Agritourism Success Factors for Entrepreneurship and Community Development

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What is agritourism?

• The core is on-farm experiences and product sales closely tied to agriculture such as overnight farm stays, harvest festivals on farms, pick-your-own, farm dinners, and educational field trips.

• The peripheral tiers include activities that may or may not be considered agritourism, depending on the place and situation.

• Categories of agritourism include hospitality, education, direct sales, entertainment and outdoor recreation.

• Includes farms, ranches, vineyards, and aquaculture.
Interviews and Qualitative Analysis

• Semi-structured interviews with 25 agritourism operators from Vermont, California, Oregon, West Virginia and Minnesota conducted between Winter 2018 and Spring 2019.

• Maximum variation sampling method used to select farmers and ranchers from each state.

• Focused on 5 key questions about agritourism perceptions.
  • How important is agritourism to your farm or ranch?
  • How do you define and measure “success” in agritourism?
  • In what ways does agritourism bring other benefits?
  • What are the key factors to success in agritourism that you have identified?
  • What key lessons have you learned about agritourism?

• Results used to develop quantitative survey, along with literature and past surveys.
Online Survey

- Conducted November 2019 - February 2020
  - On-farm experiences and product sales
  - Pre-COVID responses
- 1834 respondents from all 50 states

In the survey, we asked about:
- Products and activities
- Motivations
- Challenges
- Support systems
- Partnerships
- Plans for future
- Firmographics
- Demographics

Number of Respondents:
- 200+
- 100 - 200
- 50 - 100
- Less than 50
Results Overview

Survey respondents:

- were 55 years old (average age)
- had 10+ years experience in agritourism (53%)
- were female (58% of respondents)
- farmed 60 acres (median farm size)
- had a college degree (70% of respondents)

Survey response by US region, n=1491
Motivations for Agritourism Operators: Qualitative Findings

Financial Goals
Financial goals vary widely. Most want their enterprises to pay for themselves, but some are willing to sacrifice income for other non-economic benefits.

“Success can come in many different forms, but if someone is losing money, they’re not going to be able to sustain it.”
- livestock farmer, West Virginia

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Personal and Family Goals
Farmers want to minimize burnout, spend time with and find employment for family members, and enjoy what they do.

They make strategic decisions about what enterprises to engage in and enter into partnerships wherever possible to share responsibility.

“It’s rewarding to just have people come and see the farm. And it is both, of course, fiscally rewarding because they give you money for it. But to see the way they interact and hear the positive things that they say about the farm is nice because it just kind of reinvigorates your purpose. It’s affirming, and it’s an ego boost.”
- berry grower, Vermont

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Motivations for Agritourism Operators: Qualitative Findings

Community-related Goals
Many farmers define success via their roles as educators. They see themselves as direct intermediaries between consumers and their food sources.
As public figures, they consider themselves advocates for and teachers of their version agriculture. They also see themselves as community leaders both for the public and for other farmers.

“It is more than just profits. It’s really important today, if you have the attitude to do it, to open your door to people who aren’t in farming and ranching, to help them see the truth about the good work farmers and ranchers do. It’s really important that the voice of the ranchers and farmers, the real people that do the work, be heard by the majority of people who don’t.”

- livestock farmer, Oregon
### Motivations for Agritourism Operators: Survey Results

#### "Important" and "Very Important" Goals for Agritourism

<table>
<thead>
<tr>
<th>Goal</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Increase farm/ranch revenue</td>
<td>91%</td>
</tr>
<tr>
<td>Build goodwill in community</td>
<td>88%</td>
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<tr>
<td>Educate public about agriculture</td>
<td>86%</td>
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<tr>
<td>Enjoy social interaction with public</td>
<td>80%</td>
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<tr>
<td>Increase traffic to on-farm sales outlet</td>
<td>77%</td>
</tr>
<tr>
<td>Diversify farm/ranch market channels</td>
<td>73%</td>
</tr>
<tr>
<td>Diversify farm/ranch offerings</td>
<td>72%</td>
</tr>
<tr>
<td>Provide family employment</td>
<td>71%</td>
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#### "Successful" and "Very Successful" Efforts for Agritourism

<table>
<thead>
<tr>
<th>Effort</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Increase farm/ranch revenue</td>
<td>84%</td>
</tr>
<tr>
<td>Build goodwill in community</td>
<td>88%</td>
</tr>
<tr>
<td>Educate public about agriculture</td>
<td>90%</td>
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<td>Enjoy social interaction with public</td>
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<td>74%</td>
</tr>
<tr>
<td>Provide family employment</td>
<td>78%</td>
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Motivations for Agritourism & Success Factors: Analysis

- Women who offer experiences feel more successful. Men who offer products, especially value-added products, feel more successful.
- On-farm sales might be a good option for women operators located near urban centers.
- Operators interested in increasing revenue should consider offering accommodations and lodging.
- Experience has a stronger relationship with perceived success than education, especially for men.
- Regionality plays a role in successfully diversifying farm/ranch offerings and increasing traffic to on-farm sales.
- Acreage and number of days open to visitors have very little effect on perceived success overall.
Agritourism and Farm Revenues

- Total Farm Revenue
- Agritourism Revenue

63% / 58%
Agritourism Profitability
Profitability is most strongly correlated with:

Negative
- Female Operator
- Off-farm Direct Sales

Positive
- Offering Entertainment and Events
- Offering On-farm Direct Sales
- Being motivated by revenue generation
- Being motivated by social interaction
Challenges

“This has been one of the hardest jobs and ventures I have ever been involved in, and I make little to nothing to show for all the effort and work put into this business.”

- West coast operator
Regional Differences in Challenges to success for agritourism operations

- Concerns about agritourism liability issues
- State/local regulations
- E-connectivity
- Availability of operating capital
- Local/state taxes
- City/county zoning and permitting
- Opposition from town or neighbors

Photo courtesy of Dogwood Hills Guest Farm in Harriet, Arkansas
Concept of Access

Availability
(Supply of needed resources)

Accessibility
(Physically accessing resources)

Affordability
(Cost of resource – financial, social, etc.)

Acceptability
(Available resources fit expectations of operator)

Accommodation
(Resources adapted to the local/regional needs)

Access

Figure 2. Dimensions of access reworked for agritourism operators, adapted from Penchansky and Thomas (1981).
Liability issues (n=1411)

Access issues:
- Availability
- Affordability
- Accommodation
- Acceptability

88% of Western operators
State and local regulations (n=1358)

Access issues:
- Accessibility
- Affordability
- Accommodation
- Acceptability

83% of Western operators

US Region
- Not at all challenging
- Somewhat challenging
- Very challenging

US (Overall) 28% 26% 28% 19% 40%
Northeast 45% 46% 43% 45% 43%
Midwest 29% 29% 29% 37% 17%
South 100%
West 100%
E-connectivity (n=1410)

Access issues:

- Availability
- Affordability
- Acceptability

69% of Southern operators

Access issues:

- Availability
- Affordability
- Acceptability

Percent of Respondents

Availability

Affordability

Acceptability

Not at all challenging
Somewhat challenging
Very challenging

US Region

US (Overall)
Northeast
Midwest
South
West
Additional challenges

- Connecting with visitors
  - Difficulty during the season
- Visitor expectations
- Scale and capacity
  - (up/labor; down/finance)
- Infrastructure
  - On-farm and local needs
Future Outlook and Supports Needed

- 69% of respondents plan to expand their services
- 55% of respondents plan to invest in more buildings
- 36% of respondents plan to hire more employees
- 19% of respondents plan to make no changes
- 4% of respondents plan to reduce the types of
- 2% of respondents plan to close their agritourism enterprise

Supports Needed:

- Social media marketing and management: 52%
- Legal and liability information: 45%
- Marketing plan development: 43%
- Website management: 39%
- Resources for public on locating agritourism enterprises: 39%
- Safety information for having on-farm/ranch visitors: 38%
Overcoming Challenges and Providing Support

- The top 3 supports needed for success were social media marketing and management, legal and liability information, and marketing plan development.

- Regional Extension training and support should be tailored based on regional differences in liability issues, availability of capital, regulatory concerns and intra-state differences, and e-connectivity.

- Partnerships and alliances (agritourism clusters) may help overcome challenges to entrepreneurship and profitability.
Survey of Agritourism
including On-Farm Direct Sales in the United States

https://www.uvm.edu/vtrc/agritourism-survey

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