



Agri-Tourism Workbook

Creative ways to market your farm
or rural business

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Introduction

The majority of this workbook's contents have been borrowed, with permission, from the Agri-Business Council of Oregon's publication *Agri-Tourism Workbook; Guide to discovering new ways to build a successful business through direct farm marketing. Revised January 2003 by Brittany Russell*; funded through the Agri-Business Council's members and the Oregon State Lottery. They are pioneers in agri-tourism, and the publication has set the standard as a service guide. We thank them for their generosity in sharing their knowledge, experience, and work in agri-tourism education.

Using this Guide

This guide is a resource to help farmers and those involved in the processing of agricultural products. You can assess the potential of recreational enterprises that may augment farm income. Information in this guide can help you create a plan of operation to effectively start and sustain such an enterprise. The guide provides information on potential opportunities, legal considerations, financial resources, and marketing ideas.

Private landowners can offer a number of high quality recreation service, including home stays, fee-hunting and fishing, farm stands, u-pick operations, educational tours, festivals, and many other activities—some of which are highlighted in this guide.

Not all operations, nor all landowners, will fit the criteria and requirements for offering recreation on their farm. Likewise, the information here does not represent an interest by any group in creating destination resorts or recreational facilities that become the predominant focus of a farm.

Many farms and ag processors have the potential to augment their ag-related income by providing tourism/recreational opportunities to visitors from within the state, and from around the world. Recreational enterprises can also be an exciting forum for providing education and public relations efforts on behalf of agri-culture.



Why would people visit Ohio?

Ohio's Appalachian Country is a region of timeless enchantment and homespun hospitality, where America's historic, cultural, and agricultural heritage flourishes in the midst of spectacular scenic beauty year 'round.

The unforgettable landscape appears as a patchwork of forested hill, open meadow and misty valley, and rolling farmland threaded by lazy streams and majestic rivers. Panoramic vistas testify to a rural way of life still thriving here as scenic byways race well worn routes in Ohio's pioneering past.

Like a profusion of colors in the handmade quilts it is famous for, Ohio's Appalachian Country features a wealth of exciting activities, special events and attractions ideal for family vacations and week-end get-a-ways.

The region's hill, lakes and rivers feature a variety of outdoor adventures. Beautiful state parks and national forests offer swimming, canoeing, fishing, horseback riding and camping. Nature trails provide the best in hiking and biking for novices and experts alike.

More than 6.8 million day trips were taken to Southeast Ohio in 2001! The average visitor spent \$71.99 per day. People want to travel Appalachia for excellent sightseeing opportunities, for good food, to experience the outdoors and relax. From arts, to the great outdoors, to cultural activities Appalachian Ohio has many things to offer the recreational traveler.



Fast Facts about Ohio Tourism

During the 2003 travel year, 156 million trips were taken to or within Ohio. This is an increase of 3.4 million trips (2%) over 2002.

In 2003, visitors spent more than \$28.5 billion in Ohio, an increase of more than 19% over 2001.

More than 502,500 people are employed in Ohio's travel and tourism industry.

State and local governments received more than \$9 in tax revenue for every dollar spent on marketing and promotion via the Ohio Division of Travel and Tourism.

Ohio has not increased its investment in its tourism promotion since 1994. In fact, due to inflation, Ohio has actually decreased its investment by more than \$1 million.

Ohio's Regional Market Share has dropped 21% since 1994. If we had retained the same market share we enjoyed in 1994, visitor spending would have been \$712 million higher in 1999.

Ohio has a diverse tourism product. It includes the Lake Erie shore, Amish country, large cities, theme parks, cultural/historical attractions, nature, educational attractions and more.

Ohio's new brand, "Ohio, So Much to Discover" incorporates Ohio's diversity and establishes Ohio as a travel destination. But we need more funding to promote and market it to potential visitors.

*Source: 1999-2001 Longwoods International Study
commissioned by the Ohio Department of Development*





Section I:

Identifying Options

and

Evaluating Your Farm or Business



Section I

IDENTIFYING OPTIONS AND EVALUATING YOUR FARM OR RANCH

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Getting away from the rush and pressures of the city are reasons that people want to experience farm and rural tourism/recreational opportunities.

Traveling to a remote area, enjoying the beautiful scenery Ohio has to offer, experiencing something new, getting back to basics and “one’s roots”— These are all reasons an increasing number of people want to spend time in Appalachia.

And often, there is money to be made! Many people will pay significant amount of money for rural tourism/recreational experiences.

But quality tourism opportunities don’t happen by chance. The single most important factor to consider — emphasized by experts and those who have been in farm recreation for years — is the “people factor.” In other words, a tourism experience is about people — working with people, working for people, servicing people, and meeting people’s needs. So if you are sincerely interested in a farm or rural recreation component for your operation, you *must* like working with people. The other option, if you’re not a “people person” is to find or hire someone who is, and let that employee, family member, or contractor coordinate the interactive aspect of the enterprise.

Before answering the question, “should I do it?”, take time to examine your options and goals. A fee-recreation enterprise, like other income-producing ventures, requires capital, time, planning, marketing, and management. It can only be successful if you blend these components wisely. This resource guide will help you assess our options and consider whether to proceed with a tourism/recreational enterprise.

TEN COMMANDMENTS OF GOOD BUSINESS

1. **Guests** are the most important people in any business.
2. **Guests** are not dependent on us — we are dependent on them.
3. **Guests** are not an interruption of our work — they are the purpose of it.
4. **Guests** do us a favor when they call — we are not doing them a favor by servicing them.
 - **Guests** are part of our business — they are not outsiders.
6. **Guests** are not cold statistics; they are human beings with feelings and emotions like our own.
7. **Guests** are not to be argued with.
8. **Guests** are those who bring us their wants — it is our job to fill those wants.
9. **Guests** are deserving of the most courteous and attentive treatment we can give them.
10. **Guests** are the lifeblood of the farm and rural recreation business.

What is Agri-Tourism?

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Farm and rural recreation refers to activities conducted on private agricultural land, which might include fee hunting and fishing, overnight stays, educational activities and the like. This category of tourism is a subset of a larger industry known as Agri-tourism.

Agri Tourism enterprises might include:

- Outdoor recreation (fishing, hunting, wildlife photography, horseback riding).
- Educational experiences (cannery tours, cooking classes, or wine tasting).
- Entertainment (harvest festivals or corn mazes).
- Hospitality services (farm stays, guided tours or outfitter services).
- On-farm direct sales (u-pick operations or roadside stands).

Agri-tourism is a subset of a larger industry called rural tourism that includes resorts, off-site farmer's markets, nonprofit agricultural tours, and other leisure and hospitality businesses that attract visitors to the countryside.



Ideas for Farm/Ranch Recreation Possibilities

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Here is a listing of potential activities to get you thinking about how your current operation and assets may be augmented with a tourism/recreational enterprise. The options are limited only by imagination and regulations.

Other sections in this workbook will help you assess factors that will help you decide what will work for you, including liability issues, financing, marketing, etc.

Agriculture Food & Craft Shows

Animal Feeding

Archery Range

Fossil /Rock Collecting

Barn Dances (Square Dancing, etc.)

Bed & Breakfast (Rural & Historical)

Bird Watching & Wildlife Viewing

Boating & Canoeing

Camping /Picnicking

Children's Camp (Summer or Winter)

Corporate picnics

Cross-country Skiing

Educational or Technical Tours

Elderhostel

Family Reunions

Farm or Ranch Work Experience (haying, fencing, calving, cutting wood, etc.)

Fee-Hunting

Fee-Fishing (Ice Fishing in Winter)

Floral Arrangements

Flower Shows or Festivals

Fly Fishing and Tying Clinics

Food Festivals

Gardens (flowers, greenery, herbs, dried flowers)

Guided Crop Tours

Guiding and Outfitting

Habitat Improvement Projects

Harvest Festivals

Hay Rides /Sleigh Rides

Hiking /Cave Exploring

Historical Museums and Displays (Ag History, Machinery, etc.)

Horseback Riding

Hunting Dog Training & Competition

Off-Road Motorcycling, ATV, Mountain Biking

Pack Trips

Petting Zoo

Photography /Painting

Ranch Skills (horseshoeing, leatherwork, camp cooking, horse training, etc.)

Roadside Stands & Markets

Rock Climbing

Rodeo

Self-Guided Driving Tours

School & Educational Tours and Activities

Snowmobiling

Swimming

Trap & Skeet Shooting

Tubing & Rafting

U-Pick Operations

Wagon Trains

Wilderness Experiences



Inventory Checklist: Start With What You Have

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Begin with assessing the potential attractions that already exist on your property, rather than spending money on creating something new. Below is an inventory checklist to help you identify and list your current assets; you will refer to this list as you evaluate different options and ideas throughout this workbook.

1. Physical Resources:

A. Land Resources — list what you have (deeded, leased private property, state & federal allotments, rangeland, wood land, hay meadows, cropland, riparian/wetlands, acreage, location proximity, elevations, topography, location of feeding grounds, etc.)

B. Climate — consider how weather patterns, temperature, etc. will affect what types of activities you might provide: Temperature 9 monthly variations; length of growing season)_____.

Precipitation (monthly distribution):

Snow (ground cover & accumulation depth):

C. Developments & Improvements (buildings, fences, corrals and working facilities, equipment, roads and trails, etc.)

D. Other Attractions — list those things that might enhance your operation to a visitor, such as wildlife streams, ponds, fishing, livestock, proximity to natural or man-made points of interest, etc.

E. Hazards — (Farm equipment, storage, areas that are off-limits to visitors)



2. Operation and Management

A. Owner/Manager strengths and goals — list those intangible assets that can assist you in a farm/ranch recreation operation (e.g., “people person,” marketing ability, knowledge or special skills such as horse riding, livestock management, cooking, knowledge about history of the area, etc.).

B. Family Strengths and Resources — list those skills and strengths that family members add:

3. Activities

List activities you do on your operation that might appeal to the public. Remember, what seems routine to you is likely unusual and interesting to the non-farm public. Be free with your ideas here: you’ll evaluate them later. Some examples might include: calving or lambing, trail rides, roadside produce stands, machinery operations (harvesting, planting, cultivating), on-site food processing.



WILDLIFE INVENTORY

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

As you complete this inventory, you will want to add as much detail as possible, including total count, ratios of male/female, trends, locations, size, age, condition, behavior, habitat, etc. This may take considerable time but will be necessary if you intend to build an enterprise around wildlife. You will want this information if you are considering an enterprise to attract wildlife viewers, photographers or hunters. Don't forget that bird watching is one of the fastest growing outdoor activities in the United States. Check with the Ohio Department of Fish and Wildlife on hunting of all species as to dates, permits, licenses, etc.).

Big Game :

- Antelope
- White-tail Deer Mule Deer Elk
- Moose Partridge
- Bighorn Sheep/Mountain Goat
- Black Bear
- Mountain Lion

Small Game:

- Rabbit/Hare
- Red, Grey & Fox Squirrels
- Roc Chuck

Furbearers:

- Beaver/Mink/Muskrat
- Badger
- Bobcat
- Weasel

Predator :

- Coyotes
- Raccoon
- Red Fox Wolf Porcupine Skunk

Game Bird:

- Turkey
- Grouse

- Pheasant
- Mourning Dove

Other Bird :

- Songbirds
- Large Birds (falcons, hawks, etc.)
- Other

Waterfowl:

- Geese
- Ducks
- Cranes

Rodent :

- Prairie Dogs, Ground, Squirrels, etc.





PEOPLE/HUMAN RESOURCES:

(Excerpted from Agri-Business Council of Oregon’s Agri-Tourism Workbook)

Rate the following based on characteristics important to a successful farm/ranch recreation operation (1 limiting factor, 5=asset for success).

(Family or hired):

Are they friendly, confident, tolerant of strangers/guests? 1 2 3 4 5

Do they have special talents/abilities, etc.?

Name _____ 1 2 3 4 5

Name _____ 1 2 3 4 5

Name _____ 1 2 3 4 5

Name _____ 1 2 3 4 5

Name _____ 1 2 3 4 5

Paid Assistants: Are they committed to working with you to make a successful venture? 1 2 3 4 5

Accountant _____ 1 2 3 4 5

Attorney _____ 1 2 3 4 5

Lender/Financier _____ 1 2 3 4 5

Consultant _____ 1 2 3 4 5

Neighbors: Will they allow bordering access? 1 2 3 4 5

Any conflicts? Supportive of tourism/recreation options? 1 2 3 4 5

Sheriff and deputies: Are they supportive of proposals or suspicious of outsiders? 1 2 3 4 5

Game Warden & Biologists 1 2 3 4 5

Government officials and regulators (local, state, federal)
Do they understand and support your effort? 1 2 3 4 5

Economic Development Staff (local, county, regional, state):
Do they understand and support your effort? 1 2 3 4 5

Business & Tourism Associations
What can you do to improve the rating for those who may be a limiting factor in your business proposal?





Activities

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

There are many activities that draw people to rural areas, ranging from physically challenging, to educational to merely relaxing.

Off-road bicycling grows at an annual rate of 20 percent a year. There are now about 10 million off-road bikers. Most are young, unmarried or childless men, aged 22-33. Many trails on public lands are being closed to bike riders. Demand for new trails is increasing.

Non-hunting wildlife recreation activities, such as bird and game observation, photography, and animal feeding are extremely popular. Nationwide, non-hunting wildlife enthusiasts outnumber hunters five to one and sport anglers two to one. The most popular sites for viewing, photographing, or feeding wildlife are woodlands, lakes, and streams. The most popular wildlife for these enthusiasts are birds and land mammals (deer, bear, etc.). The demand for this type of activity is predicted to grow rapidly in the future. Bird watching is the fastest growing outdoor recreation activity.

Hiking is one of America's fastest growing outdoor activities. Hiking is correlated with income and age. Hiking is significantly more popular for high-income households and younger aged Americans. Participation is not correlated to gender. Hikers are typically ardent conversationalists. Hiking provides participants an opportunity to improve physical fitness while enjoying nature.

Camping is most popular with younger people. Those aged 25-34 are more likely than any other age group to go camping more than once a year. It is also an attractive activity for families, enabling parents an experience in the outdoors with children.

Hunters and anglers are motivated by a love of the outdoors. Those who fish and hunt tend to be men who live in rural areas, between the ages of 16 and 34. Access is one of the key issues facing sportsmen. In Ohio, landowners can charge a "trespass fee" to licensed sportsmen during a legal hunting or fishing season.

**Winter Enthusiasts:**

Millions of Americans love winter snow activities. Sledding, ice skating, cross-country skiing, and related activities are seasonal attractions that can augment some farm or ranch recreational enterprises. People aged 25-35 dominate these sports. People in households earning over \$100,000 a year are three times as likely as lower income households to participate in cross-country skiing and other winter sports. Snow shoeing is one of the fastest growing winter sports.

Horseback Riding:

In 1994-95, seven percent of Americans aged 16 or older went horseback riding at least once. The largest share of horse enthusiasts are between the ages of 15 and 19 years. People in higher income households are more likely to participate in horseback riding.

Adventure Enthusiasts and Extreme Sport :

Adventure travel is a booming segment of the tourism market. Nearly 10,000 tour operators offer adventure trips, tapping over \$110 billion annually. Adventure tourism is nature-based involving thrills, excitement, and challenge. Examples include mountain climbing, off-road mountain biking, whitewater rafting, and other sports that involve physical or mental challenge. Adventure seekers tend to be intensely social and tend to travel in larger groups. Since adventure travel often involves a high level of physical activity, adventure seekers tend to be young and healthy with higher than average income levels.

Learning Enthusiasts:

Gardeners —Gardening in the U.S. has grown from a hobby to an obsession. Next to walking for pleasure, gardening is America's most popular physical activity. Currently, 55 percent of American adults garden as a hobby. Public and private gardens or gardening education provides an opportunity to engage simultaneously in a variety of popular outdoor activities —sight-seeing, walking, studying nature, and nature photography, satisfying visitors' needs for relaxation, knowledge building, connectedness, and escape.

Heritage Travelers —Almost half of all U.S. adults planning a pleasure trip say they intend to visit an historical site.

Nature-Based Tourism —Nature-based tourism attracts people who want an active adventure vacation and an intimate encounter with nature. They seek hands-on experience. Rather than passively observing wildlife and plants, people will spend money and invest labor to help build and restore sites. They prefer wilderness settings, wildlife viewing, hiking or trekking. Typically, 35 to 54 years of age, only a handful of this group travel with children. The nature-based tourist prefers trips lasting 8 to 14 days.

Culinary Tourists —Cooking school vacations and gourmet tours are another important trend for Agri-tourism marketers. Shaw Guide, the bible of cooking school guides, offers 339 pages of choices. Cooking tours tend to attract childless travelers, most aged 50 or older, who love food, wine, hand crafted beers, and gourmet cooking. Education is the main thrust of all trips. They want to meet the locals, see how Parmesan cheese is made and try the local specialties. Many classes coincide with agricultural or cultural events, or are associated with museums or other local attractions.



Why People Vacation ...

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(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Let's take a quick look at why people take vacations. Understanding what the client is looking for can help assess the opportunities on your property for various recreational enterprises.

The major reasons people go on vacation, ranked by survey results, include:

- 1. To build or strengthen relationships.** The number one reason for vacation is to “be together as a family.” Families find they have little time to be alone together —they want to get away from the stress of home and work. They look to travel as an opportunity to rekindle relationships. Many see social interactions on trips, a time for making new friends.
 - 2. To gain better health and well-being.** The vast majority of adults say that a vacation is vital to their family's physical and mental well-being.
 - 3. To rest and relax.** Getting away from work, worry, and effort enables vacationers to refresh and renew. This is the third most common reason why Americans vacation.
 - 4. To have an adventure.** Many travelers look to vacations for exciting experiences that stir emotions. Adventure, whether dangerous or romantic, provides the heightened sensation that these consumers seek.
 - 5. To escape.** Many people travel to gain respite from routine, worry, and stress. They are looking for something different —a better climate, prettier scenery, slower pace of life, cleaner air, quiet surroundings or anything else that is missing or deficient in their lives back home.
 - 6. For knowledge.** Learning and discovery are strong motivators for today's better educated travelers. People travel to learn or practice a language, study a culture, explore gourmet foods or wines, investigate spirituality, discover something about themselves, and a host of other learning pursuits. They want to see, touch, or feel something unfamiliar." Bragging rights " or good stories to tell back home are powerful motivators
 - 7. To mark a special occasion.** Some travelers take vacations to celebrate milestones in their lives —a new relationship, a marriage, a birthday, or a professional achievement. Vacations to mark special occasions are usually taken with loved ones and provide memories that last a lifetime.
 - 8. To save money or time.** Although going on vacation almost always costs money and time, where one goes on vacation can influence costs. Money and time constrain virtually every vacation decision. By traveling close to home, or taking a short vacation, a traveler can save time and money.
 - 9. To reminisce.** Many people travel to relive fond memories. In the case of Agri-tourism some vacationers, especially older travelers, will choose a farm visit to rekindle memories of the simple, rural lifestyle they remember from childhood. Vacationers pay money for food, lodging, transportation, and souvenirs — but they are buying a sentimental journey.
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Assessing Your Preferences, Options and Goal

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

A key point before venturing into farm/rural recreation is to identify or revisit the real goals of the farm or business and to discuss these with all those who may influence the decision-making. If any of the "partners" do not have the same goals, success will be limited and interpersonal stress may be the major result. ALL partners (this may be family members or outside interests) must meet together and seriously express their personal and business goals.

Define your target market:

- What kind of visitors do you want to attract?
- What kind of guests can you attract to your farm/ranch with what you have today?
- What kind of visitors will you be able to attract in the future?

One real market advantage of farm/rural recreation is that potential clients are numerous and there are few operations offering this type of service. Using a shotgun approach to attract anyone and everyone is expensive and seldom effective without a massive advertising campaign. A more effective use of time and money is targeting a particular audience (e.g., sportsmen, families, retired persons, bird watchers, photographers, etc.) who may be interested in what the farm or business has to offer.

Let's start creating a profile of the customer you want to attract. The section on **MARKETING** will further help you refine this description.

The ideal customer

is: _____

—

Where does she/he live? in-state or out-of state/foreign)

Age composition (young? retirees? variety?) _____

Single/Married? _____

Income Level \$ _____ Party Size and Composition _____

Children? _____

Hobbies/Interests (Hunting background? Horse experience? Photographers? Etc.)

How does he/she access information? (Newspapers, magazines, websites?)

What characteristics do you want your guests? (Independent people who emphasize self-fulfillment and self-help? Action oriented? Seeking relaxation? Desire for entertainment and activities?)





As you begin to develop ideas about your farm or ranch recreation enterprise, sketch out the locations on your property where you think these activities will best be located. Is there adequate access? Will guests have to drive to get to various sites? Is there drinking water and restrooms at appropriate locations? Enough space for privacy and solitude? What about aesthetics and topography?

Farm/Ranch Recreation Map

A large, empty rectangular box with a thin black border, intended for the user to draw a map of their farm or ranch recreation site.

Property Management & Public Access

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Farm and ranch recreational enterprises provide a unique opportunity to both supplement farm income and educate the non-farm public about agriculture. Recreational activities can be suitable for the small farm, and an entire rural community.

In developing a recreational enterprise, you will need to determine the extent of public access to your property and what types of activities you will provide.

Recreational enterprises need not be a full-length vacation. You may want to begin with one-hour tours and half-day excursions, depending on the attractions you feel your property and operation provide (be sure to review your inventory check list), your time commitment, and your philosophy and goals about adding a recreational component to your operation.

In general, visitors prefer activities rather than to simply observe a farm or ranch. You will need to create an environment where they can experience activities, or provide opportunities for self-directed recreation (fishing, hunting, canoeing, etc.). For example, one of the most wonderful visitor activities is hand-feeding calves or lambs. Take advantage of natural settings and scenic areas for locating activities, capitalizing on historic aspects of the farm or ranch as well.

If you have a century or bi-centennial farm, put up a sign and promote it in your advertising and brochures. Tell the story of your farm.

Property Appearance

Quality attractions and activities are important. Quality means facilities that are pleasing and neat in appearance as well as interesting. Pick up the barnyard, paint the fence, and add some colorful flowers. Be authentic; don't bring in new modular buildings if you have existing buildings that can be renovated.

Of course, you can't change everything. Some farm odors are unavoidable. Consider a clever sign that says, "Odor on this farm smells like money."

Location & Access

A remote location can be an asset if marketed correctly. But make it easy for visitors to find you. Provide clear and simple directions in all printed materials and place a sign at the front of the driveway to make it obvious to guests that they are at the right place. Keep driveways graded and set up parking locations near the activity site. If guests arrive after dark, light the signage and driveway.

Here are a few more ideas:

1. Provide more sophisticated facilities. Relatively more senior citizens and elderly are looking for better facilities than in the past.
 2. Solitude! This is highly marketable, especially since solitude in many state and national parks is virtually impossible now.
 3. Security. This is also highly marketable.
 4. Reservations and access. This should be an advantage because some public sector recreation opportunities are so limited that waiting lists of several months are common.
 5. Service to special constituencies. Provide access and services to physically and mentally impaired.
 6. Education. Private sector can provide guide services, tours, and special experiences. Photographic opportunities, especially for foreigners, are also a possibility.
 7. Nurturing activities. City people may be especially good clients for experiences such as gardening, harvesting fruit, or other outdoor agricultural activities.
 8. Memberships in campsites, hunting, or lodging arrangements.
 9. Visual qualities. The more natural amenities a site possesses, the less development and monetary risk is needed. Pick your sites carefully.
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How to Proceed

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Once you have some ideas in mind regarding attributes of your farm or business and how these might be managed to include a tourism/recreation activity or attraction, and the type of guests you want to attract, the next issues to investigate are:

- Zoning and Land Use Regulations
- Licensing Requirements (where applicable)
- Liability Insurance and Risk Management
- Developing a Business Plan
- Financing Your Enterprise
- Marketing Your Product

The following sections will take you through each of these areas in brief. All are important steps to a successful enterprise, so it's crucial to contact the proper agencies for information, forms, referrals, etc.



Ohio State University Fact Sheet

Community Development

700 Ackerman Road, Columbus, OH 43202-1578

Zoning

CDFS-1265-99

Land Use Series

John M. Stamm

Extension Agent, Community Development

Franklin County, and Coordinator of Extension Land Use Team

Introduction

Since early in this century, zoning has been the major local tool for regulating land use in Ohio. Over the years zoning has evolved, and it continues to be at the heart of today's land-use issues. A simple definition of zoning is a locally enacted law that regulates and controls the use of private property. It divides the jurisdiction into districts, or zones, for different uses and determines which uses are allowed. It regulates lot sizes, building heights, impacts on adjacent land uses, and other specifics.

The power to regulate land is delegated from the state to local governments. Three broad types of power are delegated to local governments -- taxation, eminent domain, and police power. Zoning is a police power. Though zoning is widespread in Ohio, communities are not required to have zoning. Indeed, many communities have no zoning regulations in force, especially in southern and eastern Ohio.

History

Ohio played an important role in helping to establish zoning as a common local government tool. In 1915, Alfred Bettman, an attorney working in Cincinnati, was instrumental in drafting and lobbying for pioneer planning and zoning legislation. These innovative ideas, along with those from other states, helped lead to the Standard State Zoning Act published in the mid 1920s by the U.S. Department of Commerce. The act served as model zoning legislation for the states. In the 1920s, many states passed statutes enabling local units of government (townships, municipalities, and counties) to enact zoning ordinances. The legality of zoning was determined in a landmark U.S. Supreme Court case originating in Ohio. *The Village of Euclid (Ohio) vs. Ambler Realty Company* (272 U.S. 365 [1926]) was argued by Alfred Bettman. The court's ruling in favor of the Village of Euclid established the basic legality and constitutionality of zoning. This ruling encouraged local governments to adopt zoning and broaden its scope. Now, more than 80 years later, state and federal courts continue to maintain the constitutionality of zoning. However, landowners continue to challenge the right of a local government to restrict their use of their property. Courts have extensively defined how and to what extent property can be regulated, and they continue to do so.

The Purposes and Nature of Zoning

The purposes of zoning are to regulate land use, prevent land-use conflict, and allow growth to occur in a rational manner. More specifically, zoning aims to:

- Use land for its most suitable purpose.
-

- Protect or maintain property values.
- Promote public health and safety.
- Protect the environment.
- Manage traffic.
- Manage density.
- Encourage housing for a variety of lifestyles and economic levels.
- Manage aesthetics.
- Provide for more orderly development.
- Help attract business and industry.

Conversely, zoning in Ohio cannot:

- Prohibit farm buildings or farming decisions.
- Assure competent administration of the zoning resolution.
- Assure that land uses will be permanently retained as permitted under the zoning resolution.
- Guarantee the structural soundness of buildings.

Who Is in Charge of Zoning?

Cities and villages (incorporated areas / municipalities) in Ohio have the authority to administer zoning. They must do this according to the Ohio Revised Code (ORC) unless they have adopted a charter, which can give the municipality broader zoning and other powers. Charter communities may fashion zoning regulations that vary from (but cannot violate) the ORC.

Townships administer zoning in unincorporated areas (outside incorporated cities and villages) unless the township has voted to let the county administer zoning, which is called county zoning. Approximately 16% of counties in Ohio have county zoning in at least one township. Both townships and counties must administer zoning according to the ORC. Not all states delegate zoning authority to townships, but rather keep the authority at the county level.

Whether zoning is administered by the township, county, or municipality, it can be much more effective when based on an adopted comprehensive plan (see OSU Extension Fact Sheet CDFS 1269-99, *Comprehensive Planning*). Such a plan defines a community's development goals and priorities -- where, how, and when a community will grow -- and spells out the tools necessary to reach the goals. One of these tools is zoning. Municipalities may adopt their own comprehensive plan, or may be part of a county comprehensive plan. A county or regional planning commission creates a county plan.

Enacting Zoning

It is the township trustees (or county commissioners in the case of county zoning) who initiate the zoning process in an unincorporated area by adopting a resolution declaring their intention to proceed with zoning (zoning legislation in townships is called a resolution, and in municipalities it is called an ordinance). Next, they appoint a zoning commission, which is responsible for preparing a zoning text and map. When this task is completed, the commission holds a public hearing, then sends the map and text for comment to the county or regional planning commission. Prior to going to referendum, the trustees or commissioners must hold a public meeting and review the map and text. They may deny, modify, or adopt the map and text as a resolution. When officially adopted, the resolution goes to local referendum. For the resolution to become law, a majority vote is needed.

Rural townships rarely have enough staff to do all the work to initiate and develop the zoning maps and text. They usually depend on the county or regional commission, hire a consulting firm, or refer to the Ohio Model Zoning Code as a starting point. Whatever the approach, enacting zoning is always a participatory

and sometimes a costly endeavor.

While general procedures are similar in municipal zoning, it is normally more sophisticated and addresses more complex issues than rural zoning. Again, charter municipalities may create further variations on zoning procedures.

How Zoning Works

The Zoning Triangle: Commission, BZA, and Inspector

Three basic units administer zoning -- the zoning commission, the board of zoning appeals (BZA), and the zoning inspector. They depend on one another to make sure zoning is fair and effective in a community.

Zoning Commission

In unincorporated areas, the zoning commission is made up of five citizens, per the ORC. In charter communities, the planning commission may carry out the zoning commission duties and may have a different membership, often defined by the charter. The commission is an advisory group, and zoning decisions may be overruled by unanimous agreement of the local legislative body (township trustees, county commissioners, or city council).

The basic duties of the zoning commission are preparing the zoning text and map, holding public hearings, initiating zoning amendments, and making formal recommendations on all amendments.

Text and Map The text is the written part of the zoning resolution. Typically, the text covers definitions, enforcement, administration, exceptions, rezoning, outlines of the different districts, parking, signage, mobile home parks, floodplains, provisions for the zoning maps, and other features. Zoning districts are generally classified into residential, industrial, commercial, and agricultural districts although they often allow districts that permit a blend of uses. The zoning map is drawn up to show which areas are classified in which district.

Adoption of zoning regulations by a community does not mean, however, that the previously stated purposes will be fulfilled. First of all, the zoning text must appropriately address the particular needs of the community. It must have the proper balance of flexibility and firmness. Also, the zoning text and map must be kept up-to-date. Typically, they should be updated every five years so the process can reflect changing community priorities and realities of growth.

Zoning Amendments Amendments are extremely important to the zoning process. An amendment, or rezoning, is a change in the zoning map or text. Zoning regulations must be flexible to allow the community to be responsive to the need for legitimate changes. The amendment process enables the community to monitor changes and encourage those that enhance the community. It also allows the public a voice in changing zoning regulations. In rapid growth areas, requests for amendments are very common and often controversial, because they may cause changes in traffic flow, runoff, aesthetics, noise, and other factors that may affect surrounding property.

Amendments are initiated in the following ways -- adoption of a motion by the zoning commission; adoption of a resolution by the county commissioners, township trustees, or city council; the filing of an application by at least one owner or lessee of property within the area proposed to be changed or affected by the amendment.

Zoning Inspector

The zoning inspector is responsible for the day-to-day administration and enforcement of the zoning regulations. He/she is appointed by the township trustees, county commissioners (in the case of county zoning), or the municipal legislative or administrative body.



The inspector's duties involve reviewing applications for zoning permits, conducting on-site inspections, investigating violations, maintaining records of nonconforming uses, maintaining up-to-date text and map, and proposing amendments. In zoned areas, all new construction and many additions and other changes in property must receive a zoning permit from the inspector. He/she must have a thorough knowledge of the zoning text and map and use these as a basis for granting permits and citing violations.

Board of Zoning Appeals

The board of zoning appeals (BZA) is the "judicial branch" of zoning administration. In unincorporated areas, the board of zoning appeals is made up of five local residents. Municipal BZAs are similar. If a person wants to do something with his/her property that is not specifically allowed in the zoning regulations, that person may ask for a conditional use or a variance, depending on the circumstances. Both are obtained through the BZA.

Both variances and conditional uses require a hearing from the BZA. However, variances are true exceptions to the zoning resolution, while conditional uses are allowed changes that require a hearing. Municipalities may modify the roles of BZAs. Zoning officials must judiciously monitor these change processes if zoning is to serve its true purpose in a community. Allowing arbitrary and inconsistent changes can weaken the integrity of the regulations and trigger land-use conflicts, loss of property values, and lawsuits.

Variiances A more technical definition of a variance is a modification of the strict terms of the zoning regulations where such modification will not be contrary to the public interest and where, owing to conditions peculiar to the property and not the result of the applicant, a literal enforcement of the regulations would result in unnecessary and undue hardship.

If a person applies for a zoning permit and the zoning inspector denies it, he/she may request a variance (or appeal the decision of the inspector). If, due to special conditions, the literal enforcement of the ordinance causes an individual unnecessary hardship, a variance can be granted. A BZA should have standards against which it judges every variance and conditional-use request in order to keep decisions consistent and defensible.

Conditional Uses Conditional uses are those that are perfectly appropriate for a district but require a hearing to determine that they will not have adverse effects as defined by the conditional-use standards in the resolution. They require approval of the BZA. For example, in a commercial district, a restaurant may be a permitted use, but a drive-through restaurant may be a conditional use.

Agricultural Zoning

CDFS-1266-99

Land Use Series

Stephen J. Hudkins

Assistant Professor & Extension Agent
Community Development
Portage and Columbiana Counties

Introduction

Deciding how a piece of land will be used has historically been considered as an individual right of property ownership. However, in 1926, the Supreme Court (*Village of Euclid vs. Ambler Realty*) ruled that zoning of designated areas may be used to safeguard and promote the health, safety, and general welfare of a community. Underlining the philosophy of zoning is the idea that land use may be divided into separate and distinct categories such as residential, industrial, commercial, and agricultural.

How Does Zoning Work?

Zoning regulations govern how land can be used in a community. Traditional zoning works to designate areas of acceptable uses and separate those that might conflict. Manufacturing is separated from housing developments, day-care centers are located away from industrial sites, and agricultural production can be insulated from housing developments. Sections 519-12 and 700 of the Ohio Revised Code provide for local officials, residents, landowners, or tenants to amend existing zoning resolutions. Most state legislation requires that zoning regulations be comprehensive and rational and that they be voted on by community officials and accepted by the local community. Agricultural zoning is a special application of zoning and is used by communities that wish to encourage and protect agricultural production in a designated area.

Why Enact Agricultural Zoning?

The protection of land for agricultural purposes is a legitimate zoning objective under the state planning statutes as set forth in the Ohio Revised Code. Agricultural zoning strives to protect the viability of agriculture in a region and is generally used by communities that are concerned about maintaining the economic viability of their agricultural industry. A carefully written agricultural zoning ordinance can prevent farmland from being converted to non-farm uses, can prevent the fragmentation of farms, prevent land-use conflicts, and protect agricultural producers from non-farm intrusion into agricultural areas as well and as vigorously as residential zoning can protect housing areas from commercial or industrial intrusions. A further consideration in agricultural zoning is the reduction or elimination of conflicts that arise between farm and non-farm residents. Non-farm residents often find that normal farming practices -- tractors operating during early-morning or late-night hours; livestock operations, including well-managed ones, that produce odors from livestock waste; chemical applications that are used for controlling insects and diseases in high-value crops; and machinery moving slowly on the roads from farm to farm -- are among practices that are foreign to their former urban settings.

Many agricultural producers are finding that they can no longer afford to purchase land for agricultural purposes. Residential development in agricultural areas drives up the cost of public services and the price of land to the point that it is not profitable for agricultural production. Establishing agricultural zones in areas of prime farmland can, in conjunction with other agricultural protection methods, reduce competition and



keep the cost of farmland reasonable. Reduced farmland costs may be offset through other voluntary incentive programs such as Purchase of Development Rights (PDR), Transfer of Development Rights (TDR), Lease of Development Rights (LDR), tax abatement, or low-interest loans. Protecting large blocks of farmland through agricultural zoning will also aid in preserving the rural character of a community and in preventing constant increases in property taxes.

How Agricultural Zoning Works

Agricultural zoning limits the density of development and restricts non-farm uses of the land. In many agricultural zoning ordinances, the density of residential development is controlled by establishing a minimum lot size that corresponds to the amount of land needed to sustain an individual farm. Densities may vary depending upon the type of agricultural operation. For example, if 160 acres are needed to maintain one economically viable livestock or cropping operation in an area designated as A-1, then each landowner is allowed to build only one non-agriculturally related house for every 160 acres. Another area where production is more intensified, such as horticultural production, may be designated as A-2 and allow for one home on every 25 acres. Some communities have enacted a third zone, A-3, comprised of land located in the agricultural area but not suited to farming. Many farms will contain A-3 lands. Residential development allowed in this zone is typically one home on one acre or less with sewer services or the minimum acres needed for on-lot sewage disposal. Another alternative would be a conservation development that clusters homes on smaller parcels with common open space. Lot divisions not governed by subdivision control ordinances typically allow 10 homes on 50 acres. In a conservation development, the landowner can now sell 10 lots on 10 acres, thereby retaining the advantage of development while maintaining his/her productive agricultural land. The list of permitted uses in an agricultural zone should be consistent with viable farming alternatives.

Advantages

Agricultural zoning can help to protect a farming community from becoming fragmented by residential development. Individuals purchasing land in an agricultural zone know up front what is permitted in that area, and agricultural zoning is often less expensive than other voluntary incentive methods, such as Purchase of Development Rights, for protecting agricultural lands. It is also more comprehensive and effective than programs that rely on individual owner initiative.

Disadvantages

Like other zoning ordinances, agricultural zoning is vulnerable to change. If community attitudes or political leadership shift, an ordinance may be dismantled. As a result, some communities have implemented agricultural zoning in conjunction with other farm-protection measures. As with other zoning ordinances, intentions are not always fully communicated in the ordinance, so they must be written very precisely, which in turn does not always allow for flexibility for new practices or technology. Zoning is enacted on a community scale, and some landowners, if in a minority, may become part of a plan they individually oppose.

Who Enacts Agricultural Zoning?

Agricultural zoning is enacted after a public hearing and upon passage of a zoning resolution to enact a zoning ordinance by local governmental officials. The zoning ordinance is most effective when developed in collaborative partnership with all potentially affected interests, such as private landowners, farmers, businesses, elected officials, developers, and other community leaders.



How Does Agricultural Zoning Relate to Agricultural Districts and Current Agricultural Use Valuation?

While agricultural districts will provide some protection from water, sewer, and electric assessments that cross their property to serve new rural residential development, agricultural zoning provides an additional protection for farmers by limiting development in the areas designated for agricultural production. Agricultural districts also provide for some measure of protection from eminent domain and law suits arising from nuisance complaints. Agricultural districts are established by individual landowners. Agricultural zoning, on the other hand, is a community tool that is based on designated areas suited to farming and may include several landowners rather than individual farms. Agricultural districts are established by the individual landowner making application with the county auditor while agricultural zoning requires action by the township trustees or county commissioners.

Agricultural zoning is compatible with and compliments agricultural districts and current agricultural use valuation (CAUV) by clearly defining areas of agricultural production. In many states, agricultural zoning is necessary for voluntary incentive programs such as Agricultural Security Areas, PDR, LDR, and TDR programs, or programs that provide for additional tax abatements.

Contact: Keith L. Smith, Associate Vice President for Ag. Adm. and Director, OSU Extension.
TDD No. 800-589-8292 (Ohio only) or 614-292-1868



Ohio State University Fact Sheet

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Community Development

700 Ackerman Road, Suite 235, Columbus, OH 43202-1578

Licenses and Permits

CDFS-1201-95

Small Business Series

Cheryle Jones Syracuse

William Owen

There are a number of licenses and permits required of people with businesses. Certain zoning laws also apply. This fact sheet provides information to help business owners meet these legal requirements.

One-Stop Business Permit Center

A valuable service available to potential business owners in Ohio is the Ohio One-Stop Business Permit Center. A call to 1-800-248-4040 or (614) 466-4232 will provide information about Ohio permits and regulations pertaining to your business. The more explicit you can be about the type of business you are considering, the more complete the information provided will be. At the minimum, be prepared to explain the type of business, proposed business structure (sole proprietor, partnership, etc.) and if you intend to hire employees.

Health Permits

Check with your city or county health department to determine if your business requires a special health permit or inspection. Health departments are concerned with conditions that may affect health, sanitation, safety and food. Regulations vary from county to county. Pies, cakes and other bakery items must be licensed with the Ohio Department of Agriculture. For a home bakery license, call ODA, Division of Foods, Dairy and Drugs at (614) 866- 6361. They will arrange for a health and sanitation inspection. If other state health permits are required, your local health department can direct you to appropriate state departments.

Zoning Laws

Before you start a business in your home, check local zoning laws to determine if your neighborhood permits a business in the home. Zoning laws prevent nuisances from business in residential communities. Contact your township or municipality zoning inspector to learn about zoning restrictions.

Building Permits

A building permit is needed if you are making significant renovations or additions to your home to accommodate your business, or if you are changing the commercial use of a building. In general, a building permit is required so your building will be certified as safe for the operation of your business and the safety of your customers. Some businesses, such as child care, have specific building requirements. You may want to check these requirements before making any changes to your structure. You will need to clear all zoning restrictions before a building permit is issued.

Contact your local city or county building department to see if you need a building permit. If you do not have a local building inspector, check with the Ohio Industrial Relations, Division of Factory and Building, 2323 West 5th Avenue, P.O. 825, Columbus, OH 43216, Phone: (614) 644-2622.

Vendor's License

A vendor's license is required of all businesses making retail sales of tangible property and certain rentals and repairs. The license permits and requires the collection of sales tax from customers and forwarding of the collected sales taxes to the state treasurer's office either monthly or every six months. Failure to file the proper forms even if no sales were made will result in a \$50.00 fine.

A vendor's license may be obtained from the auditor's office in the county in which the business is located. The current application fee is \$25.00, with an annual renewal fee of \$10.00. A temporary license is available for \$5.00 and is valid for 20 days. It can be purchased from the auditor in the county where sales will be made. This license is designed for short-term trade shows, fairs, etc., conducted away from your home county. Businesses that travel extensively throughout Ohio may purchase a statewide vendor's license from the Ohio Department of Taxation for \$100.00, with an annual renewal fee of \$40.00.

Not every business needs a vendor's license. If your business is strictly wholesale or deals entirely in non-taxable items, there is no need to purchase a license. A common misconception is that it is necessary to have a vendor's license in order to purchase goods wholesale or to purchase items for your business without paying sales tax. A Blanket Certificate of Exemption-available from most office supply stores-given to the suppliers allows them to sell to you without charging sales tax. Likewise, you must have a Certificate of Exemption from any business you do not collect sales tax from. More specific information is available from your county auditor's office.

Registration of Business Name

Any Ohio business may register its business name with the Secretary of State. There are three categories of names: 1) trade, 2) fictitious; and 3) corporate.

Trade Name

A trade name is a "name used in business or trade to designate the business of the user and to which the user asserts a right to exclusive use." Ohio law permits any firm in the state to register with the Secretary of State the trade name under which it operates.

A trade name registration fee is \$20.00. The registration is effective for five years and may be renewed at the end of each term for a fee of \$10.00.

Fictitious Name

Any business name that is not registered as either a corporate name or trade name and that does not fully identify the owner(s) of the business must be registered as a fictitious name with the Ohio Secretary of State. The registration of a fictitious name does not in any way protect the use of that same name by another business. It merely provides a method for the state to identify the owner(s) of a business.

Corporate Name

Any corporate name approved by the Secretary of State is protected from use by others in the same manner as a trade name, once approval is granted. The name of all corporations in Ohio must end with or include "Company," "Co.," "Corporation," "Corp.," "Incorporated," or "Inc." The corporate name protection remains effective as long as the corporation is recognized by the state as being in good standing. To register a name, contact the Office of the Secretary of State, 30 East Broad Street, 14th Floor, Columbus, OH 43266-0418 or telephone at (614) 466-3910. There is also a name availability line that you may call to see if a name is currently being used in the State of Ohio. The name availability line is (614) 466-0590.



Occupational Safety and Health Administration (OSHA)

OSHA regulations exist for any business that has any employees beyond family members. Restrictions become more stringent and inspections are required once a business has 10 or more employees.

Additional regulations may exist if your business requires the operation of certain equipment or machinery or handles hazardous chemicals.

The State of Ohio has a consultation service for small businesses relating to OSHA. For more information on safety requirements contact the OSHA for a free On-site Consultation Service at (800) 282-1425 or (614) 644-2631 or write P.O. Box 825, 2322 West 5th Avenue, Columbus, OH 43216-0825. Or you may contact the Federal Office of OSHA at 1-800-582-1708. In Cleveland, you can call (216) 522-3818. In Columbus call (614) 469-5582. In Cincinnati the number is (513) 841-4132. The federal offices will answer questions over the phone.

All educational programs conducted by Ohio State University Extension are available to clientele on a nondiscriminatory basis without regard to race, color, creed, religion, sexual orientation, national origin, gender, age, disability or Vietnam-era veteran status.

Keith L. Smith, Associate Vice President for Ag. Adm. and Director, OSU Extension.

TDD No. 800-589-8292 (Ohio only) or 614-292-1868





Sale of Products from Your Farm or Business

If you plan to sell products by weight from your farm or business, there are requirements that must be met. For complete info, contact:

STATE OF OHIO
DEPARTMENT OF AGRICULTURE
DIVISION OF WEIGHTS AND MEASURES
8995 East Main Street
Reynoldsburg, Ohio 43068-3399
Phone: 614-728-6290
Fax: 614-728-6424



Liability and Insurance Considerations

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Liability should be one of your major considerations when you enter into a fee-recreation enterprise. In general, if you decide to impose a fee for any recreational activity conducted on your land or land you are in possession and control of (rent or lease), you are exposed to greater liabilities for any injury of visitors that may occur. Meet with your attorney and insurance agent to determine the extent of liability and insurance needed and to develop a risk management plan.

The landowner or user in possession and control of the land is obligated to make reasonable use of the property, which causes no unreasonable harm to others in the vicinity. Liability equally applies on land you may be renting or leasing —ownership is not the key factor. The extent of your liability toward a person who enters the property and who has potential of being hurt depends on the status of the visitor.

TRESPASSER: Someone who enters the property of another without consent of the owner. Possessor of the land (expressed or implied). Consent is simply the owner/possessor's willingness to let the other person enter or remain on the land. Someone you ask to leave, but who stays, becomes a trespasser. Someone who walks past a "No Trespassing" sign is generally a trespasser. Trespassers enter the property for their own purposes and not for the performance of any obligation to the landowner.

In general, the landowner is not liable for injuries to trespassers caused by a landowner's failure to exercise reasonable care to put the land in safe condition for them, except if there is willful, wanton, or reckless action on the part of the landowner (actions by the landowner intended to cause injury or reckless disregard or indifference to human safety).

LICENSEES: A licensee is someone who comes onto your land with consent. The licensee generally is on your premises without business or commercial reason. Social guests fall in the category of licensee. A public officer who enters a premise in the line of duty is a licensee.

The duty owed to licensees depends on whether the injury is caused by a condition of the land or activities on the land. As a condition of the land, a possessor/owner is liable for willful or wanton acts or gross negligence. As to activities on the land, the possessor/owner has the duty to exercise reasonable care for the protection of the licensee. You are not required to put the land (natural conditions) in safe condition for licensees, but must warn licensees of dangerous conditions and activities.

There are a number of ways to reduce liability exposure, such as:

1. Knowing the statutes and regulations that apply to fee recreation land use
2. Having a formal fee-recreation property use agreement with clientele
3. Having adequate liability insurance that covers all fee-recreation activities
4. Incorporating the business
5. Selecting the clients that use your property; and,
6. Providing a tour of the property to all clients and explaining any known potential hazards.

INVITEES: Someone who enters or remains on the property at the expressed or implied invitation of the owner/possessor for the benefit of the inviter, or the mutual benefit of the owner/inviter and the invitee. Invitees come in two forms: public or business. A public invitee is a person who is invited to enter or remain on the land as a member of the public for the purpose to which the land is held open to the public. A business invitee is a person who is invited to enter or remain on the land for a purpose directly or indirectly connected with business dealings. In general, the landowner's liability obligations are the highest under an invitee situation, less with a licensee, and even less with the trespasser. In the case of the invitee, the owner/possessor's obligations may include inspecting



the property, warning of dangers, removing dangerous conditions, curtailing dangerous activities, etc. The owner must exercise reasonable care to make the premises reasonably safe. Merely posting warning signs is not enough.

Other Forms of Liability:

Alcoholic beverages: Other activities associated with a fee-recreation event or activity may result in additional types of liability. For example, if intoxicating beverages are served at a cost, the owner/operator is required to carry liquor legal liability insurance.

Transportation: If transportation is provided (carrying paying guests around in a personal automobile), a commercial auto policy is needed. Your regular auto coverage will not cover commercial use of the vehicle.

Vicarious liability: Additionally, the possessor of land is not only responsible for his/her own actions, but also for the acts of persons acting on their behalf. This may include an employee or even an independent contractor (pack guides, boatmen, for example).

Off-farm liability: If an activity sponsored on the farm causes harm, hazard, or injury to people outside the farm, other forms of liability are involved. These are the customary issues of trespass, chemical drift, spread of fire from one party's property to another, seepage of water onto adjacent lands, mining onto another's property, projecting a foundation across a boundary line, etc. Some activities may also cause nuisance to an off-farm party that causes liability. The risks identified may seem onerous and discouraging, but there are insurance companies willing to work with you to protect your interests through policy coverage.

BUSINESS STRUCTURE

Incorporating a recreational business may be one way to ease the burden of liability. In theory, an individual is not liable for any assets other than those he or she has invested in the corporation. Other types of organizations with some potential for limiting liabilities of their owners are limited partnerships and limited liability companies.

LIABILITY INSURANCE

Adequate liability insurance is imperative. Most policies that cover general farm and business activities do not cover recreational activities on the land. You will either need to add a rider to your existing policy or get a new policy with one of the companies that provide insurance for your particular activity.

Liability insurance coverage for a fee recreation activity is generally written in \$100,000, \$300,000, \$500,000 and \$1,000,000 packages. As a rule, you should maintain enough liability insurance coverage to protect personal assets as much as economically possible. Premium rates vary among insurance companies, based on the exposure of risk for a particular fee-recreation activity. The rates are affected by the portion of the enterprise devoted to recreation and type of activities. Additionally, your managerial capability as an operator appears to be significant in determining premiums.



Some questions for consideration regarding insurance for your enterprise are:

1. Is the difference between the premium for the insurance and the income gained enough to offset each other and still allow a sufficient financial gain to make the venture worthwhile?
2. Can you realistically pass the costs of insurance on to the customer, or will the cost decrease the customer demand for the activity?

The following activities will be reviewed very closely by an insurance company and will involve special coverage if available:

- ? Hunting
- Fishing
- Lodging
- Food Services
- Alcohol
- Animals, especially horses
- Landing strips on the property

Keep in mind that employees who change job functions because of the new activity may be placed in different work classifications resulting in changes in workers compensation premium costs as well.

Selecting Insurance Based on Your Recreational Activities

Generally, the following activities will be viewed as Commercial Insurance subject to a separate policy from the general farm or ranch policy coverage:

- Boating, Canoeing, Rafting
- Clay Bird Shooting or other Shooting Events
- Elder Hostel Programs
- Exotic Animal Farms
- Fee Hunting and Fishing
- Festivals, Concerts, and Special Events
- Guest or Dude Ranches
- Horseback Riding; Horse, Mule, and Llama Pack Teams
- Hunting Dog Trials and Training
- Hunting Preserves
- Motor-Cross, ATV, Snowmobile, and Mountain Bike Riding
- Seasonal Festivals and Celebrations
- Wineries and Breweries

In general, the following activities can be made part of a farm or ranch insurance policy by endorsements. Each activity is always viewed on its own merit:

- Bed and Breakfast
 - Farmers Markets
 - Roadside Markets
 - School Youth Tours
 - Technical Tours
 - Working Farm (viewing and limited participation)
-

Questions to ask in comparing insurance coverage:

1. Is there a deductible?
 2. Does the insurance apply to:
 - Your premises and operations liability?
 - Your products and operations liability?
 - Your contractual liability to others?
 - Your personal injury liability to others (libel, slander, invasion of privacy)?
 - Your advertising injury to others?
 - Your property liability damage to others?
 - Incidental medical malpractice liability resulting from aiding an injured person?
 - Non-owned watercraft liability?
 - Host liquor liability?
 - Court costs for defense (above limit or included in liability policy limit)?
 -
 3. Are employees added as additional insured's?
 4. Are there additional charges for adding public land management agencies, such as the U.S. Forest Service as additional insured?
 5. Is the premium a set fee, based on a percentage of gross sales, or client days?
 6. Do you have to join an association to get insurance?
 7. Are there representations in the policy that the guests or operators must adhere to for a claim to be honored?
 8. Does the insurance agent understand your proposed fee-recreation business?
 - Waiver of liability: as an additional protection you may want to incorporate principles of firearms safety, require successful completion of hunter safety or horse riding basics, prohibit use of alcohol with certain activities, etc.
 - Acknowledgment and assumption of risk :describe the nature of the property (i.e., wild land with barbed-wire fences, logs, poison ivy, wild animals, uneven terrain, etc.) and the activities (horse riding, fishing, etc.), and then have the lessee/guest accept the risks such activities can have.
 - Insurance: with this provision, you may want to have the user agree to carry liability insurance and to name you in the policy as an insured.
 - Conditions of cancellation, renegotiation, or renewal: a list of conditions necessary in the case either party wishes to terminate, renegotiate or renew an agreement for various reasons.
 - Mediating differences: This arrangement may reduce the probability of disagreements resulting in litigation. Specify that any problems arising from the agreement or the use of the property, including injury, will first be addressed in mediation before either party resorts to legal action.
-



- Payment specify the rate to be paid, how payment is to be made —where, when, etc., and the provisions for failure to pay.
 - Damage deposit: this provision would cover damages the lessee does to the property that are not repaired by the lessee. The deposit would be returned to the lessee if damages do not occur.
 - Miscellaneous: other sections or provisions may include gates and fences, trespass enforcement, in-kind services provided by the user (fence construction, wildlife crop planting, etc.),
 - limitations of the number of campers or overnight recreational vehicles in certain areas, use of campfires or cooking fires, garbage, sanitation, other guest policies, etc.
 - Signatures: finally, complete the agreement with the printed name and address of each member of the recreation group, followed by their signatures and the date of each person 's signing.
-



**SAMPLE AGREEMENT
PERMISSION TO ENTER AND USE
PROPERTY FOR RECREATION PURPOSES**

_____ (Guest) is hereby given permission to enter property known as:

for the following purposes:

on the following
dates: _____.

This permission is strictly limited to the above description and is subject to strict compliance with the rules and regulations copied and attached, and other limitations or restrictions which from time to time may be given either orally or in writing.

RELEASE, WAIVER, AND INDEMNITY

I have read the above permission and the accompanying rules and warnings, and I understand that participating in _____ (name of activity) results in certain risks, regardless of all feasible safety measures, which can be taken. I am aware of the nature of the risks involved. I will follow any and all rules presented to me. I will conduct myself as a prudent person with regard for the safety of others, and myself and for the property of others.

To the extent proposed activities involve equine activity as that term is defined in state law, I hereby waive the right to bring an action against the equine professional or equine activity sponsor for any injury or death arising out of riding, training, driving, grooming, or as a passenger upon the equine.

I assume the risk of any responsibility of injury, loss, or damage to person or property resulting from my participation in activities on the premises. I will not hold the landowners, possessors, or occupiers liable.

I agree to indemnify and hold the landowners, possessors, or occupiers harmless from any claims or damages resulting from my actions, which may affect the person or property of the landowners, possessors, or occupiers of the premises or any other person.

Signed _____ Date _____



Potential Sources Of Liability Insurance for Fee-Recreation Enterprises

You should check with your insurance provider to find out about the coverages they may offer. Your agent may also be able to give you a referral to another agency.

Other resources:

K & K Insurance

Commercial equine liability coverage, pack teams, riding lessons, trial rides, wagons, buggies, hunting fishing, pony rides and boarding. Provides coverage for guides and outfitters and guest ranches.. ATV, snowmobile, and bicycle rental, rock/ice climbing, rafting, canoes/kayaks, fishing ponds and streams, boating, campsites and lodges.

Main Office

Fort Wayne, IN
(800)637.4757
Fax: (260)459.5866

Thompson-Gusic Insurance Group

Offering all lines of insurance coverage, including Home, Auto, Business, Bonds, Life, Health and other Financial Services. We represent a carefully selected group of financially sound, reputable insurance companies, and have a variety of insurance programs tailored for specific groups such as: Outfitters, Manufacturers, Wholesalers / Distributors, Restaurants, and many more.

Main Office (New Submissions / Inquires)

2140 Ardmore Blvd
Pittsburgh, PA 15221
(412) 271-8888 Phone
(412) 271-8898 Fax

Sales Office

Concord, OH 44077
(440) 639-9989 Phone
(440) 639-9989 Fax



Barriers and Access Considerations

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Depending on the nature of your enterprise and the customers you desire to attract, you should give consideration to accessibility by certain groups. For example, if your activities lend themselves to observation, viewing, touching, and similar experiences that might attract elderly citizens, children, or people with disabilities, you will want to review this checklist for barriers that might inhibit their access to events or activities, and may be required for compliance with federal laws.

BUILDING ACCESS:

1. Do you have parking spaces clearly marked for disabled people? Do the spaces comply with Oregon law and with the Americans with Disabilities Act under federal law (ADA)?
2. Are the parking spaces near the main building entrance?
3. Are the door entrances greater than 32 inches?
4. Do door hardware require grasping, twisting or gripping that may be prohibitive for elderly, children, or disabled individuals?
5. Doors should have less than 8.5 pounds of pull for the audiences discussed here.
6. Do not use revolving doors unless other accessible doors are provided.

BUILDING CORRIDORS:

1. Are the hallways free of obstruction and at least 36 inches wide?
2. Is the floor surface hard, level, and not slippery?
3. Do obstacles (phones, fountains, etc.) protrude into the hall corridors and inhibit passing?
4. Are elevators provided for access to multilevel structures for disabled, elderly, etc.?
5. Interior doors should have 5 pounds or less of pull.

RESTROOMS:

1. Are restrooms in accessible locations?
2. Again, door hardware should not inhibit entrance. Handles that require twisting, grasping, gripping or pinching present difficulties.
3. Are the restrooms large enough for wheelchair turnaround (60" minimum)?
4. Are stall doors at least 32" clear?

OUTDOOR PATHS AND ACTIVITIES:

If you are trying to attract a general public audience with equal access to all people, your outdoor facilities should promote recognition of access needs.

1. Are pathways paved or constructed to provide a hard surface, level or gently sloped, and not slippery?
2. Are railings provided in necessary locations?
3. Are viewpoints designed to allow viewing from a seated or low position without presenting other dangers?

For detailed review standards, contact the Architectural and Transportation Barriers Compliance Board at 1-800-872-2253, and/or obtain a copy of the ADA Accessibility Guidelines (ADAAG) for current specifications.



Section III

Financial Considerations & Creating a Business Plan



CREATING A BUSINESS PLAN

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Your purpose in creating a business plan may be to obtain financing, to create a guide for managing your business, to clarify your business operation, to focus employees on core business objectives and goals, or some combination of these or other factors.

Creating a business plan is the process of making a road map for your enterprise—it is an essential part of any business if it is to succeed. The business plan serves many purposes and is essential to starting a new venture as part of your farm, ranch, or processing operation. A business plan consists of several parts.

Create a Mission Statement reflecting the core purpose of your business, stating the basic values and goals in a short, focused sentence of no more than 20 words. Ask yourself: What is the purpose of the proposed project? What benefit will it provide? Who are the customers?

Create a Marketing Slogan, consisting of a short, clever, even humorous translation of your mission statement that conveys a single, simple thought about your business to your customer.

Set Measurable Goals & Objectives. *Goals* are 3-5 years out; *objectives* are things you want to accomplish in the next year. Some areas for consideration may include sales volume, profits, customer satisfaction, owner compensation, number of employees, employee development, etc. To set goals and objectives, ask yourself the basic:

What? Why? How? When? and Who? questions. Then set timetables to match goals and objectives. Who will be responsible for what activities? Who are the key employees and what are their titles? How long do you plan to operate this venture? How many hours are you willing to commit to this venture? Where do you see the business in 3-5 years? How are you going to promote customer satisfaction?

Gather Information from reputable sources to document your business plan. You'll want to know about potential visitor days and expenditures, preferences, and interests; competition and complementary services in your area; etc.

Describe Your Farm or Ranch Recreation Enterprise: When was it started, or projected to start? Why was it started? Who started it? How does the recreation enterprise fit in with your overall farm or business operation? How are you set up as a business (sole proprietorship, general partnership, limited partnership, regular corporation, chapter S corporation)?

Describe Your Product or Service: Write down what you are selling to the public. Why should people buy your service? What does it do? What makes it unique? What will it cost to provide this service or product? How much will you charge? How does it compare to other similar recreation enterprises? Are there complementary services in the area?

Define Your Customers: Who are you targeting for your recreational enterprise? You'll want to define: gender, age, income, occupation, location, family status, children, education, and interests. For example, if you are developing a fee hunting enterprise, you'll probably look at males in the 25 to 50-age range.



- **Compete or Complement** : Since farm and rural recreation is relatively new as an emerging industry, state agencies are encouraging enterprises to work together to attract visitors, share resources, and market services. However, you should first carefully develop and evaluate your business and product, considering your resources and activities.
 - **Develop a Marketing Strategy** : Your marketing and advertising method may be as simple as word of mouth and repeat customers, or it may involve an ad campaign with printed materials, radio spots, newspaper or other media advertising, mass mailings, and the like. Marketing and advertising will be covered more fully in the next section, but you should include your marketing strategy in your business plan.
 - **Management** : Include a resume of each owner and key employee. Identify outside consultants and advisors, including accountant, lawyer, banker, insurance broker and other consultants.
 - **Employees** : Because a recreation enterprise may create a new Standard Industrial Code (SIC) for the activities associated with that portion of your business —resulting in different workers compensation rates and reporting requirements—you should treat your personnel issues separately for this enterprise from your farm or ranch business. Written job descriptions that clearly define duties and a personnel manual may be helpful in this setting. You should identify how many employees you need to run the recreation enterprise, their titles, job duties and skills. If you need additional employees, where and how will you attract them? What process will you use to screen and hire employees (job skill testing, job interviews, etc.). What training needs will you face? Who will conduct employee training (in-house, paid consultant, community college, other recreational businesses)? What will be the cost of the training? How will you set salaries and wages? What benefits will you provide?
 - **Insurance** : Identify the types of insurance you have for your business. See the section on Liability and Insurance for more details on this topic.
 - **Fixed Assets** : You will need to identify your current fixed assets (those with a useful life or more than one year) and those, which you need to purchase. These might include land, buildings and improvements, machinery, other equipment, livestock, office furniture, computers, etc. Determine the cost and estimated acquisition date. Estimate the useful life of each fixed asset. Complete a monthly depreciation schedule.
 - **Start-up Expense** : Any new enterprise will have start-up costs. These costs are those associated with what it takes to open your door for business. Most of these costs will be one-time expenditures, while a few will occur every year. Examples include legal fees, accounting fees, licenses and permits, remodeling work, advertising, promotions, hiring costs, etc.
 - **Sales Forecast** : Forecasting sales are critical to your enterprise from both a management and sales point of view. You can't plan financially if you don't have an estimate of sales. You should review your data on products, customers, competitors, and budgets to develop the trends and projections. Be realistic in making these forecasts. Estimate the total market size in \$ sales per year based on your research, and create a market share analysis with worst case, mostly likely case, and best-case scenarios.
 - **Financing the Enterprise** : Create a financial plan, including all sources of existing debt and additional financing needs. Detail principal and interest payments for each month. Research sources of needed capital; the Business Plan will be a key selling point for the venture. Verify your numbers, justify the need, and be enthusiastic but realistic about the venture.
 - **Operating Expenses and Cash Flow** : Develop a monthly chart of operating expenses. Combine this with your start-up costs, sales forecast, and debt servicing to create a cash flow budget. Cash flow projections are among the most critical projections you will make. Lenders will examine this document carefully.
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- **Other Financial Documents** :From the documents you have developed already (sales forecast, expense sheet and cash flow) you will be able to calculate a projected income statement, a break-even analysis, a balance sheet and other necessary financial documents. These documents are similar to what you use for your agricultural business and will not be detailed here.

If you need assistance in developing financial statements or writing your business plan, you may want to refer to workbooks provided by the Small Business Development Center. All of the items mentioned in this section are detailed in a publication called “Your Business Plan,” available for \$30, plus \$5.00 for postage and handling, by contacting your local SBDC at:

Athens Office at Ohio University

Director: **Susan J. Abdella**

Certified Business Advisor: **Tim Kresse**

Certified Business Advisor: **Quentin Derryberry**

Director, Appalachian Procurement Technical Assistance Center: **Sharon Williams**

Phone: (740) 593-1797

Fax: (740) 593-1795

Email: sbdc@ohiou.edu

Marietta Office at Washington State Community College

Director: **Pamela Lankford**

Phone: (740) 373-5150

Fax: (740) 373-2984

EMail: sbdc@wscc.edu

ADDITIONAL RESOURCES

Service Corps of Retired Executives (800)634-0245

Economic Development Division

The Ohio Department of Development's Economic Development Division works to create, retain and expand job opportunities for all Ohioans. The Division focuses on issues affecting Ohio's economy and provides a variety of business development resources to help Ohio remain at the forefront of economic development.

The Division offers companies direct financial assistance in the form of **low-interest loans, grants, bonds, and state and local tax incentives**. The Division also offers assistance with employee training and infrastructure development.

The Economic Development Division provides Ohio businesses with access to technical assistance, counseling and training programs. Programs such as the **1st Stop Business Connection offer comprehensive information designed to assist small start-up firms with business development**. The first in the country to offer electronic site selection information, Ohio's electronic site location proposals drastically cut response time while enhancing the quality of information available.

From new entrepreneurs starting small businesses to large corporations, the Economic Development Division provides business owners and executives with the information and support they need to make informed, critical decisions on location, infrastructure, job creation and retention, training and financial assistance.

Contact: Economic Development Division at (614) 466-4551 or (800) 848-1300.

Governor's Office for Southeast Ohio

Contact:

Mike Jacoby, CEcD
Governor's Regional
Economic Development Representative
308 Front St.
Marietta, OH 45750
Phone: (740) 373-5150 Fax: (740) 373-2984
mjacoby@odod.state.oh.us

Governor's Office for Southern Ohio

Contact:

T.J. Justice
Governor's Regional
Economic Development Representative
15 North Paint St, Suite 102
Chillicothe, OH 45601-3116
Phone: (740) 775-0612 Fax: (740) 775-0604
tjustice@odod.state.oh.us

RURAL BUSINESS ENTERPRISE GRANTS

The Rural Business-Cooperative Service (RBS) makes grants under the Rural Business Enterprise Grants (RBEG) Program to public bodies, private nonprofit corporations, and Federally-recognized Indian Tribal groups to finance and facilitate development of small and emerging private business enterprises located in any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town. The public bodies, private nonprofit corporations and federally recognized Indian tribes receive the grant to assist a business. **GRANT FUNDS DO NOT GO DIRECTLY TO THE BUSINESS.**

Who is Eligible?

Eligibility is limited to public bodies, private nonprofit corporations, and Federally-recognized Indian Tribal groups. Public bodies include incorporated towns and villages, boroughs, townships, counties, States, authorities, districts, Indian Tribes on Federal and State reservations, and other Federally-recognized Indian Tribal groups in rural areas. The small and emerging businesses to be assisted must have less than 50 new employees and less than \$1 million in gross annual revenues.

How May Funds be Used?

Funds are used for the financing or development of a small and emerging business. Eligible uses are: Technical Assistance (providing assistance for marketing studies, feasibility studies, business plans, training etc.) to small and emerging businesses; purchasing machinery and equipment to lease to a small and emerging business; creating a revolving loan fund (providing partial funding as a loan to a small and emerging business for the purchase of equipment, working capital, or real estate); or construct a building for a business incubator for small and emerging businesses.

Limitations:

Grants cannot be used for:

- Agricultural Production.
- Comprehensive area wide planning.
- Loans by grantees when the rates, terms, and charges for those loans are not reasonable or would be for purposes not eligible under RBEG regulations.
- Development of a proposal that may result in the transfer of jobs or business activity from one area to another. This provision does not prohibit establishment of a new branch or subsidiary.
- Development of a proposal which may result in an increase of goods, materials, commodities, services, or facilities in an area when there is not sufficient demand.
- For programs operated by cable television systems.
- To fund part of a project which is dependent on other funding, unless there is a firm commitment of the other funding to ensure completion of the project.

All applications are considered without regard to race, color, religion, sex, national origin, age marital status, or physical or mental handicap (provided applications have the capacity to enter into a legal contract) of the members of the groups applying for assistance. Service must be extended on the same basis.

**How are Applications Processed?**

Applicants are required to submit a pre application with supporting data before a formal application is made. RBS will tentatively determine eligibility and funding priority score. The Agency will inform the applicants when to assemble and submit a formal application.

Where Should Applications be Filed?

Forms are available from and may be filed in any USDA Rural Development State Office, check your telephone directory under "Federal Government" or call the RBS National Office Specialty Lenders Division, (202) 720-1400. [\[Forms\]](#) [\[Regulations\]](#)

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USDA, RURAL DEVELOPMENT

Federal Building, Room 507
200 North High Street
Columbus, Ohio 43215
(614) 255-2500

Other Conditions

Applicants for grants to help develop private business enterprises must file written notice of intent with the State single point of contact consistent with Intergovernmental Review requirements. Federally-recognized Indian Tribes are exempt from this requirement.

Applicants for grants to establish a revolving loan program must include detail on the applicant's experience operating a revolving loan program, proposed projects, applicant's financial ability to administer a revolving fund, the need for a revolving fund, and other funds proposed to leverage funds made available under this program.

All community projects funded by RBS are subject to an environmental assessment in accordance with the National Environmental Policy Act.



IV
Marketing
Your Enterprise





Developing A Marketing Plan

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Effective marketing is a key element in any business enterprise. Landowners who do not have experience in marketing a service business often overlook its importance. Even the best-managed fee-recreation business can be unsuccessful if prospective clients are unaware of the enterprise. Marketing is simply determining what people want, planning and providing products and services to meet those wants, and selecting the most effective ways of reaching those who might pay for these products and services.

Developing a Marketing Plan

Your Business Plan should contain a section which includes your Marketing Plan. Keep your plan simple: define your audience, define your service, and develop a plan for getting information about your enterprise to potential clients. You must remember to budget each year for marketing.

As you develop a marketing strategy you will want to identify the two or three strong selling points of your service or operation. It might be the success rate of a fee-hunting experience, exclusivity and solitude, facilities, location and access to area attractions, price, or other services you provide. Determining your audience first will help choose the key selling points for your marketing strategy.

Marketing Your Business

The type and amount of marketing you use in your fee-based recreation enterprise will depend on the specifics of your operation. Marketing can be as simple as word-of-mouth referral, or involve an intensive regional, national, or international media campaign.

Your marketing style and message must be directed to your identified audience. Anything you print must reflect these selling points in neat, high quality, and tasteful presentation. Sloppy advertisements or brochures reflect badly on your business.

The three basics of advertising include: the message (the two or three strong selling points and additional information about your service), the medium (publications, radio, TV, etc.), and the target audience you're trying to reach.

The Message

Your message should tell about the type of activity or enterprise you offer, additional goods and services, directions to your location, costs of the activities and how to make reservations. Try to be original in your marketing. Keep your message simple. Always check dates, fees, addresses and phone numbers for accuracy. Make certain the goods and services advertised represent what you can deliver. Contact someone experienced in desktop publishing to assist in design and creation of printed pieces if you don't have this experience.

The Medium

Marketing includes a wide range of activities, from public relations and advertising, to promotions and trade shows. Advertising is the most expensive approach. You should carefully consider all the following mediums and focus on those that fit your budget and reach your target audience.

The *medium* is the method by which the message is delivered to your potential clients. They might include:

Magazines	Newspapers	Local sporting good stores
Billboards		Local hunting or shooting clubs
Brochures		Newsletters
Local referral		Direct Mail
Radio		Telephone book listings
Television		Booking agents
Video tapes		Travel agents
Trade journals		Word-of-mouth referral
Chamber of Commerce		Sport shows
Trade shows		Visitors Bureau
Cooperative Ads		Welcome Centers

The Target Audience

Target audiences are distinct groups or segments of clients that you expect to reach when you employ different marketing strategies. You may decide to target your service based on the characteristics of:

- income level
- age
- location (in or out-of-state; urban/rural, international)
- client preference (lodging, level of involvement —self guided versus guided, experience, etc.)

If you currently have people entering your property without paying (hunters, fishers, wildlife viewers, etc.), you may want to conduct a survey of their interests and ability to pay for services.

Marketing Costs

The cost of marketing for a fee-recreation enterprise will largely depend on the size and type of your operation, the medium you select, and the number of times you repeat any advertisements. New operations typically spend 10-25% of total operational costs on marketing for the first few years. It's important to keep good records about response to specific marketing efforts so you can be more effective. Question or survey all customers about how they found out about your operation. With time and reputation, costs for marketing will be reduced.



The Importance of Public Relations

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Public relations is defined as the creation and maintenance of a favorable image. It is part of marketing and advertising, but it goes further. As a landowner, you should always be concerned with your business image. Your public relation goals can range from client 's satisfaction with their experience, to acceptance of your operation by neighbors, local community leaders, and the general public.

It 's worth the effort to foster the support of neighbors, state and federal agencies, local sheriff and law enforcement personnel, citizen groups and your local Chamber of Commerce or visitor bureau.



Situation Analysis

Adapted from the Agri-tourism Marketing Plan Workbook, Market Advantage, 1997

Questions often force us to look at issues we might otherwise overlook. A situation analysis is a fundamental step in the “soul searching” that lays the foundation of your marketing plan. Here are some probing questions to help utilize the suggestions and tools in this section:

Management Philosophies: Describe any values, philosophies, or policies (written or unstated) that might influence your choice of marketing strategies. For example, do you like spending time with young children? Is “entertainment farming” your cup of tea? How much time do you have to devote to this type of enterprise? How much time do you have to spend with guests during the pea agricultural season?

Decision Making: Does your organization collect accurate, objective information about its customers, competitors, and marketing environment? Does the organization have record keeping system in place that allows the development of sound strategies and the ability to evaluate their effectiveness? Is there an able person assigned to analyze, plan, and implement the marketing work of the venture?

Human Resources: Does the organization have enough manpower to ensure that guests’ needs are met, even during peak farming seasons? Are temporary employees readily available to meet the short-term, emergency needs? Do employees now that “the customer is always right”? Are employees trained and empowered to provide guests with high-quality experiences?

Financial Resources: Does the organization have the capital needed to build or improve the guest facilities? Does the organization have the capital needed to operate at a loss until break even occurs?

Product/Service: Your product is everything you offer to satisfy customers’ needs—the features, optional services, quality, style, name, packaging, length of service, price, etc. In what ways is your product better than other options available to the customer? What do customers think of your facility, personnel and services? Are product improvements planned?

Putting it All Together

1. Identify and describe the target market.
 2. Decide on the Market Position—the positive idea that you want prospects to associate strongly with your business name. Keep it short and simple, descriptive of some benefit to the customer, and different from your competitors.
 3. Decide on market expenditure level. Most established businesses spend 15-25% of gross sales on marketing. For start-ups, it may be significantly higher than that. A good rule of thumb is that expenditures during introduction should be twice the rate currently spent by competitors who have market shares equal to your organization’s objectives.
 4. Develop the marketing mix. The marketing mix is the blend of tools that an organization will use to achieve its objectives with a target market. The tools, referred to earlier as “The Four Ps,” include produce, price, place and promotion. The elements of your marketing mix must be integrated so they work with, not against, one another.
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Marketing =the Four Ps

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

Product	Place (Distribution)	Promotion	Price (Cost)
Features	Location	Publicity	List Price
Optional Services	Frequency of Service	Sales	Promotion Discounts
Product Quality	Transportation	Personal Selling	Credit Terms
Staff Quality	Distributors	Advertising	Inclusive/Not
Style	Inventory	Mailing List	Remoteness
Brand Name			
Packaging			
Parking			
Scenic Beauty			
Guarantees			

Part of marketing is identifying the mix of “Ps ” that makes your service unique. This is also called your *marketing mix*. The next step is to shape your *marketing mix* and *position* them so as to create a unique identity for your business that attracts and retains customers.

Your market *position* is one or more selected benefits or features that makes you unique and different. The steps here include:

- Identify your target market.
- Determine what the target consumer desires.
- Assess whether you have any advantages over your competition in delivering the desired service.
- Choose the position that is most valued by the consumer.

Possible *Position* for Marketing Your Operation:

1. The feature that makes your product or service different than the offerings of competing attractions (e.g., a restaurant on an organic farm, a B&B on an exotic animal farm, a cornfield maze at a u-pick produce stand, etc.)
 2. The length of time your organization has been in business (e.g., a family-run farm for over a century).
 3. The unique people involved in your operation (e.g., clinics by a nationally-renowned horse trainer, entertainment by a cowboy poet, home cookin ’ by a country fair blue-ribbon winner, etc.)
 4. Your location (e.g., in the heart of prime bird watching habitat, near a State Forest, far off the beaten path, etc.).
 5. The size of your operation (e.g., a small, intimate inn on a working farm; a rotational grazing farm, etc.).
 6. The benefits of your product or services (e.g., experience the spirit of Appalachia, restful solitude and tranquility, fulfill a childhood dream, guaranteed catch or wildlife sightings, etc.).
 7. The services of your organization (e.g., outdoor recreation for young singles).
 8. Your price (e.g., an affordable family adventure).
 9. Your reputation (e.g., featured in Ohio Magazine)
 10. The lifestyle-defining aspect of your offering (e.g., escape the ordinary, rugged hiking, learn to garden, etc.).
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Adding Value & Personalizing Your Services

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

As you consider your enterprise and the two or three key things that will be your main selling points, consider the following as options in adding that extra value that clients may be looking for. It may be the difference between you getting the business and the potential client going somewhere else.

Guests remember the little things, and happy customers will return, as well as tell their friends about your farm or business. You can add value to your guest's experience by offering refreshments. Select products that compliment what you are producing on your farm or ranch, such as cheese samples, fresh bread, apple juice, or beef jerky. (Refer to your county codes, and license requirements, etc).

Make use of shared-use, licensed kitchen facilities like ACEnet's, for making value added products for retail sale,. For example if you farm vegetables, you can have a "house salsa" or other items available for visitors to buy and take home with them. You can make up gift baskets with a variety of products for the ultimate memento!

You can also distribute recipe pamphlets, pins, posters, and other goodies. Many of the Commodity Commissions and agriculture trade organizations in Oregon already have promotional items that are available free of charge or at a nominal cost.

With time and creativity you can expand your recreation enterprise. Other fun, entertaining activities include contests, adult and children's classes and games, ranging from guessing how many apples are in a barrel, to horseshoe throwing and bake-offs. Children love straw mazes, pumpkin painting and scarecrow making. Adults may enjoy historic displays or classes on painting or herbs.

Fortunately, visitors do not need to be entertained every moment. Make time for rest and relaxation. Some guests are simply looking to escape their busy routines. The better you profile the customers you want to attract, the easier it will be to create appropriate activities for the guests.



Top Marketing Ideas for Agri-tourism Operations

Adapted from a fact sheet written by Mike Wetter

- 1. Happy customer are the most important key to success.** Customer service is the most critical element. The level of customer service will determine repeat visits and “word-of-mouth” advertising. Learn their names. Remember what they like and have it ready for them. Keep a database if you can’t keep it all in your head. The little touches make all the differences.
- 2. Develop a mailing list.** Get names from outdoor magazines, associations, and other sources of people that like outdoor activities. Your mailing list is your most important asset. Mail to your customers *at least* twice a year.
- 3. People don’t come to hunt or fish or ride a horse or tractor.** They come to have fun and relax. You are in the hospitality business -- take care of your customers and you will succeed. Always ask your customers what they liked about their stay and what could be improved.
- 4. Cater to as “high end” a customer as you can and don’t be afraid to charge for your service.** This is not a volume business, so you can’t go low-end and make money. If you target people with money and charge more for your service, people will expect more from you. You don’t have to be “upscale,” but you do need to offer a quality experience.
- 5. Take care of the details.** Make sure that your telephone is answered professionally (“Anderson Farm” rather than “hello”). Your answering machine should have a professional message. Return calls promptly.
- 6. Let your neighbors know about you.** Join the Chamber of Commerce, talk to gas station owners, cafes, Elks clubs, motels, and neighboring farms. Give people your brochure and make sure that people in your area now about you. Start close to home at first and move out gradually.
- 7. Send information about your company to magazines and newspapers.** Send them news releases and story ideas. Invite them out for a free stay or visit. Follow mailings with personal calls. Think of things that will interest them.
- 8. Obtain brochures and literature from other operations that are similar to yours.** See what they are offering and what it costs. Look at their brochures to see what you like and don’t like. Improve your materials accordingly. Get addresses and phone numbers of operations from outdoor recreation magazines. Owners are generally willing to give you a half-hour of free advice. Call them and tell them you are just starting out and as if you can have a few minutes of their time to ask some questions.
- 9. Put signs on your property that are visible from the road.** Make sure people can find you and have a way to contact you.
- 10. Produce quality brochures and PR materials.** On brochures, less is more. Don’t clutter it with lots of words. Use photos. Hire a graphic artist or get lots of feedback from other business people before you go to print. Don’t use a photocopier. Color is costlier than a black and white brochure, but it shows a commitment to quality and attracts a lot more attention. Another option which may be more useful than brochures are websites. More and more people are using websites to plan vacations and get information. Discuss the importance of developing and maintaining a dynamic website.

TODS spark tourism on Ohio routes

TODS (Tourist Oriented Directional Signs) let motorists know of area tourism activities on Ohio's highways. The Ohio Department of Transportation contracts with Ohio Logos in Dublin to operate the TODS program.



The signs are installed on state routes only. The tourism entity requesting a sign must be of a cultural, educational, recreational or historical nature. Some commercial entities are considered such as antique stores, wineries or farm markets. The business requesting a sign must be open at least eight hours a day and five days a week, one of which must include Saturday or Sunday. It must derive its major income from motorists residing beyond 10 miles of its location. And its annual attendance must be at least 2,000. The sign itself must be installed within 10 miles of the business. The cost for the sign is \$360 per sign per year. Ohio Logos enters into a contract with the tourism business and is responsible for maintenance of the signs. Ohio Logos currently works with about 400 businesses that have signs.

GENERAL ELIGIBILITY CRITERIA

Maximum number of signs per direction - 3
 Maximum number of panels per sign - 4
 Maximum distance of service - 10 miles

- 1.) Business must be open 8 hours per day, 5 days per week, one of which must be a Saturday or Sunday.
- 2.) Business must derive a major portion of income from motorists not residing within 10 miles of the activity.
- 3.) Attendance of at least 2,000 in 12 consecutive months.
- 4.) Is not eligible to participate in Logo Signing program.

Business Categories Eligible to Participate:

- Cultural
- Historical
- Educational
- Recreational
- Commercial

For Information call Ohio TODS

Office Manager - Carissa Jacobs
 4384 Tuller Rd.
 Dublin OH 43017
 800-860-5646
 Fax: 614-717-0836



Conclusion

(Excerpted from Agri-Business Council of Oregon's Agri-Tourism Workbook)

If you have thought through the issues outlined in this guide and talked with the appropriate government contacts or other resources, you should know whether your proposed enterprise can be a viable part of your farm or rural business operation.

In some instances, current laws or regulations may prohibit or limit what you desire to do. Many ventures are judged on a case-by-case basis, so it pays to get more than one opinion, and to speak with someone at the proper entity in person, and in detail.

Demand for farm or rural tourism/recreational experiences will only continue to grow with increased populations and pressure on state and federal recreation resources. Those operators who venture into this arena may find it useful to join an existing association for networking contacts and cross-marketing partners

Additionally, if enough interest exists among operators, the formation of a new association specific to farm/rural recreation in Ohio may be worth exploring.

Resources

Grant/Funding Resources

Governor's Office of Appalachia

The GOA advises local groups and residents about possible funding sources and methods to address problems. It acts as a liaison to connect people and resources.

Contact:

T.J. Justice, Director

Perry Varadoc, Economic Development Director

Kara Willis, Community Development Analyst

77 South High Street

PO Box 1001

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