

Agritourism as an Added Enterprise

By Haylie Shipp

While agriculture traditionally deals in the selling of commodities, increasing input and land costs have driven a push towards adding enterprises in an attempt to keep farms and ranches fiscally sustainable. Agritourism allows one more for-profit enterprise that can complement that which is already happening within the operation. What's more, it can create a place and space for individuals on the ranch not actively involved with the day-to-day operations.

This guide will discuss:

- Legitimization of Agritourism as an Added Enterprise
- Many Benefits of Agritourism Alongside Fiscal Potential
- Importance of Boundaries when Adding an Enterprise



Why Consider Agritourism?

As we look towards agritourism as an added enterprise, there is the obvious pull to creating a revenue stream. Diversify your income, improve your fiscal sustainability. Farm agritourism revenue more than tripled between 2002 and 2017, according to data from the Census of Agriculture.

What's more, it can become a real point of pride and/or creativity for the individual entrepreneur behind the added enterprise. While that individual could be the principal decision maker, it could also be a spouse, child, or spouse of the child, creating an opportunity in which a member of the family previously peripherally active in the farm or ranch can now take a leadership role in adding income.

Ever feel like the connection to where food actually comes from has been lost? With agritourism, you are putting yourself in the driver's seat in explaining how food and fiber reach the consumer. On average, that is a consumer that is now more than three generations removed from the farm or ranch.

Lastly, the opportunities for cultural exchanges are innumerable. When someone comes to your operation to be involved in agritourism, they are bringing their background, belief system, and personal story with them. It is a two-way exchange in which they become more familiar with what it means to be a Montana rancher/farmer and you, in return, get a feel for where they are coming from.



Agritourism Enterprises: What to know

Agritourism is a money-making business. In fact, it's been referred to as a "new cash crop" here in the United States. While farmers and ranchers tend to be very generous with their time, that resource has a value.

Agritourism as an added enterprise creates income diversification, helping to protect against downside risk and against cash flow problems and better utilize your land, labor, and capital. Diversification also spreads the risks associated with your farm or ranch business over a greater base.



The target audience for agritourism is exceptionally diverse. From retired individuals with an agricultural background to families with small children wanting to get outdoors, the possibilities are expansive.

In a state under stress as a large number of tourists convene on the same locations in a tight time period, agritourism serves as a stellar mechanism to disperse the tourist population and spread the tourist spend to more remote and rural areas.

Agritourism provides social benefits to the local community, providing educational opportunities, local spending, and increased cultural awareness.



According to the USDA Economic Research Service, Female operators, older operators, and those operating large ranches with cattle or horses (dude ranches specializing in tourist activities, such as camping and horseback riding), are most likely to have agritourism income.

Your next steps:

Let's get brainstorming! Follow your curiosities. What elements of agritourism excite you? Is it related to sportsmen? Would you like families to join you for a corn maze, a group of women to join you for goat yoga, classrooms to learn about plants, or set the stage for a romantic wedding? Identify your authentic vision and your dream customer. That is who you will market to!

Will this venture make money? It's time to get that business plan mocked up. Numbers don't need to be exact, but it's important to know that your time and monetary contributions won't be for not. Need help? Contact your local Food and Ag Development Center:

<https://agr.mt.gov/Food-and-Ag-Development-Centers>

Research legal issues and purchase liability insurance. It's important to make sure other aspects of the farm or ranch are fully protected.

Speak with other members of your farm or ranch if applicable to identify how much change is acceptable. Human activity will have an impact. Are there varying levels of tolerance within the operation? Set acceptable boundaries amongst the group. Are there areas of crossover with current operations? Is anyone else going to help?



Make a Marketing Plan:

Vision set. Plan established. Boundaries identified. It's time to get to marketing!

Keep that dream customer in mind. Where will you reach them? Your marketing plan will be different dependent up on that client, but a few key strategies will hold true for everyone:

- Create an online presence, be it social media and/or a website. Get a free agritourism listing at www.abundantmontana.com.
- Contact your local Chamber of Commerce to become a member. They're the first point of contact for visitors to the area.
- Did you know the state has six designated tourism regions? Introduce yourself. (Find yours at <https://brand.mt.gov/Programs/Office-Of-Tourism/Resources-for-Tourism-Partners>) They will be able to help with marketing and may know of some grant possibilities.
- Ask your friends and family to tell people about what you're up to! Word of mouth goes a long way.



Be accountable to your goals, plan, and future customers. Consistency is key!



Excited about agritourism? That's great! Feel like you already have a lot of irons in the fire? Let's take a step back and evaluate. Do you have enough time to add an entire enterprise? While providing agritourism opportunities as a hobby is a very valid path, know that taking it on as a full business is going to require inputs. Make sure your ability to contribute time to the business aligns with the goals for the business.

About the author:

Speaking at and with ranchers has become a career for Haylie Shipp, working alongside them collaboratively through the Ranchers Stewardship Alliance and addressing them directly through her on-the-air radio work with regional agricultural networks (Western Ag Network and Ag Information of The West) and on the Ranch Stewards Podcast (RanchStewards.org/podcast). Backing up the talk is the family ranch in Valley County where she is the 5th generation actively involved in production agriculture whilst raising the 6th.

A persistent dreamer, agritourism has been a fun brain exercise for Haylie as she exhaustively toys with ideas of what could work on their ranch as well as holding excitement for how to bring this opportunity to the ranchers she works with.