Tennessee Agritourism Today

An electronic newsletter dedicated to educating and informing agritourism industry partners

UT Extension

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Center for Profitable Agriculture
A University of Tennessee - Farm Bureau Partnership

Agritourism Focus of January Conference

A conference for agritourism operators and farmers interested in agritourism will be held January 17-18, 2008 at Paris Landing State Park.

The 2008 Agritourism: Cultivating Farm Revenue conference will include educational sessions, a trade show and opportunities to network with other entrepreneurs and service providers. The Tennessee Agritourism Association will hold its annual membership meeting at the conference as well.

"The conference will feature several 'Agritourism in Action' sessions where participants will hear from experienced agritourism entrepreneurs about their operations and lessons learned in the business," says Megan Bruch, marketing Specialist with the Center for Profitable Agriculture and one of the conference planners. "Other sessions will educate participants on incorporating retail into their operations, ideas for activities to educate and entertain on the farm, signage programs, sales tax issues and marketing."

The trade show will host exhibits from service organizations and agencies and vendors of products and services of interest to agritourism operators. Participants can also share information about their own enterprises by bringing photographs of their operations or marketing materials to display in a special exhibit at the trade show called "Agritourism in Action: Show Your Stuff."

"This is the third such conference held in Tennessee," says Pamela Bartholomew, agritourism coordinator for the Tennessee Department of Agriculture and another of this year's conference planners. "Last year, 205 participants attended from 14 states. We want to continue to help agritourism entrepreneurs grow and improve their enterprises."

The conference is among efforts sponsored by the Tennessee Agritourism Initiative partners to build farm income in the state. Initiative partners include the state's departments of Agriculture, Tourist Development and Economic and Community Development; the Tennessee Farm Bureau Federation; UT Extension and the Tennessee Agritourism Association.

Conference information and registration is available online at the Center for Profitable Agriculture's Web site at http://cpa.utk.edu or on the Pick Tennessee Products Web site at www.picktnproducts.org. There is a registration fee of $75 if registered by January 4, 2008. Late registration is $125.

Understand Threats to Business Success

Despite the optimism that surrounds a small business start-up, most small businesses fail. In fact, 80 percent of small businesses fold in their first five years according to the Small Business Administration. Unquestionably, all entrepreneurs make mistakes, but those who understand, recognize and correct common threats may increase their potential for success.

Common threats to business success include:

Failure to understand or predict the difficulty of owning your own business or adding an enterprise

Owning and running a business is hard and stressful work. As a service business operated from your home on family land, your agritourism enterprise can be particularly difficult, requiring tremendous commitment and effort. Learn how to cope with stress and try to find a balance with family, friends and activities you enjoy.

Lack of strategic planning

Make mistakes on paper before you risk assets Understand that planning is an on-going and cyclical process. In other words, plan strategically and revisit plans often to make adjustments.

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Agritourism in Action: Grandaddy's Farm

Andrew Dixon
Grandaddy's Farm
Franklin County
www.grandaddysfarm.com

What products or attractions do you offer?

Grandaddy's Farm has a fall market, farm activities for families and school tours.

The fall market has decoration items for sale including 45 varieties of mums, almost that many varieties of pumpkins, winter squash, gourds, cornstalk bundles, ear corn and straw bales.

Farm activities include a corn maze (this year's theme commemorates Franklin County's bicentennial), hayride to the pumpkin patch, moonlight hayride, half mile nature trail to a spring and farm animals exhibited in the barn.

Educational school tours are offered for pre-K to 3rd grade. Different curriculum is used for each grade level.

What is unique about the operation?

Andrew says that the wide variety of mums, pumpkins and other farm products available in the fall market makes their operation unique. The Dixons also plan to sell only products grown on the farm, although this year some products will be brought in due to the extreme drought.

Andrew did not mention one unique characteristic of Grandaddy's farm worth knowing – that is Andrew himself. While this is a family operation, Andrew, at 19 years old, is heavily involved in the decision-making of the agritourism part of the farm.

How long have you been in business?

This is only the second year of operation for Grandaddy's Farm, the agritourism portion of the farm. The farm was founded in May 1951 by Andrew's great-grandfather, who chose to purchase this farm because of the existing barn and spring. "He didn't worry about what the house looked like," Andrew says. Andrew's father now owns the farm.

Why did you get into agritourism?

The Dixon family row crops and raises beef cattle in Franklin County. About six or seven years ago, the Dixons started looking for additional enterprises to provide some added revenue to the farm and get the kids who were in middle school at the time involved. After some analysis of the opportunities, the Dixons began to wholesale cornstalk bundles. This enterprise helped them to make connections with a neighboring agritourism operation. When that operation discontinued its fall activities, the owner encouraged the Dixon's to consider starting an agritourism venue. After much deliberation, the Dixon's decided to try it.

What have been your biggest challenges?

Andrew discussed several challenges faced by their family operation. One challenge is working with your family. "Everybody has an idea about how things should work," he says. Another challenge is trying to add something to the operation each year and determining what customers want. Finally, "getting the word out" about the operation is a challenge, especially with this being such a new enterprise.

How do you market your operation?

As Andrew indicated, marketing is a challenge, especially to new enterprises. The Dixons use a variety of marketing methods. They have developed brochures, which they have hand-delivered to area school teachers and direct-mailed to a list of other potential customers. They have advertised in the local newspaper, at the county fair and in little league sports programs in the area. They also have a Web site. The Dixons have begun to work with their local chamber of commerce, especially using their corn maze design for the county bicentennial. Andrew thinks they are starting to get some positive word-of-mouth referrals from last year's customers.

What are your goals for the future?

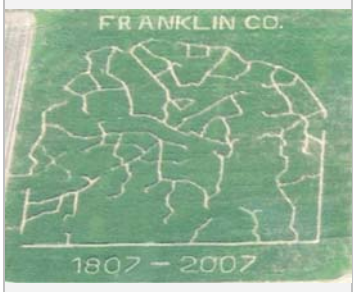
Andrew says his goal for the operation is to "grow – bring in more revenue for the farm." He hopes the agritourism operation will help him be able to continue to be involved in his family's traditional agriculture operation.

What advice do you have for other agritourism operators or farmers interested in agritourism?

Andrew says agritourism operators should "know what you're getting into before you start. There is a lot more to it than most people think." His family was surprised by how much behind-the-scenes work it takes.

People need to evaluate what resources they are going to need for the type of enterprise they are going into. How much acreage will it take? What type of land is needed? How many people are needed to run the business?

Potential entrepreneurs also need "a will to want to go out and work," according to Andrew. Entrepreneurs will be working out in the hot sun preparing for the season and long into the winter planning and preparing for the next one.



Understand Threats to Business Success (continued form Page 1)

Not knowing how to manage and operate an agritourism enterprise

Agritourism enterprises require a different set of skills from production agriculture. Take courses, read books, attend seminars, listen to tapes, get a mentor or do whatever you can to gain the skills you need.

Lack of cash, poor cash flow, lack of financial savvy, poor money management, under-financing

"Do not have the 'build it and they will come' mentality!' " said one agritourism operator. Instead, know and fill demand and then expend capital. Learn about available financing opportunities, tools and techniques. Understand the basics of business finance.

Growing too fast

When a business grows too fast, entrepreneurs often lose control, quality of products and service deteriorate and customers go elsewhere. Business growth should be done strategically and at a rate you can manage.

Poor interpersonal skills

Relationships within a business are complex; important; and worthy of time, attention and feedback. You will need to develop relationships with members of your management team, employees and customers.

Poor communication skills

Good communication skills consist of good listening skills as well as good verbal skills. Develop a system for reporting feedback and suggestions from employees and customers. You might consider holding regular meetings of your management team.

Failure to innovate

Markets are dynamic. It is important to monitor market conditions and make adjustments to meet the needs of consumers.

Trying to go it alone

Businesses can sink when the operator wears too many hats. Having strong, well-rounded management and working teams is important. Pay for and use the services of professionals when needed. Hire employees that complement your weaknesses and delegate responsibility. You should also form networks with people involved in agritourism activities locally and regionally.

Failure to recognize your own strengths and weakness

The better you know yourself, the better your chances of avoiding problems and achieving success. Ask for help when you need it.

Failure to seek and respond to criticism

Many of the problems listed can be corrected or avoided with the help of candid feedback. Do not automatically blame external causes for failures, but take a look at internal causes. Have people you trust critique your management skills. Talk with management team members, friends and peers. Use the information to learn how to improve your skills.

Understanding these common threats can assist entrepreneurs in identifying problems in their own enterprises and allow them to work to correct these mistakes before they significantly impact their business success.

Adapted from:

"Chapter 3: Business Planning," *Agritourism in Focus: A Guide for Tennessee Farmers.* September 2005. Available on-line at http://cpa.utk.edu.

Nelson, Sharon. June 1992. "Ten Key Threats to Success." *Nation's Business.*

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Upcoming Events

Tennessee Agritourism Association Meeting

Monday, December 3
11a.m. Central
ARCY Acres
Crossville, TN
Contact Vera Ann Myers for more information at veraann@xtn.net

Tennessee Fruit and Vegetable Association Convention and Trade Show

December 9-11, 2007
Airport Marriot, Nashville, TN
For more information, visit tfva.org

2008 Tennessee Agritourism Conference

January 17-18, 2008
Paris Landing State Park
For more information, visit http://cpa.utk.edu