

What are the determinants,
economic and socio-economic outcomes
of agritourism in the U.S.?

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ABSTRACT

A literature review was conducted to ascertain the determinants and economic outcomes of agritourism in the United States. Participation in agritourism was found to be motivated by economic gains and rooted in the desire for a farming lifestyle, as greater income potential could be achieved through other diversification routes. Overall, farms seemed to experience increased farm income related to agritourism, though at what level could not be definitively determined. The non-economic benefits of agritourism appear to meet rural development goals by boosting local economy's, creating jobs and retaining agricultural land and youth populations.

INTRODUCTION

As family farms experience increased agricultural input costs and decreasing profits, diversification techniques may be employed to either increase household incomes or reduce income variability (McGehee & Kim, 2004; Ullah & Shivakoti, 2014). Generating additional income is the most common motivation for diversification with the mode of diversification determined by the type of farm resources available (Barbieri & Mahoney, 2009; Ullah & Shivakoti, 2014).

Agritourism diversification is a growing trend in the United States, often promoted by government programs and extension services (Fannin, 2012; Schilling, Attavanich, & Jin, 2014). While there is currently no consensus on an exact definition of agritourism, in its broadest sense it encompasses any recreational activity that draws guests to visit agricultural settings (Tew & Barbieri, 2012; Schilling, Attavanich, & Jin, 2014).

Agritourism participation rates vary, with estimates running between 2.5% and 22% of all U.S. farms having some type of agritourism operation (Schilling, Attavanich, & Jin, 2014; Brown & Reeder, 2007) These figures, derived from census data of farms reporting recreational revenue, may be under estimations as many large farms reporting agritourism as an important part of their business do not receive direct revenue from the practice (Schilling, Attavanich, & Jin, 2014; Veeck, Hallett, Che, & Veeck, 2016).

Several factors can affect the economic outcomes of agritourism on farm profitability, with farm and farmer characteristic among the most studied (Ollenburg & Buckley, 2007; Tew & Barbieri, 2012; Nickerson, Black, & McCool, 2001). Understanding these characteristics is important in understanding how variables may positively or negatively affect the economic impact agritourism may have on individual

farms (Barbieri & Mshenga, 2008). The type of agritourism enterprise can also have sizable impacts on farm profitability and profit potential (Schilling, Attavanich, & Jin, 2014).

Many of the available data sources of economic impacts on farm income from agritourism are based on farmers self-reported perceptions or data sets with sample biases (Tew & Barbieri, 2012; Ollenburg & Buckley, 2007). National surveys tend to have limited definitions of agritourism, resulting in underestimation of the value and prevalence of agritourism (Schilling & Sullivan, 2014).

PROJECT STATEMENT AND APPROACH

My research is focused on discovering the determinants and economic outcomes of agritourism diversification in the United States.

My first objective in answering the research question is to review available economic literature on agritourism. While there is a broader range of literature available for agritourism in developing countries or addressing aspects of tourism, I focused on literature addressing agritourism in the United States from an economic standpoint, unless clarification of assumptions and practices was needed.

My second objective is to identify themes in the literature. I discovered disagreement throughout the literature regarding what constitutes agritourism and its proper definition.

My third objective is to synthesize the literature to determine the types of places, farms and farmers where agritourism has the greatest economic potential. I plan to quantify the potential economic benefits available to farms through engaging in agritourism.

My fourth objective is to identify policy implications regarding agritourism. Disagreements in definitions can have impact on farms access to services and the accuracy of collected data. Rural tourism is often used by rural development planners to boost socio-economic well-being, employment rates and lower local poverty rates (Reeder & Brown, 2005). Understanding the economic impacts of agritourism will be important in planning decisions made promoting agritourism as part of development initiatives.

My fifth objective is to communicate the results of my research in a clear way via a narrated power point presentation, making the information broadly accessible.

LITERATURE REVIEW

This literature review will synthesize information on the economic impacts of agritourism on U.S. farms and socioeconomic outcomes on surrounding farm communities. Various studies have

attempted to identify specific characteristics of farmers engaged in agritourism. Entrepreneurial characteristics have also been studied to identify economic potential in agritourism. However, as noted by Brown and Reeder (2007) farm and farmer characteristics that may impact success in agritourism can be subjective and hard to quantify. There is a lack of economic data related to agritourism operators and a lack of consensus of what constitutes agritourism. Much of the current research is regional and contains selection bias, leading to widely disparate findings of the profitability and participation rates in agritourism.

AGRITOURISM DEFINITION

Agritourism is not a well-defined term, which has created complications in policy and research. Brown and Reeder (2007) created a list of agritourism activities that are generally, but not always, considered agritourism when conducted on a farm. These activities include:

1. Outdoor recreation (fishing, hunting, horse-back riding)
2. Educational experiences (wine tastings, classes, tours)
3. Entertainment (festivals, petting farms)
4. Hospitality services (overnight stays, food services, weddings)
5. On-farm direct sales (farm stands, u-pick farms, farmers' markets)

Terms such as rural tourism, farm-based tourism and agrotourism are often used interchangeably with agritourism, further complicating research (Phillip, Hunter, & Blackstock, 2010). In an assessment of agritourism definitions, Rozier-Rich, Standish, Thomas, Barbieri and Ainely (2016) found nine unique definitions of the term that agreed only on the inclusion of the term farm or agriculture in the definition. Economic activity, location, and visitor requirements were variable across the definitions. The variety of definitions creates difficulties in comparing studies with disparate terms. For example, Barbieri's (2013) study of the economic sustainability of agritourism operations excluded agritourism operations on non-working farms to align with her definition. Veeck, Hallett, Che and Veeck (2016) chose a definition that conforms to available data but excludes a large segment of the population, agritourism operators who do not charge directly for recreational activities. Direct marketing is generally excluded as an agritourism operations, but Schilling and Sullivan (2014) included it in their definition and study of agritourism. The Census of Agriculture uses a definition of agritourism that excludes from agritourism data "products not intended for human consumption," eliminating the inclusion of data on farms selling ornamental plants including Christmas tree farms, a popular agritourism activity (Schilling & Sullivan, 2014; Brown & Reeder, 2007). These inclusions and exclusions of industry segments in research and data collection lead to vastly

different estimations on the value and prevalence of agritourism (Schilling & Sullivan, 2014). The limited definitions, used in single studies, make it difficult to ascertain if divergent findings are due to population differences or changes in other variables and reduce the ability to compare studies and for researchers to build on each other's work.

The disparity in definitions is likely due to a combination of data constraints faced by researchers and the inconsistent language used by states. State legislative language can include or exclude farms from right to farm bills, subsidies, insurance programs and other support services depending on the language chosen (Veeck, Hallett, Che, & Veeck, 2016; Phillip, Hunter, & Blackstock, 2010). Agritourism supporters favor definitions with more inclusive language, allowing a broad base of businesses be eligible for government programs. However, broad inclusion can be problematic when incorporated across such a large variety of businesses, farms and regions. Program and policy development is difficult when it must be designed to serve a wide spectrum of diverse needs (Fannin, 2012).

Phillip, Hunter and Blackstock (2010) developed a standard method for defining agritourism based on three criteria:

1. whether the farm is a working or non-working farm
2. the level of contact between the guest and the agricultural activity as passive, direct or indirect
3. whether the visitors experience is authentic or staged.

The five classifications include:

1. non-working farm agritourism;
2. working farm, passive contact agritourism;
3. working farm, indirect contact agritourism;
4. working farm, direct contact, staged agritourism and
5. working farm, direct contact, authentic agritourism.

While this typology would solve the problem of disparate definitions in agritourism legislation and research, there is no indication that it is being integrated by agritourism researchers. Rather, studies continue to conform with available data sources.

WHO IS CHOOSING AGRITOURISM?

Farm and family characteristics influence decision to use agritourism as a means of diversification (McNamara & Weiss, 2005). Modes of diversification are often dictated by available

resources, which contribute different capabilities and skills, creating a unique business model (Barbieri & Mshenga, 2008; Alsos, Ljunggren, & Pettersen, 2003) Unique resources, such as operator knowledge or skills, as well as farm household composition and physical attributes of the land, are reported to affect total entrepreneurial incomes as well as agritourism participation rates (Alsos, Ljunggren, & Pettersen, 2003; Barbieri & Mshenga, 2008).

FARM CHARACTERISTICS

Characteristics of the farm and land can increase either the likelihood of participating in agritourism or the agritourism operations economic impact or both. Farm characteristics include physical land attributes, the type of farm, and farm location. Farms more likely to participate in agritourism operations include:

- small farms developed mainly for lifestyle benefits (Schilling, Attavanich, & Jin, 2014);
- vineyards, orchards and farms specializing in livestock, equine, fruits and vegetables or multiple farm products (Schilling, Attavanich, & Jin, 2014; Brown & Reeder, 2007; Veeck, Hallett, Che, & Veeck, 2016);
- farms with larger families, due to increased labor resources (Barbieri, Mahoney, & Butler, 2008);
- farms using conservation practices (Schilling & Sullivan, 2014) and
- farms with internet access (Schilling & Sullivan, 2014).

Farm location has important impacts on agritourism enterprises. The region of the country where the farm is located impacts the likelihood of agritourism engagement; in 2004 half of all agritourism farms reported in national data were located in the South and an additional quarter were in the Midwest (Brown & Reeder, 2007).

While distance from an urban center has been hypothesized to affect both participation rates and income generated from agritourism due to larger markets, the literature is inconsistent in assessments and evidence is weak that proximity to urban centers affects either (Tew & Barbieri, 2012; Carpio, Wohlgenant, & Boonsaeng, 2008; Brown & Reeder, 2007; Schilling & Sullivan, 2014). It is clear that most agritourism customers live near the farms they visit, an average of 40 miles away, and make an average of ten farm visits per year (Brown & Reeder, 2007; Carpio, Wohlgenant, & Boonsaeng, 2008). Further, two-thirds of agritourism customers live in metro counties, though Carpio, Wohlgenant and Boonsaeng (2008) found that rural residents are also more likely to participate in agricultural activities than urban counterparts (Brown & Reeder, 2007).

For urban customers, the landscapes between the urban center and farm may be more impactful than the distance, as over 60% of visitors reported a desire to see rural scenery rather than residential or non-farm business in route to the host farm (Brown & Reeder, 2007). This theory is supported by findings by Brown and Reeder (2007) that agritourism operations are more likely to be in counties with a greater number of natural amenities and the findings of Barbieri and Mshenga (2008) and Tew and Barbieri (2012) suggest more economically successful agritourism enterprises are located near other local attractions or offer multiple activities, enabling them to draw more visitors.

FARMER CHARACTERISTICS

Owner characteristics have been examined extensively to establish determinants of agritourism revenue and profitability. Several farmer characteristics can be hard to quantify, as they are subjective and qualitative (Brown & Reeder, 2007). Further, selection bias throughout the literature makes it hard to determine if these characteristics might also be present in operators with failed agritourism operations. Given the complexities in the study results, and within the context of this review, there appears to be consensus that the following seven owner characteristics have a significant positive correlation with improved economic outcomes. The seven characteristics addressed are farmers' participation in networks, primary occupation, age, gender, race, net worth and access to capital, and business practices.

1. Comparing farms with active agritourism operations, owners who participate in networks and associations appear to increase gross sales by as much as \$21,937 for each organization they participate in (Barbieri & Mshenga, 2008). Collaborative marketing, often facilitated by business associations, increases the size of the market for all competitors in a mutually beneficial way, through information sharing, customer referrals, group purchasing, cross-promoting products, and sharing advertising space (Che, Veeck, & Veeck, 2005). By promoting other local agritourism operations, an area can develop a reputation as an agritourism destination (Che, Veeck, & Veeck, 2005). Association memberships may also help owners establish partnerships and secure capital (Barbieri & Mshenga, 2008). However, these findings may hold a self-selection bias, wherein successful agritourism operators have more time or interest in association and network memberships (Barbieri & Mshenga, 2008).
2. Farmers who spend more time on their agritourism farm increase the farms profitability. Comparing farms with active agritourism operations, Barbieri and Mshenga (2008) found owners whose primary occupation is farming earn an average of \$53,827 more in gross income over owners with other occupations. This is further evidenced by Tew and Barbieri's (2012) findings

that increased time an agritourism operator devoted to off-farm employment was negatively associated with farm profitability, and Brown and Reeder's (2007) report that increased owner time on the agritourism farm in summer months increased profits. Consistent findings that increased time and attention from farm operators increases profitability suggests economic benefits are better realized when the owner is present and engaged.

3. Agritourism operators over fifty-years-old earned less than younger agritourism operators, with decreases in gross farm incomes growing as the participants age increased. The oldest segment of participants earned, on average, \$58,434 less annually than younger counterparts (Barbieri & Mshenga, 2008). Younger farmers may be more willing to tolerate risks or more adaptable to new marketing and hospitality services (Barbieri & Mshenga, 2008).
4. McGehee, Kim and Jennings (2007) found higher motivations to develop agritourism operations among women. Women also have an important role in managing agritourism operations, yet agritourism farms with male operators earn an average of \$35,623 more than agritourism enterprises run by women (Barbieri & Mshenga, 2008; Barbieri, Mahoney, & Butler, 2008). Barbieri and Mshenga (2008) suggest this may be due to women's comparatively limited access to resources including network connections, subsidies, and financial services. Non-white operators may face similar disadvantages, possibly explaining the earning gap, wherein non-whites operators earn \$35,191 less on average than their white counterparts (Barbieri & Mshenga, 2008).
5. Acreage was commonly hypothesized throughout the literature as an impacting variable on diversification choices and economic outcomes but enjoyed very little consensus on the actual affects. Brown and Reeder's (2007) found that through the extrapolation of acreage from farmers net worth, the farmers' net worth impacted profits from agritourism and correlated as well as confounded the impact of farm acreage. This suggests that access to capital, rather than the scale benefits of a larger farm, increases agritourism profits (Brown & Reeder, 2007).
6. Agritourism operators are more likely to use the internet for business and hire management advice compared to farm operators not engaged in agritourism (Veeck, Hallett, Che, & Veeck, 2016). Agritourism operators are also more likely to have a college degree, though level of education did not significantly impact gross farm income (Barbieri & Mshenga, 2008; Veeck, Hallett, Che, & Veeck, 2016). If the type of education, rather than the years of education were considered, education may impact incomes (Barbieri & Mshenga, 2008). I suspect that additional business and marketing education may be beneficial to agritourism operators in addition to traditional

agricultural education.

WHY ARE FARMERS CHOOSING AGRITOURISM?

Diversification allows farmers to incorporate a variety of enterprises into their income portfolio, adapting their business to take advantage of market opportunities while preserving a farming lifestyle (Barbieri & Mahoney, 2009). Motivations for entering agritourism as the route of diversification are not homogeneous across all farms or all operators (Ollenburg & Buckley, 2007). Individual operators can hold a mix of motivations, which can change over time, especially as family circumstances change and business operations develop (McGehee & Kim, 2004; Schilling, Attavanich, & Jin, 2014).

Demand for agritourism services is growing in the United States as interest in both local food production and outdoor recreation increases (Carpio, Wohlgenant, & Boonsaeng, 2008). Meeting the growing demand, farmers are turning more frequently to agritourism, inspiring nationwide industry growth of 180% between 2002 and 2007 (Rozier Rich, Standish, Tomas, Barbieri, & Ainely, 2016). Farmers who choose agritourism are often seeking entrepreneurial opportunities that increase farm income by creating new revenue streams, support farmers desires for a rural lifestyle and more fully utilize farm resources.

STABILIZING OR INCREASING FARM REVENUE

Pursuing additional, more stable incomes through farm diversification is not new to farming, it is a strategy that has been employed for hundreds of years (Vogel, 2012; Tew & Barbieri, 2012). Diversification methods are often entrepreneurial in nature, using the farm resources of land, labor and capital in new ways to achieve the additional income (Barbieri, 2013). With over sixty percent of small and very small farms operating with negative profits in 2007, farm operators seek alternative economic strategies, including: exiting agriculture, seeking off-farm employment or diversifying into alternative agriculture enterprises, including agritourism (Hoppe, 2010; McNamara & Weiss, 2005; Schilling & Sullivan, 2014; Fritzsche, 2012). Diversification and off-farm employment are often successful income strategies as evidenced by small commercial farms higher median incomes compared to all U.S. households (Hoppe, 2010). While farms may be struggling to make profitable margins, they often have multiple streams of income and, with land assets, the average net worth for small commercial farms exceeds the average net worth of U.S. households by six times (Hoppe, 2010).

With farm household wealth tied up in non-liquid assets, such as land and equipment, creating alternate income sources is a key strategy for small farms to achieve economic viability (Hoppe, 2010;

Morrison Paul & Nehring, 2005). Off-farm employment is the most common strategy; most farms have a high capacity for off-farm employment and seventy-five percent of U.S. farm households have at least one member working in an off-farm job, often as the main source of family income (Vogel, 2012; Veeck, Hallett, Che, & Veeck, 2016; Fritzs, 2012).

Small farms most often employ agritourism as a survival strategy, supplementing farm income at a low risk while staying on-farm and maintaining agriculture as the main enterprise (Brown & Reeder, 2007). Larger farms turn to agritourism as a wealth accumulation strategy, with commodity production continuing to consume most of the farm labor and capital resources while producing a majority of farm income (Tew & Barbieri, 2012; Schilling, Attavanich, & Jin, 2014).

LIFESTYLE GOALS

Lifestyle farmers are often not driven primarily by income enhancement and tend to run less intense farming operations, prioritizing lifestyle benefits of agritourism and rural lifestyles over economic benefits (Barbieri & Mshenga, 2008; Schilling, Attavanich, & Jin, 2014; Tew & Barbieri, 2012). However, commonly desired lifestyle benefits, including avoiding off-farm employment, rural lifestyle, supporting multiple generations with the family farm and facilitating farm succession, often require additional economic support (Schilling, Attavanich, & Jin, 2014; Ollenburg & Buckley, 2007).

Lifestyle farmers often lack access to wholesale markets or have difficulty monetizing farm work (Schilling & Sullivan, 2014; Ollenburg & Buckley, 2007). Tourism income is generally supplemental and utilized to make the household solvent, cover farm maintenance costs, pay taxes, offset retirement expenses or meet other financial goals (Schilling, Attavanich, & Jin, 2014).

UTILIZE FARM RESOURCES

Some farmers are motivated towards agritourism as a means of utilizing all available farm resources. These resources may be physical, such as buildings or unique amenities, or resources including education, work experience or additional household labor (Alsos, Ljunggren, & Pettersen, 2003). These farm households want to make the most of their own resources and see an opportunity to combine resources in a unique way to increase profits and create a competitive advantage.

IMPACT OF AGRITOURISM

Agritourism is a strategy employed by development experts to reduce local negative factors, such as unemployment and farm loss while increasing positive factors, such as increased tax revenue, employment and local business development (Tew & Barbieri, 2012). While there is consensus on

socioeconomic benefits that may be realized through Agritourism, the extent of positive economic impacts and the likelihood of obtaining increased revenue through agritourism has not yet been adequately established.

STUDY BIASES

Selection bias is prevalent in agritourism research, with many studies' samples consisting exclusively of active agritourism farms, with participants identified through tourism boards and expanded through snowball sampling. This form of sampling excludes failed or ended agritourism enterprises. In studies comparing attributes of farms that participate in agritourism with farms that don't participate, self-selection biases may occur, with farms that self-select agritourism development potentially differing from other farms in meaningful ways (Schilling, Attavanich, & Jin, 2014). Schilling et al. (2014) attempted to address these biases in their study on the impacts of agritourism on farm profitability, but the issues were unaddressed in other literature. It cannot be assumed that positive economic results reported in the scope of this project are applicable to or achievable in larger agriculture populations because samples studied are not representative of the population. Collection of data across broad sectors of agritourism on a national level is necessary to determine population demographics, allowing researchers the ability to ensure samples are truly representative of the population.

ECONOMIC IMPACTS

Economic benefits for farm households are not homogeneous across all farms or operators, with reports of agritourism's economic impacts varying between studies, though all reports show at least some economic benefit. Barbieri and Tew's (2016) study of Missouri agritourism operators reported the highest increase in profits due to agritourism participation, with half of participants reporting 50% increases in earnings and an additional quarter of participants reporting earnings increases of over 100%. The figures are likely unrealistically high due to selection bias and the exclusion of non-working agritourism farms. Conversely, McGehee and Kim (2004) report the smallest economic impact, an average total revenue increase of just 5%; however, even minimal revenue increases may provide enough income to prevent farm bankruptcy.

Schilling et al. (2014) conducted the most reliable study ascertaining economic impacts of agritourism on farm profits, comparing net cash incomes between similar farms participating and not participating in agritourism diversification. The results are as follows:

- Intermediate sized farms (primary occupation farmer, <\$250,000 in gross farm income) increased net farm income between \$2,388 to \$3,423 by participating in agritourism.

- Lifestyle farms (primary occupation other than farmer, <\$250,000 in gross farm income) achieved increased net farm income in the range of \$1,189 to \$1,446.
- Agritourism didn't appear to affect profitability on large farms (gross farm income >\$250,000).

While Schilling et al. (2014) showed an income increase for small and intermediate farms related to agritourism ventures, the measure of net farm income (farm expenses subtracted from total farm sales, government payments, and other farm related incomes) does not account for unpaid operator or family labor. If the opportunity costs of this labor were taken into consideration, the financial performance of agritourism farms compared to non-agritourism farms may have different results.

An agritourism operations stage of development can also affect its profitability (Tew & Barbieri, 2012). For each additional year in operation, an agritourism farm earns, on average, an additional \$3,065 (Barbieri & Mshenga, 2008). This may be because farmers are able to slowly expand agritourism enterprises as additional resources become available (Barbieri & Mshenga, 2008). Additionally, the extra time to build a brand and develop a local clientele are business advantages that come with time.

Some farms that are motivated by economic goals do not charge a direct fee for the agritourism operations they offer, meaning agritourism does not contribute directly to farm sales but rather, adds to farm profits by generating additional sales of farm products, value added products and wholesale products (Tew & Barbieri, 2012; Veeck, Hallett, Che, & Veeck, 2016). Agritourism can also serve as a tool to promote brand awareness and increase farm visibility (Tew & Barbieri, 2012). Approximately 40% of the operators included in Tew and Barbieri's (2012) study, and 33% included in Schilling and Sullivan's (2014) do not charge for or earn direct revenue from agritourism activities, a phenomenon that is difficult to study as the census of agriculture does not collect data on agritourism enterprises that don't profit through direct revenue.

There is evidence of agritourism economic impacts at community, state and national levels. Farm income derived from agritourism increased from \$202.2M to \$566.8M between the 2002 and 2007, according to USDA census of Agriculture (Schilling, Attavanich, & Jin, 2014). Veeck et. al (2016) estimates that in 2012 Michigan agritourism accounted for \$13.7 million in taxes paid by, total gross sales of \$434 million, with gross sales per day of operation at over \$2 million. Additionally, the study estimates the agritourism industry accounts for 4,000 annual full-time jobs and 28,000-part time jobs in Michigan, not accounting for farm family employees (Veeck, Hallett, Che, & Veeck, 2016).

Farmers do experience some negative impacts due to agritourism. There are increased risks with visitors on farm property, requiring expensive liability insurance. There is also additional labor required to create risk management plans, train employees on safety measures and additional record keeping (Bruch & Mirus, 2009).

Brown and Reeder (2007) report that agritourism operators risk losing touch with agricultural production and often experience a loss of privacy due to agritourism demands. The business risks associated with developing agritourism are largely unknown, with no research available on agritourism failure rates. Of all entrepreneurial businesses in the US, 50% fail in the first five years and over 70% after ten years (Henry, 2017). If agritourism operations fail at a similar rate, farms investing needed capital into agritourism development as a survival tactic could hold higher risk than some farmers anticipate.

Local communities may also experience negative impacts from agritourism operations including over hunting and fishing, congested roads during festivals, and increased conflicts over nontraditional land usage and zoning restrictions (Brown & Reeder, 2007).

SOCIOECONOMIC IMPACTS

Agritourism allows farm households to maintain farm lifestyles, plan for farm succession and create employment opportunities for family members (Veeck, Hallett, Che, & Veeck, 2016). Working family-owned farms participating in agritourism have predominantly been owned and operated by the same family for at least two generations, demonstrating the dedication to farming present in the agritourism industry (Barbieri, 2013) Three-quarters of these farmers plan to pass the farm to the next generation, suggesting agritourism creates work opportunities for younger generations and retains rural land in family ownership (Barbieri, 2013). Further evidence that agritourism supports family farm retention was reported by Barbieri (2013), who found 41% of agritourism farm operators adult children live on the family farm, compared to 26% of adult children on farms using other diversification techniques. Agritourism helps retain youth in the area by providing farm career opportunities capable of supporting them financially and providing a clear path for farm succession.

Agritourism incentivizes farmers to preserve agricultural lands and other natural farm amenities (Brown & Reeder, 2007). Rural lands have amenity benefits for the public, including: wildlife habitat, open spaces, aesthetic scenery, and cultural preservation, providing non-market benefits to visitors with an estimated value between \$23 and \$1355 per acre per year (Carpio, Wohlgenant, & Boonsaeng, 2008).

The average consumer surplus per farm visit per person is estimated at \$59.30, with yearly national estimates of consumer surplus reaching \$21.4 billion per year (Carpio, Wohlgenant, & Boonsaeng, 2008).

SIGNIFICANCE AND POLICY/ BUSINESS IMPLICATIONS

Agritourism is an attractive diversification pathway that allows incremental growth with low demand on capital for infrastructure, equipment and labor, as farmers are likely to choose activities that utilize their existing resources (Tew & Barbieri, 2012). This does not mean agritourism can be developed at no cost. Infrastructure and labor costs are higher in agritourism than some diversification methods, including direct marketing (Schilling, Attavanich, & Jin, 2014). Successfully developing agritourism enterprises requires a reallocation of resources, including management efforts, investments in staffing and training, infrastructure modification and potentially a new business plan. Rural development experts, agricultural policy makers and farm entrepreneurs should be aware not just of the potential for added revenues available from agritourism, but the additional costs and challenges as well. Several states have recently passed law limiting liability for agritourism operators, helping to address some of these increased costs (Bruch & Mirus, 2009).

Agritourism holds potential benefits for rural communities, easing burdens faced by urbanization and is a common strategy recommendation by rural development experts (Fannin, 2012). Agritourism seems ideal because it can be integrated into rural economies with minimal disruption to rural lifestyles, retains youth in farming and rural areas, creates job opportunities, motivates the preservation of historical buildings and helps preserve small family farms (Barbieri & Mshenga, 2008; Barbieri, 2013).

Extension agents who choose to utilize agritourism as a rural development practice should be prepared to provide resources for farmers as they adjust business and management practices to function well in the new enterprise. Farmers may be lacking relevant skills for agritourism management and may benefit from assistance especially in regard to social networking, developing business relationships, hospitality services, risk and liability management, business management and marketing (Barbieri & Mshenga, 2008; Rozier-Rich, Standish, Tomas, Barbieri, & Ainely, 2016; Schilling, Attavanich, & Jin, 2014). Underserved groups, including women and non-whites, may benefit from assistance in accessing financial and marketing resources, and help integrating into networks whose membership is predominantly white and male (Barbieri & Mshenga, 2008)

Transitioning from a producer to an agritourism enterprise will shift the management and labor of the farm. Operators should be prepared for new challenges and find resources offering support services they may need. Marketing is essential in successful agritourism operation, a business area in which few farmers have been previously engaged (Barefield & Wolfe, 2007). Agritourism businesses should seek support finding advertising options and evaluating the effectiveness of various advertising methods. Participation in promotional groups and business associations can often offer the needed support and help ease the transition from producer to service industry (Barefield & Wolfe, 2007).

Fannin (2012) finds the lack of a consistent definition one of the biggest challenges to both research and extension services involved in agritourism. The broad definitions can be problematic in their inclusion of segments so divergent in practices that data collection and extension services can be unnecessarily complicated. The development of a consistently used definition would contribute to a shared understanding of what qualifies as an agritourism practice and, when used in government data collection efforts, could help build an understanding of the population demographics of agritourism, allowing researchers to ensure their samples are representative of the population (Schilling, Attavanich, & Jin, 2014). The consistent definition may help future studies position themselves relative to others in the field and allow different agritourism types to be explored separately, competitively or as a general population (Phillip, Hunter, & Blackstock, 2010).

The typology designed by Phillip, Hunter and Blackstock (2010) is promising and another approach, presented by Fannin (2012) also holds possibility in creating comparable research. Fannin (2012) suggested that by dividing operations into sectors that create either services or products, businesses would be easily divided into sectors that might employ more similar operation strategies. This strategy could benefit researchers with a simple method for segregating like businesses to determine individual impacts.

Improved research and understanding of the agritourism industry will assist agritourism operators in making informed business decision and capitalize on local and national trends (Rozier-Rich, Standish, Tomas, Barbieri, & Ainely, 2016). Better research will allow operators to invest in operations that have proven a potentially higher return on investment, rather than relying on assumptions or observations to understand the marketplace (Rozier-Rich, Standish, Tomas, Barbieri, & Ainely, 2016). More accurate data would help develop more effective policies for agritourism. Facilitating additional and more accurate research will help agritourism operators make better business decisions, allowing them to act efficiently on current agritourism trends (Rozier-Rich, Standish, Tomas, Barbieri, & Ainely, 2016).

CONCLUSION

Within the context of this research, conclusions can be drawn that the economic impact of agritourism is positive, though there is little consensus on how large these impacts might be and who is benefitting. The best studies seem to suggest small and intermediate farms in tourism destinations and favorable natural amenities, especially vineyards, orchards and ranches, stand to profit the most from developing agritourism markets. Actual profits are variant throughout studies and potential profits are obfuscated behind selection biases and definition inconsistencies.

Agritourism does seem to benefit rural communities and serve as an economic benefit, providing jobs, retaining youth and increasing tax revenues for rural communities. There are challenges associated with growing agritourism markets in rural areas. Extension agents should be prepared to help farmers understand local zoning laws, and liability insurance, as well as help address gaps in knowledge, especially regarding marketing.

Future research into agritourism could investigate income earned from agritourism by U.S. region, and separated by type of agritourism enterprise, giving farmers valuable information as to the type of ventures which might be most successful in their region. Research could also determine the failure rate of agritourism operations, giving farmers a more realistic view of the risks faced in developing a new agritourism enterprise. The negative impacts of agritourism are largely ignored in current research but should be investigated to a larger degree.

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