

Honey, milk and wine are among Indiana's agritourism attractions.



# Planting the Seeds

## Agritourism Becoming Big Business

By Symone Salisbury

**F**arming in today's society bears little resemblance to the vocation that was such a dominating factor in our state's economy for so many years. Techniques have become more sophisticated, machinery more advanced and, in recent years, agritourism has grown more prominent as a way for farmers to supplement their incomes and share their way of life.

What is agritourism? The Purdue Tourism & Hospitality Research Center defines it as "any business conducted by a farmer or processor for the enjoyment or education of the public, to promote the products of the farm and to generate additional farm income."

Many producers and tourists value agritourism's role in preserving the state's agricultural heritage. Moreover, it provides farmers a way to diversify their operations and to offset financial burdens. A wide variety of venues exist in Indiana. Among them are rural bed and breakfasts, farm tours, orchards and wineries. Several offer meeting space for corporate and private events, educational activities and more.

Little research is available on agritourism's economic impact in Indiana, but tourism in whole annually draws more than 59 million individuals to the Hoosier state and generates nearly \$9 billion. In fact, tourism is the state's third largest industry according to the Indiana Agritourism Working Group, comprised of representatives from government and education sectors.

Combined with Indiana's status as one of the top 10 national producers of ducks, eggs, popcorn and soybeans, agriculture and tourism could combine to become a key contributor to Indiana's economy.

A large factor in agritourism's appeal is its educational focus.

"Education is a huge part of agritourism," contends Brian Blackford, development director of the Indiana Office of Tourism Development (IOTD). "Statewide, I know there are a lot of agritourism sites that focus on education. We're primarily focusing now on educating school groups and working with school organizations to make sites compatible with curriculum."

## Getting started

The Indiana agritourism training initiative received a major boost in the form of a \$70,000 professional development program grant from the North Central Sustainable Agriculture Research and Education (NCSARE) program offered through the United States Department of Agriculture.

A two-year (2005-2006) grant, it consisted of four components: creation of an interactive electronic directory, the *Indiana Resource Guide for Agritourism*, published by the Purdue University Cooperative Extension Service (CES); adding an agritourism educational session to the annual Indiana Horticultural Congress (which occurred during the two years of the grant – the focus for the 2008 event deals with enhancing visitors' education experience, especially children); conducting on-site farm workshops; and providing NxLevel training for educators (defined in this capacity as anyone advising a farmer or producer) and farming entrepreneurs.

Launching any business can be both labor and capital intensive, and agritourism is no exception. Accordingly, the CES' guide links farmers to technical and/or financial resources arranged by tourism regions and also by county. Accompanying each resource is contact information and a description of services offered. It also contains regional maps and a host of additional web sites.

Another element of the grant, farm workshops, was met with enthusiasm by individuals wanting to learn about the logistics of launching their own agritourism ventures.

Purdue New Ventures Educator Jerry Nelson explains, "We invited educators and producers to attend and participate in educational sessions not only to see (various) agritourism businesses, but to learn about the liability and insurance side of the business." Six regional workshops held at the following locations attracted an average of 45 participants per session: Freeman Family Farms (Bloomington); County Line Orchard (Hobart); Ratliff's Country Christmas Tree Farm (Springport); McClure-Tate Orchard and Apple Dumpling Inn (Peru); Huber Orchard and Winery (Starlight); and White Violet Center for Eco Justice (Saint Mary-of-the-Woods). Nelson stresses that in cases in which a farmer's revenue shortfalls warrant diversification, "It (agritourism) can be a major part of their business. And in some cases, it **is** the business."

On the other side of the coin, Roy Ballard, extension educator for the Purdue CES in Hancock County, found that the workshops helped some farmers realize that an agritourism operation wasn't a good match for them.

"We've had people say 'I'm glad I came (to the workshop) because (starting an agritourism business) is not something I want to do,'" he comments, "and that's important because there are some potential drawbacks. There are some people that it's not for, and for us to identify them, I think we save them a lot of irritation and money."

Rounding out the NCSARE grant was a 10-week NxLevel business training course centered on development of a business plan. Educators and producers completing the program were eligible to receive scholarships.

## Challenges

A study conducted by the Indiana Agritourism Working Group entitled "Indiana Agritourism: Maximizing Opportunities for Development & Future Success" reveals 12 primary obstacles in managing their operations. The most challenging issue cited was "identifying new markets for products and services, followed by marketing and promotions and finding qualified employees."

Tracy Hunter, owner of Hunter's Honey Farm, remembers that his biggest challenge when starting his business nearly 20 years ago was raising the financial capital. Today, he finds that the farm's location, while providing an idyllic setting for his family residence in Martinsville, can

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—Jerry Nelson



**Jonathan Ferris, extension ag natural resources educator (left) and Roy Ballard helped plan a workshop at Ratliff's Country Christmas Tree Farm.**

complicate efforts to attract customers.

“My wife and I purchased our land because of its location,” he recalls. “We wanted to be away from the city (when establishing a home). But now we’re trying to run a public retail business in an agricultural rural setting.”

He adds, “Many farms are far out and it makes it difficult to get the people there.”

Oliver Winery is nestled on 15 acres of land in Bloomington and its Creekbend Vineyard spans 37 acres. Owner Bill Oliver notes that producers can encounter difficulties simply due to the nature of agritourism.

“For wineries, you’ve got to run a retail operation while you’re running a manufacturing operation,” he considers. “You’ve got to balance it to make it all work. What I see with small wineries (for instance) is that they turn out a product that isn’t as good as it should be and they sort of damage their reputation, and that’s a really tough position to recover from.”

Ballard points out that some farmers aren’t comfortable with essentially opening their homes to strangers. Still, he and Nelson are optimistic about agritourism’s future and eagerly tout its benefits.

“I see it growing even more and more,” Nelson predicts, “because people see the potential in helping the bottom line in their farm, and a lot of them have passion to bring (people) to their farms to show them how food and fiber is raised in Indiana.”

## Toasting tradition

Oliver Winery’s operation truly is a family affair. Started by Bill Oliver Sr. in 1974, it is now Indiana’s largest winery. Son Bill Oliver assumed ownership in 1983 and manages the business along with his wife Kathleen.

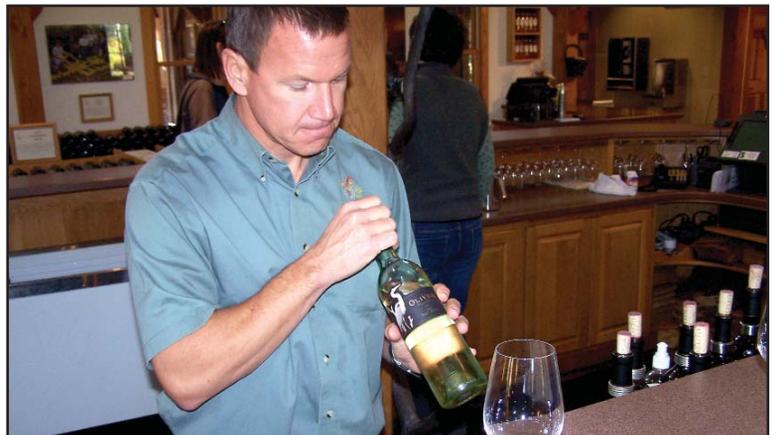
Since 2002, it has increased annual production from 100,000 cases to 250,000 cases and widened distribution from one to 13 states. The intent is simple: provide the finest wine quality, variety and packaging, with production methods that rely on cutting-edge technology.

Between 2003 and 2007, for example, Oliver Winery added two production facilities (one which boasts high-speed bottling at 8,000 bottles per hour and automated bottle packing). Moreover, 12 stainless steel tanks (including four 33,000 gallon tanks), employ independent temperature controls to enhance the fermentation process.

Meanwhile, complimentary wine tasting, wine-making demonstration tours, and a gift shop stocked with cheese, bread and wine accessories give the winery a personal touch.

Oliver asserts that most visitors “don’t stop in necessarily because they want to buy a bottle of wine. It’s more of an experiential thing than a shopping thing.”

A major contributor to the “experience” at Oliver Winery is lush landscaping that includes tropical gardens, sculptures and a large waterfall. Numerous businesses take advantage of the scenic surroundings by holding events in the tasting room



Oliver Winery’s original production facility (above right) is part of the business’ early roots. Despite company growth, hands-on production (employees bottling champagne) and management involvement (preparing complimentary wine tasting) continue to remain staples of its success.

or outdoor garden patio and porch.

"The waterfall provides a sound barrier against the highway," Oliver states, when observing that aesthetics is just one of its benefits. "We're about six feet below the highway (Highway 37) level and with the waterfall, you feel like you're not right next to a highway."

"Our five-year plan is a big remake of the winery," he declares, pointing to a sweeping stretch of land. "It's a future something. I don't know what that is yet."

## Sweetening the deal

As a high school teacher, third generation beekeeper Hunter brings an educational perspective to his operation.

"I have been trained to present information to people, so I can take that training and educate people on agriculture," he emphasizes. "I believe that is helpful and beneficial for my customers as opposed to someone who is just repeating what they've heard."

Forestry tours, honey tasting, candle making, and honey extracting and bottling provide an interactive overview of nature at work. Group tours are provided for a fee, while some services, such as a live observation hive, are free.

"The largest groups are the Future Farmer of America (FFA) tours because of the national FFA Convention being held in Indianapolis," Hunter reveals, "and we are listed (as an option) on their schedule of activities. We have about 1,500 FFA members in about six days from every state in the country."

He says that the second largest segment is home school groups "because the home schools are looking for opportunities to get their students out and active" with other student groups also among the leading visitors.

The gift shop showcases myriad uses for beeswax and honey such as beeswax lip balm and moisturizing cream, as well as pure and natural honey, honey sauces, candy and other sweet treats. Hunter's Honey Farm products are also sold at city markets, fairs, orchards and retail stores.

Incorporating tourism into his business began to pay off for Hunter ... literally.

He remarks, "In 2000, we tripled the size of our honey barn (the building where honey is processed) just to accommodate retail and tours. Sales since 2000 (including revenue generated from gift shop sales and tours) have increased by about 50% each year."

## Dairy king

Fair Oaks Farms was already popular before construction of an exit ramp off of Interstate 65 in 2005 facilitated access. In the last 18 months, the number of visitors increased to approximately 450,000. Most tend to be walk-ins, followed by school and business tours.

CEO Gary Corbett notes that Fair Oaks promotes "edutainment," a combination of education and entertainment. As part of the Dairy Adventure, for instance, children and adults alike can crawl through larger-than-life chunks of



Candlemaking and learning fun facts about honey's nutritional value are among popular activities at Hunter's Honey Farm. Visitors to the gift shop are on the "honor's policy" when staff is away.



Walk-ins comprise 55-60% of Fair Oaks' visitor base. A major draw is the calves; an average of 80 are born at the farm daily.

cheese in the Dairy Fun Room, test their knowledge of tidbits learned throughout the day in a “cowculating” contest and tour the farm. According to Corbett, the hands-down favorite attraction is the birthing barn, which seats upwards of 350 people in an amphitheatre-style setting.

“Agritourism is the fastest growing component of tourism in the United States,” he asserts. “Fewer people are engaged in agricultural production and I think there’s a movement in the populous to better understand their agricultural roots. In addition, more people are interested in where their food comes from and in the safety of food in general, and that also is a driver as to why they want to come to a facility such as ours.”

At the center of Fair Oaks success is its award-winning dairy products. Corbett suggests that there is often a tie between personal experiences gained from a visit to the farm and product sales.

He muses, “The emotional bond that occurs with people going through the tour and seeing how milk is produced and seeing the final product is a real event. We’ve been impressed by people’s ability to see how that all occurs and purchasing a product that may have come from that.”

### Back at the ranch

Wilstem Guest Ranch offers visitors the best of both worlds: a nostalgic tribute to a simpler way of life with the convenience of modern amenities.

Spanning 1,100 acres in French Lick, Wilstem features 30

miles of horseback riding trails (guests can bring their own horse or rent one); a working cattle ranch; lodging; recreational activities (an outdoor swimming pool, horseshoe games and volleyball); and frequent fox, deer and turkey sightings.

“If people cross country ski and we have enough snow on the ground, they’re welcome to do that,” general manager Claudia Chatman says. “We’re about two miles from Paoli Peaks, so we get a lot of snow here. They make their own snow in the winter months. Sometimes, we get natural snow.”

“We get a lot of tour buses throughout the year,” she continues. “It seems like it’s been more seniors this year that get together and go on a day trip. We have a campfire, tractor-drawn hay ride, and we get a local bluegrass band to play for them.”

The ranch has provided a scenic backdrop to corporate retreats, weddings and other gatherings. Smaller meetings – those with up to 30 attendees – are held at the Walnut Lodge, while The Loft in the Big Red Barn can accommodate 250 people.

“We’re kind of centrally located between area attractions,” Chatman reflects, citing French Lick Resort Casino as an example. “But we’re far enough off the road that there is a lot of peace and tranquility here.”

### Diversification is key

When Gov. Daniels took office in 2006, he appointed Andy Miller as the state’s inaugural director of agriculture. As the Indiana State Department of Agriculture (ISDA) developed eight components as part of its overall strategy, diversification

of production was among them.

“In Indiana, we are fortunate to have all sorts of sized farms,” comments Deb Abbott, assistant director for communications and outreach at the ISDA. “Farming, like a lot of other industries, has evolved into where farmers can make a profit by using economics of scale. A farm can stay small, but open themselves up with pumpkin patches and farm animal tours to add income and increase their profitability and still remain small.”

Oliver adds, “It’s about diversifying our economy and trying to leverage what we have. It’s (about) trying to turn a farmer into an entrepreneur.”

And Blackford points out, “A lot of sites have started off small and really transitioned. The goal for all of them – especially if they’re not doing it as a side business – is to become sustainable year-round. Depending on the scale and the size, there are a lot of places trying to diversify.”

The ISDA and the IOTD are in the early stages of developing Indiana’s first agritourism directory. Currently, the ISDA web site contains an online directory of farmers’ markets.

### **Measuring/advancing growth**

“Tracking agritourism can be a little bit tricky with niche markets,” Blackford remarks. “A lot of them overlap.”

Indeed, Ballard acknowledges that while little research has been done to pinpoint where tourists to Indiana are coming from, he notes that the majority of visitors to various agritourism sites are Hoosiers. The most popular types, entertainment-wise, are corn mazes and pumpkin patches. A favored educational route is farm tours for grade school students and their families.

“People aren’t coming here strictly for an agritourism venture,” he stresses. “The other thing we try to encourage farmers to look into is not just promoting themselves, but promoting collectively to make the trip worthwhile.”

Hunter is one producer supporting the idea of cross marketing his honey farm with other tourist destinations.

“We would like to pool our resources and money and set up a group tour,” he proclaims. “Just within 10 miles, there is a deer farm and within 50 miles, there are a buffalo farm and an elk farm. I would love to put a schedule together, whether it’s one day a year or year-round, where we advertise them all together as a package.”

A recent study (“Understanding Agritourism Resources in Indiana”) performed by the Purdue Tourism and Hospitality Research Center explores how to best market Indiana’s agritourism sites based on a survey of operation owners and visits to 107 agritourism businesses. Recommendations were to establish five regional agritourism brands (based on geographic features, proximity to urban centers and other criteria) and assign each an agritourism operation deemed a primary demand generator.

Ballard maintains, “I think there is probably steady growth (of Indiana agritourism). I don’t think it’s rampant, but I think it’s a measured pace. The diversity (of options) is increasing. There is every type of venture out there.”

#### **INFORMATION LINK**

**Resources:** Jerry Nelson, Purdue Cooperative Extension Service - Agricultural Entrepreneurship, at (812) 886-9582 or [www.agecon.purdue.edu/newventures](http://www.agecon.purdue.edu/newventures)

Roy Ballard, Purdue Extension — Hancock County, at (317) 462-1113 or [rballard@purdue.edu](mailto:rballard@purdue.edu)

Brian Blackford, Indiana Office of Tourism Development, at (317) 232-8881 or [www.visitindiana.com](http://www.visitindiana.com)

Deb Abbott, Indiana State Department of Agriculture, at (317) 232-8770 or [www.in.gov/isda](http://www.in.gov/isda)

Bill Oliver, Oliver Winery, at (812) 876-5800 or [www.oliverwinery.com](http://www.oliverwinery.com)

Tracy Hunter, Hunter’s Honey Farm, at (765) 537-9430 or [www.huntershoneyfarm.com](http://www.huntershoneyfarm.com)

Gary Corbett, Fair Oaks Farms, at (219) 394-2025 or [www.fofarms.com](http://www.fofarms.com)

Claudia Chatman, Wilstem Guest Ranch, at (812) 936-4484 or [www.wilstemguestranch.com](http://www.wilstemguestranch.com)