

Assessing Your Farm for Agritourism



Chandler Pond Farm, Lyndonville, VT. Photo: Dig In Vermont

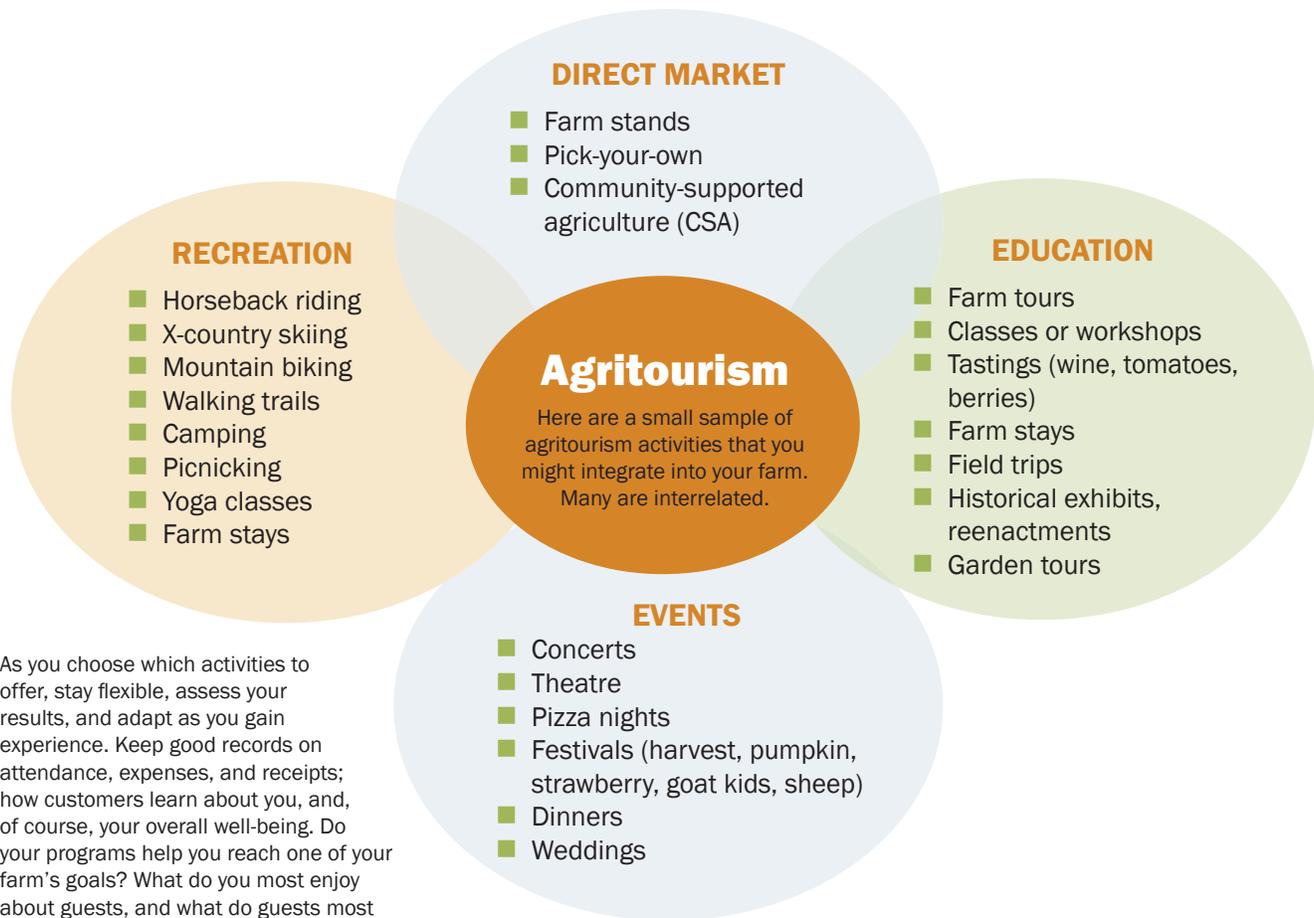
Agritourism activities are becoming an important component of many farm operations. These activities have the potential to increase farm revenues and maintain the sustainability of the industry. However, agritourism activities won't suit every farm or farmer. Before starting an agritourism operation, it is recommended that farmers spend some time assessing the potential that these activities have for their operation, and carefully planning the business and marketing elements of their operation. This guide will help with all the planning that goes into running successful agritourism operations.

Is Agritourism for You?

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:



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.

“ Decide if you really do like to engage with people on your farm —on your home land! Make sure your personality is actually the right one for hosting people.”

— Corie Pierce, Bread & Butter Farm, Shelburne, VT

- Do you enjoy entertaining guests or having farm visitors?
- Do you like crowds?
- 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?
- Have you thought about what “success” will look like for your agritourism offerings?
- Do you have a friend, family member, or business advisor with whom you can talk about goals and how a new venture might affect your operations?
- Can you take the time to look at your farm from an outsider's perspective and make changes so that it is more accommodating of farm guests?
- Are you willing to keep detailed income and expense records for each type of event offered?
- Are you interested in exploring new marketing techniques and resources to help you communicate your agritourism offerings?

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.

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

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 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, your competitors and your collaborators.** Set up a system for tracking customer responses to your new offering, and performance indicators that will tell you if you’re meeting your goals. Watch agritourism hashtags on Instagram and Twitter to keep a pulse on what others are doing.
- 6. Network.** Join your state’s tourism groups and agritourism associations, and look at what neighboring states offer, too.
- 7. Connect** with cooperative extension agents and other state resources, tourism professionals, and small business development centers.
- 8. Talk with your insurance provider** to determine what type of coverage you have already when it comes to having guests on the farm, what additional coverage you need, and what it will cost.
- 9. 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](#).
- 10. Start small, and stay thrifty at first!** Learn from your experiences, adapt, and expand only when you know your new agritourism enterprise is meeting your goals and your measures of success that you determined from the outset.”

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 that several farmers said contributed to their social sustainability during interviews with University of Vermont Extension:

- 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 — have fun!

“ When making the decision to add agritourism to your farm, you need to consider what you get out of it. For me, it is energizing to see people connecting with our animals and sharing food cooked using our traditions. Plus, it is profitable. These opportunities compensate for the fact that I don’t really love people and crowds.”

— Alessandra Rellini, Agricola Farm, Panton, VT

Assess Your Resources

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



Current Activity	Related Agritourism Opportunities
Strawberry Production	strawberry jam tasting, workshop on growing backyard strawberries, “kids day” learning about the life cycle of a strawberry with music, stickers, popsicles and strawberry picking.
Sheep and wool production	Collaborate with a spinners’ guild to demonstrate the crafts of spinning and knitting, felting demonstrations, sheep shearing demonstration, sheep cheese/meat sampling.
Regenerative grazing	Guided or self-guided pasture walks, citizen science project to inventory or monitor diversity of pasture species, volunteer party “mob” to help frost-seed pastures by hand, collaborate with birders or other naturalists to observe field biodiversity; star-gazing in the pastures with a local guide, storytelling around the campfire
Maple sugaring	Tree-tapping demonstrations, maple product tasting, water cycle scavenger hunt, maple recipe contest, “tree to glass” sampling for sap beer, storytelling by a community member from a Native American tribe or a community elder who can tell the story of sugaring from a perspective and methodology different from yours.

CURRENT FARMING ACTIVITIES

Many entrepreneurs have successfully expanded their farm operations to include agritourism enterprises by building on what they are already doing. 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. See table above for ideas.

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 have unique features or scenery?
- Are there any potential hazards for visitors? Many farm items may pose safety risks, including tractors, chemical sheds, irrigation ditches, etc.

“ We see widespread hunger for hands-on farm experiences as well as food. 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—for Vermonters and visitors alike.”

— Mari Omland, Green Mountain Girls Farm, Northfield, VT

- 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 that will require hiring, training, and managing additional labor, or supporting existing employees in acquiring new skill sets. For example, success in agritourism will require all farm employees to be friendly, courteous, and knowledgeable about the farm, its products, and its production practices.



Liberty Hill Farm, Rochester, VT

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 legal implications of hiring employees.

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:

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

It will also be important to consider new regulations as you grow your agritourism business, including:

- 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 marshal, 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.

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.

“ Don't expect to earn a lot of money, at least at the beginning. And do what you can to understand the needs, interests and what people are looking for. Do not offer something hard to promote or explain. Ask people and see what resonates and what does not, so you will be sure that you are creating added value offers to that specific target market.”

— Amy Todisco, Hartshorn Organic Farm, and Vermont Food and Farm Tours, Waitsfield, VT

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

Partnerships can help you reach new audiences, and give you an exciting angle for marketing. Partnering with businesses that offer overnight accommodations will broaden the audiences you're able to reach.

Stay informed

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

Plan for the future

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

Agritourism may not always be profitable from the beginning, or you may decide that your goal for offering agritourism is to build customer relationships more than to secure additional income directly. When you're setting goals early on, make sure you think about start-up costs and cash-flow requirements. Track everything, and evaluate how you're doing often!"

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.



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Business & Financial Planning

REFERENCES: “What Is a Business Plan?” from “Agritourism in Focus: A Guide for Tennessee Farmers,” University of Tennessee Extension, Center for Profitable Agriculture. “Choice of Business Entities” and “General Regulations” from “A Legal Guide to the Business of Farming in Vermont,” University of Vermont Extension and Annette Higby Esq., 2006. “Budgeting” from Roth and J.A. Hyde. “Partial Budgeting for Agricultural Businesses,” G.W. Penn State Agricultural Research and Cooperative Extension, 2002. “Navigating Local Land Use Regulations” from Agricultural Marketing Resources Center, 1111 NSRIC, Iowa State University. THIS CHAPTER was based on the Rutgers Extension training module, “Financial Management: Budgeting and Pricing for Agritourism.” It was adapted in 2014 by Barbara Noyes Pulling, Rutland Regional Planning Commission. Land use content was written by Barbara Noyes Pulling, Rutland Regional Planning Commission, with support from Stephanie Smith, Vermont Agency of Agriculture. Reviewed by John Ryan, Vermont Sustainable Jobs Fund and Sam Smith, Intervale Center. Chris Granstrom, Lincoln Peak Winery; Jordan Von Trapp, Bliss Ridge Farm; Peg Elmer, Community Resilience and Chairperson of Farm to Plate Agricultural Land Use Planning Task Force; Dean Pierce, Director of Planning and Zoning, Shelburne, VT; and Lisa Chase, University of Vermont Extension.

Offering High-Quality On-Farm Experiences

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