

INTRODUCTION TO AGRITOURISM



WHAT IS AGRITOURISM?

- Business of establishing farms as travel destinations for educational and recreational purposes.
- Farming-related experiences enjoyed on a farm or other agricultural setting for entertainment or educational purposes.

Variety of terms & labels used interchangeably.

Recent research suggests 'Farm Visit' may be best understood by stakeholder groups

This is NOT to suggest the term agritourism should not be used but rather some additional education & communication may be required to ensure the intended audience understands the term and expectations.

(Arroyo, Barbieri, & Rich, 2013)



Agritourism
Farm Visits
Agritainment *Agritourism*
Agricultural Tourism
Farm Tourism

EXAMPLES OF AGRITOURISM

- **Agritourism includes a wide range of activities:**
 - **On-farm sales of agricultural products (direct-to-consumer)**
 - (E.g., farm markets, pick-your-own operations)
 - **Educational tourism**
 - (E.g., School tours, winery tours, farm work experiences)
 - **Entertainment**
 - (E.g., Hay rides, corn mazes, petting zoos, haunted barns)
 - **Accommodations**
 - (E.g., bed & breakfasts, farm picnics)
 - **Outdoor recreation**
 - (E.g., Horseback riding, hunting, fishing, bird watching)

AGRITOURISM ENTERPRISE TYPES

■ **Supplementary enterprise**

- Agritourism as a **minor activity** that supports other products on the farm.
- *Example: if the primary enterprise is livestock production, inviting school groups to the farm several days out of the month to learn about animals and farming could supplement income.*

■ **Complementary enterprise**

- Agritourism activities **share equal footing** with other enterprises in the farm's product mix.
- *Example: an apple production enterprise on the farm. By selling half of the apples to a wholesaler and the remainder to "pick-your-own" guests, the two enterprises (wholesale & direct market) would be complementary.*

■ **Primary enterprise**

- Agritourism as the **dominant/primary activity** on the farm.
- *Example: opening a winery on the farm and inviting guests to spend the day or weekend tasting wine. The wine tasting package may include overnight lodging in a cottage on the property. It may also involve producing grapes for the wine on the farm to supplement the wine tasting activities.*

THE CURRENT STATE OF AGRITOURISM

*FROM 2000 TO 2001, AN ESTIMATED
62 MILLION ADULTS VISITED FARMS AND
RANCHES ACROSS AMERICA*

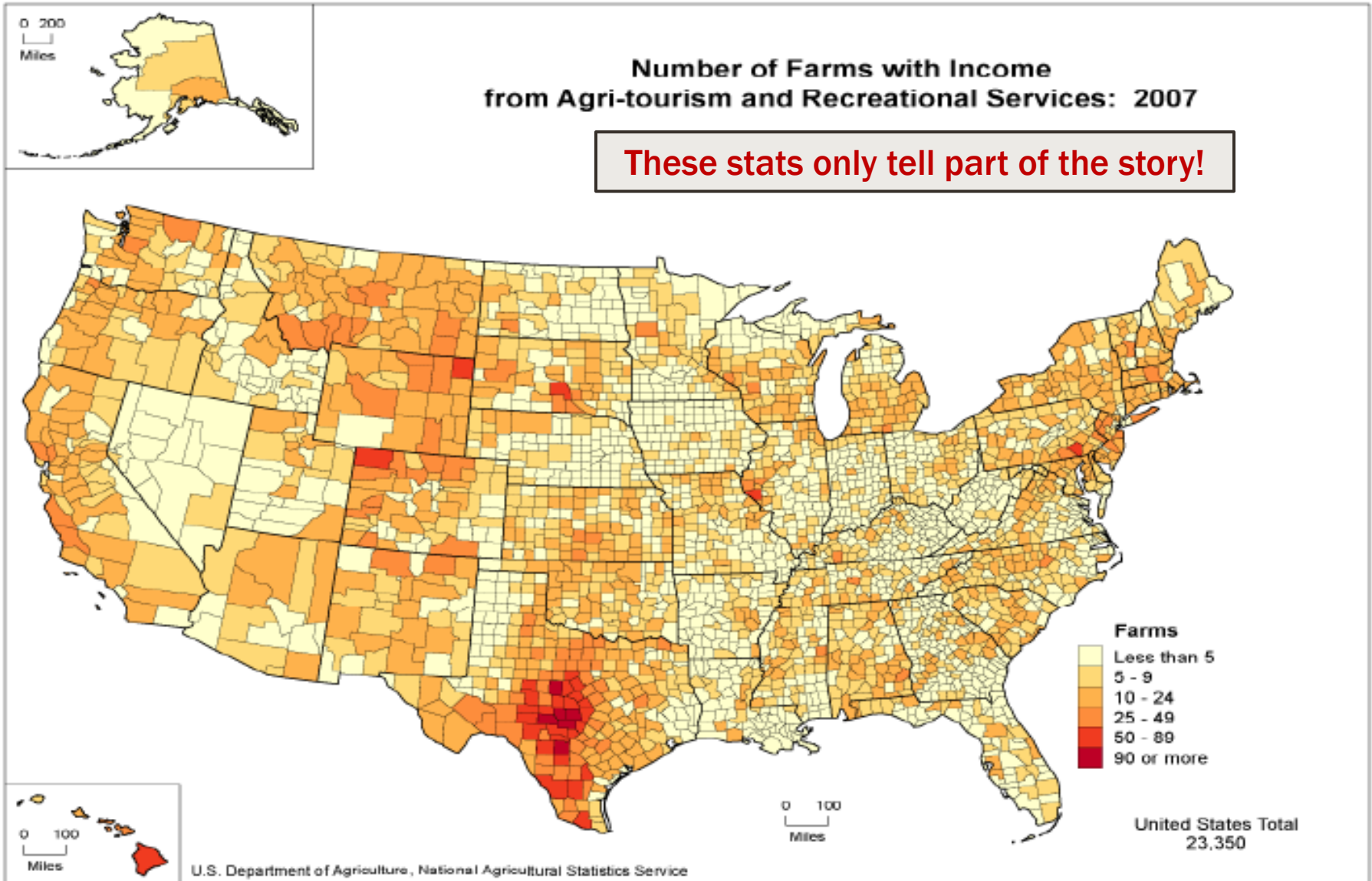
-UNITED STATES DEPARTMENT OF AGRICULTURE

*IN 2008, ESTIMATED ANNUAL AGRITOURISM
INCOME IN THE U.S. VARIED FROM \$800
MILLION TO \$3 BILLION*

-CARPIO, ET AL.

23,350 farms w/ Agri-tourism income

Defined by the Census as: Agri-tourism & recreational services, such as farm or winery tours, hay rides, hunting, fishing, etc.



KEEP IN MIND...THESE STATS ONLY TELL PART OF THE STORY

■ Narrow definition of agritourism

- In 2002, began collected information on 'recreational services'
- Hunting & fishing were the only examples given
- In 2007, expanded to 'income from agri-tourism & recreational services'
- Examples included: Farm or winery tours, hay rides, corn maze fees, hunting, & fishing

■ Self-identified

- Respondents self-identified with agritourism/recreational services
- Many were left out – even though considered agritourism by definition, respondents did not realize/consider themselves as agritourism (consider it more as innovative marketing)

■ Direct marketing calculations

- Value of farm products sold through direct marketing was calculated separately from agritourism and recreation services

■ Outdated

- Stats are from 2002 & 2007
- Know agritourism has continued to grow across the U.S.
- But does provide a good starting point to illustrate geographic distribution, growth, and interest of agritourism!

Table 1. Agritourism and Direct Marketing Income in the Northeast: Ranks Among Coterminous States (2007)

State	Income from Agritourism & Recreational Services (USD1000)	National Rank	Income from Direct Marketing of Farm Products (USD1000)	National Rank	Total Farm Sales (USD1000)	National Rank
Connecticut	8,582	18	29,752	13	551,553	44
Maine	1,012	44	18,419	23	617,190	42
Massachusetts	5,306	33	42,065	9	489,820	46
New Hampshire	2,316	41	16,021	25	199,051	47
New Jersey	24,700	4	30,106	12	986,885	40
New York	17,985	7	77,464	2	4,418,634	26
Pennsylvania	14,926	11	75,893	3	5,808,803	20
Rhode Island	689	48	6,292	41	65,908	48
Vermont	1,490	42	22,863	17	673,713	41
United States	566,834		1,211,268		297,220,489	
Northeast	77,006		318,875		13,811,557	
<i>Northeast States as % of U.S.</i>	13.6%		26.3%		4.6%	

Source: USDA-NASS, 2007 Census of Agriculture.



The importance of direct marketing and agritourism

From Schilling, et al. (2012) – *The economic benefits of agritourism: The case of New Jersey.*

The importance of direct marketing and agritourism

Table 2. Relative Reliance on Agritourism and Direct Marketing Income in the Northeast: Ranks Among Coterminous States (2007)

State	% of Total Farm Sales from Agritourism & Recreational Services	National Rank	% of Total Farm Sales from Direct Marketing of Farm Products	National Rank
Connecticut	1.56	2	5.39	4
Maine	0.16	24	2.98	7
Massachusetts	1.08	5	8.59	2
New Hampshire	1.16	4	8.05	3
New Jersey	2.50	1	3.05	6
New York	0.41	13	1.75	8
Pennsylvania	0.26	17	1.31	9
Rhode Island	1.05	6	9.55	1
Vermont	0.22	20	3.39	5
United States	0.19		0.41	
Northeast	0.56		2.31	

Source: USDA-NASS, 2007 Census of Agriculture.



EXAMPLE OF HOW TOURISM & AGRITOURISM ARE BIG BUSINESS

Based on 2006 New Jersey study:

- More than 1/5 of NJ farms offer agritourism
- 43% of NJ total farmland associated with agritourism farms
- Income from agritourism = \$57.53 Million
 - Average agritourism income = \$27,093 per farm
 - 36% earn 100% of total farm income from agritourism – generally small farms

■ Economic linkages:
Agritourism generates \$33.3 million across other industries

Type of agritourism activity	Percent of farms with agritourism revenue that offer activity*	2006 Statewide Revenue (\$ millions)	Percent of total agritourism revenue
On-farm sales of agricultural products	92.3%	\$40.54	70.5%
Outdoor recreation	11.9%	\$9.19	16.0%
Entertainment	6.5%	\$5.42	9.4%
Educational tourism	7.1%	\$1.88	3.3%
Accommodations	3.6%	\$0.50	0.9%
Total	N/A	\$57.53	100.0%

*Frequencies based on a sample of 214 New Jersey farms. Column figures do not add to 100% because more than one activity may be reported per farm.

From Schilling, et al. (2011) – The economic contributions of agritourism in New Jersey.

WHY AGRITOURISM?



FARMER/PROVIDER PERSPECTIVE

- **Generate additional/new income**
 - Often from underutilized resources
- **Product line/market diversification**
- **Keep land in the family**
- **Employment for family members**
- **Interest/hobby**
- **Education of public and customers**
- **Build neighbor/community relations**
- **Tax incentives**
- **Companionship with guests/visitors**



VISITOR/USER PERSPECTIVE

- **Amidst increasing urbanization, farms offer**
 - Connection to culture, farm heritage & food
 - Access to fresh, locally-produced products
 - A tie to the land
 - Opportunity to enjoy the outdoors
- **Family friendly**
- **Increase in weekend/local travel**
- **Want to support agriculture**



ECONOMIC & COMMUNITY PERSPECTIVE

- Jobs, personal income, tax revenue
- Preservation of farm-based rural amenities
- Encourages visitation
 - Revenue generated from outside visitors often stays within the local economy (economic multiplier effects)
 - Visitors can influence quality of life – e.g., helping to finance community facilities
- Community events & attractions intended for tourists also benefit & attract local residents
- Defined sense of place/local identity



WORDS OF CAUTION

Agritourism has its downsides and is not for everyone

- **Liability exposure**
- **Intrusion into one's privacy (for most, the farm is also home)**
- **Concerns that agritourism "cheapens" the image of farming**
- **Possible tensions with neighbors and municipalities**
- **Regulatory/policy issues (e.g., zoning, right to farm protection, deed of easement permissibility)**
- **New business model for many farmers**
 - **Increased risk level for capital investments**
 - **New skill sets required (e.g., hospitality, retail marketing, customer service)**
 - **Most farmers do not have formal business or marketing plans**

AGRITOURISM IS NOT FOR EVERYONE!

HELP FARMERS DETERMINE
IF AGRITOURISM IS RIGHT
FOR THEM & THEIR FARM.

Assess
Personality

Assess
Goals

Assess
Resources

Assess
Potential



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**QUESTIONS?
COMMENTS?**



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