

2016 Agritourism Workshop: Managing Financial and Legal Liabilities Workshop and Activities Summary



The LSU AgCenter offered two agritourism workshops titled Managing Financial and Legal Liabilities in November 2016. The first workshop was held November 8, 2016, at the LSU AgCenter's H. Rouse Caffey Rice Research Station in Crowley, and the second took place on November 10, 2016, at the LSU AgCenter's Red River Research Station in Bossier City. These educational workshops were part of the Enhancing Louisiana Agritourism: Managing Financial and Legal Liabilities grant funded through the U.S. Department of Agriculture National Institute of Food and Agriculture (USDA-NIFA) and the Southern Risk Management Education Center (SRMEC). The second workshop series, titled Agritourism Safety and Emergency Management, is planned for April 2017.

The workshop emphasized two main themes: (i) Financial risks and benefits associated with agritourism and (ii) Legal liabilities associated with agritourism operations. Dora Ann Hatch with LSU AgCenter and Rene Simon with Louisiana Department of Agriculture and Forestry presented information on the growth of agritourism in Louisiana, discussed agritourism activities and presented the Louisiana Agritourism Limited Liability Law that pertains to agritourism operations. Maria Bampasidou with LSU AgCenter discussed the financial risks associated with agritourism operations and ways to address financial risk. Rusty Rumley with the National Agricultural Law Center was the keynote speaker. He presented on business organization structures and agritourism liability. The presentation was complemented by a presentation on insurance options from Randal Whitehead with Louisiana Farm Bureau Insurance.

The workshops attracted 49 people. Half of the participants were extension agents and planning committee members. Twenty-four participated in our workshop activities, a 49 percent participation rate. A questionnaire administered before the workshop asked attendees to share information including:

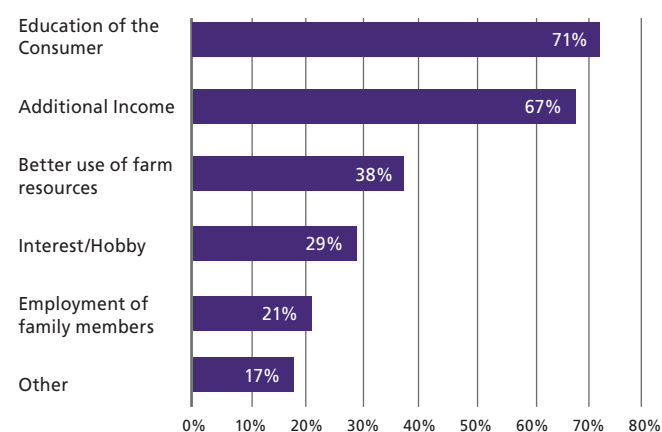
- How they identify
- The reasons they are interested in agritourism
- The target group visiting their operations

- The method of advertisement used in their operations
- Whether they would recommend agritourism to other farmers and ranchers
- Whether they have insurance
- Whether they are certified agritourism operators
- Whether they are familiar with the LSU AgCenter Agritourism website

Six participants identified as “a farmer already conducting agritourism,” and 11 indicated they were “farmers interested in starting an agritourism operation.” Five of the attendees identified as “industry partners including tourism, insurance and banking” and two participants were from LSU AgCenter extension offices. Ninety-six percent of the participants were white, and 54 percent were male.

Participants indicated the main reason they are interested in agritourism or having an agritourism operation was to educate the consumer, followed by agritourism as a mean to generate additional income and agritourism as a way to better use of farm/ranch resources. Participants were less likely to have an interest in agritourism as a hobby and as a way to keep family members at the farm.

Figure 1. Reasons you are interested in agritourism



Regarding the target groups for the agritourism operations, participants were asked to select from a list of populations. The list of populations with respective percentages are: seniors (42 percent), families with children 12 years old or younger (54 percent), couples without children (38 percent), families with youth 16 to 24 (63 percent), organizations or groups (54 percent), schools (54 percent) and other (13 percent).

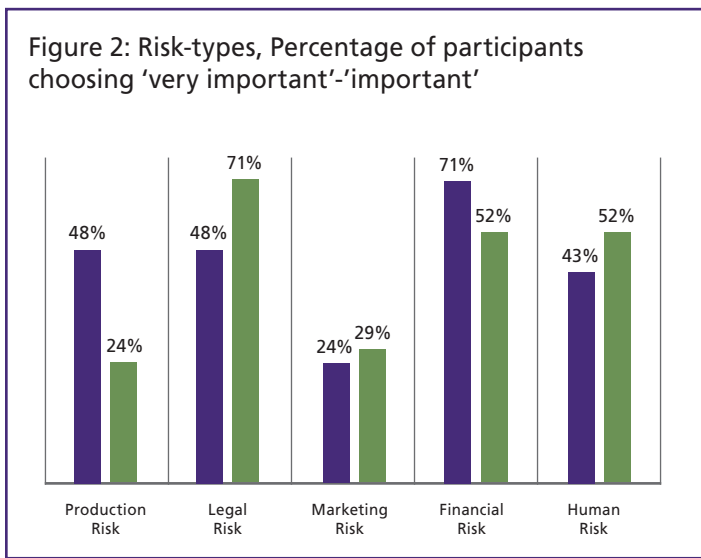
The next question provided a list of resources commonly used to advertise agritourism operations. Participants were asked to select the resources they would use, and we intentionally provided more items for online marketing (e.g., Facebook) versus traditional marketing options (e.g., newspaper). Table 1 shows the results:

Method	Number of Adults	Percentage
Facebook	13	54%
Twitter	2	8%
Blog	2	8%
Website	11	46%
Instagram	5	21%
Pinterest	1	4%
Newspaper	2	8%
Radio	2	8%
TV	1	4%

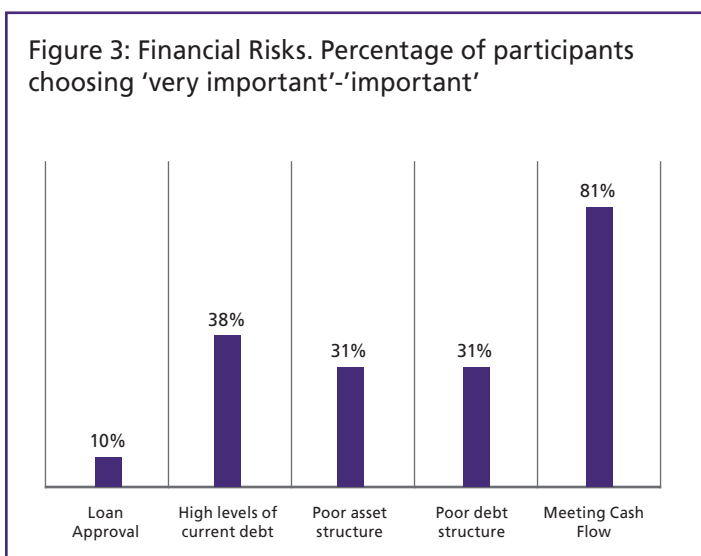
Table 2 presents the information from participants regarding a set of statements and respective answers.

Statements	Number of adults	Percentage of people
Would you recommend agritourism to others?	17	71%
Are you planning on adding more agritourism activities?	20	83%
Are you familiar with the LSU AgCenter's agritourism website?	13	54%
Are you a certified agritourism operator?	4	17%
Do you have insurance for your agritourism operation?	4	17%

The second workshop activity was used to generate discussion for the presentation on financial liabilities. The participants were given examples on the five areas of risk encountered in agriculture: production risk, legal risk, marketing risk, financial risk and human risk. Then, participants were asked to rank the five risk types in two sets: (i) in farming and ranching activities, and (ii) in agritourism activities. The options provided were: (1) very important, (2) important, (3) moderately important, (4) slightly important and (5) not important. The results are presented in Figure 2.



Lastly, participants were asked to rank the following financial risks: (i) loan approval, (ii) high levels of current debt, (iii) poor asset structure, (iv) poor debt structure and (v) meeting cash flow. The options provided were: (1) very important, (2) important, (3) moderately important, (4) slightly important and (5) not important. The results are presented in Figure 3.



Summary

Two agritourism workshops titled Managing Financial and Legal Liabilities were held in November 2016. The workshops were funded through USDA-NIFA and SRMEC. Keynote speaker was Rusty Rumley with the National Agricultural Law Center. He presented on business structures and legal liabilities related to agritourism operations. Dora Ann Hatch with the LSU AgCenter and Rene Simon with Louisiana Department of Agriculture and Forestry presented information on the growth of agritourism in Louisiana, discussed agritourism activities and presented the Louisiana Agritourism Limited Liability Law, which pertains to agritourism operations. Maria Bampasidou with LSU AgCenter discussed the financial risks associated with agritourism operations and ways to address financial risk. Randal Whitehead with Louisiana Farm Bureau Insurance presented on insurance options. A total of 49 people attended.

Two activities were administered and 24 people participated. The activities were designed to collect information on the workshop attendees regarding why they would like to be in the agritourism business, how they perceive risks associated with agricultural and agritourism activities and how they rank financial risks. These results were used to generate discussion and prepare material for the second set of workshops to be offered in Spring 2017.

Acknowledgments

We would like to acknowledge the following organizations and individuals for their contributions to Managing Financial and Legal Liabilities workshops:

- Our speakers: Rusty Rumley with the National Agricultural Law Center, Rene Simon with Louisiana Department of Agriculture and Forestry, and Randal Whitehead with Louisiana Farm Bureau Insurance.
- Our Local Agritourism speakers: Kevin M. Berken, Mary Nesbitt and Candy Wilkins for sharing their experience in agritourism.
- Our hosts at LSU AgCenter's H. Rouse Caffey Rice Research Station and the LSU AgCenter's Red River Research Station.
- The USDA National Institute of Food and Agriculture and the Southern Risk Management Education Center for funding these workshops.
- Our grant collaborators: Annie's Project, Louisiana Department of Agriculture and Forestry, Louisiana Farm Bureau Federation, and the National Children's Center for Rural and Agricultural Health.
- First South Farm Credit and Louisiana Land Bank for providing refreshments for our workshops.
- Our steering committee members for their input and for promoting these workshops.
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