



Agritourism Fact Sheet

12 Things to Consider When Starting an Agritourism Business

Agritourism is a business venture on a working farm, ranch or agricultural enterprise that blends entertainment, education and tourism to provide a fun, exciting and memorable experience for people of all ages. Because it is a business, structure the venture using the same guidelines you would for any other bricks-and-mortar or online business.

Most agritourism businesses are diversifications of existing businesses. If someone has a farm, he or she may open the farm for educational field trips for children. The farm may have a pumpkin patch, a U-pick operation or a Christmas tree plantation. Landowners with a pine plantation may consider building a cabin in the woods for overnight stays that include horseback riding or fishing in a pond.

Before starting your venture, you should:

Set goals. What do you hope to accomplish by opening this business? Are you interested in making a supplemental income? If so, how much money will you need? If you are not interested in supplemental income, are you aware of the costs involved in launching this venture and can you support it from your own funds? Once you have answered these questions, make a timeline for reaching your goals. Within what time period do you expect to open your operation? Will it take one to two years, one to three years, etc.? After you decide those answers, put your goals in writing.

Assess your personality. Are you the type of individual who would enjoy agritourism? Find out by answering these questions: Do you enjoy people? Are you a good communicator? Are you patient? Are you organized? Can you adapt to change? If the answer to the majority of these questions is yes, you are a good candidate for agritourism. If you do not enjoy people, you will want to partner with someone who does. Agritourism businesses are people oriented, and to make the operation run smoothly, many support people are needed.

Do a market analysis. With a clear vision of your goals, see if there is a market for your agritourism venture. How do you do this? You can (1) hire a marketing firm and pay for the service, (2) consult a local small business development center and ask if they offer such a service or (3) do it yourself.

If you choose to do it yourself, consult chambers of commerce, tourism boards and state tourism centers to see what types of agritourism ventures are popular in your area. If you

are hoping to attract school-age children, ask the area school officials, teachers and parents if they are interested in what you plan to offer. Also ask about their transportation regulations for field trips.

If similar agritourism businesses exist in the area, observe how busy they are. If the owners are approachable, ask for their input.

Do some research online. Look at the U.S. Census records to determine the age classifications of people in your market area. The U.S. Census has a [quick facts page](#) that provides age classifications at <http://quickfacts.census.gov/qfd/index.html>.

Evaluate your land resources. Do you have sufficient property resources? You will need acreage for your venture, as well as parking. Is your venture located near the market you hope to attract? Are directions to your location easy to give? What will you have to change about your property to accommodate your new venture? Will it be affordable? Is it possible to open your business for a trial run without making any major changes or investments?

Assess your financial resources. Be realistic. Will you have the cash you need to begin your venture, or will you need to get a loan? Are you willing to borrow the money? Assessing your financial resources can be difficult. In most cases, it's a good idea to involve other family members and outside professionals to assist in making that decision.

Estimate your time and labor needs. Anyone beginning an agritourism venture will need the full support of his or her family. The time and energy needed to run an operation will require work and family support. Most agricultural producers already have workers, and those workers will need to adjust to the changes brought on by the new business. For example, when the cows are not being milked, workers can assist with the field trips or plant corn for the corn maze. Lots of multitasking and learning of new skills will be necessary.

If you cannot run your new agritourism venture just with the help of your family and existing workers, will you have sufficient funds to hire people? Hiring people affects your bottom line, but if offering a good attraction means charging more to cover the costs, choose charging more. Remember, people want the "experience," so it needs to be a good one.

Identify safety issues. Are you ready for visitors? Is your facility handicapped-accessible? Are there plenty of restrooms? Are there hand-washing areas? If not, do you plan to offer hand sanitizers? Are ponds or other dangerous areas fenced off from visitors? If your mode of on-farm transportation is wagons, what safety features do they have? Do they have high rails to keep children in? Are there safety barriers to prevent accidents? Are the steps for getting into your forms of transportation safe and secure? Are people in place to assist visitors who might have difficulty? Is there a plan to care for someone who has an accident?

It is the responsibility of the owner to make his or her operation as safe as possible. Several online publications can help you develop your safety plan. Those references include:

[The National Children's Center for Rural and Agricultural Health and Safety \(www3.marshfieldclinic.org/nccrahs/default.aspx?page=nccrahs_ag_tourism \)](http://www3.marshfieldclinic.org/nccrahs/default.aspx?page=nccrahs_ag_tourism)

["Agritourism in Focus, A Guide for Tennessee Farmers" \(PB1754\) http://www.extension.purdue.edu/extbusiness/stories/PB1754.pdf](http://www.extension.purdue.edu/extbusiness/stories/PB1754.pdf)

["Agritourism Best Management Practices and Plan of Operation" \(Pub. AC-6\) http://www.lsuagcenter.com/agritourism](http://www.lsuagcenter.com/agritourism)

Learn about agritourism laws and recreational use statutes. More than half of the states in the United States have agritourism laws. The National Agricultural Law Center provides a listing of state laws at www.NationalAgLawCenter.org. Some of these laws provide an added level of protection to your operation – but they do not negate the need for insurance. Most states also have recreational statutes that provide protection for some of the activities listed as agritourism. The [Louisiana Limited Liability Law](#) requires a plan of operation be submitted before certification. Assistance with the law can be obtained by contacting the LSU AgCenter's agritourism coordinator.

Insure your venture. Even with agritourism limited liability laws, insurance is a necessity. Be advised that not all companies insure agritourism ventures. The best place to start shopping for insurance is with the company that writes your present insurance. Tell them you are planning to expand your operation and will need more coverage. Ask for their suggestions.

Check on local, state and national license requirements. Check with local governments to see if there are zoning restrictions in the area where you plan to operate or licenses you will need to purchase to operate your agritourism business.

Comply with the U.S. Department of Agriculture regulations if you use animals in your operation. Agritourism operators who use animals as part of their agritourism venture are subject to the requirements of the [Animal Welfare Act regulations](http://awic.nal.usda.gov/government-and-professional-resources/federal-laws/animal-welfare-act). (<http://awic.nal.usda.gov/government-and-professional-resources/federal-laws/animal-welfare-act>). The process requires completion of an application and an inspection. During the inspection, officials will check on husbandry issues, veterinary care programs and where animals live, as well as reviewing how animal food is stored.

Seek legal assistance. To protect yourself legally, you might want to consider becoming a limited liability company, or LLC. An LLC is a form of business organization that is a "legal person," having one or more members organized and filing articles with the secretary of state. As an LLC, you remove your personal liability for others' negligence. Legal issues are complex, and you should consult a local attorney for advice on such matters.

Market your venture. With your marketing analysis in hand, begin planning your marketing strategy. Where do the people live and work who would like to participate in your agritourism venture? How do you reach them with information? Make a budget and consider these possibilities: newspaper ads, television commercials, brochures, flyers,

websites, blogs, social media, personal appearances and word of mouth.

The social media revolution in our country has provided agritourism operators with an inexpensive way to market their operations. In addition, having a website with an overview of the operation, directions and operating times will provide needed information. Be sure to also create a blog and Facebook page to drive traffic to your website.

[Nebraska](#) has created an online tutorial about social media.

Create photo opportunities for guests. Encourage them to upload their photos to social media sites so others will see your venture.

Finally, develop a business plan. Once you have thought through the process, you are ready to formally write the business plan. After you create the plan, consult with a banker. Even if you don't need the additional funds, it's wise to know whether you have a marketable venture.

[The Small Business Administration \(http://www.sba.gov/\)](http://www.sba.gov/) has branches across the United States that can assist you in writing your business plan.

The [Cooperative Extension Service \(http://www.csrees.usda.gov/Extension/\)](http://www.csrees.usda.gov/Extension/) has professionals across the country who can help you with your plan. Their expertise in agriculture and research in your state will provide much-needed assistance.

Author

Dora Ann Hatch
LSU AgCenter
Agritourism Coordinator
11959 Highway 9
Homer, LA 71040
dhatch@agcenter.lsu.edu
www.lsuagcenter.com/agritourism