

# **Agritourism: If We Build It, Will They Come?**

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Driven by global trends of concentration, low commodity prices, and rising input costs, agricultural producers worldwide are looking for new opportunities to diversify and add revenue streams to their businesses. A popular and growing opportunity is agritourism. Agritourism may be defined as a commercial enterprise at a working farm, ranch, or agricultural plant conducted for the enjoyment of visitors that generates supplemental income for the owner (U.C. Small Farms Program). Agritourism enterprises might include:

- Outdoor recreation (fishing, hunting, wildlife study, horseback riding),
- Educational experiences (cannery tours, cooking classes, or wine tasting),
- Entertainment (harvest festivals or barn dances),
- Hospitality services (farm stays, guided tours or outfitter services), and
- On-farm direct sales (u-pick operations or roadside stands).

Agritourism is a subset of a larger industry called rural tourism that includes resorts, off-site farmers' markets, non-profit agricultural tours, and other leisure and hospitality businesses that attract visitors to the countryside. Rural tourism appeals to many Americans, with 62 percent of all U.S. adults taking a trip to a rural area in the U.S. within the last three years (Miller).

Agritourism is one dimension of a broader global agricultural theme known as multifunctionality. Agriculture may be defined as multifunctional when it has one or several roles or functions in addition to its primary role of producing food and fibre. These additional functions might include agriculture's contribution to long-term food security, the viability of rural areas, cultural heritage, land conservation, the maintenance of agricultural landscapes and agri-biological diversity. Policy makers across the globe are stressing the importance of multifunctionality as a social and economic goal, and the concept has become one of the most critical issues surrounding agricultural products at recent World Trade Organization (WTO) negotiations.

The U.S. is a laggard in the development of its agritourism industry, as this has been a major segment of the rural economy in parts of Europe and Asia for several decades, and in some cases, centuries. For example, agritourism and other forms of on-farm diversification have grown into an increasing requirement for financial stability in farm businesses across western Europe. About one-third of all farm businesses in the United Kingdom are now engaged in non-traditional agricultural enterprises, and farmer involvement in agritourism in France and Italy is even higher.

Within the U.S., agritourism has been an important source of rural economic activity in several areas, particularly in the west coast and northeast. Agritourism enterprises have typically occurred in small pockets of activity in agricultural production regions of close proximity to metro areas or other tourist destinations. Today, the industry is expanding in scope and scale and

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drawing significant attention in places like the High Plains and Upper Midwest. With all of the hype about agritourism, several questions beg to be answered. First, what is the current status of the agritourism industry in Kansas? Second, is this a viable and sustainable industry in Kansas? Third, as the fledgling industry attempts to develop in the region, what do we know about the preferences and expenditure patterns of consumers who participate in agritourism experiences. Fourth, what areas of the state have the most potential for success in developing successful agritourism sectors? Finally, what does the industry contribute in terms of economic impact to the state's economy? This paper begins to address these questions by drawing upon the best available data at the state and national levels.

### Rationale for Agritourism

Agritourism's recent growth is both demand and supply driven. As noted above, on the supply side, cost/price pressures have forced farmers and ranchers to augment their income through diversification, both within agriculture itself, and through non-agricultural pursuits. On the demand side, increases in discretionary income and demand for more specialized forms of vacation experiences have stimulated growth for tourism and recreational activities in rural areas. Specific interest in agritourism comes from the desire of urban and suburban populations to experience the rural environment and nostalgia associated with a working farm enterprise.

From the perspective of the agricultural industry, agritourism is perceived to be a means of:

- expanding farm operations,
- improving farm revenue streams,
- increasing the long-term sustainability of farm businesses,
- increasing awareness of local agricultural products, and
- creating new on-farm revenue streams to family members who might otherwise have to work off the farm.

From a rural community and region perspective, agritourism is viewed as an opportunity for:

- generating additional direct revenue for local businesses,
- stimulating the upgrade of local facilities and services, and
- helping diversify and stabilize the local economy.

While there are obvious benefits to becoming involved in agritourism, the industry is not without its potential risks and costs. Both the agricultural community and the government see agritourism as a diversification option for maintaining the viability of the agricultural sector and rural communities, much like other value-added enterprises. The risks associated with becoming involved in agritourism are similar to those of other value-added enterprises. First, the enterprise involves investment of time and capital. These resources have opportunity costs, and diverting these resources away from one's core competency (i.e., farming and ranching) can negatively impact the farm business. Second, retail and service activities are relatively high-risk ventures. Data from the Small Business Administration reports four-year survival rates of 49 percent for retail firms and 56 percent for service-related firms. Third, as with most value-added enterprises, success or failure of an agritourism enterprise will be largely determined by management. Successful management of an agritourism enterprise requires many skills, some which are not critical to success in farming or ranching (e.g., advertising and promotion, hospitality), and must be either present or developed by the manager. Fourth, bringing the public

onto the farm has certain legal risks that must be managed and factored into the decision of adding an on-farm recreation enterprise.

Agritourism in Kansas

Kansas’ agritourism industry may be characterized as at an infant developmental stage at this point in time. Little information is available on the size and scope of the industry. A list of some of the most important agritourism enterprises across the nation is provided in Table 1, and just about all of these can at least be found somewhere in the state. In an attempt to develop a comprehensive inventory of agritourism activity across the state, the Kansas Department of Commerce and Housing is currently conducting a survey of agricultural producers known to be involved in agritourism activities. However, data from this survey is not yet available.

Table 1. Selected Agritourism Enterprises.	
<p><b>Outdoor Recreation:</b>  Horseback riding  Wildlife viewing &amp; photography  Fee fishing  Camping/picnicking  Fee hunting  Wagon/sleigh rides  Cross-country skiing  Clay bird shooting  Off-road vehicles</p> <p><b>Educational Experiences:</b>  School tours  Garden/nursery tours  Winery tours  Agricultural technical tours  Historical agriculture exhibits  Exotic animal farm</p>	<p><b>Direct Agricultural Sales:</b>  On-farm sales  Roadside stand  Agriculture-related crafts/gifts  U-pick operations</p> <p><b>Accommodations:</b>  Bed &amp; breakfast inn  Farm/ranch vacations  Guest ranch  Youth exchange</p> <p><b>Entertainment:</b>  Concerts or special events  Festivals or fairs  Petting zoo  Hunting/working dog trials/training  Dances, weddings, and other events</p>

Another source of information on the extent of the agritourism industry is the 2002 Census of Agriculture (National Agricultural Statistics Service, 2004). In the 2002 Census, respondents were asked for the first time to provide information on income from “on-farm recreational services.” In Kansas, 1,290 farms reported income from this source. It must be noted that this number would be a subset of farm involved in agritourism, as some agritourism activities would not be characterized as recreational experiences.

Several state-level initiatives have begun with the objective of expanding the state’s agritourism industry. In 2004, the Kansas Department of Commerce and Housing established an agritourism initiative and appointed the Kansas Agritourism Advisory Council to lead the program. Later in the year, the Kansas legislature passed Senate Bill 334, the Kansas Agritourism Promotion Act. The purpose of this act is to promote the growth of the agritourism industry in Kansas. This

objective is to be met through three activities: (1) creation of a registration process through which the state can assist in the promotion of agritourism operations, (2) limiting liability through signage, and (3) creation of a tax credit to help offset the expense of agritourism liability insurance.

Income from Agritourism

Despite its relative infancy, agritourism represents a significant revenue source for many farmers across the nation. To lend perspective to the importance of agritourism as a revenue source, estimates of total and average annual income generated from on-farm recreation are reported in Table 2 for eight USDA regions. In total, recreation income accounts for about \$800 million of farm revenues each year (Economic Research Service, 2001). Over two-thirds of this income comes from the Fruitful Rim (California, Oregon, Washington, and the Gulf Coast) and Northern Crescent (New England, Wisconsin, Michigan, and New York) regions. Nationally, only 2 percent of farms report recreation income. Thus, while the average recreation income per farm is quite nominal, it is much more substantial for the few farmers receiving it.

Region	Annual Total Income	Average Income/Farm	% of Farms w/ Recreation Income.	Avg. Income for Farms w/ Recreation
Heartland	\$38,500,000	\$90	7%	\$1,286
Northern Crescent	\$298,000,000	\$963	2%	\$48,150
Northern Plains	\$14,000,000	\$138	5%	\$2,760
Prairie Gateway	\$79,000,000	\$267	4%	\$6,675
Eastern Uplands	\$5,000,000	\$14	1%	\$1,400
Southern Seaboard	\$37,800,000	\$161	3%	\$5,366
Fruitful Rim	\$278,600,000	\$1,127	3%	\$37,566
Basin & Range	\$36,700,000	\$437	6%	\$7,283
Mississippi Portal	\$8,000,000	\$69	1%	\$6,900
TOTAL	\$796,000,000	\$368	2%	\$9,200

Kansas is included in the Prairie Gateway region (western Oklahoma, Kansas, Nebraska, and Central Texas). Total annual revenue from on-farm recreation in the region is projected to be \$79 million, with Kansas’ share estimated at roughly \$18 million, with four percent of the state’s farmers report recreation income, nearly double the percentage for the nation. This translates to roughly 2,700 farms and an average annual income from recreation of \$6,675 per farm for those operations involved in agritourism enterprises. While the size of the agritourism industry in the

Prairie Gateway region is dwarfed by the Fruitful Rim and Northern Crescent regions, it is more developed than in several regions across the country. The region ranks fourth of nine regions in terms of the percentage of farms involved in on-farm recreation, and fourth in average income for farms with on-farm recreation enterprises.

### Consumer Preferences and Expenditures of Agritourism Visitors

To assess the potential of agritourism in the region, it is first necessary to conduct some preliminary market analysis. Some important questions include: (1) Where do agritourism visitors come from?, (2) What are the characteristics of these visitors?, (3) Why do they come?, and (4) What do they spend their money on?

To look at how tourists participate in on-farm recreation, we were able to obtain a unique data set from the Economic Research Service, U.S. Department of Agriculture. The National Survey on Recreation and the Environment (NSRE) is the only nationwide data set that explicitly addresses the American public's participation in on-farm recreation. The data set reflects the responses of 20,000 individuals surveyed nationwide, 6,399 who participated in an on-farm experience. Findings from this survey have always been presented for the nation as a whole. Our concern was that these aggregate data may not accurately reflect what is occurring in this region. Because insufficient data was available from tourists visiting Kansas, we developed a subregion comprised of states with similar characteristics (Kansas, Oklahoma, Nebraska, South Dakota, North Dakota, Missouri, and Iowa). This subregion provided sufficient responses to determine whether those participating in agritourism in the Heartland may differ from tourists in other parts of the country, particularly the west coast and northeast.

#### *Visitor Characteristics*

The average age of individuals participating in on-farm recreation in the region is 42 years. While the dominant age group is 30-39 years, a wide distribution of ages characterizes individuals visiting farms in the Heartland region (see Figure 1). The group tends to have higher than average incomes, with an average family income of \$62,200 (see Figure 2). Approximately 70 percent of agritourists in the region are employed, while 16 percent are retired, 7 percent are students, and 15 percent classify themselves as full-time homemakers. Slightly more than 50 percent of visitors to Heartland farms live in metro areas. These characteristics tend to be similar to the averages for the nationwide respondents, although the Heartland group tends to have a higher income and, as one would expect, a lower percentage live in metro areas.

#### *Where do Agritourism Visitors Come From?*

The majority of visitors to farms in Kansas reside in the state – 68 percent of respondents who visited Kansas farms were Kansas residents, and 32 percent were from out of state. Figure 3 shows the origin of out-of-state visitors. As illustrated by the map, most out-of-state visitors come from adjacent states. Despite the relatively low percentage of out-of-state visitors, it is also worth noting that Kansas is a net importer of agritourists. That is, more out-of-state residents visit Kansas farms than do Kansans visit farms in other states. Of the individuals in the data set residing in Kansas, 78 percent indicated that their visit to a farm occurred in Kansas.

Figure 1. Age Distribution of Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.

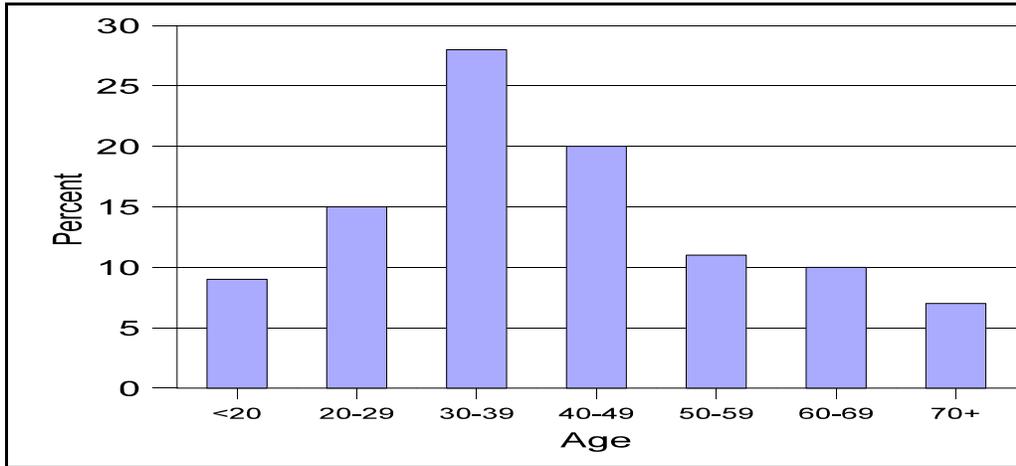


Figure 2. Family Income Distribution of Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.

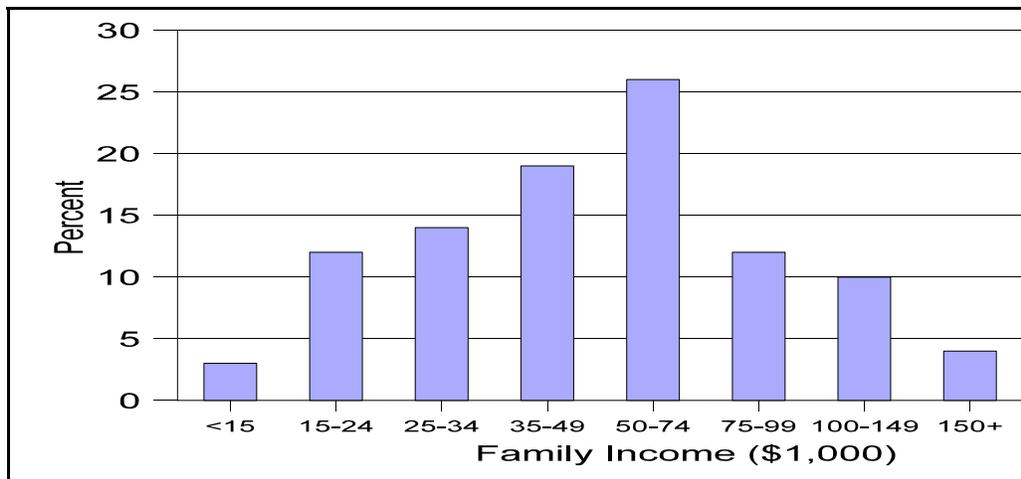
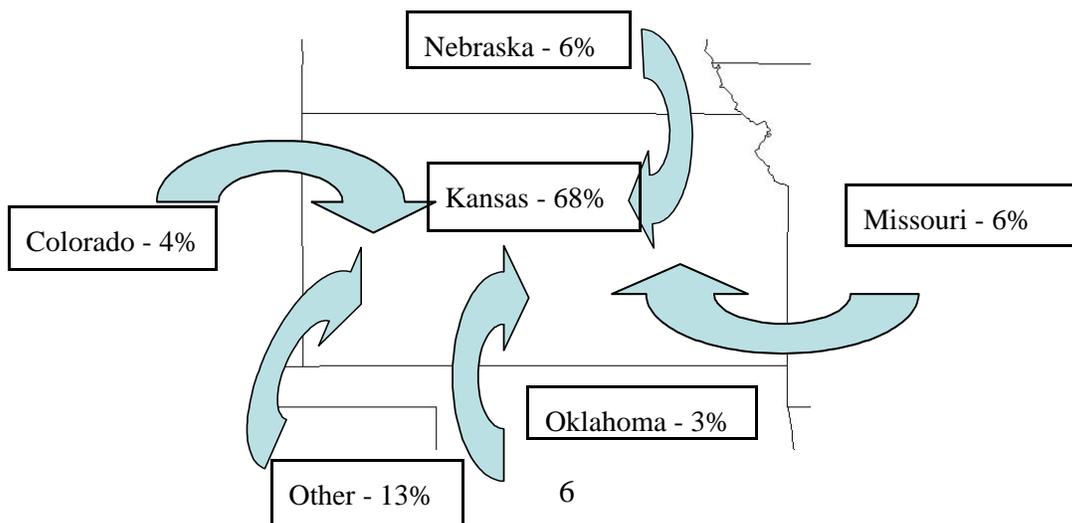
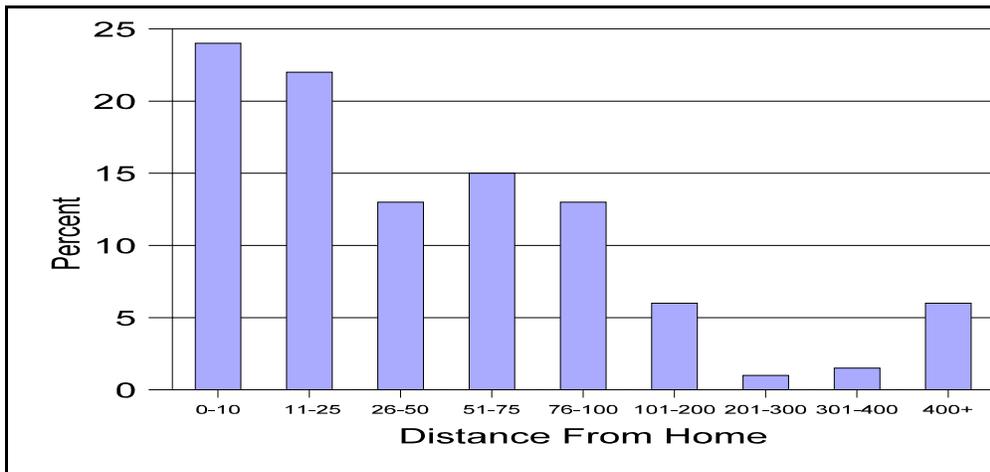


Figure 3. Residence of Agritourists Visiting Kansas, KSRE Data.



As shown in Figure 4, the vast majority of agritourism visits come from people close to the farm site. The average distance traveled to participate in an on-farm activity was 129 miles, and over 50 percent of the visits involve trips of less than 50 miles. The distance traveled in the Heartland region is slightly higher than the national average. It is worth noting that the nature of the agritourism experience does influence the distance consumers are willing to travel to participate in on-farm recreational activities. For example, for one-day visits the average distance traveled is 112 miles, while for overnight stays the average distance traveled is nearly double at 221 miles.

Figure 4. Distance Traveled by Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.



### *Why do Agritourism Visitors Come?*

People visiting farms and rural areas travel to these locales for a variety of reasons. The three most important reasons for a visit are to enjoy the scenery, to visit family and friends, and to watch and participate in farm activities (Figure 5). These reasons correspond closely to the national averages, with the exceptions of spending the night and visiting friends and family. Spending the night was identified as an important factor by 39 percent of respondents in the Heartland, but only 8 percent of the national respondents. Similarly, visiting friends was significant for 76 percent of the region’s visitors, but only 60 percent of the national respondents.

Figure 6 reports the mechanism by which tourists were informed about the agritourism experience. Clearly, word of mouth is the most important source of advertising available to those involved in agritourism enterprises.

### *Visitor Spending Patterns*

As one would expect, the amount of money expended by individuals participating in on-farm recreation activities varies significantly. Respondents’ estimates of their cost of an average trip are reported in Figure 7. These expenditures are not limited to goods and services spent on the farm, but also reflect travel costs, lodging, meals, etc. Clearly, most agritourism trips are low-cost

Figure 5. Reasons for Travel to Rural Areas Identified by Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.

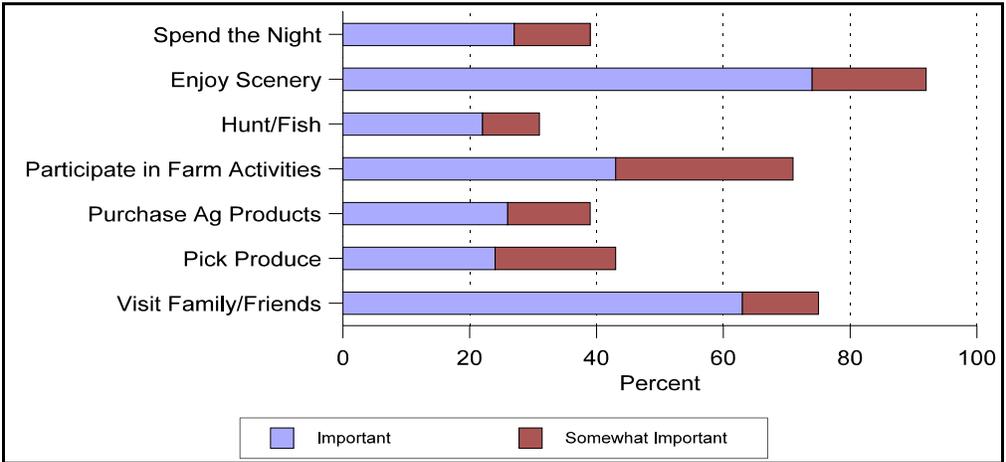
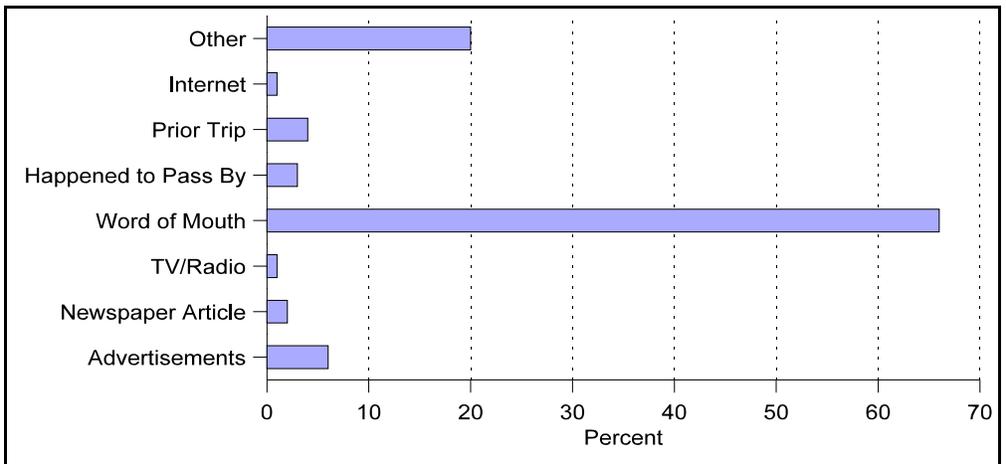


Figure 6. Information Source for Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.



ventures, reflecting the close proximity of the farm destination and the fact that many trips involve visiting friends and relatives. Over 50 percent of the respondents reported an average trip cost of less than \$25. Sixty-seven percent of the visits in the region did not involve an overnight stay. Average expenditures on trips not involving an overnight stay were \$103, while total costs averaged \$213 if the trip involved at least one overnight stay. Average cost per trip were \$49 if the primary purpose of the trip was to visit relatives, and \$101 otherwise. As one would expect, the cost of an agritourism visit increases exponentially as the number of nights spent increases (see Figure 8).

Figure 9 reports spending on farm products during trips to farms and ranches. Eighty-two percent of respondents reported no spending on farm products during their visit. Again, the

Figure 7. Total Cost of Trip Identified by Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.

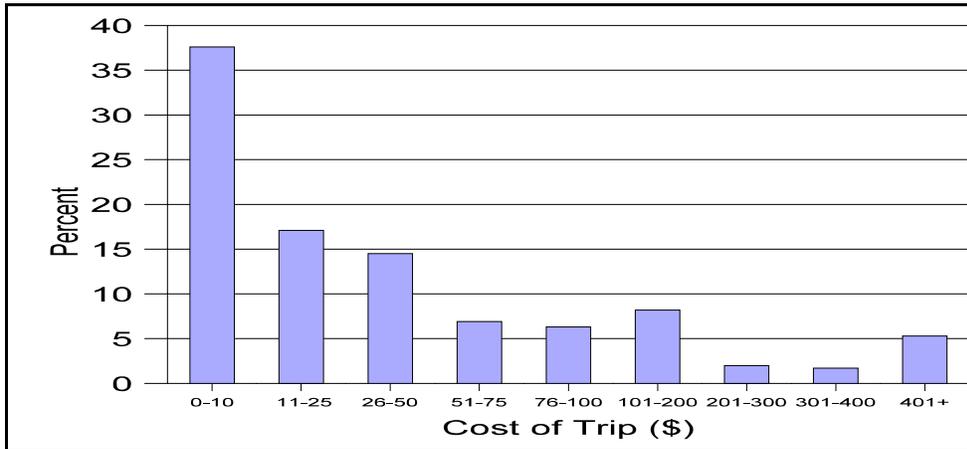
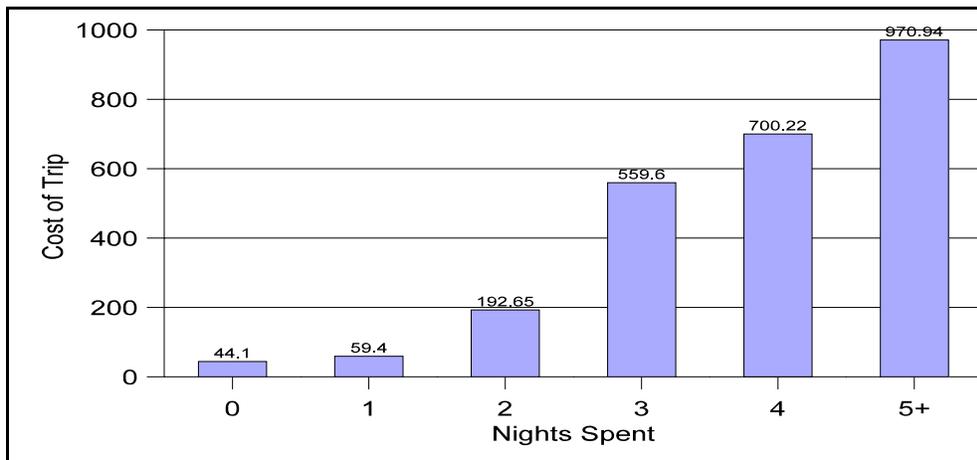


Figure 8. Total Cost of Trip as a Function of Nights Spent on the Trip For Agritourists in the Heartland Region, NSRE.

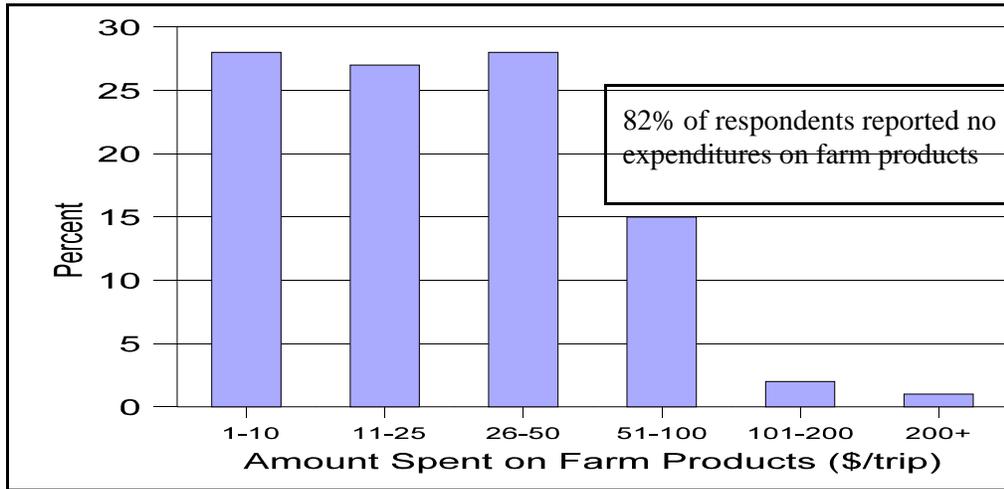


magnitude of this value likely reflects the large number of respondents whose primary purpose was to visit friends and relatives. This value also only includes farm products, and does not include any services paid for while on the farm or ranch (e.g., hunting fees, lodging). Of those respondents who reported spending on farm products, 55 percent reported total expenditures of less than \$25.

### The Geography of Agritourism

Some of the most important questions surrounding the potential of agritourism are really questions of economic geography. In this section, we look at the potential of agritourism across Kansas from both a supply and a demand perspective.

Figure 9. Amount Spent on Farm Products by Tourists Participating in an On-Farm Recreational Experience in the Heartland Region, NSRE.



From a supply perspective, the question to be addressed is, “Where are current agritourism enterprises located?” As noted earlier, the 2002 Census of Agriculture reported 1,290 farms in Kansas having income from recreation. The Census reports both number and income from these farms by county. A map illustrating the number of farms across the state is provided in Figure 10. South-central Kansas has the highest density of farm reporting recreation income, while northeast Kansas is surprisingly low, despite its proximity to urban areas.

From a demand perspective, an important question is, “Which portions of the state have the most potential to attract tourists to agricultural operations?” As noted in Figure 4, agritourists travel a variety of distances, but the vast majority travel only a short distance to agritourism destinations. Farms located close to population centers clearly have a locational advantage. To get a better appreciation for this issue, we developed an agritourism potential index and utilized a geographic information system (GIS) to map this index at locations across the state. For any location in the state, the agritourism potential index is calculated as:

$$API_i = \sum (POP_{ij}) \times (WT_{ij})$$

- where,
- $API_i$  = the agritourism potential index for location  $i$
  - $POP_{ij}$  = the population living within distance interval  $j$  from location  $i$
  - $WT_j$  = the percentage of agritourists in distance interval  $j$  (from Figure 4)

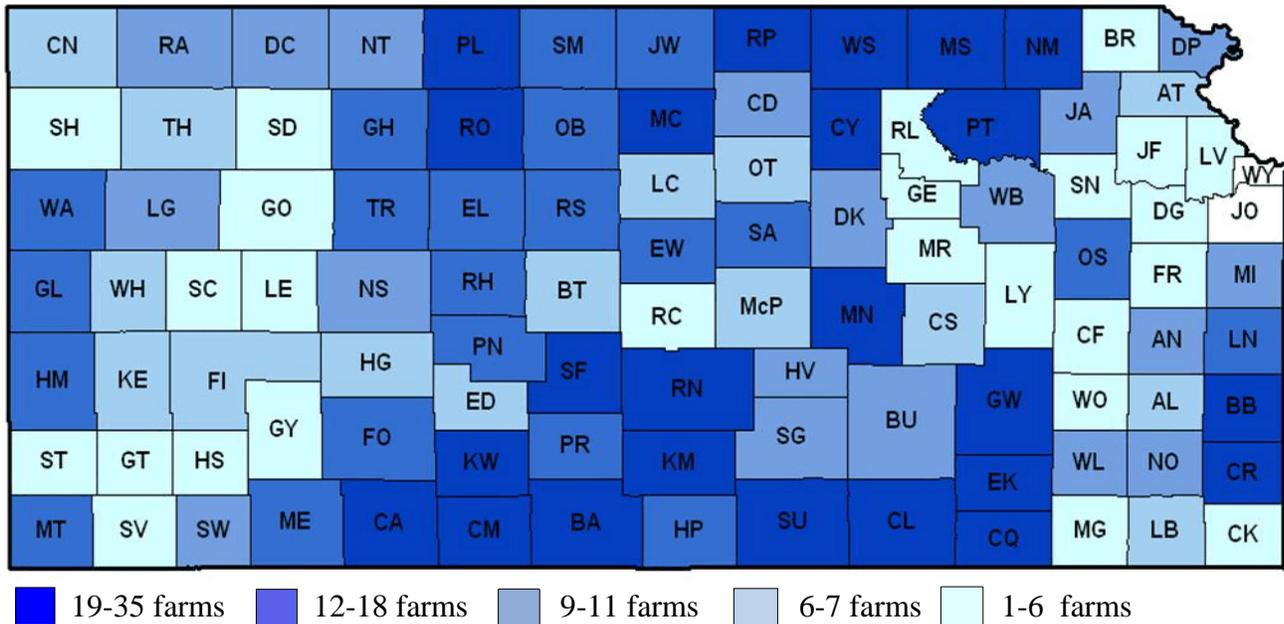
Essentially, the API is a weighted population index of the number of people living within various distances of the farm.

A map of the API across the state of Kansas was developed.<sup>2</sup> With this map, a producer can locate her farm on the map and determine the agritourism potential based upon the population

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<sup>2</sup> Unfortunately, the map does not reproduce well in black and white, and hence, was not included in this paper.

Figure 10. Density of Farms By County Reporting Farm Recreation Income, USDA Census of Agriculture, 2002.



within traveling distance to the farm. Based upon the index, northeast Kansas clearly has the highest potential due to its close proximity to the Kansas City metro area and other surrounding urban areas. The map also shows the challenges of developing the agritourism industry in most of western Kansas, as most of the region is characterized by low API values. Two other observations are also interesting. First, much of southeast Kansas has relatively strong potential as measured by the API, reflecting the area's proximity to the Kansas City, Wichita, and Tulsa metro areas. Second, portions of far northwest Kansas actually have higher potential than expected; obviously due to the positive impact of Denver and other Colorado locations on the index.

### Economic Impacts of Agritourism

Agritourism is being proposed as a local and statewide economic development strategy. As such, it is useful to estimate the economic impact of this industry on the state's economy. An economic impact analysis was conducted to determine both the direct economic impacts of spending by visitors participating in agritourism and the indirect effects arising from the new income generated by that spending.

#### *Analysis Method*

Based upon the NSRE data on number of agritourism visits, distance traveled, overnight stays and on-farm spending, estimates of total direct spending by agritourists were developed. These expenditures were then fed into a Social Accounting Matrix (SAM) framework to estimate total economic impacts. A SAM analysis is a system of accounting for the economic transactions occurring in a regional economy over a period of one year. A SAM model creates a

“computerized spreadsheet,” charting the flow of dollars between local business sectors, households, government, and other non-local consumers of locally produced goods and services. SAM analysis enables estimates of how spending in one area of the economy “ripples” through the economy to other sectors.<sup>3</sup>

Data for the State of Kansas were used to construct the economic accounts. The model was calibrated to the year 2001, the most recent year for which necessary data were available. Economic multipliers for each of the 446 industry sectors in the state were calculated. Agritourism spending estimates for the year 2000 were fed into the model to estimate the indirect economic impacts, and the resulting estimates were then inflated to 2004\$.

### *Estimated Economic Impacts*

Total expenditures associated with agritourism in Kansas in year 2000 are reported in Table 3 and total approximately \$78 million. About \$25 million of this total comes from out-of-state visitors. Total expenditures are broken down into seven categories: farm products, farm services, travel costs, lodging, eating and drinking places, other retail, and miscellaneous. Clearly, travel costs represent the largest expenditure of agritourists.

The total direct and indirect economic impacts of agritourism spending on the Kansas economy are reported in Table 4. Total income is the broadest measure of the income, and includes employee compensation, proprietary income, corporate income, dividends, interest and rent, and indirect business taxes. Total income is the truest indicator of the wealth a business or industry sector generates in the economy. Employment estimates are the number of full- and part-time jobs that would be closely allied with this level of economic activity. The share of impact accruing to economic sectors is shown using standard two-digit NAICS (North American Industry Classification System) coding to illustrate the relative distribution of economic benefit.

The combined direct and indirect economic impact associated with agritourism in 2000 was estimated to be between \$25 and \$78 million (2004\$). The low estimate arises from spending generated from out-of-state sources and the high estimate is spending originating from both in-state and out-of-state sources. To the extent that spending by Kansas residents would likely not occur in rural regions had it not been spent on an agritourism activity, the high estimate can be construed as an estimate of the economic impact on the state’s rural economy.

The employment associated with this level of economic activity ranged between about 500 and 1,400 jobs. All of the impacts are widely distributed to many economic sectors across the economy.

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<sup>3</sup> The SAM modeling system used for this analysis is the Micro-IMPLAN (IMpact analysis for PLANing) system developed by the U.S. Forest Service (MIG, 1999).

Table 3. Total Annual and Average Income (Gross Receipts) Generated by On-Farm Recreation, By Region.		
Category	Total Expenditure Profile	Out-of-State Expenditure Profile
Farm Products	\$8,017,000	\$2,565,440
Farm Services	\$9,342,000	\$2,989,440
Travel Costs	\$37,223,000	\$12,047,426
Lodging	\$8,017,000	\$2,565,440
Eating & Drinking	\$7,466,000	\$2,388,980
Other Retail	\$3,895,000	\$1,246,458
Other	\$3,947,000	\$1,263,122
TOTAL	\$77,907,000	\$25,066,306

Estimates generated for the associated level of output (roughly translated into the value of sales, or total economic activity) and labor income (a somewhat more restrictive definition of income that includes only employee compensation and proprietary income). The total overall level of economic activity associated with agri-tourism spending ranged from about \$26 million to \$135 million, while the labor income generated ranged from about \$18 million to over \$57 million. Households, accommodation and food, and transportation are the sectors of the economy most affected.

The social accounting matrix is a comprehensive accounting system and includes transactions occurring between production sectors as well as transactions occurring between government and households and between government and production sectors. This information can be used to estimate the tax impacts associated with industry sectors or economic events. It was estimated the federal government collected approximately \$2.9 million in tax revenues, and that state and local governments garnered approximately \$2 million from the varied activities associated with agritourism spending by out-of-state visitors in 2000 (2004\$). If in-state tourist activities are included, then tax collections increase to \$9.06 and \$6.25 million, respectively.

### Challenges and Opportunities

Agritourism is not the panacea to the economic woes of Kansas agriculture or rural Kansas. It does, however, represent another alternative use of the agricultural resource base which farm and ranch managers can possibly utilize to increase annual income. As noted in Table 1, there are

Table 4. Estimated Total Economic Impact of Agri-tourism Spending to the Kansas Economy, 2000 (2004\$)

Sector	Employment		Total Income	
	Total Agri-tourism Spending	Out-of-state Spending	Total Agri-tourism Spending	Out-of-state Spending
Ag., Forestry & Fishing	4.2	1.7	\$50,664	\$16,214
Mining	10.4	3.6	\$607,023	\$194,258
Utilities	3.1	1.3	\$856,460	\$274,119
Construction	6.0	2.3	\$248,743	\$79,610
Manufacturing	22.2	8.4	\$2,183,840	\$698,902
Wholesale Trade	23.6	9.4	\$2,530,819	\$809,930
Transportation	288.0	93.5	\$10,233,144	\$3,274,689
Retail Trade	171.3	64.9	\$4,997,480	\$1,599,293
Information	27.0	9.3	\$1,742,739	\$557,783
Finance & Insurance	26.5	11.1	\$2,691,288	\$861,304
Real Estate & Rental	64.6	23.1	\$7,275,949	\$2,360,444
Professional Services	37.0	13.4	\$2,158,969	\$691,015
Management Services	7.1	2.6	\$538,180	\$172,261
Administrative Services	78.5	27.0	\$2,558,643	\$820,367
Educational Services	7.9	3.1	\$256,590	\$82,117
Health Services	55.6	28.0	\$3,419,150	\$1,094,238
Entertainment & Recreation	83.5	28.1	\$1,812,142	\$579,895
Accommodation & Food	447.5	148.0	\$12,234,121	\$3,914,968
Other Services	65.8	25.2	\$1,944,091	\$622,179
Government	9.6	3.7	\$2,823,059	\$903,490
Households	0.0	0.0	\$17,359,000	\$5,554,880
Total Impact	1,439.3	507.4	\$78,622,094	\$25,161,956

many ways that agricultural producers can get involved in agritourism. Producers may want to think of agritourism enterprises in three categories:

1. A *supplementary enterprise* is a minor activity that would support other activities on the farm (e.g., leasing hunting rights to pheasant hunters on the weekend).
2. A *complementary enterprise* would share equal footing with other traditional enterprises (e.g., a vegetable producer might open up a u-pick operation to complement sales through a traditional wholesaler.)
3. A *primary enterprise* would be the dominant enterprise on the farm (e.g., converting the ranch to a dude ranch).

Kansas has many challenges and opportunities if it is to significantly increase the size of its agritourism industry. The advantage that Kansas possesses is its large number of farms and ranches and rich western heritage. Also, many residents of the state and surrounding states have relatives who reside on farms and ranches. This source of visitors should not be downplayed, as it is the most significant group of agritourists nationwide.

The challenges facing the industry are numerous. First and foremost is the relatively large distance from high population densities to most Kansas farms and ranches. Second is a lack of agritourism clusters. Tourists are more likely to travel to a destination if there are several tourist stops to visit. Because of the relatively infant stage of the industry, few of these clusters have yet developed. A third limitation is the lack of rural amenities and recreational opportunities in many regions of the state. For example, Kansas is the only state west of New Jersey without any counties designated as nonmetro recreation counties (Economic Research Service, 2002). The extent to which opportunities are capitalized upon and these challenges are met will determine the future of the agritourism industry in Kansas.

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