The Agritourism Market: Drivers and Demand in a Growing “Industry”
Thought Provoking Information

• Butterflies taste with their feet.

• Star Fish have no brains.

• Right-handed people live on average, 9 years longer than left-handed people.
Topics of Discussion

• Overview and Trends
• Producer Networking & Education
• Agritourism Leadership
• Liability & Risk Management
• Producer Viewpoint/ Business development
• The Big Picture – USDA & Regional
What is Agritourism?

- Any business activity that brings the public to a farm/rural setting in an effort to market farm raised or produced products or the enjoyment of related outdoor activities.
- Many more
  - Basically, a marketing tool used to bring direct marketing to the farm rather than taking the product to the customer
Agritourism: A “New” Direction in Agriculture?
Agritourism Basics

• Most producers recognize agritourism as a marketing tool more than an industry.

• Agritourism is not a “Big farm, Small farm” issue.

• Competitors can be your “friend”
  • Complimentary Competition?
Agritourism In Action

- Wineries
- Bed & Breakfasts
- Hunting Clubs
- Farm Markets
- Corn Mazes
- Pumpkin farms
  - School tours
- Festivals
  - Shrimp, wine & horseradish
  - Heritage tours
  - Nature based
What is the Motivation Behind Agritourism Development

• Inadequate farm profits
• Farm diversification (need more than cows and sows)
• Efforts to improve utilization of all farm resources
• Develop hobbies into profitable businesses
• Retirement
• Many more
Knowing The Customer

• Who are they?
• What do they like?
• What don’t they like?
• What are their expectations?
• What are they willing to pay?
• How far are they willing to travel?
Be Smart; Be Strategic

- Know your market
- Know what makes you unique
- Know your competition
- Let the trends in the market place set the course for marketing the farm marketing operation
Current Trends Impacting Agritourism

- The “Locavore” Trend
- Concerns about Health and Obesity
- An Economic Crisis that Brings Us back to Basics
- The Green Movement
- Demographic Shifts are Changing the Face of the Consumer
  - Especially where diet is concerned
Understand the Demographics...We are What We Eat!
Todays Consumers are………

- Wealthier
- Older
- More educated
- More ethnically diverse
Wealthy Consumers

- More dining away from home
- Price often a secondary consideration
- Higher demand for fruits, vegetables, yogurt, and cheese
- Increased demand for quality and convenience
Older consumers

- A greater emphasis on healthy foods
- More likely to eat fruits, vegetables, and pork
- Eat less
- “Taste buds” looking for diversity
Educated consumers

- Demand for greater accountability by manufacturers and producers
- Higher demand for organic products
- Greater concerns about food safety
- More likely to want healthier food alternatives
Ethnic Consumers

- Immigration now accounts for one third or more of annual population growth.
- Producers must respond to the needs of populations that neither look nor think like they do.
- Ethnic populations will destroy attempts to define the typical consumer.
- Expanding ethnic cuisines.
Considerations for Development

• Identify available resources and limitations
  • Physical
  • Human
  • Financial
  • Educational
  • Regulatory

• Zoning
• FSA Regulations
• Liability
• Business Structure
Differing Opinions on Opportunity

How many legs does this elephant have?
What is a “normal” farming activity?
Licensing/Regulations

- Fee Hunting (DNR)
  - Waterfowl license
  - Game Farm License
  - Deer and turkey outfitters license
- Health Department
- DOA
- Sales Tax Collection
- BATF

Do your research ahead of time!!
Agritourism
Most Overlooked Resources

- Chambers of Commerce
- Local CVB’s
- RTDO’s

- Many farmers and rural residents view these as “city” resources
Now........On with the Show!