Influences Affecting Agritourism Success in the Western US

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Project Overview

1. Multi-institutional interdisciplinary research group is surveying western agritourism operators as part of 3 year USDA grant: “Place-Based Innovation: An Integrated Look at Agritourism in the Western US”

2. Agritourism Producer Surveys conducted in both Colorado and California – completed June 2015

3. Also using data from project’s agri-tourist survey (all US), spatial data collection, and some producer case studies (2015 – 2016)
For this study, agritourism is:

- Any income-generating activity conducted on a working farm or ranch for the enjoyment and education of visitors
Agritourism activities include...

- **On-farm Direct Sales** (U-pick, farm stands, dairy, wine, beer, farm products, etc.).
- **Accommodations/Lodging** (farm stays, guest ranch, B&Bs, camping, cabins, etc.).
- **Entertainment/Special Events** (harvest festivals, corn mazes, farm dinners, weddings, parties, etc.).
- **Outdoor Recreation** (picnicking, swimming, hunting, fishing, photography, horseback riding, snowmobiling, biking, etc.)
- **Educational Activities** (farm or ranch work experience, camps, classes, tours, tastings, demonstrations, egg gathering, etc).
Survey of Likely Agritourism Operators

- Conducted online and through US mail: February 2 – May 19, 2015

- 150 Colorado Producer Survey respondents total
  - 141 non-duplicated complete surveys
    - 71.6% (101) said Yes, they did offer agritourism products/services
    - 28.4% (40) said No, they did not offer agritourism products/services

- 243 California Producer Survey respondents total
  - 231 non-duplicated complete surveys from producers
    - 81.3% (187) said Yes, they did offer agritourism products/services
    - 18.7% (44) said No, they did not offer agritourism products/services
Agritourism in California
Agritourism in California

Count of AgTrsm Farms/Ranches

- Surveyed Agritourism Farms (2015)

Census Agritourism Farms (2012)

- 1 - 10
- 11 - 25
- 26 - 50
- 51 - 100
- 101 - 135
- Undefined / Withheld
Agritourism in Colorado

Census vs Surveyed Colorado Agritourism (2012/2015)

Number farms, 2012 Census of Ag
- 0 - 10 (33)
- 11 - 20 (16)
- 21 - 30 (5)
- 31 - 40 (6)
- 41+ (4)

Agritourism sites, 2015 producer survey (674)
Agritourism Gross Revenue - 2014

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Colorado</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN $1000</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>$1000 - $4,999</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>$5000 - $24,999</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>$25,000 - $99,999</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>$100,000 - $249,000</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>$250,000 - $499,999</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>$500,000 - $999,999</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>$1M - $4,999,999</td>
<td>8%</td>
<td>4%</td>
</tr>
<tr>
<td>GREATER THAN $5M</td>
<td>0%</td>
<td>1%</td>
</tr>
</tbody>
</table>
Main Sources of Agritourism Revenue

California:
- Direct Sales: 61%
- Educational Activities: 11%
- Outdoor Recreation: 4%
- Entertainment/Special Events: 8%
- Accommodations: 6%
- Diversified: 10%

Colorado:
- Direct Sales: 33%
- Educational Activities: 10%
- Outdoor Recreation: 14%
- Accommodations: 16%
- Entertain./Special Events: 14%
- Diversified: 13%
Days Agritourism Operations Open

Number of days open in 2014

- 10 days or less: 3% (Colorado), 12% (California)
- 11 to 35 days: 9% (Colorado), 11% (California)
- 36 to 100 days: 20% (Colorado), 19% (California)
- 101 to 250 days: 45% (Colorado), 21% (California)
- 251 to 365 days: 23% (Colorado), 36% (California)

Comparison between Colorado and California.
Average Number of Visitors by Primary Activity

- Entertainment/SE
- Accomodations
- Educational activities
- Direct sales
- Diversified
- Outdoor recreation

[Bar chart showing the average number of visitors by primary activity for Colorado and California.]
Number of Annual Visitors

Number of Visitors in 2014 (CO & CA combined)
## Estimated Profit by Primary Activity

*(CA & CO combined)*

### Direct Sales (N=117)
- Loss, no profit: 21%
- Less than $2500: 18%
- $2500 to $25,000: 22%

### Accommodations/Outdoor Recreation (N=28)
- Loss, no profit: 11%
- Less than $2500: 4%

### Entertainment, Special Events, Educational Activities (N=44)
- Loss, no profit: 20%
- Less than $2500: 20%
- $2500 to $25,000: 18%

### Diversified (N=20)
- Loss, no profit: 25%
- Less than $2500: 25%
- More than $25,000: 35%

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California: N=141  Colorado: N=71
Agritourism Challenges:
Percent of Respondents Rating Each Issue "Challenging" or "Very Challenging"

- Management time and expertise *
- Marketing (promotion & advertising *)
- Availability of operating or investment capital *
- Family or business labor
- Cost and/or availability of insurance
- Other state or local regulations*
- City/County permitting & zoning *
- Local & state taxes
- Ensuring visitor safety and accessibility
- Competition from other local recreational options*
- Developing and implementing a business plan

* Difference significant at 90% confidence level
Perception of Marketing Strategy Effectiveness:

Percent of respondents rating each strategy "effective" or "very effective"

- word of mouth, recommendations from customers
- web site
- feature story (TV, radio, newspaper, magazine)
- referrals from other businesses
- direct mail or email to customers
- Facebook, Twitter, Instagram, Pinterest, boosted posts
- highway sign listing business *
- sign outside business
- print brochures, fliers, posters
- farm or wine trail or agritourism association
- regional or state tourism guide or web site
- TripAdvisor, Yelp reviews
- paid advertising in print, online or radio
- chamber of commerce or visitors bureau referrals

* Difference significant at 90% confidence level
Information Sources Used by Agritourists (from National Survey of Agritourism Visitors)

- Word of mouth and recommendations from family/friends: 20%
- Website: 17%
- Social Media: 10%
- Trip Advisor or Yelp reviews: 8%
- Feature story in media: 5%
- Tourism guide: 6%
- Direct mail/email: 4%
- Chamber of Commerce or Visitor's Bureau: 4%
- Print materials: 7%
- Print, online or radio ads: 5%
- Highway signage listing the business: 5%
- Sign outside businesses: 5%
- Referrals from other businesses: 3%
Helpfulness of Community Resources

Percent of respondents rating each "helpful" or "very helpful"

- Farm or wine trail, agritourism association *
- Tourism bureau, Chamber of Commerce *
- Neighboring farms, adjacent landowners
- Other local tourism, recreation & retail businesses
- Local eating & dining places
- Local motels, hotels, B&Bs, campgrounds
- Small Business Development Center, University Extension, other educators *
- County/municipal planning & zoning dept.

* Difference significant at 90% confidence level
Age of Agritourism Businesses

- **LESS THAN 5 YEARS**
  - Colorado: 27%
  - California: 24%

- **5 - 19 YEARS**
  - Colorado: 40%
  - California: 42%

- **20 OR MORE YEARS**
  - Colorado: 33%
  - California: 34%
Education Level of Primary Agritourism Decision Maker

- **Did Not Complete HS**: Colorado (1%), California (0%)
- **Completed HS/GED**: Colorado (3%), California (6%)
- **Some College**: Colorado (18%), California (21%)
- **Completed AA or BA**: Colorado (39%), California (44%)
- **Advanced or Graduate Degree**: Colorado (39%), California (28%)
## Future Plans (CA & CO combined)

<table>
<thead>
<tr>
<th>Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand or diversify agritourism operation</td>
<td>65%</td>
</tr>
<tr>
<td>Invest in buildings or equipment for agritourism</td>
<td>40%</td>
</tr>
<tr>
<td>Hire more employees</td>
<td>33%</td>
</tr>
<tr>
<td>Make no changes/maintain current level of operations</td>
<td>20%</td>
</tr>
<tr>
<td>Other plans</td>
<td>10%</td>
</tr>
<tr>
<td>Reduce type of experiences/products offered</td>
<td>5%</td>
</tr>
<tr>
<td>Close agritourism operation</td>
<td>0%</td>
</tr>
</tbody>
</table>
Questions or Comments?

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☐ Thank you for your time and attention 😊