Defining Agritourism in Virginia

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What is agritourism?

FARM

TOURISM

BUSINESS

EDUCATION

DIRECT MARKETING
In Virginia there is a specific definition of an “agritourism activity,” and for the purpose of law, an agritourism activity is defined as:

“any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, wineries, ranching, historical, cultural, harvest-your-own activities, or natural activities and attractions. An activity is an agritourism activity whether or not the participant paid to participate in the activity.
Why Agritourism?

Agritourism is a value-added strategy that:
- Generates additional income from the land
- Introduces farm product/brand to customers
- Helps farmers to cope with bad crops, rising input costs
Why Agritourism?

Research among many different states finds that most operations are most influenced or motivated by the generation of additional income or some form of monetary incentive.
Why Agritourism?


**Top two motivations for starting an agritourism operation:**
1) Additional income
2) Utilization of resources

**Top three agritourism events:**
1) Working farms
2) Christmas tree farms
3) Pick-your-own operations
Virginia Agritourism Survey

Survey characteristics:

- The initial database consisted of 511 enterprises
- The final database included 471 enterprises
- There were a total of 243 responses (52 percent response rate)
- Wineries make up 44 percent of Virginia agritourism operations surveyed
Virginia Agritourism Survey

Figure 1: Agritourism Operations in Virginia in 2014

Source: VDACS Virginia-Grown 2013; Virginia Wine 2013; Pickyourown.org; extension agent correspondence (ArcMap 10.1)
Virginia Agritourism Survey

Figure 2: Breakdown of respondents by region

- **Northern Virginia**: 30%
- **Shenandoah Valley**: 18%
- **Central Virginia**: 24%
- **Blue Ridge**: 9%
- **Southern Virginia**: 4%
- **Heart of Appalachia**: 3%
- **Chesapeake Bay**: 5%
- **Eastern Virginia**: 0%
- **Hampton Roads**: 7%

$N = 243$
Virginia Agritourism Survey

Who are Virginia agritourism operators?

- Male (71%)
- Married (87%)
- Caucasian (96%)
- Age: 51 and older (88%)
- Fairly educated – College degree (31%) & Graduate degree (25%)
- Educational background – Agricultural (14%), business (28%), agricultural & business (25%), other (33%)
## Table 1: Virginia Agritourism Enterprises Months of Operation (n=213)

<table>
<thead>
<tr>
<th>Month</th>
<th># of farms</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>129</td>
<td>53.3%</td>
</tr>
<tr>
<td>February</td>
<td>131</td>
<td>54.1%</td>
</tr>
<tr>
<td>March</td>
<td>144</td>
<td>59.5%</td>
</tr>
<tr>
<td>April</td>
<td>179</td>
<td>74.0%</td>
</tr>
<tr>
<td>May</td>
<td>195</td>
<td>80.6%</td>
</tr>
<tr>
<td>June</td>
<td>199</td>
<td>82.2%</td>
</tr>
<tr>
<td>July</td>
<td>205</td>
<td>84.7%</td>
</tr>
<tr>
<td>August</td>
<td>201</td>
<td>83.1%</td>
</tr>
<tr>
<td>September</td>
<td>204</td>
<td>84.3%</td>
</tr>
<tr>
<td>October</td>
<td>204</td>
<td>84.3%</td>
</tr>
<tr>
<td>November</td>
<td>184</td>
<td>76.0%</td>
</tr>
<tr>
<td>December</td>
<td>165</td>
<td>68.2%</td>
</tr>
</tbody>
</table>

Busiest months for VA agritourism
Figure 3: Motivations to Start an Agritourism Operation in Virginia

- Additional Income
- Fam Employment
- Provide a Service
- Tax Incentive
- Hobby
- Educate
- Decrease Variability
- Utilize Resources
- Market Products
- Loss of Ag Programs
- Other

N=240

Legend:
- N/A (0)
- Not Important (1)
- 2
- Somewhat Important (3)
- 4
- Extremely Important (5)
Figure 4: Number of Operations in Virginia by Estimated Average Number of Visitors

N=220
Statistical Analysis

Figure 5: Number of Operations in Virginia by Acres of Farmland

N=238

<table>
<thead>
<tr>
<th>Acres of Farmland Operated</th>
<th>Number of Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>20.2%</td>
</tr>
<tr>
<td>10 to 24</td>
<td>28.2%</td>
</tr>
<tr>
<td>25 to 49</td>
<td>10.5%</td>
</tr>
<tr>
<td>50 to 199</td>
<td>24.4%</td>
</tr>
<tr>
<td>200 to 499</td>
<td>11.8%</td>
</tr>
<tr>
<td>500 or more</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
Statistical Analysis

Most commonly offered agritourism events:

(1) Tours
(2) Tastings
(3) Picnics
(4) Pick-your-own
(5) Special events
(6) On farm stands
Figure 6: Access to Finances by Virginia Agritourism Operators

- Easy: 35 (15%)
- Difficult: 42 (18%)
- Fairly Easy: 91 (40%)
- Somewhat Difficult: 61 (27%)
Statistical Analysis

Figure 7: Percentage of Gross Farm Income Attributed to Agritourism in Virginia

- 100 (42%)
- 53 (22%)
- 38 (16%)
- 32 (14%)
- 26-50%
- 1-25%
- 0%
- 76-100%
- Don’t Know

N=237
Figure 8: Financial Importance of Overall Farming Operations

- Hobby interest: 17 (7%)
- Part-time, on-and off-farm equal: 18 (8%)
- Full-time, all farm: 98 (42%)
- Part-time, off-farm primary: 79 (33%)
- Part-time, on-farm primary: 24 (10%)

N= 236
Statistical Analysis

Figure 9: Obstacles to the Success of an Agritourism Operation in Virginia

N=237

- Zoning
- Signage
- Liability
- Taxation
- Licenses
- Limited Access to Capital
- Competition
- Finding Qualified Employees
- Lack of Business Knowledge
- Identifying Markets
- Lack of Social Networks
- Promotion
- Business Plan
- Expansion
- Crop/Animal Production
- Other

4
Extremely Important (5)
Figure 10: Number of Agritourism Operations Using Specific Promotion Strategies in Virginia

Promotional Strategies

- Word of Mouth: 239
- Books: 17
- Website: 175
- Newsletter: 75
- Direct Mailing: 42
- Social Media: 163
- Feature Story: 122
- Farm Group Associations: 138
- Business Cards: 117
- Paid Advertising: 75
- Chamber of Commerce Listing: 114
- Visitor’s Bureau: 78
- Road Signs (Signage): 157
- Other: 18

N=156
Statistical Analysis

Figure 11: Average Dollars Spent by Each Visitor to Agritourism Operations in Virginia

N=237

Number of Operations

<table>
<thead>
<tr>
<th>Range</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>4</td>
</tr>
<tr>
<td>$1-10</td>
<td>17</td>
</tr>
<tr>
<td>$11-20</td>
<td>43</td>
</tr>
<tr>
<td>$21-30</td>
<td>46</td>
</tr>
<tr>
<td>$31-40</td>
<td>53</td>
</tr>
<tr>
<td>$41-50</td>
<td>37</td>
</tr>
<tr>
<td>$51-100</td>
<td>17</td>
</tr>
<tr>
<td>$101+</td>
<td>7</td>
</tr>
<tr>
<td>Don't Know</td>
<td>13</td>
</tr>
</tbody>
</table>
Statistical Analysis

Figure 12: Perceived Profitability of Agritourism in Virginia

N = 232

Number of operations

<table>
<thead>
<tr>
<th>Profitability Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at All Profitable (1)</td>
<td>8.6%</td>
</tr>
<tr>
<td>2</td>
<td>14.7%</td>
</tr>
<tr>
<td>Somewhat Profitable (3)</td>
<td>47.8%</td>
</tr>
<tr>
<td>4</td>
<td>18.5%</td>
</tr>
<tr>
<td>Highly Profitable (5)</td>
<td>10.3%</td>
</tr>
</tbody>
</table>
Statistical Analysis

Variables that increase the probability of agritourism operations:

- Higher education levels
- The motivation of additional income
- Number of acres
- Percentage of gross income generated from agritourism
- The average money spent per visitor

Variables that decrease the probability of agritourism operations:

- Being a winery
- The distance from the operation to the nearest interstate
- More difficult access to capital