

What is "Agritainment?"

- - Agriculture
 - - Entertainment
 - - Tourism

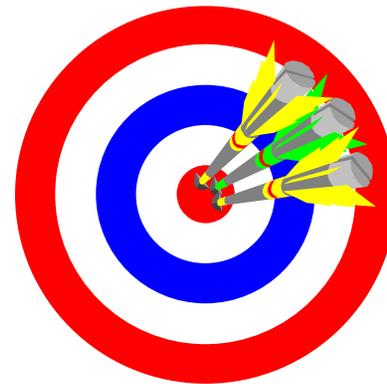
"an income-generating farm enterprise operated for the enjoyment and education of the public"

Targeted Audiences:

Tourists

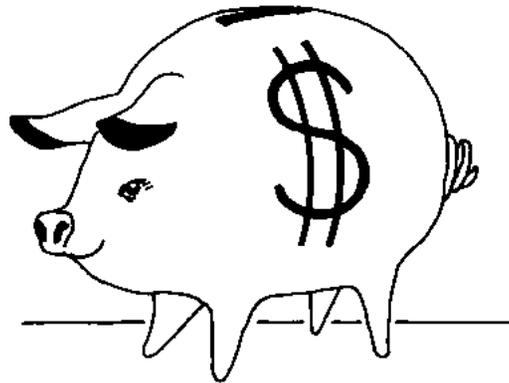
Locals

Groups



World's largest industry?

Tourism @ \$3.5 trillion



Cotton,

Dairy Cows,

Hemp,

Agritainment



WHY?!

WHY?

- ▶ It's the buzz
- ▶ People will pay money for anything
- ▶ Less than 2% of population live on farms
(but 75% of Tn counties classified as rural)
- ▶ It worked last year
- ▶ There is a demand
- ▶ Incomes & population on the rise

Steps to consider:

- ▶ Goals & Philosophies of the farm and family (profit vs. non-profit)
- ▶ Market research . . . market development
- ▶ Social skills (getting in the people business)
- ▶ Site

- ▶ Liability Insurance
- ▶ Regulations (zoning, commercial/agricultural, food, livestock)
- ▶ Labor
- ▶ Finances (Cost and Return . . . B-E)
- ▶ What to offer
(Tourists, Festivals, Weekend, School Tours, Families)

“Considering an Agritainment Enterprise in Tennessee?”

Extension Publication “PB 1648”



“READ IT . . . THEN READ IT AGAIN!”

Pros & Cons

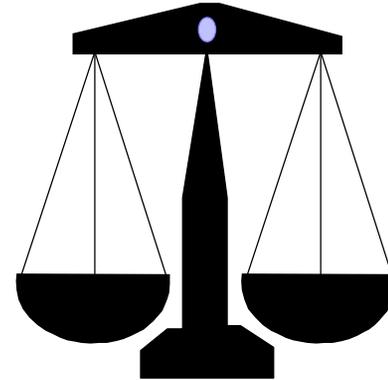
Pros 😊

Income

Educational

People oriented

Lots of fun



Cons ☹️

Cost

Time Consuming

Investment in marketing

People skills, Public relations

Liability . . . Regulations

Long hours

A different type of hard work

Labor

Management (planning, budgeting, marketing)

7:45 - 8:15

What to offer Stanley Trout

Things to consider

Pitfalls, pros, cons

What others have done

TDA . . . Pick Tn Products



What Others Have Done:

Bed & Breakfast

Pick-Your-Own

Hay Rides

Haunted Woods

Hay Maze

Corn Maze

Sudan/Sudex Maze

Pumpkin Patch

Orchard Tours

General Store

Petting Zoo

Fee Fishing

Day Camps

Week Camps

Workshops & Seminars

Educational Sessions

Environmental Sessions

Festivals

Dude Ranch, Working Farm

Cabins

Hiking Trails

Bird Watching

Picnic Area

Barnyard Olympics

Guided Tours

Museums

Fresh Produce

Pizza Farm

Crafts

Games

Cow Milking

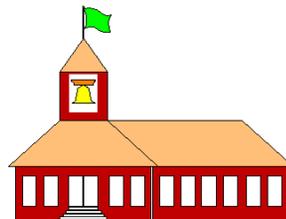
List all the options you have heard
about . . . then challenge yourself to
create that many more new ones.

8:15 - 8:30

Break

▶ Product Sample & Market Research
Exercise

▶ Intro. to School Tour Survey



Target Audience/Market

Tourists

Locals

Groups

School

Day Care

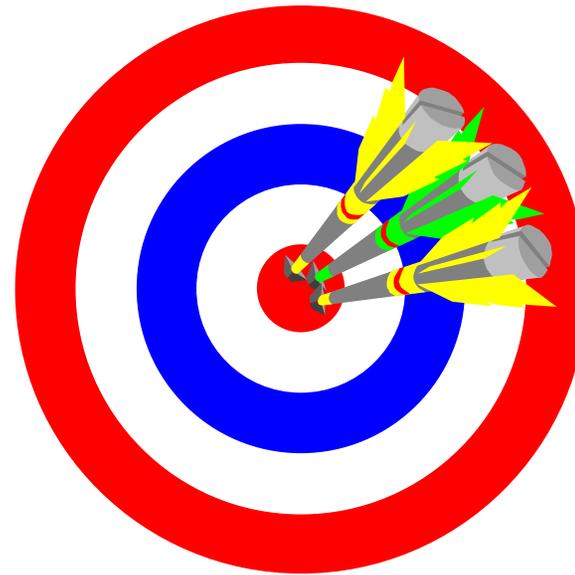
Church

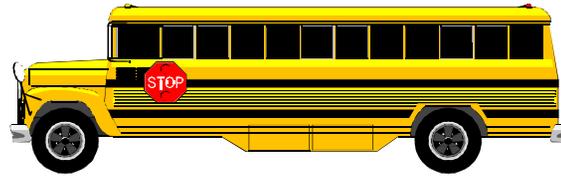
Senior Citizens

Civic

Scouts, 4-H, FFA

Others?





Targeting Elementary School Groups

Highlights from School Teacher Survey

- - *A DRAFT* - -

Break-Even Analysis (Page 24 - 27 of Publication)

Table 6 - - Start-Up Costs

<u>EXPENSE ITEM</u>	<u>COST ESTIMATE</u>
Barn, Fence, Farm Renovations	\$4,000
Parking	\$2,000
Long-term Signage (10 signs @ \$150 ea.)	\$1,500
Wagon Adjustments (\$200 * 2 wagons)	\$400
Playground Development	\$1,200
Picnic Tables (\$80 * 7 tables)	\$560
Develop Walking Trails	\$600
<u>Labor</u>	<u>\$2,000</u>
TOTAL START-UP COSTS	\$12,260¹

¹ If the entrepreneur plans to repay all of the start-up expenses in three years at 8% interest, approximately \$4,757 will be needed each year for the three-year payback period.

Table 7 - - Annual Operating Costs

<u>EXPENSE ITEM</u>	<u>COST ESTIMATE</u>
Annual Payment to Start-Up Costs	\$4,757
Electricity	\$1,200
Portable Restrooms & Hand-Washing	\$600
Liability Insurance	\$2,000
Newspaper, Radio, Direct Mail Advertisements	\$1,750
Business Licence	\$50
Hay for Wagons	\$40
Tractor Fuel	\$75
Labor	\$1,800
<u>Maintenance</u>	<u>\$300</u>
TOTAL ANNUAL OPERATING COSTS	\$12,572

Table 8 - - Variable Costs Per Student

<u>EXPENSE ITEM</u>	<u>COST ESTIMATE</u>
Two-hour guided stay	\$0.50
Hayride	\$0.10
Pumpkin	\$1.90
Mini-Pumpkin	\$0.90
Paint	\$0.20
Two apples	\$0.40
Coloring book	\$0.70
TOTAL VARIABLE COST PER STUDENT	\$3.80

Break-Even Projections

- ✓ The point at which revenue is exactly equal to costs
- ✓ The level of sales that are required to cover costs



What is your break-even?

- ✓ Average Admission Price (\$5.00)
- ✓ Average Per Unit Variable Cost (\$3.80)
- ✓ Average Annual Fixed Costs (\$12,573)
- ✓ Number of admissions needed to break even is:

$$\$12,573 / (\$5.00 - \$3.80)$$

$$\$12,573 / \$1.20$$

$$= 10,478$$

How confident are you that 10,478 people (paying an average of \$5.00 each) will attend your business?

Experiences from others . . .

In 1992 . . . informal telephone survey at Cornell University . . .

- ✓ half of the operations hosted less than 1,500 tourists per year, 28% had between 1,500 and 5,000 and 22% hosted more than 7,000
- ✓ 61% were school children and 33% were individuals or families
- ✓ Adult admissions ranged from \$1.00 to \$8.50
- ✓ More than 63% of the operations had significantly increased the size of their operation during the last five years
- ✓ Problems : dealing with visitors (interruption of farming and visitor's treatment of animals) liability insurance, labor, marketing, theft and poor location

Experiences from others . . .



The Pumpkin Patch . . .

- ▶ Wagon ride to patch and pick one pumpkin for a cost of \$4
- ▶ Same to school groups along with the use of picnic tables for lunch at a cost of \$5
- ▶ Pumpkin painting station for \$2 per pumpkin
- ▶ Mini pumpkins can be purchased and painted for \$1 each
- ▶ Additional pumpkins for \$3
- ▶ Decorative corn arrangements are sold for around \$15 each. BBQ lunch plates are available on weekends for \$5. Drinks and light, individually-wrapped snacks are available for around \$1 each.

Experiences from others . . .

The Peach Orchard

- ▶ Petting zoo and pony rides (all animals are leased for 2 mos. per yr.)
- ▶ A totally “hands off” petting zoo
- ▶ Hands-off approach adopted after lawsuits



Experiences from others . . .

Westside Orchards

- ▶ “Heritage tourism”
- ▶ A restored 1869 one-room schoolhouse on the farm



Experiences from others . . .

The Pumpkin Farm

- ▶ A 'pumpkin fest' Sept. to Nov.
- ▶ Pumpkins, gourds, squash, Indian corn, cornstalks, straw, hayrides, corn and hay mazes, romp & roll in the straw, hay play areas, pony rides and animal feedings
- ▶ 33,500 customers
- ▶ Weekends: \$5 Adults, \$3 Seniors, \$3 Children
- ▶ Weekdays: \$2 Adults, \$1 Seniors, \$1 Children
- ▶ Free Admission for children under 3



Experiences from others . . .

Town Gardens

- ▶ Family-owned, row-crop operation located inside the city limits
- ▶ Eight individuals work for the entertainment enterprise
- ▶ \$4.50 per person (ear of popcorn and one pumpkin)
- ▶ Each school tour lasts 1 hour and 15 minutes
- ▶ Use two tractors and four wagons with 75 children on each wagon



Experiences from others . . .

- ▶ Eugene F. Dice, Extension Specialist with the Michigan State University Extension Service,
- ▶ “ if all costs are accounted for, a farmer cannot make money with an outdoor recreation enterprise as a sideline venture.”
- ▶ *“The “fun” aspect rather than the income potential has been the focus”*
- ▶ *“Outdoor recreation enterprises do not offer good profit-making sidelines for farming operations”*
- ▶ *“They can consume excessive amounts of family labor, and offer only minimal income as the reward”*
- ▶ *“When costs are applied to family labor inputs, depreciation, facilities, and equipment, taxes and others, the net for the recreation sideline will probably show red.”*

“In a strictly management and economic sense, farm-based recreation has to be of such scale as to cater to massive numbers of users. Fees are normally pegged at such a low figure that literally thousands of users must cross the ticket line in order to provide substantial income. When there is an opportunity to capitalize upon the large scale user numbers, it soon becomes evident that a supplemental recreation enterprise is not the answer but rather that the recreation venture itself becomes the major income producer and the entire management and production scheme turns to that activity.”

Experiences from others . . .

- ▶ *“All ideas cost something - - - money, time energy”*
- ▶ *“Success and survival depend on the ability to understand, adapt to change in the marketplace”*
- ▶ *“Consumers are demanding more and less . . .
More: usefulness, flexibility, fun, value, honesty, integrity
Less: rudeness, discomfort, humiliation, sameness, meaningless advertising”*
- ▶ *“We host over 35,000 school children and employ 40 tour guides”*
- ▶ *“Marketing never ceases for a moment”*
- ▶ *“Our main theme is an attitude of friendliness and accessibility.”*
- ▶ *“Our promotional opportunities are endless”*
- ▶ *“Agritainment enterprises should encompass a theme.”*

WOW!

- ▶ *Develop the “WOW” effect . . .*

*“Winning attitudes that
Optimize
Wonderful experiences”*

Experiences from others . . .

- ✓ Overhead Transparencies
- ✓ Case Studies
- ✓ Other Photos, Transparencies

Summary:

Goals

What to offer

Is there a demand

Pros & Cons

Costs

Revenues (Marketing Plan)

Additional Information:

Tennessee Department of Agriculture

Agricultural Development Center

Others