

Relationships Between Agritourism Operations and Place-Based Factors

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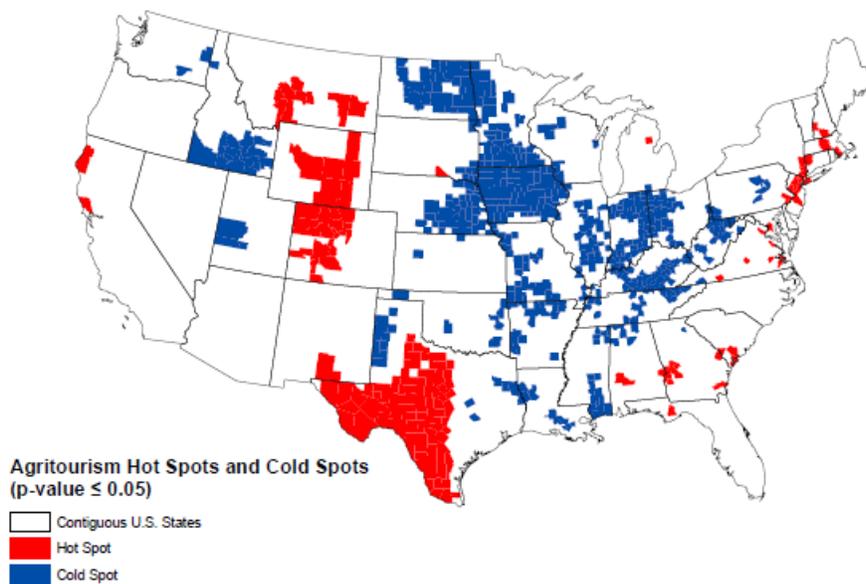
- Agritourism has been recognized as an entrepreneurial activity that has the potential to diversify agricultural businesses and stimulate rural development of surrounding communities
- From 2007-2012, the number of farms and ranches with agritourism in the U.S. grew 42%, and grew 27% in Colorado
- Most Colorado agritourism operations and counties with high agritourism revenues are located near natural capital and/or assets, such as those in the Rocky Mountain region, or near urban centers with a population drawn to natural amenities such as the Front Range

Agritourism is any recreational or educational activity on a working farm or ranch for which consumers pay. There are many motivations for a farmer or rancher to adopt an agritourism enterprise including balancing financial risk, employing or more fully employing a family member, creating opportunity from urban sprawl, and taking advantage of an increasingly strong agritourism market. These motivations are highly correlated with the location of an agritourism business and the place-based factors surrounding the farm or ranch. This report is meant to highlight the relationships agritourism operations share with their surrounding natural assets, communities, as well as how travelers' interests align with their production enterprises.

Colorado stands out as a hot spot for agritourism activity in the United States in terms of the share of farms and ranches with agritourism. Hot spots generally occur in areas with rich natural assets (i.e. the Rocky Mountains),

Figure 1

Percent of Farms with Agritourism Revenue - LISA Analysis - 2012



unique agricultural production types that may be conducive to agritourism (wine sector of California's Napa and Sonoma counties), and areas with relatively high population densities (the Northeast). Given these multiple place-based drivers of agritourism activity, what a county may lack in one area may be balanced by a strength in another. For example, Northwestern Colorado has a very small population density, but by leveraging the

region's strong reputation for rich natural assets, farmers and ranchers may be able to develop and promote successful agritourism operations.

Agritourism activities are also highly contingent on place-based factors. Agritourism farms and ranches in less populated but natural amenity rich areas of the Rocky Mountains primarily offer outdoor activities such as hunting, fishing, and hiking. In contrast, agritourism farms and ranches on the Front Range likely offer more direct to consumer sales (U-pick, farmstands, etc.), entertainment and events, and educational experiences. This diversity provides a greater set of communities with an opening to develop agritourism:

- One type may be attempting to generate economic opportunities where there otherwise were few (remote areas of the Rockies)
- Others may be taking advantage of existing market opportunities created by the high demand in urban centers and the large number of travelers passing through a more rural community.

Note farms and ranches on the eastern plains of Colorado have a small share of agricultural businesses with agritourism. This may be due to the lack of travelers and population centers, fewer natural attractions, and their type of agriculture – corn and wheat – not being as conducive to agritourism activities. This highlights the fact that although agritourism can be beneficial to many ag businesses and rural communities, it may not be a feasible activity in all regions.

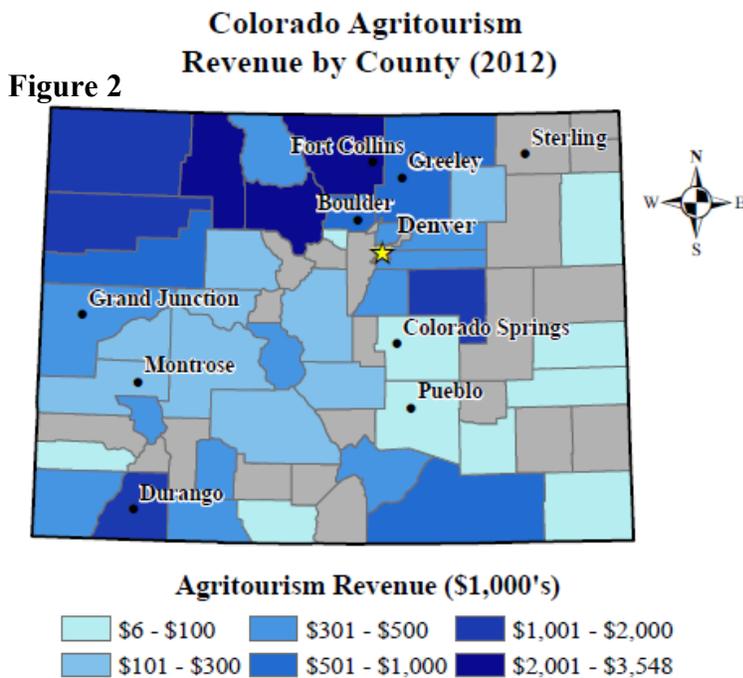


Figure two shows agritourism revenue per county according to the 2012 Census of Agriculture, USDA. In 2012 Colorado earned \$28.4 million dollars in agritourism revenue, with the undisclosed counties (grey on the map) accounting for \$4 million of the total. Counties near Rocky Mountain National Park and Mesa Verde National Park reported some of the highest agritourism revenue, likely due to National Park travelers visiting agritourism sites as a secondary stop. While some agritourism establishments may feel a need to promote and drive visitors to their farm (create their own demand), other agritourism counties may be successful through attracting regional travelers while they are in transit to

another destination. This indicates there may be potential for positive spillovers from outdoor recreation attractions to agritourism operations and their surrounding communities through increased visitation and the economic activity that comes along with it.