



AGRICULTURAL TOURISM & RURAL DEVELOPMENT

Developing Value-Added Farm and Ranch Resources to Diversify Operations Beyond Agricultural Production

BY STEVEN W. BURR

Many of America's farmers and ranchers have been struggling economically to continue to make their operations viable due to variable prices for agricultural products, fickle markets, changing environmental conditions, and global competition. For agricultural operators experiencing these challenging times, employing an entrepreneurial approach to diversify operations beyond agricultural production, especially related to the development of farm or ranch resources for agricultural tourism or agritourism, can be beneficial. There has been a growing interest among tourists in experiencing the activities of the farm or ranch for agritourism (Burr, 2009), and this is growing nationwide as ag-operators in many states offer a variety of activities and experiences to a visiting public as a way to diversify operations and increase profits (Brown, et al., 2007).

Agricultural entrepreneurs are diversifying their enterprises, and adding value and income by producing for specialty or niche markets, and providing services or experiences for a visiting public. Such strategies are giving some producers a competitive advantage in today's marketplace. Value can be added to various agriculture products produced and sold to increase profit potential through specialized production, packaging, and marketing, such as producing and marketing specialty items—jams, salsas, cheese, honey, cider, wines. Value-added is also providing various services or experiences with a particular prod-

uct or mode of production, such as direct sales involving "Pick Your Own," farmers markets and roadside stands, and agricultural festivals and special events. Value can also be added by providing various activities and experiences of interest to visitors. Ag-operators can develop agricultural, natural, and heritage resources for outdoor recreation, tourism, and educational opportunities.

"Agritourism includes any income-generating activity conducted on a working farm or ranch for the enjoyment and education of visitors. It includes the interpretation of the natural, cultural, historical, and environmental assets of the land and people working on it" (George et al., 2008). Many ag-operators have amenity resources people value, and can offer opportunities for a diversity of tourism, recreation, and learning experiences. For the visitor, agritourism can be active involvement in a variety of activities and experiences, through actual overnight accommodations on a farm or ranch, such as a dude or guest ranch or bed and breakfast, through heritage and cultural programs, hunting and fishing activities, horseback riding or horse packing, or other guided trips. Agritourism merges the world of travel with experiences of farming, ranching, and our agricultural system, and lets the traveling public interact directly with farm or ranch families and workers, and experience a variety of agriculturally related activities and experiences.

Steven W. Burr is an associate professor of Recreation Resources Management, director of the Institute for Outdoor Recreation and Tourism, and an Extension specialist in Outdoor Recreation and Tourism at Utah State University.

BEST MANAGEMENT PRACTICES FOR AN AGRITOURISM BUSINESS INCLUDE:

1. Providing an authentic farm or ranch experience.
2. Providing an educational experience.
3. Providing excellent customer service.
4. Providing adequate public facilities.
5. Maintaining a safe and accessible environment.
6. Creating good community relations.
7. Planning a sound financial future (Burr, et al., 2010).



Outdoor recreation remains among the top purposes for leisure travel in the U.S., and simple healthy, outdoor activities such as hiking, biking, camping, or wildlife viewing generate enormous economic power and fuel a far-reaching “ripple effect” that touches many of the nation’s economic sectors.

Nature tourists spend time and money to experience nature and the outdoors and to learn more about a particular destination with a concern for minimum impact and sustainability. Agritourism operators can cultivate the outdoor recreation and nature tourism market’s potential by offering opportunities for a variety of activities and experiences, by restoring wildlife habitat and protecting riparian areas and wetlands, and by creating favorable conditions for songbirds and other wildlife. Activities for nature tourists may include: bird and wildlife observation; festivals and special events; interpretive signs, stations, waysides, and trails for wildlife viewing; and other educational programs.

Cultural heritage tourists are attracted to areas rich in significant cultural and heritage resources worthy of protection. These tourists spend time and money to experience and enjoy local culture and heritage, and learn more about a particular destination. Agritourism operators can cultivate the cultural heritage tourism market’s potential by offering opportunities for a variety of cultural and heritage activities and experiences, by preserving cultural and heritage resources, and by telling the story—revealing the meaning and relationships of cultural heritage through first-hand involvement with objects and artifacts, heritage sites, and landscapes. Cultural heritage tourism activities may include: festivals and special events; guided interpretive tours that share traditions and history; living history presentations; museums; arts and crafts; music, song, and dance; ethnic foods; historic buildings and architecture; driving tours; and many other activities.

For every agritourism success story, there is at least one counter-story of a farmer or rancher who got out of agritourism because it was not profitable or was too challenging (Burr et al., 2010). The development of agritourism is not without challenges, as issues related to zoning, permitting, environmental health and food regulations, visitor safety, and liability and insurance often act as constraints to the

successful development of tourism resources for an ag-operator. Farmers and ranchers often become “frustrated and overwhelmed with their county’s policies and procedures, and the expenses related to initiating or expanding an agritourism enterprise on their farm or ranch” (Rilla et al., 2011, p. 61). Additional challenges relate to the development of a sound business plan incorporating agritourism activities, effective marketing and management, and taking a community and regional development approach. Although agritourism has great potential for farmers and ranchers seeking to generate additional revenue, capitalize on underused assets, and educate the public, it is not a “magic bullet” and not all agritourism ventures have succeeded.

In agritourism, the farm or ranch is often the “face of farming and ranching” in the community, region, or state, and it is often advantageous to understand what aspects of agriculture other local agricultural, tourism, and marketing organizations emphasize in a region so that the ag-operator can develop a “niche” in coordination with other farms, ranches, and attractions nearby.

Customer service should be an integral part of agritourism business planning, and involves training staff to interact with customers in an appropriate way that will ensure a safe and high quality experience for customers. Quality customer service assures customers will return and tell other potential customers about the agritourism business, great word-of-mouth marketing. The farm or ranch needs to have sufficient capacity (staff and infrastructure) to provide basic services such as parking, transportation, signage, and customer assistance, and in order to maintain a safe and customer-friendly business, the provision of services and facilities such as restrooms. The property and facilities need to be maintained and be in compliance with zoning, health, and environmental regulations, and it becomes useful as well to develop a risk management plan.

To create good community relations, it is important to regularly provide opportunities for organized groups and individuals in the local community to visit the property and experience the agritourism product, activities, and experiences offered. This activity can also assist with marketing efforts. Regular review of a business plan and appropriately adding value (price) to all farm or ranch services, products,

and experiences will provide for the long-term sustainability of the agritourism business.

Some critical elements for agritourism operators are a sincere interest in visitors and a willingness to spend time with them, an outgoing personality with lots of patience and perseverance, sufficient land and water resources in an attractive setting, and supporting services and infrastructure. Additionally, agritourism operators need capital finances for start-up and conversion costs, good organizational skills, an accessible location to nearby populations and markets, and strong spousal and family support and involvement. Other considerations include liability and risk management, adoption of county and state health and safety codes and regulations, developing a sound business plan, starting small and then building the agritourism business over time, and marketing assistance by collaborating with local, regional, and state destination marketing organizations.

As an opportunity for expanding business and economic impact in a community, it may also be possible for agritourism operators to band together with other businesses to develop and market overnight get-away packages. It is even possible for a group of communities to work together to market agritourism products, activities, and experiences in their area or region.

In working with community stakeholders interested in agritourism development, one useful approach is an active collaborative learning process focusing on three inter-related arenas: community engagement, resource identification and management, and small business development/entrepreneurship.

Community engagement involves stakeholder identification of values related to the rural way of life, which in turn leads to determining a common community vision, and the role agritourism development plays in achieving that vision. Resource identification and management is initiated by a stakeholder inventory and assessment of resources, such as particular features, sites, events, and locations that currently exist or have the potential as tourist attractions and destinations. Once identified, management involves resource protection and stewardship, development and marketing, and visitor management. New opportunities for small business entrepreneurs associated with tourism products and services can be identified and marketed.

These three arenas provide an organizing framework for sustainable community tourism development, a part of which is agritourism development. Leadership, partnerships, and collaborative planning are key organizing principles that assure long-term success in tourism development, as is wise stewardship of resources, all of which contribute to enhancing the sustainability of rural community life.

Although agritourism development may not be an economic panacea for all ag-operators, it can be a vital strategy for diversifying and boosting profits, especially for smaller farms and ranches. Such efforts not only contribute to enabling ag-operators to diversify operations beyond agricultural production into agritourism, but also contribute to overall rural community development. ●

References

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RECOMMENDED READING

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