

FIRST STEPS TO BEGINNING AN AGRITOURISM BUSINESS IN MISSISSIPPI



The demand for agritourism is on the rise from people who live away from farms but desire outdoor recreational experiences that connect them with nature, food, family, and friends. Agritourism provides an opportunity for the public to learn about where their "food and fiber" come from while participating in a recreational activity. For farmers and ranchers, agritourism represents a chance to diversify their operations, generate additional revenue, and expand their business.

Agritourism operations also allow farmers and ranchers to share their knowledge about the role and importance of agriculture through interactive hands-on experiences. Since agritourism involves inviting the public onto the farm, it requires a different set of skills beyond traditional farming. This publication guides prospective agritourism operators through the first steps of establishing a business that invites visitors onto their farm operation.

To network with other operators and get ideas about agritourism experiences, many operators visit other local, regional, national, or international operations. You can find agritourism operations through the following resources:

- The <u>Agritourism Program</u> offered by the Mississippi Department of Agriculture and Commerce (MDAC) includes a list of agritourism operations that participate in its limited liability program.
- MDAC's <u>Genuine MS</u> includes a list of farms that produce local products.
- The Mississippi Hills National Heritage Area also has a local food trail that guides visitors to multiple agritourism operations, farmers markets, and local food venues. You can visit the <u>Mississippi Hills Farm to Fork Foodie Trail website</u>.
- <u>North American Farmers' Direct Marketing Association (NAFDMA)</u> is an international agritourism organization for operators.

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STEP 1: KNOW YOURSELF AND YOUR FARM

Agritourism operations can vary greatly based on the unique aspects of the farm or ranch. The term "agritourism" is broadly defined and includes not only pumpkin patches and corn mazes, but also activities such as lodging, farm heritage reenactments, educational demonstrations, participation in actual farmwork, horseback riding, and U-pick operations and direct sales. Determine the type of agritourism operation that is best for you by deciding how much contact with the public you desire and the unique attributes, relevant interpersonal skills, and physical and geographical characteristics of your operation.

Uniqueness

To attract visitors, your operation should provide an experience that is unique to your farm or ranch. Begin with where you are now and grow in areas of expertise. Avoid doing too much right from the start. Focusing on what makes your operation special will give visitors the authentic experience they desire and will keep them coming back. When each agritourism operation specializes in what they do well, all agritourism operations benefit because of improved customer service and an increase in the total number of visits.

To determine what is unique about your operation, consider the history of your farm or ranch and the specific skills that you or your family members have. Visit your local library to learn the history of the operation if you do not know it. You can share what you have learned about your operation with your visitors, as they come to experience "the story" of your farm. Listen to the feedback and interests of friends and acquaintances and think about any special interests or skills you could share to enhance visitors' experience.

Physical Properties and Amenities

To determine your farm's uniqueness, start with a physical assessment of your property. Do you have an atmosphere that would be pleasant and welcoming to visitors? Does your farm have natural beauty such as shade trees, scenery, and a visually appealing landscape? A practical way to determine this would be to invite friends to photograph different parts of the farm and see if any images are appealing to the eye. This process will reveal any eyesores or may highlight some spots on the farm that you might not have initially considered an "attraction."

The natural resources of your property largely determine the scope of your operation. Think of your wildlife, soil, and topography, including elevation, woodlands, meadows, wetlands, and water. Create a map of your land, crops, livestock, buildings, fences, corrals, roads, and paths. Could any of your equipment be used to enhance your visitors' experience?

List the amenities that you already have on site. Some examples are barns, bodies of water, picturesque fencing, riding arenas, sidewalks, trails, restroom facilities, and any other buildings or structures. Be sure to include the size of the buildings, arenas, and fenced areas. Do any of the facilities have air conditioning? Are the buildings well-maintained and structurally sound? How many people can fit safely in the buildings? What types of production agriculture are already taking place on your farm? Is there a safe way for visitors to observe or participate in this activity?

For a fillable form to help you during this phase, see the Facilities Assessment Guide at the end of this publication.

Logistics

When creating a concept for your agritourism operation, it is important to think about the logistics of managing visitors on your property. You must decide where visitors will park, determine how you will communicate with your visitors and staff, and ensure safety protocols are in place. Below is a checklist of logistics strategies to help you get started.

Logistics Strategies

Communication

- Develop a clear communication plan for your staff. This could include daily meetings, a texting system, radios, or cell phone rules. Communication can also be managed with social media and signage. The key is to have a simple communication plan and distribute it to your staff so that they understand protocol to manage day-to-day activities and emergencies.
- □ Set up a reliable sound system or communication network for each event.
- □ Create a printed list of possible questions and answers for the event staff.
- □ Post clear, visible signs directing visitors to the following areas: information and registration, restrooms, first aid, tickets, and food.
- □ Require event staff to wear business logo T-shirts or name badges.

Crowd Control

- Prevent crowd blocking and congestion by having multiple ticket vendors, entrances, and exits.
 The entrance and exit should be sufficient to allow free movement.
- □ Keep vehicle traffic away from pedestrian areas.
- □ Use arrows and signage to avoid dead ends and create circular paths instead.

- □ Determine the maximum capacity of your operation and limit overcrowding. Keep track of attendance to avoid surpassing crowd capacity.
- □ Block off dangerous areas and set up safety barricades.
- □ Cluster similar activities together, such as designating a specific area for children's play or separating food areas from animal activities.
- □ Create designated VIP areas for special guests. An example would be allowing a separate entrance line for year-round ticket holders.
- □ Limit excessive smoke or noise.

Tickets and Signage

- □ Have clear signage and multiple ticket windows to prevent long lines and bottlenecks.
- Consider an online ticket purchasing option to improve planning for large crowds.
- □ Include signs with arrows.
- □ Mark emergency exits.

Program and Visitor Information

- Distribute programs with agendas, maps, and any other event information.
- Regularly update your website and social media pages with important visitor information.
- □ Make sure contact information is current and posted on all printed and digital media.

Parking and Traffic

- Develop a parking layout that separates areas for vendors, entertainment, security, and staff. Include this parking layout on your site drawing and give a copy to all event staff, security, and facility management.
- □ Create a parking plan that will allow for multiple exits or an easy flow of exits for visitors.
- □ Create a designated path that will be left open for all emergency vehicles, including fire lanes and ambulance entrances and exits.
- □ Provide shuttle services from parking areas or local hotels, if larger crowds are expected.
- Work closely with local law enforcement ahead of time to determine if roadway traffic direction will be needed, and allow them to help you develop your traffic flow plan for when visitors arrive and leave your event.

Provide law enforcement and security with programs and an event map. Also, establish a means of radio contact with security and law enforcement officials.

Site Planning

Develop a site plan before each event. The site plan can be in the form of a map to make it easy for all parties to understand. The site plan should include the basic dimensions of the event site and measurements of all important activity areas, booths, tables, seating, and stages. This site plan should be distributed to all event staff before the event begins. The plan should serve as a guide for setup, traffic flow, budgeting, and safety.

Neighbors

- □ Inform neighbors of event plans and promote a positive, friendly attitude. When hosting an event, it is possible that traffic and noise may be a problem for your neighbors.
- □ Work with local law enforcement to identify the best possible strategies for maintaining a safe environment and traffic flow during your events.
- Keep animal areas clean, well-maintained, and safe for everyone. This is vital in maintaining good relationships with your neighbors, visitors, and others. Make sure gates are secure to avoid livestock traveling to neighbors' properties. Meet with your local veterinarian before opening your facility to ensure all potential animal health issues are addressed.

Location

Most visitors taking day trips to agritourism operations travel up to 125 miles. To enhance their experience, share information about other attractions in your region. You could include details about nearby agritourism operations, cultural and historical sites, educational attractions, and local lodging and dining options. If your operation is in a remote area, consider the possibility of attracting fewer guests, charging more, and giving them a fuller experience of farm life.

Also consider whether your farm is in a safe area. Assess the condition of the roads around your property and the conditions of the driveways, roads, or parking areas on your property. This is important because of the level of traffic that could be expected when opening a business to the public and the expense involved in maintaining roads.

Financial Assets

Beginning an agritourism operation will require start-up costs to prepare your property for guests. **The number one need is typically restrooms**. There is a time and place for taking out loans to grow a business, but caution should be exercised. Many successful operations prefer to use profits from previous years before taking out loans. It is vital that you create a financial plan before

starting your business. This involves identifying your costs and potential revenues and creating a cash flow statement. The Center for Farm Financial Management has developed a <u>resource for</u> <u>business planning</u>. This tool can help you create a business plan and have it reviewed by experts.

Additionally, Rutgers University has a tool that provides an example of <u>how to determine a budget</u> <u>for creating a corn maze</u>.

For more information on budgeting and business management, check out <u>webinars about agri-</u> tourism planning on the Mississippi State University Extension Service website.

Interpersonal Skills

Running an agritourism operation is different from traditional farming or ranching. While general business skills will still be necessary, it is important to develop additional skills to make visitors feel welcome, promote return visits, and encourage word-of-mouth referrals. The person running the agritourism operation must be personable and welcoming, customer-service minded, skilled in marketing and social media, and able to communicate knowledge about agriculture and the history and uniqueness of your farm.

It is also important for the person who will be interacting with visitors to be knowledgeable about the subject matter. For example, someone giving a guided tour of a bison ranch should be aware of safety precautions, animal healthcare, habitat, and behavior, use of the animals, and their history. This will help ensure that the visitors have a safe and enjoyable experience.

Assets and Agritourism Ideas

After you have assessed your resources and the potential of your farm, brainstorm about all the different ways you could use these assets to create a tourism attraction or event. Identify what types of activities and events you are interested in hosting and see if this type of event makes sense for your farm.

List assets, skills, or unique aspects of your farm.

List an activity, event, or attraction based on these assets.



growing YOUR BRAND

STEP 2: KNOW YOUR VISITORS

In today's "experience economy," where companies focus on creating memorable and unique experiences rather than selling goods and services, consumers desire authenticity and transformation. With a lack of connection to place due to urbanization, overwork, disconnected families, and decreased community gatherings, today's consumer is looking for connection to people, place, and history. The key ingredient to the optimal experience includes education, aesthetic, entertainment, and escape. Today's consumer feels better about spending money on experiences than on material things.

Marketing

Target Markets

Once you have completed an inventory of what your operation offers, it is time to determine your target market. A target market is a group of people with some similarities that you want to attract to purchase a product or participate in an experience. For example, you own a small farm that grows mostly herbs and organic specialty crops. If you want to diversify your operation and gain publicity, you could host an herbal workshop. This could include demonstrations on growing, harvesting, drying, and using herbs. A Saturday afternoon event could provide a tour of the farm and the workshop, plus a soap-making or cookingwith-herbs activity.

To better determine your target market and create strategies to reach it, check out MSU Extension <u>Publication 2959</u> Growing Your Brand: <u>Developing a Market-ing Plan Workbook</u>. Additional marketing information is available in the webinar series <u>7 Ways to Quickly Grow Your Food Business</u>.

Marketing Strategy

Word-of-mouth advertising is one of the most effective marketing strategies for agritourism operations. Advertising in local and regional newspapers and building relationships with teachers can also be good ways to market your operation. Listing your operation on websites such as <u>MDAC's Registered Venues site</u> can also increase your exposure. Creating a business website and linking to social media sites like Facebook, Twitter, and Pinterest can also be cost-effective methods to get the word out about your new operation. More information on marketing your business can be found on MSU Extension's <u>Growing Your Brand page</u>.

Customer Service

Providing a quality experience is key to bringing visitors back and drawing in new visitors through word-of-mouth advertising. Being available to answer questions

and listen to visitor reactions will help you understand their experiences and how to improve your operation over time. While it can be hard to hear criticism, it is helpful to use feedback to make improvements. Being available to talk with visitors as well as providing simple surveys, either on-site or online, will help you get to know your visitors better and reveal what they enjoyed the most about their experience.

Customer Service Checklist

- □ Be accessible, friendly, and helpful. At least one contact phone number and email address should be placed on all promotional material.
- □ Answer or return phone calls promptly.
- □ Make sure that you and all staff are familiar with your community. For example, where are nearby restaurants, gas stations, and basic services located?
- □ Keep a list of facility rules posted online and on facility property.
- □ Post clear signage indicating parking, exits, restrooms, offices, fire extinguisher, first aid kits, and facility contact information.
- □ Maintain a clean, safe facility and check restrooms often.
- □ Maintain a stand of brochures of local businesses and other area attractions.
- □ Write a mission statement for your facility and familiarize your staff with this mission.
- □ Have a positive attitude about your facility and your community.
- Be able to answer questions about your community, such as these: What is the typical temperature and weather? How do I get to main roads? How do I access the internet or Wi-Fi? Where are area attractions? Who are the elected officials? What is your community known for? What are some interesting characteristics about your town?

Oklahoma State University Extension's fact sheet <u>Customer Service Basics for Agricultural Entre-</u><u>preneurs</u> is a good resource for improving customer service skills.

STEP 3: KNOW THE LAWS

Zoning

Check your city and county zoning laws to ensure your operation will not violate current laws. In Mississippi, you should contact the city clerk if your farm is within city limits and the chancery clerk if your farm is outside city limits. Be sure to ask them for any ordinances or zoning laws regarding agricultural operations and/or special events.

Enterprise Types

Talk with your attorney to decide the type of legal structure that best suits your operation. Regulations about the business registration process as well as an explanation of the types of businesses and what each type means in regard to liability and taxation can be found on the <u>Mississippi Secretary of State website</u>.

To learn more about business structures, read MSU Extension <u>Publication 3854</u> <u>Growing Your Brand: Farmers Market Business Structures and Regulations, A</u> <u>Guide for Youth</u>.

Insurance

Agritourism operations will need either general liability or special event insurance. Ask your insurance provider to help you find special event insurance if your current policy does not cover visitors. You could also invite your insurance agent to tour your farm; this could help you decide which policy coverage is sufficient for your facility and activity. For more information on this topic, check out MSU Extension <u>Publication 3105 Insurance Information for Agritourism Businesses</u>.

Limited Liability Law

In addition to private insurance, agritourism operations can register to be covered by Mississippi's limited liability law. Operations must provide a safe environment, post warning signs, and register and pay an annual fee to MDAC. More information is available on the <u>MDAC agritourism website</u> and by reading MSU Extension <u>Publication 3002 Understanding the Mississippi Agritourism Limited Liability Law</u>.



STEP 4: KNOW YOUR PLAN

Step four is developing and finalizing your business plan. The plan should have clear goals of what you are trying to accomplish, a financial analysis, a marketing plan, a human resources strategy, insurance and legal information, and, in the case of agritourism, a safety plan. Taking the time to write a multi-year business plan will make things "real" and can make a difference in establishing a sustainable business. The following resources can help you complete your business plan:

- <u>Small Business Finances: A Guide for Youth</u> is a great start to creating a financial plan.
- Small Business Development Centers (SBDC) have individuals experienced in running businesses and offer basic classes that will walk you through creating a business plan. <u>Find your closest SBDC</u>.
- The Mississippi Development Authority has a range of resources to <u>support small businesses in Mississippi</u>.
- The <u>Natural Resource Enterprises Program</u> also can provide valuable information on planning an outdoor recreational business.

Safety

Most agritourism visitors are unfamiliar with the potential hazards associated with farms and ranches. While it is impossible to eliminate all risks, agritourism operations need to do their due diligence to promote safety. Your operation should have a safety plan and a communication system that is tested periodically. Operators can find resources, walkthroughs, and checklists on Rutgers University Extension's <u>agritourism supplemental resource page</u>. The National Agricultural Law Center has information for <u>starting and managing agritourism operations</u>.



STEP 5: KNOW YOUR RESOURCES

There are multiple resources available to assist agritourism enterprises in Mississippi. MSU Extension county offices can help you address needs ranging from small business planning, marketing, and product development to food safety and horticultural production. If you have any questions, contact your local Extension agent.

RESOURCES

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Mississippi Agritourism Association

Mississippi Department of Agriculture and Commerce

Mississippi Development Authority

Visit Mississippi (Tourism)

Natural Resource Enterprises Program

National Agricultural Library

REFERENCE

Gilmore, J. H., & Pine, B. J. (2007). *Authenticity: What consumers really want*. Harvard Business School Press.

Farm Facilities Assessment Guide

Physical Amenities	Size or Dimensions	What experience would you create using this space?	What improvements are needed?



EXTENSION

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