

Nature-Based Tourism & Agritourism Trends: Unlimited Opportunities

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If you own and operate an agritourism or alternative enterprise or have visited an agritourism farm or purchased products directly from a farmer, you are supporting your local farmer.

Introduction

Rural tourism has been increasing rapidly over the last two decades. Many factors have contributed to this trend. Briefly, people are taking more and shorter trips, doing more traveling by car, combining business travel with vacations, looking for new experiences, adding diversity to their experiences, traveling as a family, and looking to "get back to their roots." In most cases, one family member has a grandparent who grew up on a farm/ ranch or in a rural community. These are the "roots" tourists want to visit.

I have five take-home points I would like you to learn from my presentation: (1) What are alternative enterprises and agritourism? (2) tourism trends and projections, (3) income-producing ideas, (4) available resource material, and (5) tourism ideas for Oklahoma. My goal is to get you to think outside the box about your farm/ranch and rural community. How can you use your natural and human resources differently for income-producing opportunities? Or, as George DeVault of the Rodale Institute says, "Get small and get in."

What are Alternative Enterprises and Agritourism?

1. An "alternative enterprise" is marketing what you produce differently, adding value to the product you produce or adding a new enterprise. It is also using your natural or other resources differently or using the same resource in multiple ways.

2. Agritourism is an alternative enterprise where you invite the public onto your farm or ranch. It can also be defined as "a set of activities that occur when people link travel with the products, services, and experiences of agriculture." The product itself can be an "experience."
3. Agritainment is the fun side of agritourism and includes mazes, petting farms, pumpkin picking, haunted houses, horseback riding, and the like.
4. Agrieducation is teaching your visitors about agricultural production, how food and fiber are produced, rural values, and quality of life. It is building support for agriculture through educational experiences. I have no data to prove this point! But I firmly believe that farmers and ranchers like you teach more people about agriculture than any other form of education in the United States. When they visit your farm, you have children's undivided attention for twenty minutes to an hour to teach them about their food and how farmers and ranchers produce it. At the same time you teach, you also provide an experience about cultural and heritage tourism, two of the fastest-growing tourism niches.
5. Nature-based tourism ranges from hunting and fishing (consumptive tourism) to bird watching, flower/tree/rock identification, hiking, rock climbing, or just being with nature (nonconsumptive tourism), and
6. Avitourism or bird watching is the fastest growing nature-based tourism activity in the nation.

Twenty-First-Century Agriculture-Consumer

About James Maetzold

"I was born and raised on a small grains and livestock farm in North Dakota. I have been a Federal employee for over 39 years. I began my career in the US Army followed by two years as county extension agent in North Dakota. Following graduate school in agricultural economics at North Dakota State University and University of California, Davis, I have worked in Washington, D.C., since 1969. I have had the opportunity to work for the Economic Research Service, Farmers Cooperative Service, Farmers Home Administration, Executive Office of the President, and the Natural Resources Conservation Service for the last 22 years. I worked on the Soil and Water Resources Conservation Act for 17 years and as the National Alternative

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Industry Structure

Today's agricultural production, marketing, and distribution system can be described as an hourglass. We have more than two million farmers/ranchers producing the nation's food who sell to a few firms that add value through processing, packaging, and transporting, like the neck of the hourglass, and then sell it to the 290 million domestic and foreign consumers. These firms incur the costs, risks, and management, add value, and store and transport these products before they are sold.

With alternative enterprises, the farmers "add value" to their own products and realize a larger income by performing marketing activities and incurring the risks by processing, packaging, storing, transporting, and selling directly to the consumer. The farmer becomes a competitor with agribusiness firms for a larger share of the consumer's dollar.

In 1913, farmers received 46 percent of the consumer's dollar compared to less than 20 percent today. This occurred because many small farmers carried out the marketing at the local level such as delivering milk, manning the butcher and bake shop, and selling "in-season produce," or consumers visited farms to buy directly from the farmer/rancher. In 1950, farmers received 50 to 80 percent of the consumer's dollar spent on fruits and vegetables. Today, the figure is less than 30 percent.

A farmer or rancher entrepreneur who diversifies into value-added agriculture or agritourism has several market opportunities. These can be categorized as: food (processing, packaging, branding, specialty markets, farmers' markets), roots (heritage and culture), agrieducation (schools, retreats, conferences), experiences (farm stays, ranch stays, B&Bs pick-your-own), agritainment (petting farm, mazes, hayrides), and nature-based adventure (horseback riding, rock climbing, hunting, fishing). Most entrepreneurs develop several of these activities as alternative enterprises or as their agritourism activity grows. It is a natural fit. You have a very important and responsible job: You are developing friends for agriculture forever! It is not just for the profit! This fits nicely into the values of rural America.

Income-Producing Opportunities for Your Farm or Ranch and Community

Agritourism or any other alternative enterprise is a different business than farming. Two major changes will occur. First, you are no longer a price-taker but a price-setter. You are not going to the elevator or livestock auction and asking, "What will you give me?" Now, you are telling the consumer how much you want for your product or service. Secondly, you are now in the people business. You are working directly with the consumer in a relationship just as important if not more important than the product

you are selling. Someone in your family must enjoy working with people to succeed at agritourism or other alternative enterprises. You are marketing directly to the consumer. You are producing memories, adventure, experiences, and friendships.

Thinking about the "customer" is probably more important than thinking about "production" in this scenario.

When you think about your customer, you must think about how you operate your business. When are you going to be open? How many people will you hire? What type of facility will you need? How small can you be to start? These are just a few of the questions you will need to answer when developing an agritourism or other alternative enterprise.

These farm or ranch income-producing opportunities may be put into fourteen groups:

1. **Farm Markets and Specialty Products**—These markets provide an excellent opportunity to sell all types of value-added products from food to crafts, depending upon the rules of the farmers' market. Specialty product markets exist everywhere. The Internet has made this a more easily accessible market. Also, many farmers are now marketing to restaurants, schools, and nursing homes. Many state government and local communities support this type of activity. If they don't, help them get started!
2. **Product Processing**—These products include maple syrup, wood products, dairy products, and wine production, to name a few. They can become an education activity as well as resulting in product sales. The ideas are almost limitless as to what you can do with product processing and packaging. Customers like to shop, so you need to provide them with the opportunity to take something home for themselves or for friends.
3. **Fairs, Festivals, and Special Events**—Farms hold festivals as well as communities. People just need something to rally around. These festivals range from food and crafts to nature, flowers, art, heritage, and cultural themes. Farmers have found festivals to be a very profitable way to attract customers. Many economic development or chamber of commerce groups will sponsor these events. Plan your activities around these festivals or hold your own.
4. **Horses and Other Farm Animals**—This can range from petting farms to the training of horses or raising buffalo. These enterprises can be educational, produce food, fiber, and fun, or develop skilled horsemen. Exotic animals often attract many visitors. Many entrepreneurs raise llamas, sheep, and other fiber-producing animals. They market the fiber in both the finished and unfinished form and sell the meat and

in some cases milk to local customers. Some dairy goat producers deliver milk more than three hundred miles. Others have raised ostrich and emus. The changing diversity of the American population has led to the development of many niche markets for goats, sheep, and other livestock products.

5. **Unique Dining Experiences**—Opportunities exist for farms and ranches to serve food to the public. You may have a special location and setting with a view, provide plays, or other entertainment, develop a catering service, or have a dining/fun experience on the farm with great country cooking. People are looking for a new experience, and dining on the farm is a "new experience." Dining is the number-one tourist activity!
6. **Wildlife and Fish**—This includes fish production, bird watching, hunting, and fishing. You can raise several different species and release the game birds for hunting or manage your land for improved game habitat. You can offer guided or unguided hunts.
7. **Nature-based Recreation**—Opportunities exist on farms and ranches to market natural resources as nature-based recreation for a fee. These include hiking, biking, walking, snowmobiling, all-terrain vehicles, swimming, canoeing, float trips, boating, picnicking, water-skiing, paintballing, and other outdoor team sports. Water-based activities are a very popular form of outdoor recreation.
8. **Floriculture**—The raising and marketing of flowers at farmers' markets, community supported agriculture groups, and other markets have increased rapidly in the past decade. Fresh flowers on the table have a high priority in most of our homes today. In addition, one can raise bedding plants for the wholesale and retail markets as well as wildflowers and herbs. There are many niche markets for floriculture products. It is surprising how much people will pay for fresh cut flowers.
9. **Education**—Education can become a part of almost every agritourism and alternative enterprise. Education may even be the focus of the enterprise. Either approach provides for many income-producing opportunities on the farm and ranch. Public and private education systems are looking for ways to broaden students' educational experiences. Most schools are open to an invitation to visit your farm once you explain your education program. Be sure to have different programs for the various age groups, from preschool to senior citizens.
10. **Heritage and Culture**—This is one of the fastest-growing tourism activities. American and foreign visitors are very interested in the history of the United States. Since most people come from an agricultural ancestry, they want to learn more about what their great grandparents or grandparents did for a living. This is a great opportunity to sell the rural "quality of life." Agriculture has a tremendous heritage and culture that can also be marketed to tourists by people staying and/or working on the farm or ranch. The more original the better, including the antiques, claim cabins, homesteads, and the like.
11. **Arts and Crafts**—Tourists' second-favorite activity is shopping. Local arts and crafts have always been in demand by domestic and foreign tourists. This includes food items and other value-added food products produced on the farm. Quality products are needed to attract and keep tourists coming back. There are several regions in the United States where journeyed crafters live and market their products. They have succeeded in establishing high-quality products and experiences for the customer.
12. **Farm/Ranch Stays**—There are three types of stays: vacation (visitors are looking for rest and relaxation), working vacation (visitors participate in the farm/ranch daily chores and work), and dude ranches/farms (visitors are specially treated by staff members, who do all the necessary preparation for the activities during their stay).
13. **Tours and Touring**—These enterprises are generally tied to activities involving a group of farms/ranches or community festivals or events. Tourists travel to see foliage or blossoms or farm harvest activities such as maple syrup, cheese, or ice cream processing or events such as threshing bees or fall harvest activities. Either a group of farmers or a community/county sponsors such events. It is a time to open your enterprise to the public.
14. **Pick, Cut, Gather or Grow Your Own**—Farmers have been selling the pick-your-own fruits and vegetables events for decades, and some have been renting land to people who want to grow their own. A relatively new enterprise is rent-a-tree, cow, or bush.

Here the farmer still maintains complete control in the production management aspects and the customer pays the farmer for these services. For example, you can rent/lease an apple tree to a customer. You still prune, spray, and perform the functions involved in production. The customer is invited to watch the pruning, see the apple blossoms, and watch other production practices. When the apples are ready to pick, the customer can bring friends and pick whatever quantity they want from the tree they rented. The farmer then harvests the remainder for himself.

This type of program allows the farmer to get the customer to visit his farm several times a season, providing opportunities for sales of other value-added items and development of a loyal relationship.

We have just identified several agritourism and alternative enterprises possible on your farm or ranch. I suggest talking these ideas over with neighbors, your local extension agent, or other entrepreneurs. This is a difficult time for most farmers/ranchers; they are concerned their neighbor will do the same thing if they talk to them about their ideas. This should not be a concern because research has proven that the more tourist attractions there are in an area, the more people will come. Customers recognize they have an opportunity to pick and choose. Don't be afraid of getting your neighbor involved in an alternative enterprise a little bit different than yours. This is where teamwork really pays off.

As you start to develop your business, you will need to consider the type of customer you want to attract or serve. For example, do you want to lease your place to hunters who guide themselves and hunt whatever game is in season for about \$1,500 per week, raise and release game, or manage your game so there are more trophy animals available and provide guided hunts for \$12,000 per week? These decisions need to be made when you are developing your business and marketing plan.

Some people get very nervous as they think about these new and different enterprises. You need to look at it the same as you do new farm and ranch production practices: Read about them, attend seminars, talk to peers, read research reports, and discuss with technical staff. Finally, try to test your new business by selling your services or products to family, friends, church groups, and other civic groups. Don't make a big investment immediately. Build and learn.

The NRCS has put together a publication (see resource list) describing seventeen success stories. The stories tell you how people started and built their business, the mistakes they made, and how they took advantage of things that went right.

Tips for Staying on Track and Getting Started

(Recommended for a one to two-year period)

1. Assess your resources–

- Look at the notes you have made in considering alternative enterprises and use them to make a more in-depth assessment of the resources available to you and your family.

2. Get informed–

- Attend seminars, workshops, trade shows, and schools.
- Purchase books, videos, newsletters, magazines,

and other publications.

- Go to the library and do some research. Use the Internet to get the most up-to-date information. If you don't have an Internet connection at home, one should be available to you at the library.
- Look through the resources listed in the NRCS "Alternative Enterprises and Agritourism: Farming for Profit and Sustainability" tool kit available at your area Resource Conservation & Development Office.

3. Find out what other entrepreneurs are doing–

- Talk to neighbors, friends, and strangers about their businesses.
- Visit businesses in your surrounding area and in neighboring counties and see what they are doing.

4. Consult potential customers–

- Ask your relatives, friends, and neighbors about the product(s) you are thinking of providing through your new enterprise. Are they interested?

5. Research the market for your products.

6. Network–

- Join organizations or groups for people involved in enterprises similar to the one you are interested in.
- Join the chamber of commerce, rotary, and other business and planning organizations or committees in your community.
- See if other local entrepreneurs would like to join you in your business venture or start their own agritourism or alternative enterprise.

7. Get help–

- Visit resource people in your county, region, or state. County agents, RC&D coordinators, state Extension staff, Department of Agriculture staff, state tourism directors and staff, small business development center staff, and other specialists should all be willing to answer questions and help you get started.

8. Develop a business and marketing plan–

- Various books, worksheets, and programs designed to help you develop a successful business and marketing plan are available through
 - the Internet
 - your local library
 - your local outreach program
 - your local college
 - SCORE
 - SBDC
 - your local RC&D office

9. Create a financial plan–

- Decide how you will finance your business.
- Find out about financial assistance (grants and loans) available to you.

10. Start small, learn from your experience, and expand the business.

In summary, there are many income-producing opportunities available on your farm and ranch. Search out the ones you are interested in pursuing and that seem of interest to the public. Then gather your information and develop a business plan and a marketing plan. There are many resources and people available to assist you.

WHAT DO RURAL TRAVELERS LIKE TO DO?

(Source: Travel Industry Association of America, 2001
Rural Tourism Travel Poll)

ACTIVITY	PERCENT
Dining	70
Shopping	58
Going to Beach/River/Lake	44
Visit Historical Sites	41
Fishing/Hunting/Boating	32
Attend Festival/Fair	29
Bike Riding/Hiking	24
Attend Religious Service	23
Camping	21
Attend/Participate in Sport Event	18
Visit Winery/Working Farm/Orchard	15
Gambling/Gaming	12
Visit Native American Community	11

NATIONAL SURVEY ON RECREATION AND THE ENVIRONMENT: AGRICULTURE RECREATION QUESTIONS

(Preliminary, September 2002)

REASON FOR TRIP	PERCENT
Enjoy Rural Scenery	75
Pet a Farm Animal	67
Source of Information Is Family/Friend	62
Less Nonfarm Development	58
Visit Family or Friends	55
Like to See More Grazing Animals, Orchards, Vines, Woodlands	47-50
Learning Where Food Comes From	48
Watch/Participate in Farm Activities	42
More Pasture, Farmsteads, and Croplands	28-35
Pick Fruit or Produce	28

Opportunities for Oklahoma

- **Western theme**— Both domestic and especially foreign tourists enjoy the West, the dress, festivals, rodeos, and culture in general.
- **Heritage and culture**
 - Cowboy and ranching—On-ranch working stays, B&B, dude ranches
 - Oil industry—Most people do not understand the role of oil in Oklahoma.

-American Indians—Both domestic and foreign tourists are interested in Native American history, culture, and handmade products.

-Black history—Most people do not understand the role African-Americans had in developing Oklahoma.

- **Open spaces**—Driving, horseback, camping, bird watching, hunting, and fishing
- **Land and landscape opportunities**—Tourists love to drive, see, and photograph the landscape, especially in the West.
- **Route 66 or Chisholm Trail**—Provides a great variety of activities, and tourists look for this experience and history
- **Hunting and Fishing**—Leases, catch and release, viewing
- **Opportunities lie in the people**—The opportunity lies in you here today and with your friends at home. Just sit back and dream about what you can do. Then, make it a reality.

You have some great resources in Oklahoma. The Resource Conservation and Development Councils (RC&D) of the Natural Resources Conservation Service (NRCS) are very active in developing agritourism and other alternative enterprises. The Oklahoma Department of Agriculture has some very good programs. The Extension Service also has a good support system available to you. You will need to work closely with the tourism industry to have them promote Oklahoma agritourism. This is new to most tourism agencies, so a team effort needs to be implemented.

Finally, I want you to continue to THINK OUT OF THE BOX!

NRCS resource material is readily available on the website www.nrcs.usda.gov/technical/RESS/altenterprise or you may order it by contacting Jim Maetzold at (202) 720-0132 or email, jim.maetzold@usda.gov

The following information is available free:

- *Agritourism and Alternative Enterprises: Farming for Profit and Sustainability Resource Manual*, 2002 update.

Also available: A 175 page summary of the 3,000 page resource manual

A compact disc version of the manual. Includes websites and lists of people working in the area

- Brochure: "Alternative Enterprises for Higher Profits and Healthier Land"
- Information sheet AE-1, "Alternative Enterprises for Higher Profits, Healthier Land—General Introduction to the topic, including a list of 150 ideas for alternative enterprises
- Information sheet AE-2, "Alternative Enterprises—

- Community-Supported Agriculture"
- Information Sheet AE-3, "Alternative Enterprises—Heritage Tourism"
- Information Sheet AE-4, "Alternative Enterprises—Value-added Agriculture"
- WSSI Technical Note 1: Sustainable Agriculture
- "Taking the First Step: Agritourism and Alternative Enterprise Opportunity Identification Guide (Making the Right Decisions to Sustain Your Farm or Ranch and Natural Resources)—Draft
- Stories (17) in Agritourism and Nature-Based Tourism and Alternative Enterprises
- Press Release Drafts
- Alternative Enterprises and Agritourism Information—Talking Points, Definitions, Key Points for Speeches, Media, and Workshops.

Funding Sources and Other Resource Considerations

1. Resource Manual Chapter 16 has a number of websites for nonprofit groups and farmers
2. Rural Business Services (RBS)—multimillion—value-added grants in the 2002 farm bill
3. RBS loans and grants—B&I Guaranteed Loan Program, Intermediary Relending Program, RBEG, RBOG, VT, IL, CA examples, recreation approval is pending.

4. Farm Service Agency—Beginning Farmers Program
5. Sustainable Agriculture, Research, and Education (SARE)
6. "Using Free Money to Grow Your Agribusiness" Workshop, AZ
 - Need one-on-one to see how you can make USDA programs work for you and tips on how to use them
 - Grant-writing, proposal review, and competitiveness
7. Small Business Innovation Research Grants (CSREES)
 - Community Food Program
 - Value added
 - Federal and State Market Improvement Program
 - Initiative for future agricultural and food systems
8. Building Better Rural Places—More than fifty programs are discussed. To obtain a copy, go to www.attra.ncat.org or call (800) 346-9140
9. Business planning and marketing—Such as NxLevel, Fasttrack, Chapters 12 and 15 of the Resource Manual
10. Small Business Development Centers
11. Chamber of Commerce
12. County Extension Educator
13. Convention and Visitor's Bureau
14. RC&D Coordinator
15. State Departments of—Tourism, Agriculture, and Natural Resources/Conservation