



A Snapshot of Tennessee Agritourism

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Overview of Session



- Study Background
- Study Results
- What's Been Done Since



A Snapshot of Tennessee Agritourism

Study Background

Study Objectives

- Provide industry information needed for individual business planning and development, local and state policy development and resource allocation
- Identify impacts and evaluate effectiveness of resources
- Identify needs for future programs



Study Partners



About the Study



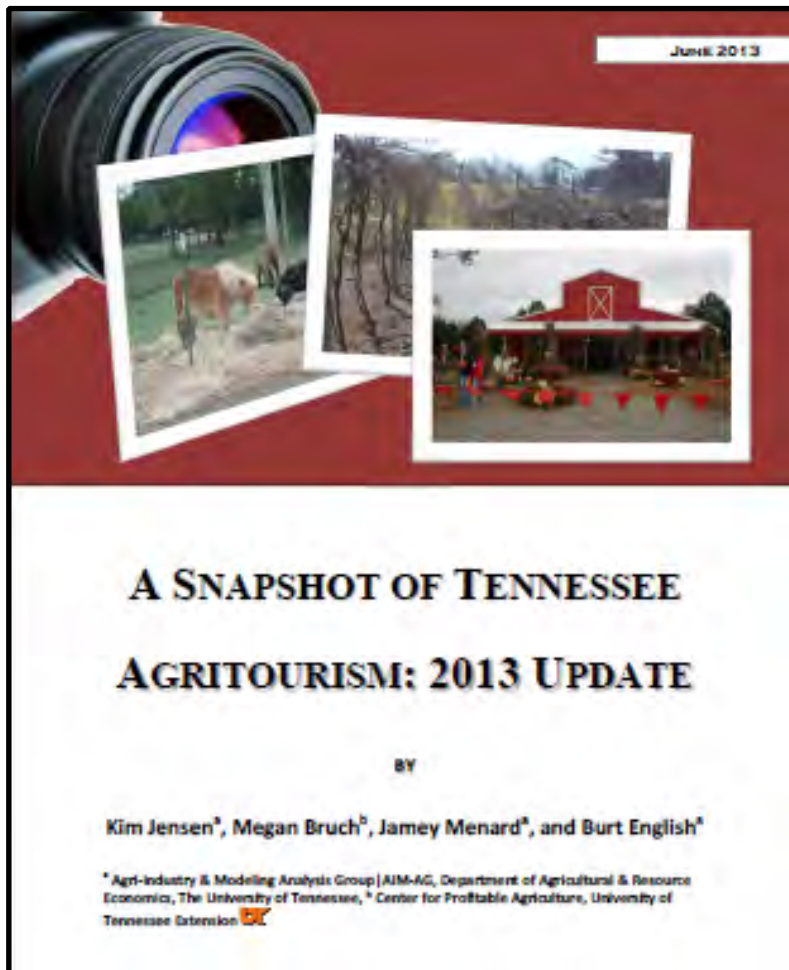
- Statewide mail survey
- Contacts from Pick Tennessee Products and Extension Agents
- 171 responses from 429 viable contacts
 - 39.9 percent response rate



A Snapshot of Tennessee Agritourism

Study Results

Reports (tiny.utk.edu/ATStudy)



The cover of the report features a white background. At the top left, there is a logo for 'CPA Center for Profitable Agriculture' with a green map of Tennessee. To the right is the 'UT Extension' logo. Below the logos, the title 'A Snapshot of Tennessee Agritourism: 2013 Update' is displayed, followed by the author's name 'Megan L. Bruch, Marketing Specialist'. A paragraph describes the survey: 'A survey of Tennessee agritourism operations was conducted in early 2013. A total of 171 operations responded to the survey. Selected results are summarized here for a small snapshot of Tennessee agritourism.' A bulleted list of findings follows, including types of attractions, challenges, and visitor statistics. Three small photographs are included: a red wagon, a cow, and a red barn. At the bottom, there are links to the full report and contact information for the University of Tennessee Extension.

CPA Center for Profitable Agriculture

UT Extension

CPA Info #223

May 2014

A Snapshot of Tennessee Agritourism: 2013 Update

Megan L. Bruch, Marketing Specialist

A survey of Tennessee agritourism operations was conducted in early 2013. A total of 171 operations responded to the survey. Selected results are summarized here for a small snapshot of Tennessee agritourism.

- More than 20% of operations responding had the following types of attractions or offerings:
 - On-farm retail markets offering farm products for sale
 - School field trips/tours
 - Event hosting (birthday parties, corporate events, etc.)
 - Pick-your-own operations
 - Hayride or wagon ride
 - Farm tours other than school field trips
 - Event hosting – weddings
 - Other family fun activities
 - Pumpkin patches
- Agritourism operators face many challenges including:
 - Attracting customers to visit
 - Deciding how to promote the business
 - Capital for infrastructure
 - Developing advertising
 - Keeping and evaluating records
- Average number of years in business = 11.4
- 45% of operations had gross sales of less than \$25,000 in 2012
- Median visitor expenditure = \$20; Average visitor expenditure = \$35.11
- Median number of visitors per operation for 2012 = 1,000; Average per operation = 15,932; Average visitors per operation that is open fewer than 180 days = 5,434
- Operations reported hosting more than 1.75 million visitors at Tennessee farms in 2012.
- Visitor expenditures to Tennessee agritourism operations in 2012 were estimated to be over \$34.4 million directly and more than \$54.2 million including multiplier effects.
- Estimated economic impact has more than doubled in less than 10 years!
- Agritourism operators typically have income from other farm sources and non-farm sources in addition to agritourism. Only about 16% relied on agritourism alone for income.
- Nearly 63% of operators had attended an agritourism educational program in the last three years. On average, operators estimated that these programs influenced their sales in 2012 with an increase of 19.9%.
- The total estimated impact for the industry of educational programs in the last three years is nearly \$7.6 million.

Want to see all the results of the study? Find the entire report online at <http://tiny.utk.edu/ATStudy>.

Looking for an agritourism operation to visit? Check out PickTNProducts.org or TNTVaction.com.

Interested in starting an agritourism operation? Contact your local Extension agent or the Center for Profitable Agriculture at cpa@utk.edu or (931) 486-2777.

Programs in agriculture and natural resources, 4-H youth development, family and consumer sciences, and resource development
University of Tennessee-Institute of Agriculture, U.S. Department of Agriculture and County government cooperatively
All Extension provides equal opportunities in programs and employment

THE UNIVERSITY OF TENNESSEE

Years in Business

- Average = 11.4 years
- Median = 9 years



% Operations with Gross Sales, 2011 & 2012

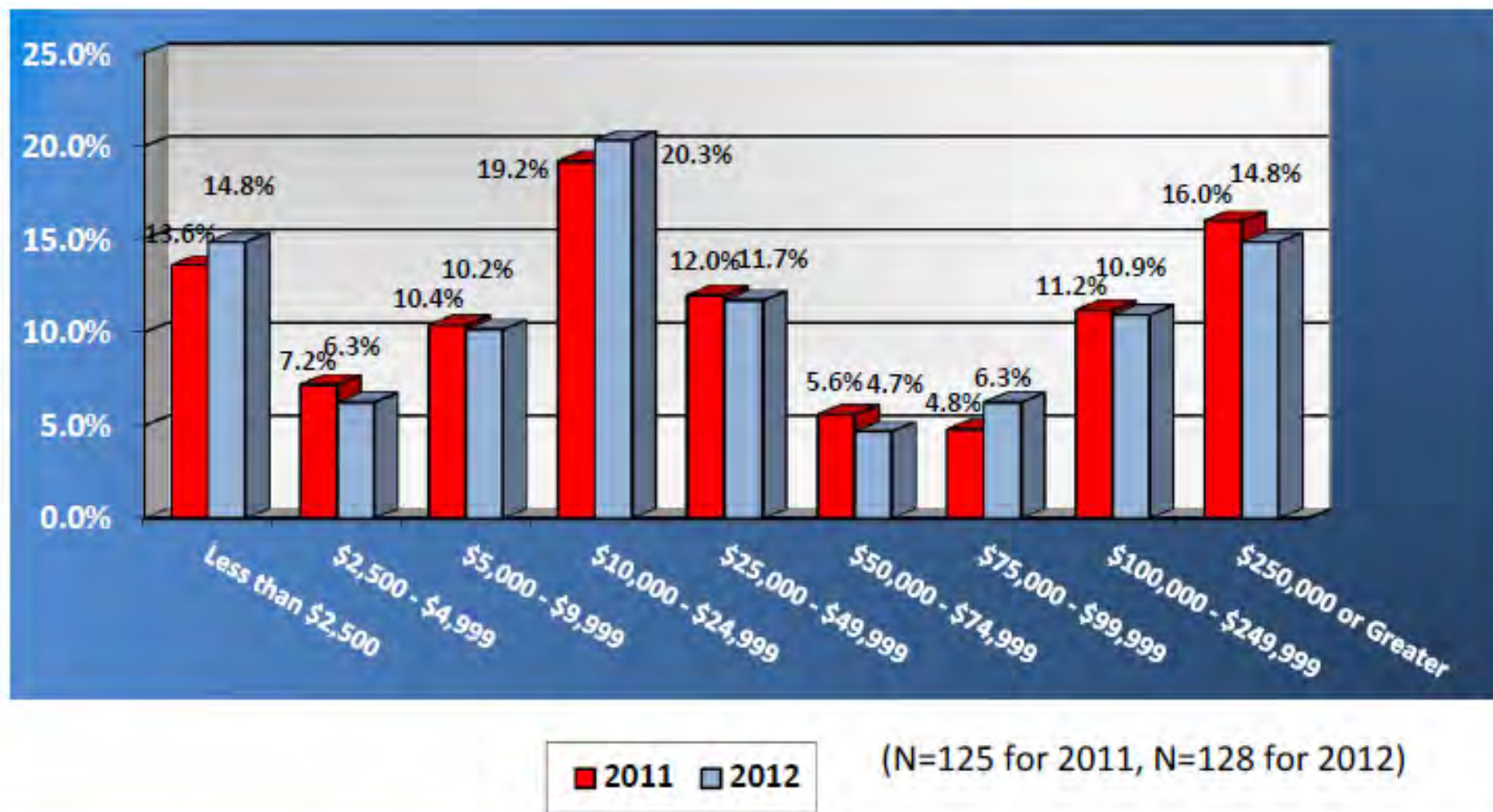
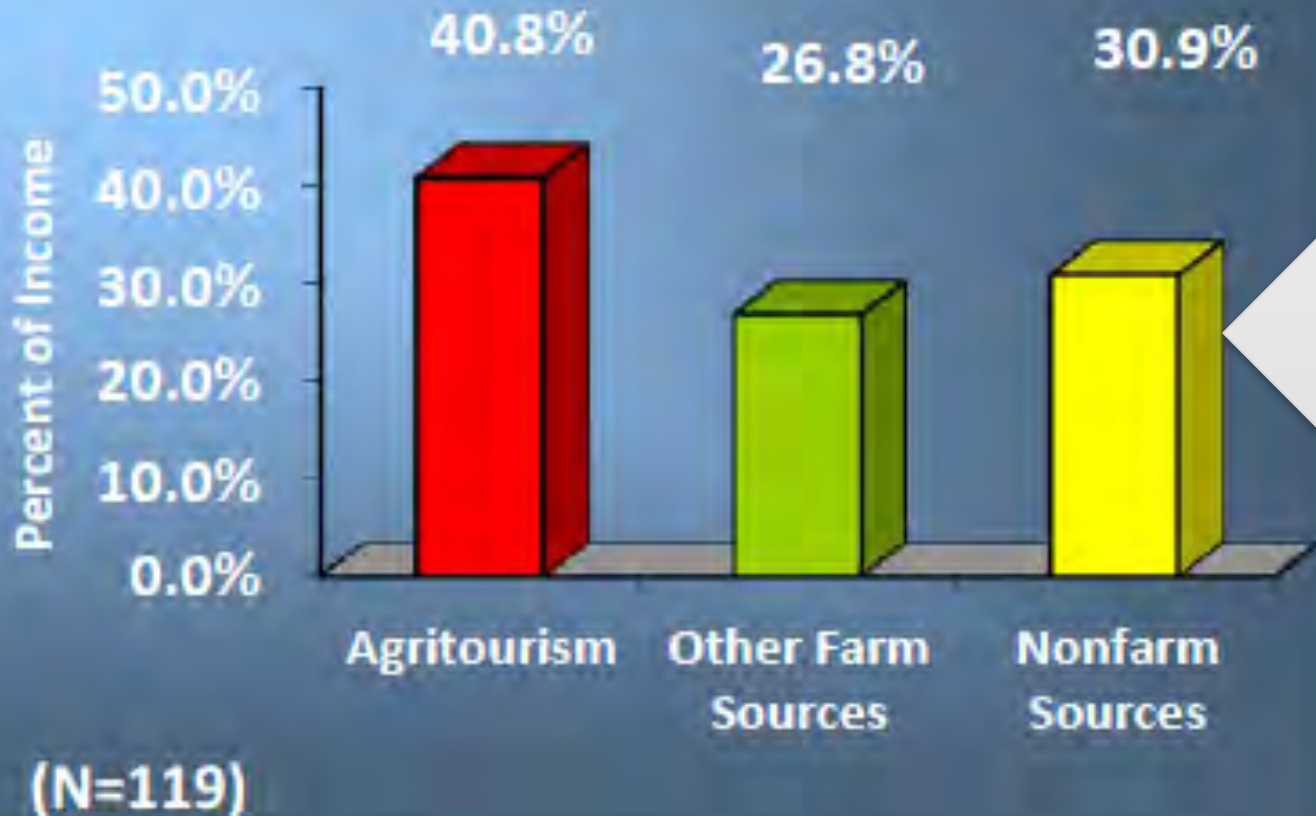


Figure 5. Gross Sales Revenues from Agritourism Businesses, 2011-2012

% of Income by Source of Income



Only about 16% relied on income from agritourism alone

Employees

Average # of Employees			
Employee Type	All Operations (N=106)	Operations with Employee Type	Percent with Employee Type (N=106)
Seasonal Employees			
Full time	1.7	5.5 (N=39)	31.2%
Part time	4.5	7.7 (N=73)	58.4%
Year Round			
Full time	2.3	3.7 (N=77)	1.6%
Part time	2.0	4.8 (N=53)	42.4%

Acres

Acres for Agritourism

- Average = 42 acres
- Median = 12 acres

Share Dedicated to Agritourism

- Average = 16.8%
 - Average number of acres used for agritourism as percent of average number of acres per farm

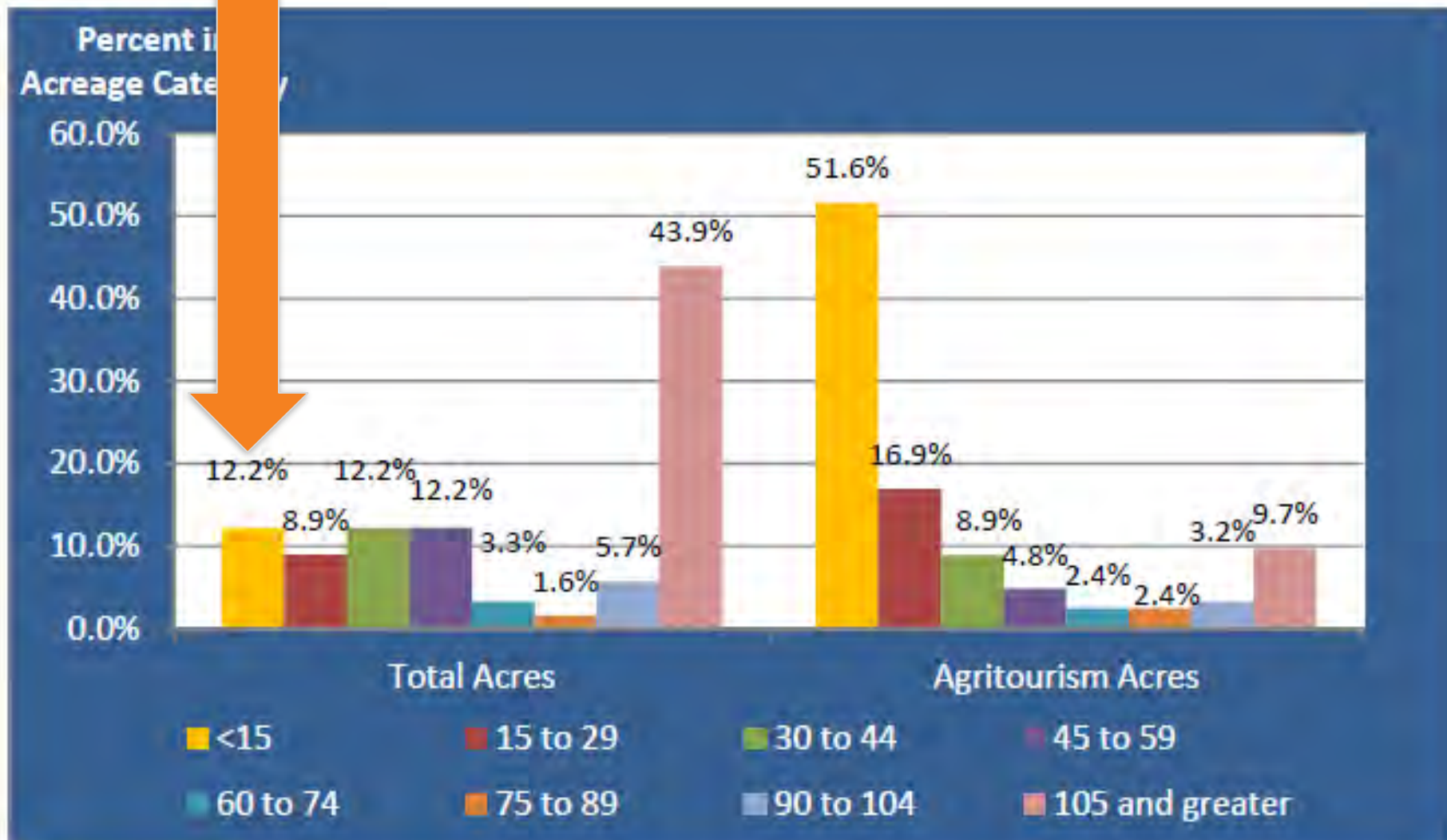
Total Farm Acres

- Average = 250 acres
- Median = 73 acres



Shade Tree Farm from head2thefarm.com

Acres



Farm Products

- 81% produced and sold a farm product for income purposes ($N=133$)



27.1%



24.8%



21.8%

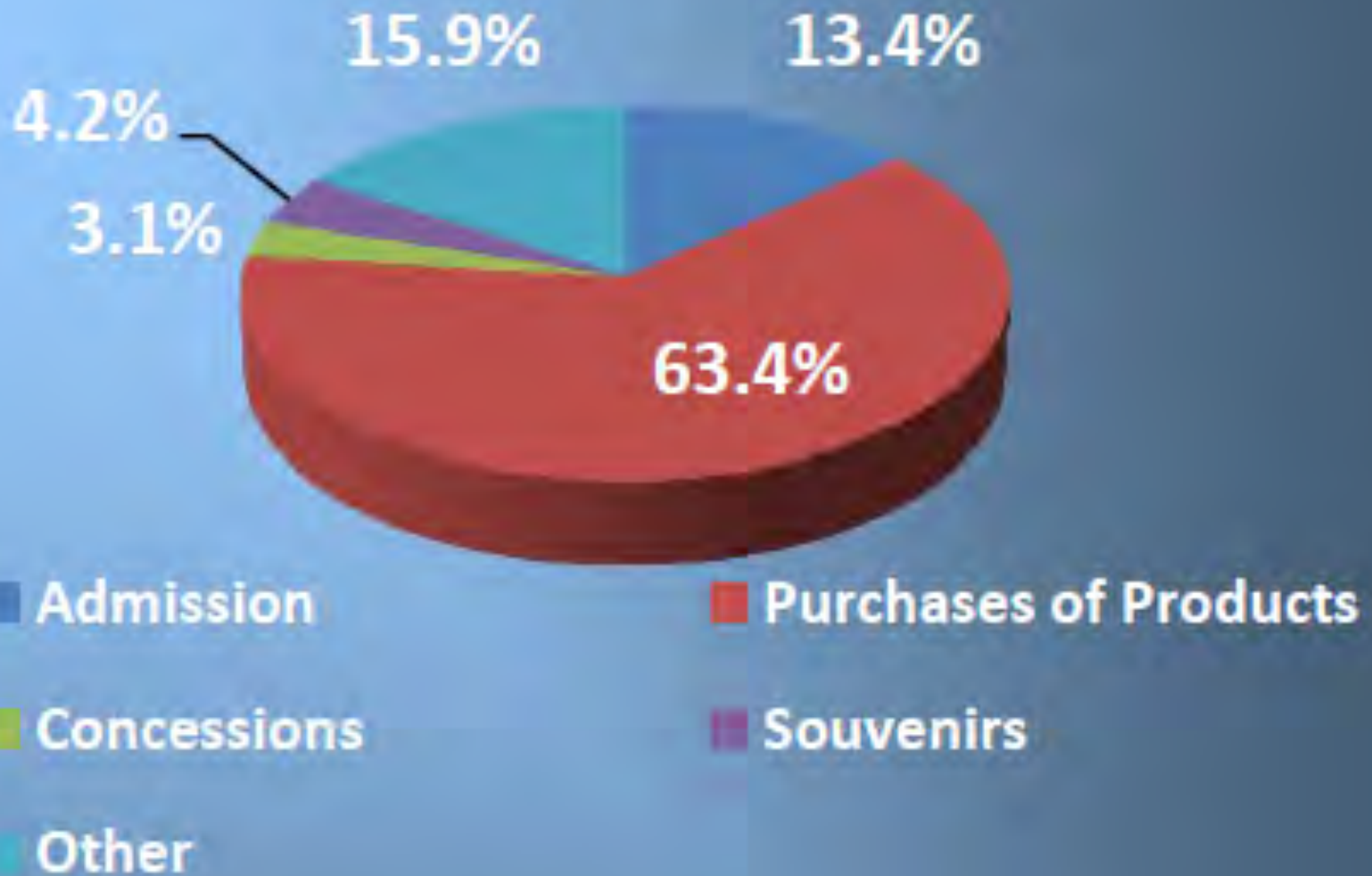


20.3%

Visitor Expenditures

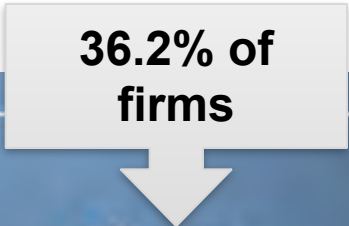
- For operations with average sales <\$1,000
 - Average visitor expenditure = \$35.12
 - Median visitor expenditure = \$20
- Compared to 2003/2004 Study
 - For operations with expenditures < \$75
 - 2013 study average expenditure = \$19.49
 - 86% of operations
 - 2003/2004 study average expenditure = \$18.45
 - 90% of operations

Visitor Expenditures



Visitor Expenditures

36.2% of
firms



	Overall	Charge Admission	Do Not Charge Admission
Admission	\$4.69	\$12.95	\$0.00
Purchases of Products	\$22.25	\$4.08	\$32.56
Concessions	\$1.10	\$1.47	\$0.89
Souvenirs	\$1.48	\$1.54	\$1.44
Other	\$5.60	\$0.15	\$8.70
Total	\$35.12	\$20.19	\$43.59

Estimated Visits

- Average per operation = 15,932 (N=110)
- Median = 1,000
 - Same as from 2003/2004 study
- Total = 1,752,520
- Average Visitors
 - Operations open fewer than 180 days = 5,434
 - Operations open more than 180 days = 30,537

Issues Faced

Top Issues	% Considering a Problem
<i>Attracting customers to visit</i>	71.2
<i>Deciding how to promote</i>	71.1
<i>Capital for infrastructure</i>	68.2
<i>Staying current with new</i>	66.7
<i>Developing advertising</i>	60.1
<i>Identifying target audience</i>	57.5
<i>Keeping and evaluating</i>	53.0

Operator Views

Statement About Agritourism Business	Level of Agreement
My goals include attracting more customers to my enterprise over the next 2 years (N=133)	4.6
I am optimistic about the future of the agritourism industry in Tennessee (N=134)	4.5
I expect my sales to increase in the future (N=133)	4.5
My agritourism is successful (N=133)	4.3
I plan to expand the number of products (N=133)	4.3
My agritourism is profitable (N=128)	3.8
I expect to hire more employees in 2013 than I did in 2012 (N=133)	3.8
I plan to exit the agritourism business in the next 5 years (N=133)	2.6

"Strongly Disagree=1, Somewhat Disagree=2, No Opinion=3, Somewhat Agree=4, Strongly Agree=5"

Promotional Services Impact

- Pick Tennessee Products, Tennessee Vacation Guide, Tennessee Farm Fresh
- 79.9% had used one or more
- Average change in sales for 2012 due to these services = 9.3% (N=104)
- Average change in sales = \$13,435.60 (N=102)
- Median change in sales = \$1,031.25

Educational Programs Impact

- 63% had attended workshop, conference or tour in the last three years (N=132)
- 59.8% found events “very helpful”
- 31.7% found events “somewhat helpful”
- Average estimate of 2012 sales influenced by educational events = 19.9% increase
- Average change in sales = \$23,516.67 (N=72)
- Median change in sales = \$3,500

Estimated Economic Impact

- The visitor expenditures at agritourism attractions have projected statewide economic impacts of
 - \$34.2 million directly
 - \$54.2 million with multiplier effects
- From 2003/2004 study
 - \$16-17 million in direct effects
- **Economic impact more than doubled in less than 10 years!!!**

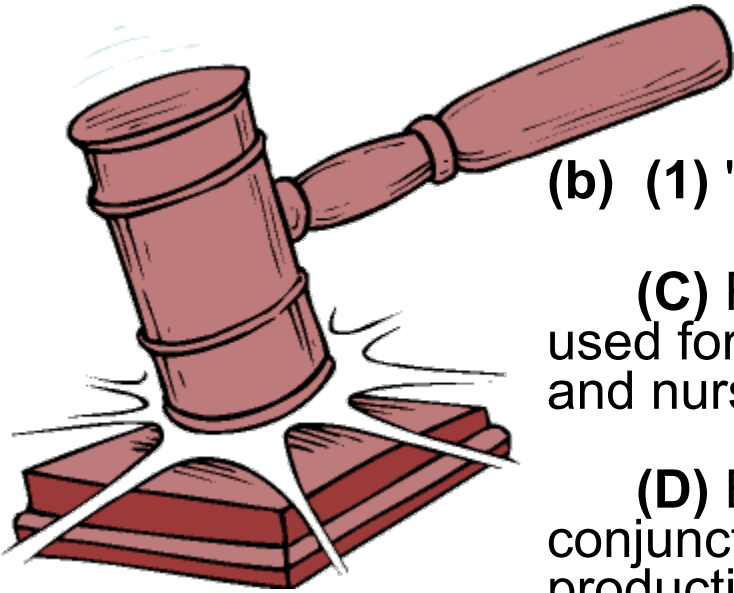


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What's Been Done Since

Definition of Agriculture

TCA 43-1-113 amended in 2014 to further clarify inclusion of recreational and educational activities



(b) (1) "Agriculture" means:

(C) Recreational and educational activities on land used for the commercial production of farm products and nursery stock; and

(D) Entertainment activities conducted in conjunction with, but secondary to, commercial production of farm products and nursery stock, when such activities occur on land used for the commercial production of farm products and nursery stock.

Educational Programs Offered

- Southern Style Hospitality Seminars
- Safety and Emergency Preparedness Workshops
- Using Advertising to Your Farm's Advantage Workshops
- Fruit Production and Direct Marketing Workshops
- Statewide Conferences
- 2015 NAFDMA Conference



Agritourism Ideas to Action Website

Resources by Topic

- > Understanding Agritourism
- > Assessing Your Resources
- > Planning for Success
- > Understanding the Regulations
- > Marketing Effectively
- > Playing it Safe - Safety and Emergency Preparedness
- > Protecting Your Assets

Overview of Site

- Compilation of resources for farmers interested in developing agritourism operations and farmers already conducting agritourism activities
- tiny.utk.edu/IdeastoAction



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