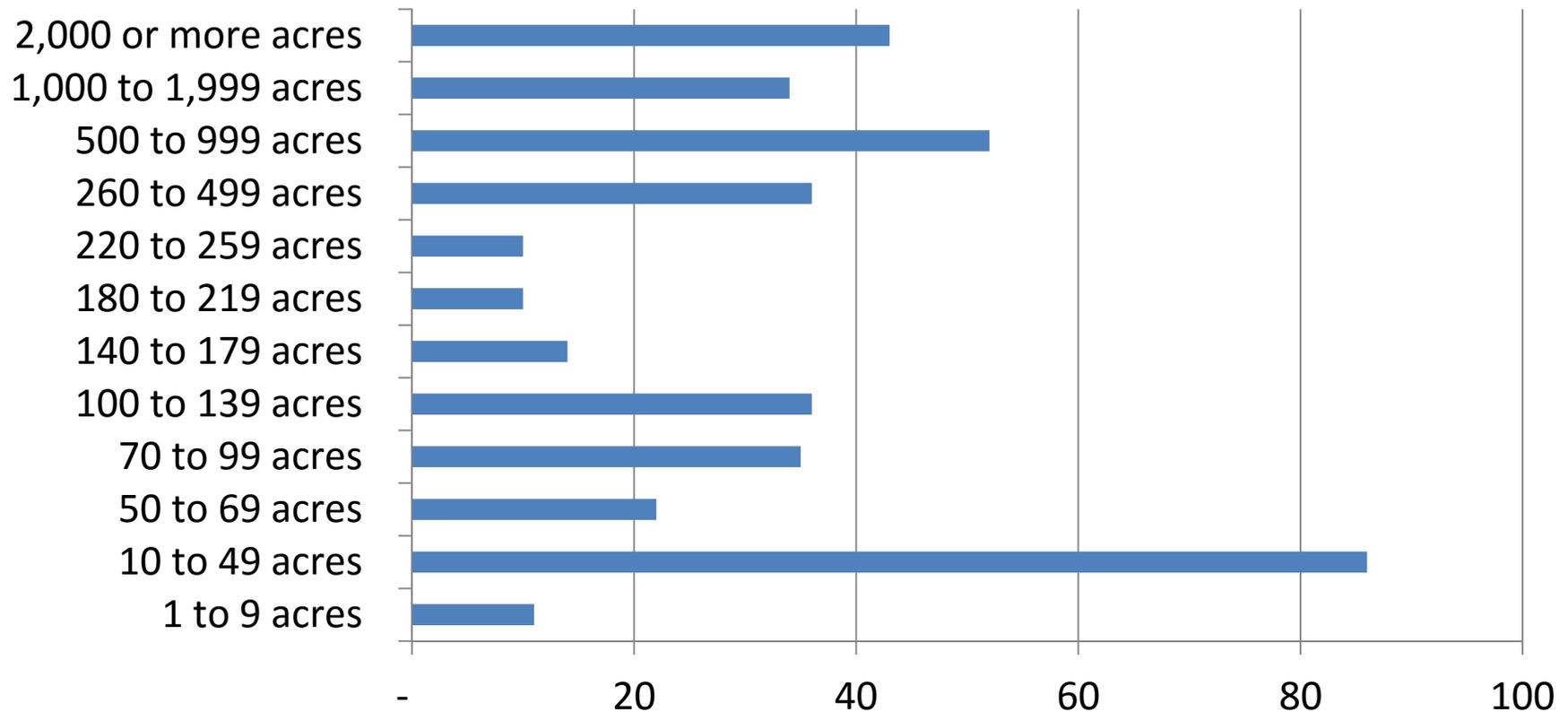
Organization Type



Farms Engaged in Agritourism

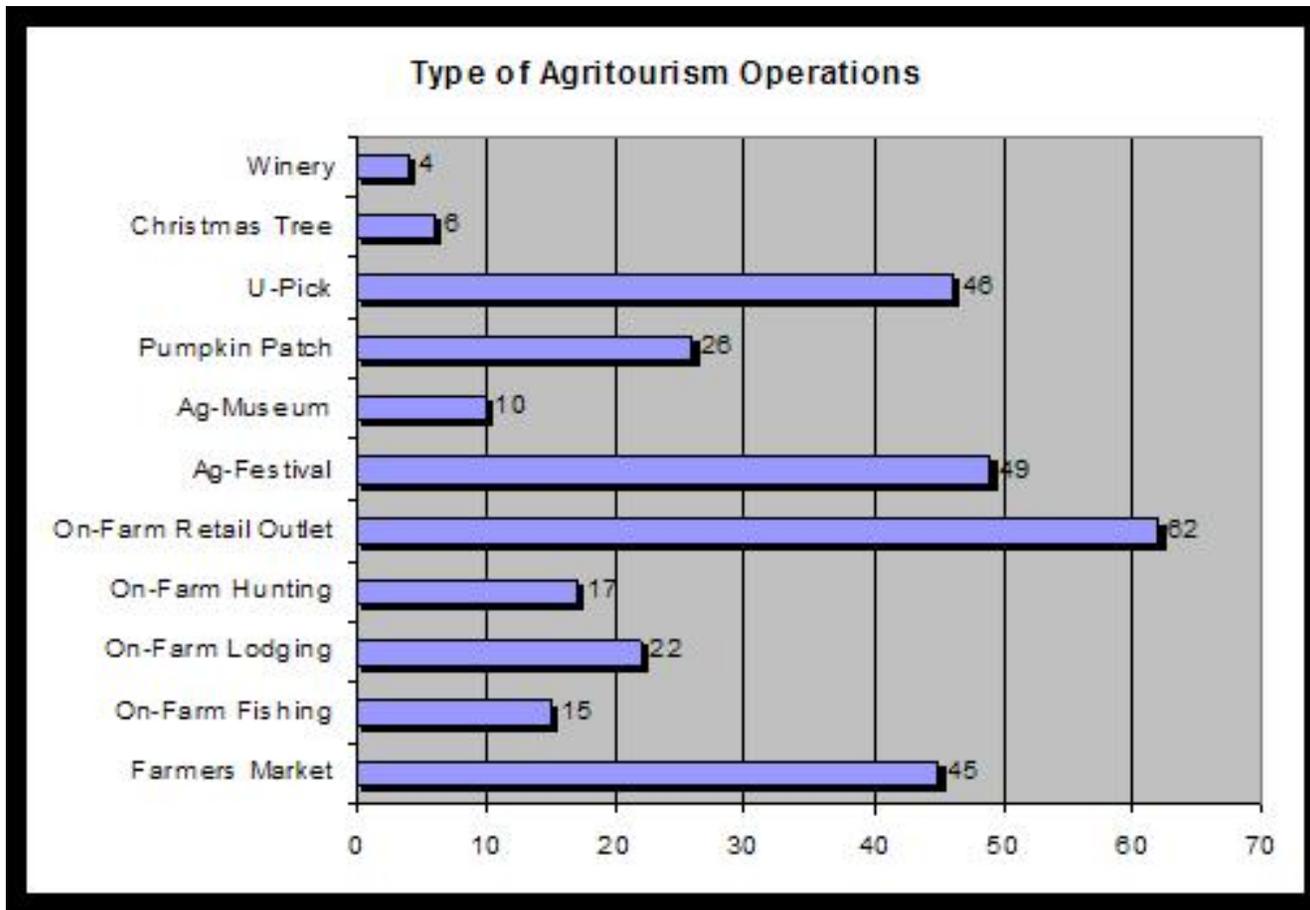
(Census of Agriculture)

Number of farms



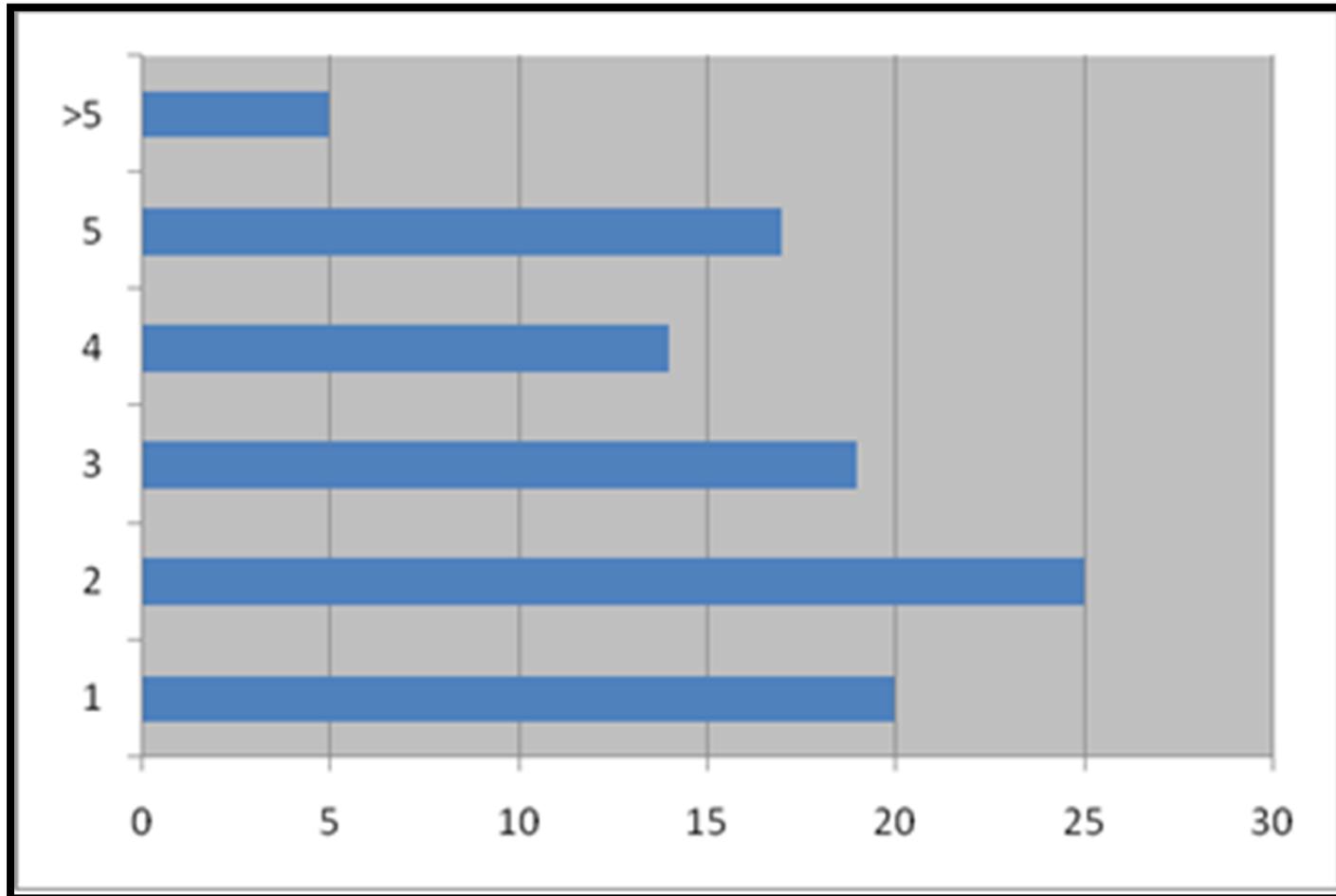
Types of Agritourism

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



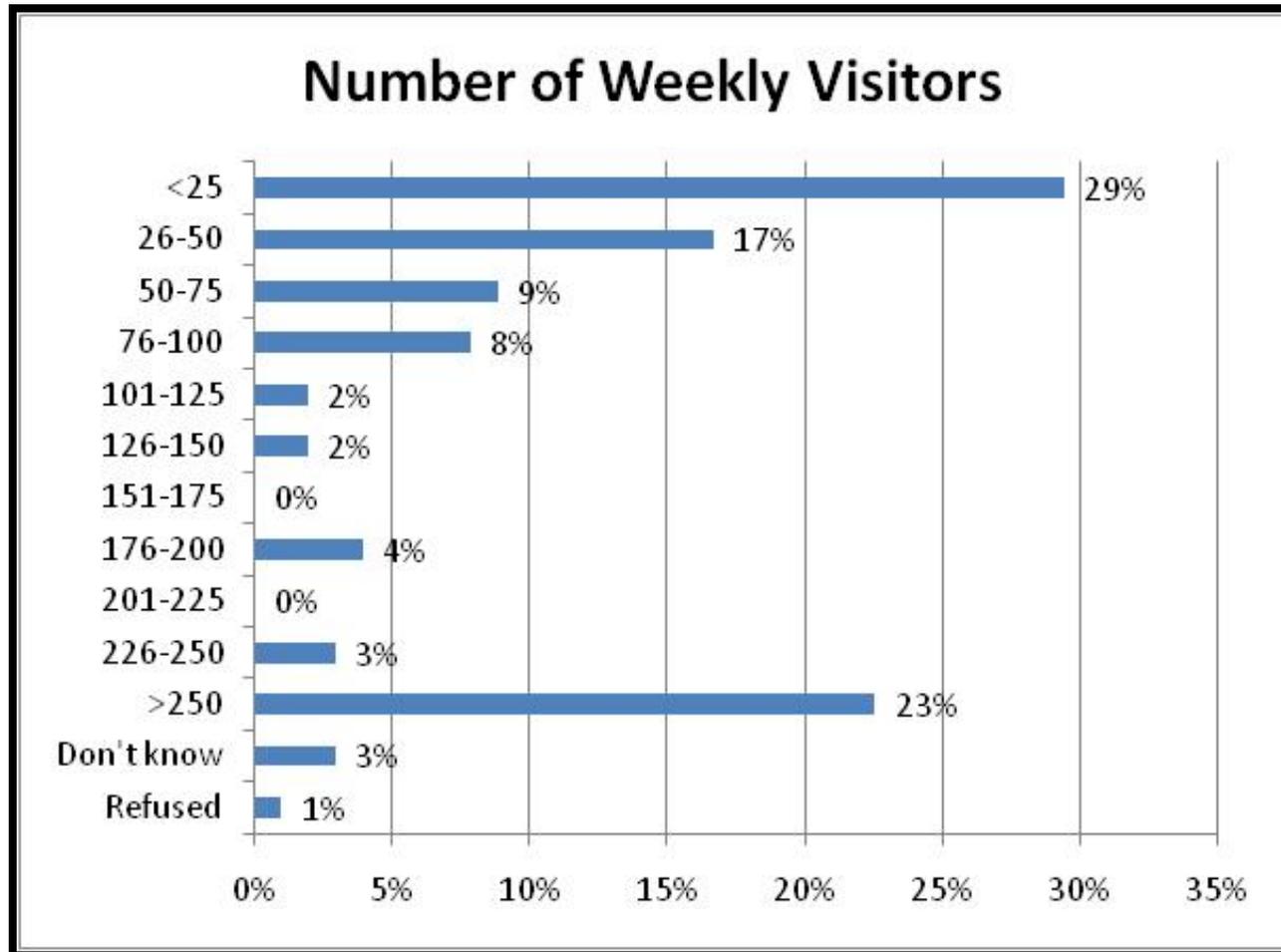
Number of Activities

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



Visitors

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



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



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



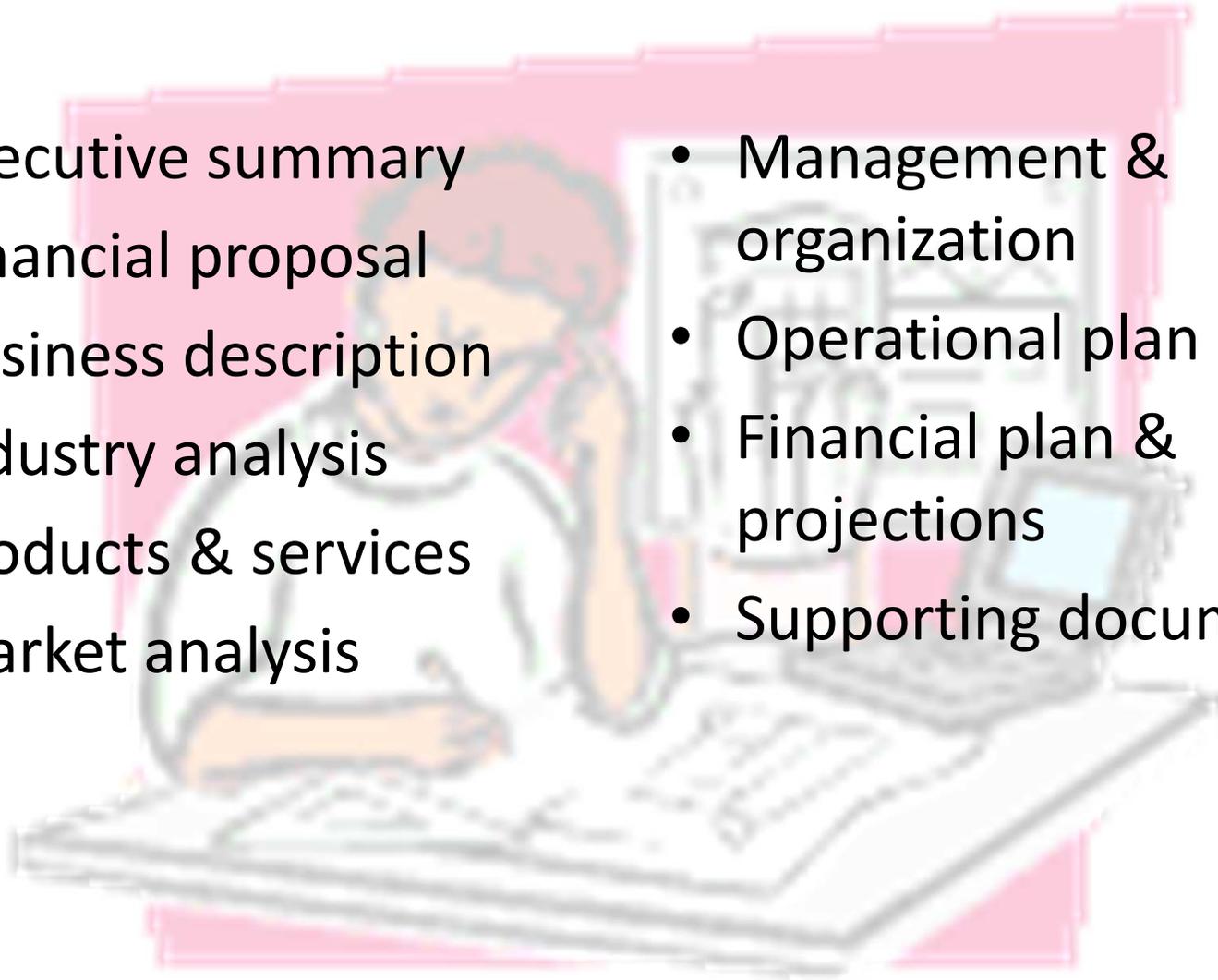
Time & Labor

- 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



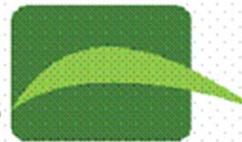
- Create a quality experience or product
- Do your homework & stay informed about industry
- Establish networks & partnerships
- Create a business plan

Resources Available

- Arkansas Agritourism Initiative
 - www.uaex.edu
 - <http://www.arkansas.com/things-to-do/agritourism>
 - mary.osteen@arkansas.gov or 501-682-7602
 - <http://nationalaglawcenter.org/research-by-topic/agritourism-2/>
- Small Business Technology & Development Center (<http://asbtcd.org/>)



ARKANSAS
AGRICULTURE
DEPARTMENT



WINTHROP
ROCKEFELLER
INSTITUTE
UNIVERSITY OF ARKANSAS SYSTEM



UofA DIVISION OF AGRICULTURE
RESEARCH & EXTENSION
University of Arkansas System

Community & Economic Development
Strengthening Arkansas Communities

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

Stacey McCullough

Assistant Director-Community & Economic
Development

smccullough@uaex.edu; (501) 671-2078
