

A COMPARISON OF AGRITOURISM AND OTHER FARM ENTREPRENEURS: IMPLICATIONS FOR FUTURE TOURISM AND SOCIOLOGICAL RESEARCH ON AGRITOURISM

Carla Barbieri
Department of Parks, Recreation and Tourism
School of Natural Resources
University of Missouri
Columbia, MO 65211
BarbieriC@missouri.edu

Abstract.—Agritourism research has been approached from both the tourism and sociology disciplines. Both have focused on understanding the complex set of goals—including those economic and intrinsic in nature—that drive entrepreneurial development. This study examined differences between agritourism farmers and other farm entrepreneurs to consider whether both the tourism and sociology disciplinary approaches should continue independently or be integrated. Differences between agritourism and non-agritourism farm entrepreneurs related to the goals driving entrepreneurial development, farm household arrangements, and business structures suggest that it is necessary to continue both disciplinary approaches.

1.0 INTRODUCTION

Agritourism, also known as farm tourism, has been studied from both the tourism and sociology disciplines. Tourism literature defines agritourism as the process of attracting people to the farm (Evans and Ilbery 1992) while sociology literature defines it as one type of entrepreneurial venture developed to enhance farm revenues or values (Che et al. 2005, Barbieri et al. 2008). Thus, while the tourism perspective regards agritourism as a unique entrepreneurial venture, the sociological perspective considers it a component of the entire farm structure.

Both tourism research and sociological research have tried to identify the goals of entrepreneurial

development. The rationale behind this research emphasis is that goals, defined as internal representations of desired outcomes, govern entrepreneurial behaviors and venture performance (Hornsby and Kuratko 2002). Consistent with early sociological studies on farmers' motivations (Gasson 1973), farm diversification and agritourism are driven by a complex set of goals including those economic and intrinsic in nature (McGehee and Kim 2004, Ollenburg and Buckley 2007).

This study examined differences between agritourism and other farm entrepreneurial ventures to consider whether tourism and sociological research efforts should continue independently or be integrated. Given that both disciplines have placed emphasis on entrepreneurial goals, this study first examined the set of goals driving farm entrepreneurial development. Then, farm household and business characteristics were analyzed between groups of agritourism farmers and other farm entrepreneurs. The findings have important implications for state and federal agencies in North America that have been encouraging the development of different enterprises to diversify farm incomes in an effort to retain farmers in business, attract new entrants to agriculture, and promote regional development.

2.0 METHODS

A Web-based survey was used to collect data from farms with diversified business enterprises (i.e., diversified farms) in North America. The initial sample frame was the member list of the North American Farmers' Direct Market Association (NAFDMA), which was used for purposive and snowball samplings. Although this sample frame prevents the study from being representative, it was convenient because it was not restricted to a specific agricultural sector, it facilitated study referrals, and

it included members from the United States, Canada, and Mexico. The survey collected information about the characteristics of the farms and farmers, their diversified enterprises, their entrepreneurial goals, and performance indicators. In 2005, 423 NAFDMA farmers were invited to take the survey and asked to give the questionnaire to others (snowball sampling). One mail postcard and four reminder emails were sent to nonrespondents. The survey produced 1,135 valid answers, 192 from the original NAFDMA list (45.4-percent response rate) and 943 from snowball referrals.

A principal factor analysis with Varimax rotation was performed on the rankings that farmers assigned to 20 different diversification goals representing a wide spectrum of economic and intrinsic motivations. Goals were ranked using a 5-point Likert scale rank anchored in (1) “not important” and (5) “extremely important.” Eigenvalues over 1 and loadings over 0.50 were used in the factor analysis. ANOVA and chi-square tests were used to analyze differences between agritourism and nonagritourism farm entrepreneurs.

3.0 RESULTS AND DISCUSSION

3.1 Profile of Respondents and their Farms

Participating diversified farms averaged 304 acres (median=64.5) in size. About half (53.3 percent) had at least one full-time year-round employee (mean=2.7, median=1), including owners and family members hired full-time by the farm business. Almost half (48.1 percent) reported total gross sales of at least \$50,000 in 2004 and over a third (36.2 percent) reported gross sales of at least \$100,000. Approximately a quarter (23.6 percent) of the respondents were younger than 45 years old and only 11.4 percent were 65 years old or older. Two-thirds of the respondents (66.0 percent) had at least one college degree and the vast majority (86.1 percent) had at least some college education. Results also showed an active role of women in farm entrepreneurial diversification. Almost a third (32.8 percent) of the diversified farms had female principal operators, compared with 11 percent of all U.S. farms (USDA: NASS 2005) and 26 percent of all Canadian farms (Statistics Canada 2002).

The breadth of entrepreneurial diversification among respondents was examined using the North American farm enterprise diversification model developed by Barbieri et al. (2008). The analysis found that respondents were engaged in eight types of diversified enterprises, encompassing a wide breadth of entrepreneurial ventures: New Marketing and Distribution (100 percent); Non-Traditional Crops, Livestock, and Practices (71.5 percent); Value-added (64.8 percent); Recreation, Tourism, and Hospitality (51.4 percent); Historic Preservation and Adaptive Re-use (47.8 percent); Expertise, Consulting, and Education (30.2 percent); Leases, Easements, and Time-shares (11.5 percent); and Contracting and Services (7.9 percent). Some of these activities may foster the development of more than one enterprise. For example, the conversion of an historic barn into a wine-tasting room is an historic restoration enterprise although it includes tourism activities. On average, respondents reported activities in 3.8 diversification categories on their farms, confirming simultaneous development of different enterprises already reported in the European literature (Ploeg et al. 2000).

3.2 Motivations behind Entrepreneurial Development

Results reveal a broad range of economic, intrinsic, and market-based goals related to respondents' decisions to diversify their farms (Table 1). The goals with the highest average importance ratings were economic and intrinsic in nature: “generate additional income” (mean=3.85); “continue farming” (mean=3.23); and “enhance personal/family quality of life” (mean=3.02). The varimax-rotated factor analysis performed on the rankings that farmers assigned to 20 different diversification goals resulted in four factors accounting for 51.5 percent of the variance. Overall reliability (Cronbach's alpha) was 0.83 and coefficients within factors higher than 0.50 indicated internal consistency. Two goals, “to generate additional income” and “to qualify for state/federal assistance programs,” were dropped from further analysis since they did not load on any factor; perhaps they were the most and least important goals across all participants, respectively. Each of the factors was assigned a label

Table 1.—Goals behind farm enterprise diversification

Diversification Goals (n=1,135)	Mean ^a	Standard Deviation
Generate additional revenues	3.85	1.54
Continue farming	3.23	1.84
Enhance personal/family quality of life	3.02	1.86
Increase/diversify the market	2.66	1.71
Respond to a market need/opportunity	2.59	1.63
Keep the farm in the family	2.59	1.85
Educate customers	2.55	1.72
Generate revenues from existing resources	2.45	1.70
Generate revenues during off-season	2.26	1.65
Interact with customers	2.16	1.59
Make farm less dependent on outside factors	2.05	1.61
Capitalize on an interest or hobby	2.03	1.50
Reduce impacts of catastrophic events	2.02	1.54
Offset fluctuations in farm revenues	2.01	1.59
Provide a new challenge	1.99	1.51
Provide current customers with new products	1.90	1.45
Enhance ability to meet financial obligations	1.88	1.58
Reduce overall farm debt	1.81	1.52
Provide employment for family members	1.80	1.45
Qualify for a state/federal assistance program	1.19	0.77

^a Based on a 5-point Likert scale where 1 = "not important" and 5 = "extremely important"

based on the nature of the goals that loaded on it: (F1) Firm profitability, (F2) Market Driven, (F3) Family Connections; and (F4) Personal Pursuits.

The seven goals that loaded on the Firm Profitability factor (F1; variance=17.8 percent; eigenvalue= 4.9; $\alpha=.78$) relate to maximizing farm revenues, fostering economic independence from outside factors, and minimizing the economic uncertainty and risk associated with agriculture, including fluctuations of commodities prices and losses from catastrophic events (Table 2). The Market Driven factor (F2; variance=16.1 percent; eigenvalue= 1.8; $\alpha=.75$) consisted of four goals associated in various ways with retaining, serving, and expanding farm markets. The three goals that defined the Family Connection factor (F3; variance=10.13 percent; eigenvalue= 1.3; $\alpha=.61$) relate to strengthening the current and future links of family members with their farmland and the agriculture industry as a whole. The final factor, Personal Pursuits (F4; variance=9.8 percent; eigenvalue= 1.2; $\alpha=.58$) contained three goals that are intrinsic in nature: capitalizing on a hobby, personal challenge, and quality of life enhancement.

3.3 Differences Between Agritourism and Non-Agritourism Entrepreneurs

Respondents were sorted into two different groups according to the enterprises developed on their farms: 1) farms offering any recreation, tourism, or hospitality activity (n=582; 51.4 percent) and 2) farms diversified through other than agritourism entrepreneurial ventures (n=551; 48.6 percent). Three factors were analyzed to identify differences between the groups: 1) motivations for entrepreneurial development, 2) farm household structure, and 3) business structure.

To identify the goals driving diversification of agritourism versus non-agritourism ventures, a composite mean of each factor was calculated averaging the importance ratings of the variables loaded on each factor. ANOVA tests reveal significant differences between the motivations of the two groups and suggest a stronger entrepreneurial drive among agritourism providers. Specifically, agritourism providers are significantly more motivated by firm profitability ($F=41.941, p<.001$), market needs and opportunities ($F=54.318, p<.001$), and family pursuits ($F=84.50, p<.001$) than non-agritourism farm entrepreneurs (Table 3). No significant differences in personal pursuits were found between the two groups.

Table 2.—Rotated factor matrix of the goals behind farm enterprise diversification

Factors and Attractions (n=1,020)	Factor Loadings	Explained Variance (%)	Eigenvalue
Firm Profitability (F1) ($\alpha=.78$) ^a		17.53	4.94
Offset fluctuations in farm revenues	.735		
Reduce impacts of catastrophic events	.705		
Enhance ability to meet financial obligations	.666		
Reduce overall farm debt	.620		
Generate revenues during off-season	.553		
Make farm less dependent on outside factors	.507		
Generate revenues from existing resources	.505		
Market Driven (F2) ($\alpha=.75$)		14.06	1.83
Interact with customers	.713		
Educate customers	.712		
Provide current customers with new products	.635		
Respond to a market need/opportunity	.609		
Increase/diversify the market	.554		
Family Connection (F3) ($\alpha=.61$)		10.13	1.29
Keep the farm in the family	.826		
Continue farming	.673		
Provide employment for family members	.568		
Personal Pursuits (F4) ($\alpha=.58$)		9.81	1.20
Capitalize on an interest or hobby	.712		
Provide a new challenge	.628		
Enhance personal/family quality of life	.610		
Total Variance Explained		51.52	

^a Cronbach's alpha reliability coefficients for domains; overall reliability ($\alpha=.83$)

Farm structure characteristics—including farm acreage, type of agriculture production, on-farm stewardship practices, and location—were examined for agritourism and non-agritourism diversified farms. Location was the only structural farm characteristic found to be associated with different types of diversification. Agritourism farms are generally located closer to a paved highway ($F=5.766$, $p=.017$), an urban cluster ($F=7.327$, $p=.007$), and an urbanized area ($F=4.923$, $p=.027$) than farms with non-agritourism diversified enterprises. These results confirm the finding of previous research (Ilbery et al.

1998) that external stimuli such as place, market proximity, and accessibility influence the goal construction of farm entrepreneurs.

Significant differences were also found in the social and personal attributes of agritourism farmers versus non-agritourism farmers, including gender, type of education, farm household income, and farm household composition (Table 4). Farmers engaged in agritourism are more likely to hold business degrees than other farm entrepreneurs. Very importantly, agritourism providers reported farming/ranching as

Table 3.—Differences in entrepreneurial goal factors between agritourism and non-agritourism entrepreneurs^a

	Non-agritourism (48.6%)	Agritourism (51.4%)	All (100%)	Sig.
F1 - Firm Profitability (n=1,132)	1.86	2.26	2.06	$F=41.941$, $p<.001$
F2 - Market Driven (n=1,127)	2.08	2.57	2.33	$F=54.318$, $p<.001$
F3 - Family Connections (n=1,125)	2.23	2.78	2.51	$F=84.50$, $p<.001$
F4 - Personal Pursuits (n=1,129)	2.28	2.34	2.31	Not sig.

^a Measured on a 5-point Likert scale where 1 = "not important" and 5 = "extremely important"

Table 4.—Comparison of personal and household attributes between agritourism and non-agritourism entrepreneurs

	Non-agritourism (48.6%)	Agritourism (51.4%)	All (100%)	Sig.
Farmer's Gender (n=968)				
Female	40.4%	26.1%	32.7%	$\chi^2=22.618, p<.001$
Male	59.6%	73.9%	67.3%	
Farmer's Education Field (n=908)				
Agriculture related	21.4%	20.5%	20.9%	$\chi^2=11.345, p=.010$
Business related	14.4%	17.8%	16.2%	
Agriculture & business	6.1%	11.4%	8.9%	
Other	58.1%	50.3%	54.0%	
Farmer's Main Occupation (n=998)				
Farming or ranching	61.4%	73.1%	67.6%	$\chi^2=15.659, p<.001$
Other than farming	38.6%	26.9%	32.4%	
Farm Household Income (n=961)				
Less than \$25,000	20.9%	13.3%	16.9%	$\chi^2=19.354, p<.001$
\$25,000 – \$49,999	28.7%	29.3%	29.0%	
\$50,000 – \$99,999	35.2%	32.8%	33.9%	
\$100,000 or more	15.1%	24.6%	20.2%	
Household Farm Attachment (n=1,096)				
First-generation farmers	63.4%	48.7%	55.7%	$\chi^2=24.096, p<.001$
At least second-generation farmers	36.6%	51.3%	44.3%	
Farm Household Composition (n=1,134)				
Adult kids (>21 yrs) living on-farm	28.9%	40.4%	34.8%	$\chi^2=16.564, p<.001$

their main occupation and had adult children living at home more frequently than non-agritourism providers. These results suggest that besides reducing the need for off-farm employment, agritourism may be creating job opportunities for young family members which may, in turn, encourage youth retention in rural areas. The household income of agritourism farmers was also significantly higher than that of other farm diversifiers. No significant differences were found in the farmers' age distribution, level of education, and retirement condition between both groups.

Business structural differences were also found between the two groups. Agritourism farms had more business capabilities in terms of firm network (i.e., number of association memberships) and strategic managerial resources (i.e., availability of business and marketing plans) than other diversified farms (Table 5). Not surprisingly, they also appeared to be more proactive about marketing. On average they used about five (4.9) marketing methods compared to 2.4 employed by other diversifiers ($F=280.959, p<.001$). Since agritourism entrepreneurs assigned

Table 5.—Differences in business structure between agritourism and non-agritourism diversified farms

	Non-agritourism (100%)	Agritourism (48.6%)	All Respondents (51.4%)	Sig.
Business Capabilities				
Number of association memberships (n=1,133)	0.54	0.42	0.65	$F=38.418, p<.001$
Availability of business plan (n=1,025)	35.0%	29.3%	40.1%	$\chi^2=12.986, p<.001$
Availability of marketing plan (n=1,020)	48.5%	40.0%	56.0%	$\chi^2=25.841, p<.001$
Marketing Strategies				
Number of marketing methods (n=1,133)	3.65	2.35	4.88	$F=280.959, p<.001$
Diversification Development				
Number of enterprises (n=1,133)	3.83	2.91	4.71	$F=636.802, p<.001$
Phased entrepreneurial development (n=1,016)	73.4%	57.7%	87.0%	$\chi^2=110.575, p<.001$
Future expansion plans (n=1,133)	24.7%	17.1%	32.0%	$\chi^2=33.768, p<.001$

more importance to firm profitability and market-related goals than other farm entrepreneurs, it was expected that they would also differ in their business managerial and marketing approaches.

Interestingly, agritourism farmers had also developed significantly more diversified enterprises (mean=4.7) than the other diversified farmers (mean=2.9), increasing their offerings to current and potential customers ($F=636.802, p<.001$). These results suggest a synergistic relationship between agritourism and other farm enterprises. Agritourism may be serving as a marketing tool to increase or strengthen awareness and sales of other farm products. The marketing role of agritourism in other farm products and services deserves a closer examination in the future.

4.0 CONCLUSIONS

This study examined differences between agritourism providers and other farm entrepreneurs to consider whether tourism and sociological research efforts should continue independently or be integrated.

The results show that agritourism entrepreneurs are different from other farm entrepreneurs regarding:

- 1) the importance assigned to diversification goals;
- 2) their farm structure in terms of farm characteristics and household composition; and 3) business structure in terms of managerial capabilities and marketing strategies.

Differences found between the agritourism and non-agritourism respondents suggest that it is important to continue the scrutiny of agritourism as a unique farm enterprise (tourism research approach). However, business structural differences regarding the simultaneous development of multiple farm enterprises suggest that it is also important to continue examining agritourism as an element of a broader entrepreneurial diversification scheme (agriculturalist research approach) to further investigate the influence of agritourism on other farm products and enterprises.

The findings of this study have important policy and research implications. From a policy development perspective, the findings are important because farm

entrepreneurial diversification has been heavily promoted by several state and federal agencies as a development tool for rural revitalization. Since motivation ratings are different for agritourism farmers versus non-agritourism farmers, efforts promoting diversification should be differentiated depending on the type(s) of farming enterprise. Potential tourism developers, for example, may be more effectively approached with market opportunity arguments than other farm diversifiers. This study also highlights the need to assess differences between agritourism and non-agritourism diversifiers regarding their venture performance. Such research may include, for example, evaluations of the extent to which diversification goals are accomplished, the impact(s) of diversification on farm revenues and profits, and the effects of farm diversification on market share and customer bases.

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