

# Agritourism Workbook



**Agritourism** is a business venture located on a working farm, ranch, or agricultural enterprise that provides an “experience” for visitors while generating supplemental income for the owner.

Experiences provided to visitors usually take the form of educational or entertainment discovery and learning in a nature or agricultural based environment. For this reason, agritourism is also referred to as “agri-entertainment” and “agro-tourism.”

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## Benefits of Agritourism?

Agritourism can provide many benefits to the agricultural landowner. Which of the following would benefit you?

- ☐ Cash flow during the off-season
- ☐ Provide opportunity to sell products grown and harvested in your agricultural venue
- ☐ Opportunity to sell products grown and Harvested in your agricultural operation
- ☐ Opportunity to share your passion of agriculture with others.



## Agritourism is a Business:

What type of agritourism business do you plan to operate? Check all that apply.

- ☐ To add supplemental cash flow
- ☐ To diversify farm income to make a profit
- ☐ To provide educational fun and enjoyment to others without making a profit

## Suggested Steps in Planning Your Agritourism Business

**Determine your agritourism interests-**There are many different types of agritourism ventures that are appropriate for a farm, ranch or other agricultural enterprise. From the list below, choose the ventures that best match the characteristics of your family, farm workers and land.

The list below can be found in “Agritourism in Focus, A Guide for Tennessee Farmers”, Tennessee Extension Publication PB1754.

<input type="checkbox"/> Bed and Breakfasts <input type="checkbox"/> Bicycle trails and rentals <input type="checkbox"/> Bird watching <input type="checkbox"/> Boating, canoeing, kayaking, tubing or rafting <input type="checkbox"/> Camping <input type="checkbox"/> Catering services <input type="checkbox"/> Cave tours <input type="checkbox"/> Children's camps <input type="checkbox"/> Classes, clinics or demonstrations (farming, ranch skills, cooking, planting, harvesting, fishing, hunting, wildlife viewing) <input type="checkbox"/> Community supported agriculture (CSA) <input type="checkbox"/> Corn canon <input type="checkbox"/> Corn maze (educational, haunted) <input type="checkbox"/> Cut your own Christmas trees <input type="checkbox"/> Dairy shares <input type="checkbox"/> Display gardens (flowers, greenery, herbs) <input type="checkbox"/> Educational or technical tours <input type="checkbox"/> Event hosting (birthday parties, family reunions, corporate retreats, receptions, weddings) <input type="checkbox"/> Farm or ranch work experience <input type="checkbox"/> Farm stays <input type="checkbox"/> Fee fishing <input type="checkbox"/> Fee hunting (dove, duck, goose, pheasant, turkey, deer, small game) <input type="checkbox"/> Festivals (seasonal, harvest, food, holiday) <input type="checkbox"/> Game preserve or guided hunts <input type="checkbox"/> Goat walk <input type="checkbox"/> Go-carting <input type="checkbox"/> Guided crop tours <input type="checkbox"/> Guiding and outfitting <input type="checkbox"/> Habitat improvement projects	<input type="checkbox"/> Hay bale maze <input type="checkbox"/> Hay rides <input type="checkbox"/> Hiking trails <input type="checkbox"/> Historical museum and displays <input type="checkbox"/> Haunted barn or house <input type="checkbox"/> Horseback trail riding <input type="checkbox"/> Hunting dog training and competitions <input type="checkbox"/> Laser tag <input type="checkbox"/> Living history events <input type="checkbox"/> Mountain biking <input type="checkbox"/> Off-road vehicle driving areas <input type="checkbox"/> On-farm retailing <input type="checkbox"/> Pack trips <input type="checkbox"/> Paint ball <input type="checkbox"/> Petting zoo <input type="checkbox"/> Photography/painting <input type="checkbox"/> Picnic area <input type="checkbox"/> Playground <input type="checkbox"/> Pony rides <input type="checkbox"/> Pumpkin painting <input type="checkbox"/> Refreshment sales <input type="checkbox"/> Rent a cow or tree <input type="checkbox"/> Roadside markets, Farmers Markets <input type="checkbox"/> Rock climbing or rappelling <input type="checkbox"/> Rodeos <input type="checkbox"/> School tours or activities <input type="checkbox"/> Self-guided driving tours <input type="checkbox"/> Shooting range (firearm or moving target) <input type="checkbox"/> Sorghum maze <input type="checkbox"/> Swimming area <input type="checkbox"/> Pick-your-own operations <input type="checkbox"/> Wagon rides <input type="checkbox"/> Wilderness experiences <input type="checkbox"/> Wildlife viewing <input type="checkbox"/> Winery tour or wine tasting <input type="checkbox"/> Working farm stays
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In Louisiana, only certain agritourism activities are covered by the limited liability agritourism law; go to the LSU AgCenter website: [www.lsuagcenter.com/agritourism](http://www.lsuagcenter.com/agritourism) to learn more.



**Assess Your Personality-** Agritourism entrepreneurs must be a “jack of all trades.” They must be able to assess their enterprise with a business mind, share knowledge that is fun and educational and have good people skills. Check all that apply below.

- ☐ Are you a good communicator?
- ☐ Are you patient?
- ☐ Are you organized?
- ☐ Can you adapt to change?

If the answer to the majority of these questions is yes, then you are a good candidate for agritourism. If you did not score well, then agritourism may still be in your future, but you will need help from others to have a successful agritourism business.

**Identify Labor Force-**Many people will be needed to help you launch your agritourism venture. Some of those people may be your family, farm workers, neighbors or new people you hire. Use the chart below to organize your workforce.

Provide name and description of individual	Their assets	Their role in operation	Time they will give

**Identify Your Financial Goals-** It is important to understand the connection between a good idea and a financially feasible idea. Start your new venture without debt; use what you have and determine if you are suited for agritourism before borrowing money.

Develop a business plan to start an agritourism venture with little capital investment from yourself, friends, family or banking institutions. Test the venture and then adjust your business plan accordingly. Find your financial comfort zone by answering these questions:

- ☐ Do I have cash on hand to start a business?
- ☐ Will I need to get a loan?
- ☐ Do I feel comfortable borrowing money?

Assessing your financial resources can be difficult. In most cases, it's a good idea to involve other family members and outside professionals to assist you in making that decision.

So, when do you want to start your business?

- ☐ 1-2 years
- ☐ 1-3 years
- ☐ 3-5 years
- ☐ 5 years or more

**Evaluate your land resources** – take a look at your land and consider these questions.

- ☐ Do you have sufficient property resources for the agritourism venture and parking?
- ☐ Is your venture located near the market you hope to attract?
- ☐ Are directions to your location easy to give?
- ☐ What changes to your property will be necessary to accommodate your new venture?
- ☐ Will it be affordable to create the venture using existing resources?
- ☐ Is it possible to open your business for a trial run without making any major changes or investments?

Which of the following best describes your land?

- ☐ Planted in crops
- ☐ Raising livestock

- ☐ Ponds or creeks
- ☐ Rivers, bayous, swamps
- ☐ Fishing available
- ☐ Wildlife
- ☐ Topography: rolling hills, flat land, etc.
- ☐ Forestlands
- ☐ Native plants
- ☐ Hiking trails

Describe your assets in terms of infrastructure:

- ☐ Tractors
- ☐ Wagons
- ☐ Farm tools
- ☐ Power tool equipment for construction
- ☐ Cabins
- ☐ Barns
- ☐ Stables
- ☐ Pens
- ☐ Fenced land
- ☐ Roads within the property
- ☐ ATV vehicles

**Estimate your time and labor needs** – Anyone beginning an agritourism venture will need the full support of his or her family. The time and energy needed to run an operation will require work and support from the whole family.

- ☐ Will my family be involved? If so, who and to what extent?
- ☐ Can I use workers who already work on the farm? If so, how?
- ☐ Will I need to hire additional workers? If so, where will I find part time workers?

**Feasibility Study**-Now that you have a clear vision of your goals, it's time to see if there is a market for your agritourism venture. How do you do this? There are three ways:

- ☐ Hire a marketing firm and pay for the service
- ☐ Consult a local Small Business Development Center and ask if they offer the service
- ☐ Do the research yourself with these tools:

- Consult chambers of commerce, tourism boards, and state tourism centers to see what types of agritourism ventures exist in your area.
- If you are hoping to attract school age children, survey schools to see if they are interested in what you plan to offer. Ask school officials how many classes would come if for example you had a petting zoo field trip?
- If similar agritourism businesses exist in the area, observe how busy they are and if the owners are approachable, ask for their input.
- Look at the U.S. Census records to determine the age classifications of people in your market area. The U. S. Census has a quick facts page that provides age classifications at <http://quickfacts.census.gov/qfd/states/00000.html>
- The Louisiana Office of Culture, Recreation, and Tourism and the Louisiana Sea Grant College Program at Louisiana State University offer travel resources and economic data online at: [www.latour.lsu.edu](http://www.latour.lsu.edu)

**Answer these questions:**

- ☐ List the towns within one hour of your location.
- ☐ Do they have a tourism office?
- ☐ What major highways are located near you?
- ☐ What is the population of towns within a one hour radius?

**Identify safety issues-** The Louisiana Legislature passed a limited liability law for agritourism in 2008 (La R.S. 9:2795.5). This law is voluntary and does not eliminate the need for agritourism operators to purchase limited liability insurance. To learn more log onto: [www.lsuagcenter.com/agritourism](http://www.lsuagcenter.com/agritourism)

Whether you take advantage of the agritourism limited liability law or not you will need to answer these questions:

- ☐ Are you aware that most people have never visited an agriculture operation and don't understand danger?
- ☐ Is your facility handicapped accessible?
- ☐ Do you have restrooms?
- ☐ Do you have hand-washing areas? If not, do you plan to offer hand sanitizers?

- ☐ Are ponds or other dangerous areas fenced off from visitors?
- ☐ If your mode of on farm transportation is a wagon, what safety features do they have?
- ☐ Do wagons have high rails to keep children in?
- ☐ Are the steps into moving forms of transportation (wagons) safe and secure?
- ☐ Are people in place to assist visitors who might have difficulty with activities?
- ☐ If you are open at night, do you have lighting?
- ☐ Is there a plan in place to care for someone who has an accident?

The LSU AgCenter's publication, "Agritourism: Best Management Practices & Plan of Operation," can serve as a guide. The plan of operation required by La R.S. 9:2795.5, the Louisiana agritourism limited liability law, must be completed before an operation can be certified. This certification is voluntary. Completing a plan of operation allows an agritourism operator to think about potential safety issues and how to mitigate them.

## **Licenses Needed-**

- ☐ Check with local parish governments to see if there are zoning restrictions where you plan to operate.
- ☐ Check with local parish government about any licenses that may be necessary.
- ☐ Comply with USDA regulations if you use animals in your operation. Agritourism operators who use animals as part of their agritourism venture are subject to the requirements of the Animal Welfare Act regulations.

If your agritourism venture charges people to see animals, pet them or feed them you need a license as an exhibitor. If you do not have a license from USDA and are engaging in this practice, you could be subject to a \$10,000 fine.

To safeguard your operation, you should call Dr. Lynn Bourgeois, veterinary medical officer with USDA animal care. Dr. Bourgeois can be reached by calling his office at (985) 537-0691 or by calling his cell at (240) 461-9182. He travels the state, so please leave a message. In the event that none of these numbers work call Mike Long at (970) 494-7471 to learn how to become certified. If no answer, call the main number (970)



494-7478 and ask to speak with someone concerning USDA certification under the Animal Welfare Act.

The process requires completion of an application and an inspection. During the inspection, officials will check on husbandry issues, veterinary care program, where animals live and review how animal food is stored.

**Taxes-** *The general rule is that sale “of services” and “products” are taxed unless there is a specific exemption in law. Fees and charges for admission to entertainment, amusement or recreational facilities are taxed, thus while your agritourism business maybe educational there is no specific exemption from taxation.*

*There are no taxes on farm products produced by the farmer and sold directly to the shopper/consumer. The jar of honey you produce and bottle when sold by you to the shopper is exempt from taxes. However if an individual or company buys it from the farmer for resale, the product is taxed. Therefore, the middleman is taxed.*

In Louisiana, "Sales of Services" is defined as follows in the Sales Tax Chapter (La. Rev. Stat. Title § 47:301) includes taxation on the:

- ☐ The furnishing of sleeping rooms, cottages or cabins by hotels.
- ☐ The sale of admissions to places of amusement, to athletic entertainment other than that of schools, colleges, and universities, and recreational events, and the furnishing, for dues, fees, or other consideration of the privilege of access to clubs or the privilege of having access to or the use of amusement, entertainment, athletic, or recreational facilities.

Taxes on farm products sold directly to consumers. According to La. Rev. Stat. Title §47: 305.

- ☐ The gross proceeds derived from the sale in this state of livestock, poultry, and other farm products direct from the farm are exempted from the tax levied by taxing authorities, provided that such sales are made directly by the producers. When sales of livestock, poultry, and other farm products are made to consumers by any person other than the producer, they are not exempted from the tax imposed by taxing authorities.
- ☐ The gross proceeds derived from the sale in this state of livestock at public sales sponsored by breeders' or registry associations or livestock auction markets are exempted from the sales and use tax levied by the state only. When public sales of livestock are made to consumers by any person other than through a public sale sponsored by a breeders' or registry association or a livestock auction market, they are not exempted from the sales and use tax imposed by the state.

This Section shall be construed as exempting race horses entered in races and claimed at any racing meet held in Louisiana, whether the horse claimed was owned by the original breeder or not.

- ☐ Every agricultural commodity sold by any person, other than a producer, to any other person who purchases not for direct consumption but for the purpose of acquiring raw product for use or for sale in the process of preparing, finishing, or manufacturing such agricultural commodity for the ultimate retail consumer trade, shall be exempted from any and all provisions of the sales and use tax imposed by a taxing authority, including payment of the tax applicable to the sale, storage, use, transfer, or any other utilization of or handling thereof, except when such agricultural commodity is actually sold as a marketable or finished product to the ultimate consumer, and in no case shall more than one tax be exacted. For the purposes of this Section, “agricultural commodity” means horticultural, viticulture, poultry, farm and range products, and livestock and livestock products.

**Protect Yourself Legally-**As the owner, it is your responsibility to see that your visitors are safe and protected, but accidents happen. To protect yourself legally, from the actions of people employed by you, you might want to consider becoming a limited liability company (LLC). An LLC is a form of business organization that is a “legal person” having one or more members organized and filing articles with the Secretary of State. As an LLC you are removing liability from you personally for others’ negligence. Legal issues are complex, and you should consult your local attorney for advice in this matter.

**Limited Liability Insurance-** Insurance is a necessity. Be advised that not all companies insure agritourism ventures. The best place to start shopping for insurance is with the company that writes your present insurance. Tell them you are planning to expand your operations and will need more coverage and ask for their suggestions.

**Market Your New Venture-**With your marketing analysis in hand; begin planning your marketing strategy. Where do the people live and work who would like to participate in your agritourism venture? How do you reach them with information? Make a budget and consider the following as possibilities: newspaper ads, television commercials, brochures, flyers, website, blog, Facebook, Twitter, You Tube, personal appearances and word of mouth.

Register your business on the newly developed [MarketMaker](http://MarketMaker.com) website. At LA.FoodMarketMaker.com What does this FREE site do?

- ☐ Helps food entrepreneurs and farmers identify potential markets
- ☐ Helps consumers find fresh and locally grown food
- ☐ Helps farmers and other food-related enterprises connect with other members of the food supply chain

- Provides maps and profiles of farmers and food-related businesses

**Develop a business plan-** Now that you have thought through the process you are ready to formally write the business plan. Many people say, I'm not borrowing money and I know what I want to do, so why do I have to write a business plan? Business plans offer an opportunity to think through your operation and plan for the perfect as well as the not so perfect days when you experience hardships due to equipment failure or employee problems. After you create the plan, consult with a banker even if you don't need the additional funds, it's wise to know whether or not you have a marketable venture.

Free help with business plans are available by contacting Small Business Development Centers. For a Louisiana directory of SBDC log onto: <https://www.lsbdc.org/Default.aspx>

## References:

Mirus, Shannon, Staff Attorney, National Agricultural Law Center  
[www.NationalAgLawCenter.org](http://www.NationalAgLawCenter.org)

*Agritourism in Focus, a Guide for Tennessee Farmers*, Tennessee Extension Publication PB1754.

*Agritourism: A New Agricultural Business Enterprise*, Louisiana State University Agricultural Center Publication AC-5.

*Agritourism: Best Management Practices & Plan of Operation*, Louisiana State University Agricultural Center Publication AC-6