



AGRITOURISM BEST PRACTICES

Assessing Your Farm for Agritourism



Agritourism activities are becoming an important component of many farm operations. These activities have the potential to increase farm revenues and maintain the sustainability of the industry. According the U.S. Department of Agriculture National Agricultural Statistic Service, in 2012, 33,161 farms nationwide reported that they received farm income from agritourism and recreation activities. In Vermont, 155 farms reported that they offer agritourism services.

Although agritourism may offer an opportunity for farmers to increase on-farm revenue, these activities are not well suited for every farm or farmer. Before starting an agritourism operation, it is recommended that farmers spend some time assessing the potential that these activities have for their operation. This chapter will help you take stock of your resources and determine if getting involved in agritourism is a good choice for you.

What's Inside?

- Take Stock of Your Resources
- Assess Your Goals
- Assess Your Resources and Resource Needs
- Keys to Agritourism Success

Guests dine at Hollister Hill Farm B&B, Marshfield, VT.

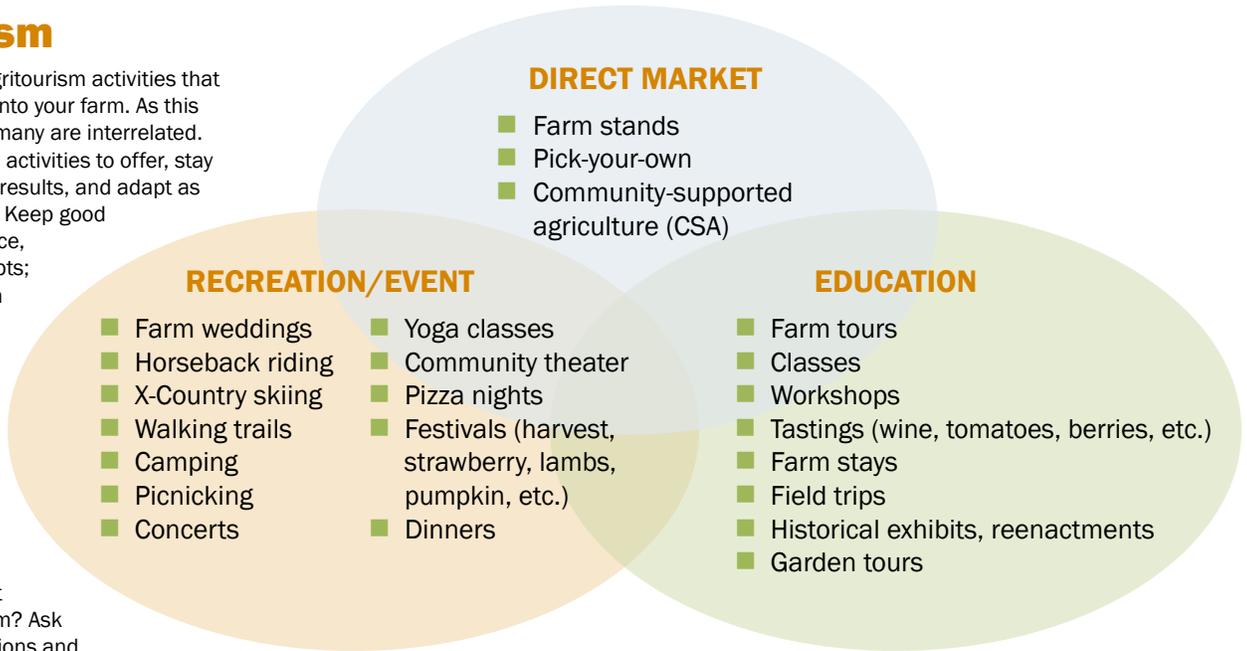
Agritourism Defined

The State of Vermont does not have a commonly accepted definition for agritourism, but many groups use this:

Agritourism is the business of establishing farms as destinations for education, recreation, and the purchase of farm products. A farm visitor could be from a city far away, or a neighboring town. Examples of agritourism include farm tours, tastings, dinners-in-the-field, farm stays, workshops, festivals, and the direct sale of products through "pick-your-own," community-supported agriculture, and many other avenues. Agritourism activities connect visitors to Vermont's iconic working landscape.

Agritourism

A small sample of agritourism activities that you might integrate into your farm. As this diagram illustrates, many are interrelated. As you choose which activities to offer, stay flexible, assess your results, and adapt as you gain experience. Keep good records on attendance, expenses, and receipts; how customers learn about you, and, of course, your overall well-being. Do your programs help you reach one of your farm's goals? What do you most enjoy about guests, and what do guests most enjoy about your farm? Ask yourself these questions and more as you plan for visitors.



Take Stock of Your Resources

Agritourism activities are dramatically different than most traditional farming responsibilities. Customers who visit your farm may want to participate in various activities, such as harvesting crops, hiking, hayrides, feeding animals, and many others. These customers often do not come from a farming background and will ask many questions that may seem trivial about daily farm activities.

A successful agritourism farmer must be willing to share information about the farm and spend the time to make customers feel welcome. The ideal agritourism host requires many of the same personality traits that make a good host at any tourist attraction or kind of service industry. It is important that farmers critically evaluate their personality type before developing an agritourism operation.

Some important questions that you should ask yourself:

- Do you enjoy entertaining guests?
- Do you like crowds?
- Will you enjoy having people visit your farm?
- Can you create a warm, safe, and inviting atmosphere for people visiting your farm?
- Can you manage the additional business responsibilities associated with an agritourism operation (including marketing, employee management, and customer relations)?
- Are you willing to create the ideal “experience” for your customers?
- Are you willing to work and “entertain” visitors on weekends, evenings, and holidays, when they are most often available to come to your farm?

Why Do Farmers Offer Agritourism?

Farms engage with “multifunctional agriculture” (including agritourism, value added production, and direct and intermediary sales) so that they could promote farmers’ connections with customers, increase farm revenue, promote local farm scenery, and provide an educational channel.

— Kathleen Liang, University of Vermont
Based on 2007 agricultural census

If you answered “no” to many of these questions, perhaps an agritourism enterprise does not fit your personality type. If you answered “yes” to many of them, agritourism may be a viable option for your farm. It is important to remember that successful agritourism operations focus on creating an enjoyable experience for visitors. If your personality does not fit well, perhaps another family member or an employee may be better suited for this role.

Assess Your Goals

It is critical to set realistic goals for your operation. Depending on your situation, these goals can vary greatly. Some examples:

- Earning additional farm revenue
- Starting a new career
- Expanding opportunities for family members to work on the farm
- Educating the community

Regardless of the motivation for starting an agritourism operation, it is important to develop both long-term goals and short-term objectives. Setting realistic goals will assist you in making important decisions regarding your operation. As in

any business, these goals may take a variety of forms. For example, one may have a goal to retire, requiring a 50% increase in farm sales. This long-term goal should help to establish short-term objectives, or plan small steps that may help to reach this goal. Setting attainable objectives will help to establish a strategic direction for your operation. In the above example, you may have a long-term goal to

increase on-farm sales by 50%, but a short-term objective may be to incorporate a farm stand in order to enhance sales. The farm stand by itself, however, may not meet the 50% goal but may enhance sales by only 20%. Thus having multiple short-term objectives will increase the likelihood of reaching your long-term goal and can serve as targets to track your progress.

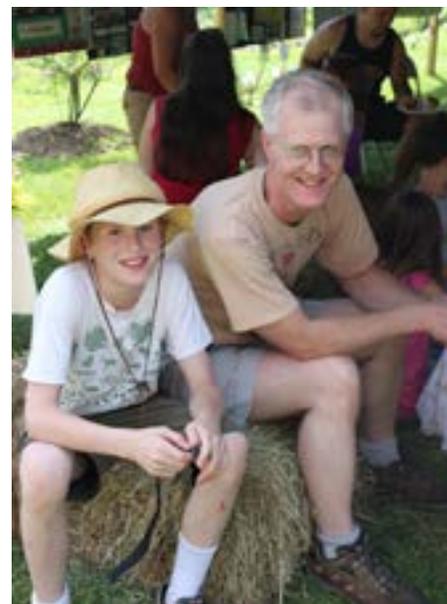
“Opening up your farm to guests is not easy. You are basically opening your home to strangers. Safety and customer service have to be priority.”

— Kevin McNaught, Trevin Farms
Sudbury, VT

Where to Start?

Here are 10 steps that will guide the growth of your agritourism business. Consider moving from 1 to 10 over a period of 1 to 2 years.

- 1. Take stock of your resources.**
- 2. Get informed.** Attend conferences and workshops, talk with farmers nearby, and peruse websites such as the [VT Agritourism Collaborative website](#).
- 3. Find out what other entrepreneurs are doing.** Talk to neighbors and other entrepreneurs about their businesses. Visit businesses in your own and neighboring areas.
- 4. Consult potential customers.** Ask your relatives, friends, and neighbors about the products or services you are thinking of providing through your new enterprise. Are they interested?
- 5. Research the market** to identify products and services needed or wanted.
- 6. Network.** Join the [Farm-Based Education Network](#) and the Vermont Farms! list serve.
- 7. Connect** with cooperative extension agents and other state resources, tourism professionals, and small business development centers.
- 8. Develop a business and marketing plan.** Get tips on agritourism business planning from the “Business and Financial Planning” chapter in this series, and from the [VT Agritourism Collaborative website](#).
- 9. Create a financial plan.** Decide how you will finance your business. Look to the [University of Vermont New Farmer Project](#) for resources on accessing capital.
- 10. Start small,** learn from your experiences, adapt, and expand when appropriate.



Visitors enjoy the annual Strawberry Festival at Cedar Circle Farm, East Thetford, VT.

“Together with colleagues in the Floating Bridge Food and Farms Cooperative, we see widespread hunger for hands-on farm experiences as well as food. [At Green Mountain Girls Farm], we are inviting Vermonters and guests to participate in the working landscape. By doing so, Vermont’s pastoral beauty moves from the background of tourists’ pictures to the foreground, not only of our photos but of our lives – Vermonters and visitors alike.”

— Mari Omland, Green Mountain Girls Farm
Northfield, VT

YOUR GOALS AND YOUR WELL-BEING

When you assess your farm for agritourism potential, it is important to ask how this adjustment in your business will affect your quality of life. A project at University of Vermont Extension has been looking at the well-being of farmers through a lens of “social sustainability.” According to this framework, aspects of personal well-being include work-family balance, personal time, satisfaction, managing health and stress, and social and professional relationships. It may be hard to predict how agritourism will impact you and your family, but keep in mind the following qualities, identified by several farmers as contributors to their social sustainability during interviews with University of Vermont Extension’s Deb Heleba:

- Values-based goal setting
- Communication and mutual respect
- Reliable access to information and services that support the business
- The value of community to the farm and the farm to the community
- Good relationships with employees and neighbors
- A view with the next generation in mind
- Taking time to enjoy oneself, family, and friends – having fun!

Assess Your Resources and Resource Needs

You will also need to assess the current resources and needs of your proposed enterprise, including the nature of existing farming activities, land resources, labor, capital requirements, and off-farm factors.

CURRENT FARMING ACTIVITIES

Many successful entrepreneurs have expanded their farm operation to include an agritourism enterprise. This strategy is often successful because it allows a farmer to build on what is already being done as part of a farming operation. This allows a producer to share knowledge and enthusiasm with visitors, which can make for a more enjoyable and authentic agritourism experience. Focusing on current production practices will also ensure that the expertise and equipment exists to conduct the operation with minimal additional costs.

LAND AND INFRASTRUCTURE RESOURCES

It is important to carefully assess your land and infrastructure to determine if your agritourism enterprise is feasible. Some important questions to ask:

- Do you rent or own the property?
- Are your soils and climate adequate to produce the crops you intend to produce as part of your agritourism operation?
- Does your property offer unique features or scenery?
- Are there any potential hazards to visitors? Many of the things that are on a farm may pose safety hazards. Some examples include tractors, chemical sheds, irrigation ditches, etc.
- Do you have safe facilities, including bathrooms, parking, and shelter in case of bad weather?
- Are there complementary attractions nearby?

LABOR

For many farms, agritourism will represent a new business model and require hiring, training, and managing additional labor or acquiring new skill sets. For example, success in agritourism will require all farm employees to be friendly, courteous, and knowledgeable about the farm and its products and production practices. Employees at a retail market will need to possess basic customer-service skills and be able to make proper change at the cash register. All employees will play an important role in ensuring a safe, enjoyable, and memorable visit to your farm.

When hiring labor, make sure you understand the Fair Labor Standards Act and the distinction between agricultural labor and other forms of labor. The Vermont Agency of Agriculture, Food and Markets can answer questions on labor laws, and your farm accountant will be able to explain any tax implications.

FINANCIAL RESOURCES

As with any business, it is important to determine how much money you are able and willing to risk on a new agritourism enterprise. Determining the appropriate amount of financial resources to commit requires careful assessment of the potential costs and benefits of the proposed venture. Although every operation will be different, some financial needs to consider include the following:

- Additional labor costs
- Infrastructure costs
- Additional liability insurance coverage
- Amenities (e.g., additional bathroom facilities, handicap access, parking, etc.)
- Marketing costs



The beef herd is a draw for guests who visit Hathaway Farm in Rutland, VT.

Further Assessment of Your Resources

University of Vermont Extension has several in-depth tools designed to help you assess whether your personality and resources are a good fit for agritourism. Visit the [VT Agritourism Collaborative website](#) or contact Lisa Chase at University of Vermont Extension to receive a copy of the assessment tools: lisa.chase@uvm.edu or (802) 257-7967.

It will also be important to consider new regulations as your business grows to include agritourism. These include:

- Zoning regulations
- Fire and health regulations
- Building codes
- Insurance requirements
- Labor laws
- Road signs
- Traffic management
- Environmental regulations
- Farmland preservation or deed of easement restrictions

Resources to assist you as you learn about regulations may include your municipal zoning officer, local fire marshall, municipal building inspector, farm insurance agent, state department of agriculture, state department of labor, and state department of environmental protection.

Keys to Agritourism Success

As you move along the agritourism planning continuum, from step 1 of taking stock, to step 2 of getting informed, keep in mind these keys to success. They will help you plan, evaluate, and adapt your business.

Choose something you like (love) to do

Most people start value-added activities to make more money. Your sincere enthusiasm and belief in your product are part of what make you unique. Without doing something you love to do, it is difficult to find the energy and motivation to stick with it.

Provide quality

Offer a high-quality product or service. Direct marketers often combine high quality with some unique trait to differentiate their products. Many factors contribute to a product's quality (freshness, taste, healthfulness, consistency, cleanliness, presentation and packaging/labeling, etc.). It may be tempting to use substandard inputs or service, but most direct marketers today find that a great experience or quality product is more important for attracting consumers than a low price. The consumer knows value, and if you're shooting for low quality and price, direct marketers can seldom compete with large wholesale and retail outlets.

Start small and grow naturally

Starting small usually means investing and borrowing less money so that mistakes are less costly. Remember, it is easier to manage a small operation.

Keep good records (production, financial, regulatory, marketing)

Trying to manage without good information is like trying to find an address without a map. Good information and records are necessary for knowing whether or not you are meeting your goals and for understanding reasons why your goals are or are not being met.



Welcome to the farm stand! A sign with directions at Essex Farm, Essex, NY.

Provide what the customer wants

There are two approaches to agricultural marketing: “push” and “pull.” The push approach implies producing a product and then pushing it onto consumers for the going market price—the traditional way of marketing many commodity crops. The pull strategy, however, is increasingly becoming the norm in today’s environment. In this approach, specific products and desired product attributes are targeted using consumer preferences so that the seller is not entirely a price taker at the marketplace.

Maintain a loyal customer base

An important way to capitalize on your uniqueness is through relationship marketing. You are unique and no one can do exactly what you can do. The personal relationships you build and the trust they engender over time are effective marketing strategies. Local customers can be the easiest to develop into a solid, loyal customer base.

Provide more than just a product

Most successful value-added businesses offer more than just a product or service. They provide an experience: pleasant social interactions, a chance to participate in a rural way of life, education, services, tours, etc.

Involve others

Get the whole family, partners, or community involved. Take advantage of different skills and talents.

Stay informed

You must keep informed on every aspect of your business, consumer wants, competition, finances, etc.

Plan for the future

Fail to plan and you plan to fail. It’s true. Planning is essential to success. In planning be realistic in terms of goals, pricing, costs, time commitments, etc. Be flexible and realize that the best-laid plans can go wrong and that things change.

Continually evaluate

Things are always changing. You need to constantly monitor and evaluate what is going on in your business. It is impossible to know if you are reaching your goals without taking the time to evaluate.

Persevere

You need a lot of perseverance just to figure out how to produce the products, much less how to market them. Identifying your niche and building a customer base takes time, so stick with it! Ideas take a long time to become reality.

Secure adequate capitalization

A direct-marketing or agritourism business is likely to operate at a loss for at least the first year, often three to five years. Make sure you have adequate liquid financial reserves to meet setup costs and cash-flow requirements. Many businesses fail because they did not secure enough capital to see their venture through to a positive cash flow.



A full hay wagon at Smith Maple Crest Farm, a maple producer and B&B operator, Shrewsbury, VT.

REFERENCES: "Keys to Agritourism Success" from Holly Born. *Keys to Success in Value-Added Agriculture*. Southern Sustainable Agriculture Working Group and the National Center for Appropriate Technology ATTRA Project, 2001. Western Profiles of Innovative Agricultural Marketing.

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- Offering High-Quality On-Farm Experiences
- Business and Financial Planning
- Safety and Risk Management
- Marketing

How To...

- Host Dinners on Your Farm
- Host Summer Camp on Your Farm
- Host Weddings on Your Farm
- Develop a Farm Stand
- Develop a Farm Stay
- Develop a Pick-Your-Own Business
- Develop a Tour on Your Farm

Download at www.uvm.edu/vtagritourism

Although agritourism may provide additional income, it is not suited to every farm or farmer. Carefully assessing your farming operation as well as your personality traits and goals can help to determine if an agritourism enterprise is the best option for you. Before deciding to pursue the development of an agritourism enterprise, it is critical to develop sound business and marketing plans. There are many online resources available to help develop a business and marketing plan for your farm.

