

Taking the First Step:

Farm and Ranch Alternative
Enterprise and Agritourism
Resource Evaluation Guide



Keeping the family on the farm and the farm in the family

January 2004

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Taking the First Step: Farm and Ranch Alternative Enterprise and Agritourism Resource Evaluation Guide

Foreword..... ii

Acknowledgements ii

Introduction..... 1
 How to Use This Guide 2
 Definitions 3

Evaluating Your Resources4
 Soil, Landscape, and Buildings 5
 Soil Attributes 5
 Landscape Features..... 6
 Buildings..... 7
 Water..... 8
 Air..... 10
 Plants 11
 Animals 12
 Wildlife 12
 Wildlife Habitat 13
 Livestock and Poultry 14
 People 15
 Family Considerations 15
 Community Characteristics and Infrastructure 15

Marketing Alternatives.....18

Legal and Liability Considerations22
 Regulations 22
 Liability 22

Taking the Next Step.....23

Appendix A: Alternative Enterprise and Agritourism Ideas A-1

Appendix B: Farm and Ranch Resource WorksheetsB-1

Appendix C: Additional Resources C-1



Photo courtesy: Jim Maetzold

Foreword

This publication was prepared in response to requests from local advisors, farmers, and ranchers for a simple guide to the first step in identifying alternative income-producing agricultural enterprises and agritourism opportunities. The requests stipulated that the guide be useful in developing business and marketing plans to help entrepreneurs reduce risk through diversification of farm and ranch enterprises.

The guide has three goals:

- To provide field staff, including Natural Resources Conservation Service (NRCS) Resource Conservation and Development (RC&D) Coordinators, Extension staff, and other community-based leaders with a step-by-step process for helping landowners assess their natural resources for alternative agriculture and agritourism enterprises.
- To offer farm and ranch entrepreneurs a self-guided process to make the first step in enterprise diversification.
- To help entrepreneurs make informed decisions so the steps they take will increase income, sustain the farm and ranch, and conserve natural resources.

This identification guide is divided into four sections:

- Evaluating your resources
- Marketing considerations
- Legal and liability considerations
- Taking the next step

The last section provides guidance on developing an alternative enterprise or agritourism business venture, along with some major resource links.

Landowner worksheets are located in Appendix B. These may be copied or removed to facilitate filling out the worksheets as you proceed through the guide. Worksheets are also available on the Internet at www.nrcs.usda.gov and under “agritourism.”

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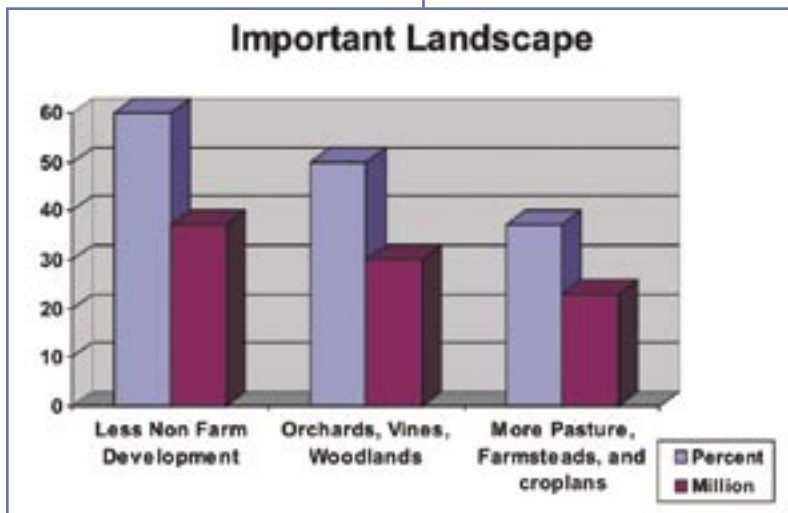
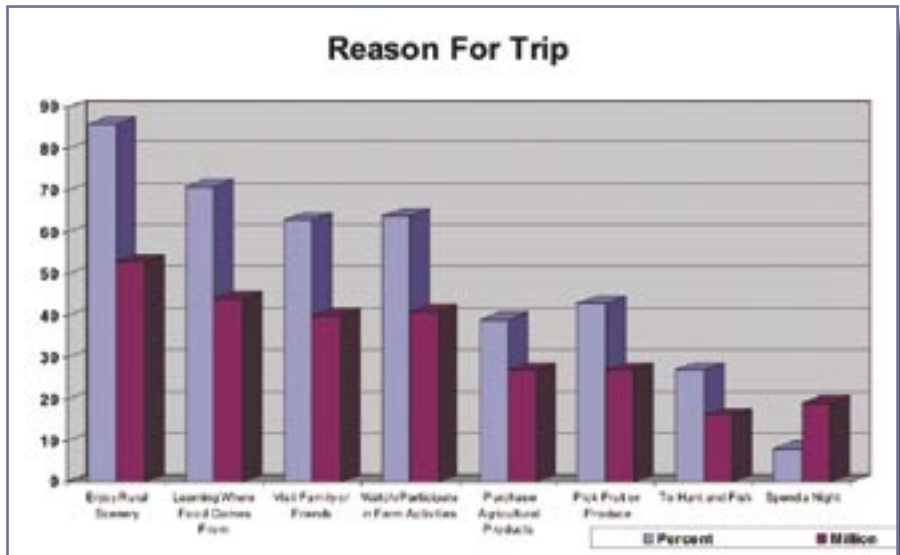
Introduction

The agricultural landscape is rapidly changing. Land is being converted to housing and other uses at an alarming rate. One result of this transformation is the loss of prime farmland near all of the major cities and many rural towns. Some sectors of agriculture are moving into what some people call an industrialization stage, or the very large and concentrated production of food and fiber. Some farmers don't want to expand their operations, but few small farms can yield traditional farm products and compete successfully in this marketplace. Some agricultural sectors, for example tobacco, are in transition to new food and fiber production enterprises or to agritourism alternatives that will help them maintain or increase their farm income, sustain their lifestyle, and conserve their natural resources.

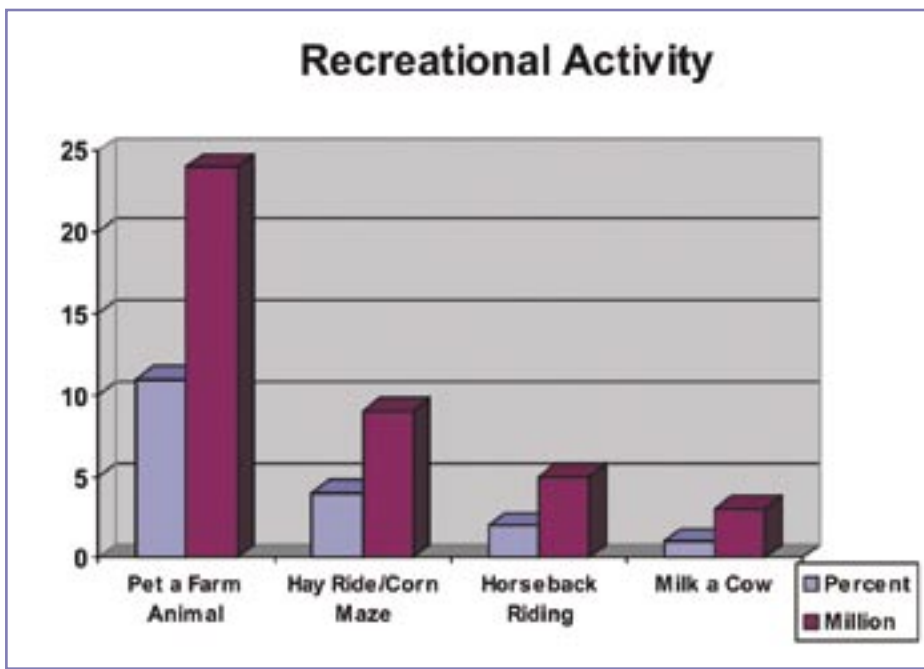
This transition into alternative enterprises and agritourism is happening at an opportune time. Urban and rural consumers alike are lining up, in several areas of the country, for food, fiber, and fun from the local farmer or rancher. Market research and experience show that:

- Consumers today are looking for local, fresh, organically or naturally grown products and are, in most cases, willing to pay extra for them.
- More and more, consumers want to know who produced their food and how it is produced. Thus, they support local farmers and the conservation of natural resources.
- Children and adults are looking for the opportunity to engage in interactive educational and outdoor activities.
- Tourists and farm customers are interested in farm culture and heritage so they can better understand agriculture. This opens the door for farmers and ranchers to provide an agricultural experience.
- The public is looking for interactive experiences close to home that will help them get back to their roots.

Rural America and the farm or ranch heritage and culture can help meet these needs. The National Survey on Recreation and the Environment estimated that 63 million Americans visited farms annually during the 2000–03 survey-period. This indicates that alternative enterprises and agritourism would be a viable partner in most rural community development programs.



Source: National Survey on Recreation and the Environment



What is remarkable about these alternative enterprises—be they production of traditional or unique crops or livestock, direct marketing of traditional farm products, marketing value-added products, or providing recreational, entertainment, or educational facilities—is that they all have a common theme: farmers and ranchers are using their natural resources to keep their families on the farm and their farms in the family.

Source: National Survey on Recreation and the Environment

How to Use This Guide

This guide is designed to help technical staff and rural leaders assist farmers and ranchers in taking the first step in identifying alternative enterprises and agritourism opportunities. It is difficult for a farm family to initiate this first step alone. Changing to a new enterprise involves different production techniques, processing methods, and marketing activities. The entrepreneur must also identify and establish relationships with new networks and organizations that can help support the transformation to new enterprises. This guide is developed and organized to help farmers and ranchers through the assessment of their natural, family, and community resources. It is designed to provide a basic understanding of how the interaction of soil, water, animals, plants, air, and human resources, and the conservation of them, provide opportunities for the development of alternative enterprises and agritourism.

This guide will help you inventory and understand your farm or ranch resources, think openly, think creatively, think of the unusual, but most importantly, think outside the box as you explore your options for alternative enterprises and agritourism. Basic questions asked throughout this guide are:

- What can be done differently to sustain the resources and the family?
- What new enterprises might fit with existing farm and ranch enterprises?
- Do markets exist for the products that can be grown or produced, the services that could be provided, or the kinds of recreational or educational activities that can take place on a farm or ranch?
- What federal, state, and local grant, loan, or conservation programs can be used to help develop these enterprises? Are private funds available?

Definitions

Alternative Enterprises - Marketing an existing farm or ranch product differently, adding value before it is sold, or adding a new enterprise (product or service) to existing enterprises on the farm or ranch. Also referred to as enterprise diversification. Besides the production of food and fiber, alternative enterprises include the following activities:

- *Agritourism* - Inviting the public onto a farm or ranch to participate in various activities and enjoy an agricultural experience. Agritourism enterprises include bed and breakfasts, for-fee fishing or hunting, pick-your-own fruits/vegetables, corn mazes, farm markets, and much more.
- *Agritainment* - Providing the public with fun on-farm or on-ranch activities. Such activities include haunted houses, mazes, miniature golf, horseback riding, hayrides, and the like.
- *Agrieducation* - Formal and informal education about agriculture through signage, tours, hands-on classes, seminars, and other methods.

Cultural and Heritage Tourism - Use of historic and cultural attractions to teach visitors about the past and present.

Direct Marketing - Any form of marketing in which a consumer purchases a product or service directly from a producer.

Nature Tourism - Consumptive and non-consumptive use of the natural resources. Nature tourism ranges from birding, rock climbing, camping, hiking, stargazing, and even skydiving to hunting and fishing.

Value-Added - A product whose appeal to consumers has been increased through packaging, processing, marketing, or production practices or services. Each step of adding value to a product is an alternative enterprise.

Photo courtesy: Great American Publication



Photo courtesy: Jim Maetzold



Evaluating Your Resources

A farm or ranch and its natural and human resources provide great opportunities for alternative enterprises and agritourism. Evaluating these resources will show the current enterprises' resource use, benefits, and limitations as well as the potential benefits and limitations of new enterprises. This first step will help you avoid pursuing enterprises where resources are lacking or overutilized. As the inventory is completed, the multiple-use or complementary resources and interaction among them will become apparent. Identification of potential alternative enterprises and agritourism opportunities for one resource will most likely be identified as a potential enterprise for another resource. This first step—a good inventory—will help you complete the next step—a good business and marketing plan.

A fictional farm family—the Future family

Throughout this guide, we will use the Future family as our fictional farm family to illustrate the key points for evaluating your farm's resources for alternative enterprise and agritourism opportunities.

Ron and Sarah Future farm their 257 acres in Moore County, North Carolina, about 60 miles southwest of Raleigh. The farm has been in the Future family since 1790. It is on a well-traveled primary county road. The Futures raise corn, soybeans, tobacco, and purebred Angus beef cattle with the help of their three children: Joe, 15; April, 12; and Mark, 11. The family is seeking to increase family income to meet their growing needs and offset the impending transition from tobacco through the state's tobacco buyout program. Sarah is a full-time teacher, and Ron works part-time off the farm at the local hardware store.

The Futures are facing three questions: (1) Should we add new enterprises? (2) How do we make the transition from tobacco to other high-value-per-acre returns? (3) Do we want to expand the size of the farm by purchasing or leasing more acres? The characteristics of the farm, the family, and the community will be identified as the resource worksheets are completed in the next section.

transition ?



expand ?



new enterprises ?

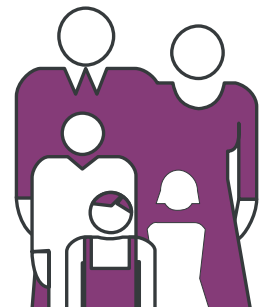
Soil, Landscape, and Buildings

Soil Attributes

Finding out the soil production capabilities of a farm or ranch is the first step in identifying what current enterprises could be changed and what alternative enterprises could be added. Soil types also determine what farm management and conservation practices are necessary to sustain production and soil quality in each area of your farm or ranch. Soil quality can affect the level and diversity of alternative production opportunities that can be considered.

The local NRCS field office has a county soil survey that provides general information on all the soils on all the farms or ranches in the county. It shows what crops are best suited to the soil and what management practices, such as water, nutrient, or erosion control, are needed. The local NRCS district conservationist is the most qualified technical person available to assist in interpreting the soil type, land capability, current use benefits and limitations, and crop and livestock production potentials. This data should be entered on *the Farm and Ranch Soil Resource Worksheet in Appendix B, page B-3*. Several cost-share programs are available to help you conserve and improve the soil resource.

By consulting the county soil survey, the Futures determined that the soils on their farm are in the Johns, Goldston, and Gilead series. By comparing the soil map to the existing cropping system, they were able to identify crops by soil type, acreage, current use, benefits, and limitations as shown in columns 1 through 4 in the chart below. Then, the Futures assessed the potential uses of the soil resource by referring to Appendix A: Alternative Enterprise and Agritourism Ideas and comparing that enterprise list to the soil survey capability data. This assessment helped them learn about alternative crops, livestock, and other agritourism enterprises that are compatible with the soils. These potential new enterprises are listed in columns 5 and 6.



Farm and Ranch Soil Resource Worksheet Sample

1 Soil type	2 Acres	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations
Johns, IIw	10	Tobacco	Main cash crop	Vegetables Berries Herbs Wetland Poultry Hogs	Transition from tobacco Value-added Fee fishing
Johns, IIw	87	Corn	Livestock feed	Poultry	
Johns, IIw	50	Soybeans	Cash crop		
Goldston, IVs, VIII	60 30	Pastured beef cow/calf Hay	Major cash	Hay Grass-fed Beef Poultry Corn Soybeans Orchards	Cash Improve/cash Cash Cash
Gilead, IVe	20	Woodland	Beef grazing Hunting	Hardwoods Wildlife	Increase production

Something to Think About:

Soil quality is vital to your farm or ranch because it sustains the capability to produce crops and livestock. Soil quality can be improved by:

- Using the soils for purposes for which they are best suited
- Increasing organic matter through crop rotations
- Conserving topsoil through best management practices
- Maintaining a proper nutrient balance

What are conservation easement or development rights?

Property development right funds can be used to help make the transition from one enterprise to another, or to add new enterprises. Check with your county planning or zoning office to be sure there are no land-use restrictions associated with property development rights easements.

Landscape Features

Natural landscape features such as scenic views, overlooks, hills, mountains, valleys, and cliffs should be taken into account when deciding the best agritourism or alternative enterprises that are suitable for your farm or ranch. These features, combined with the peace and spaciousness of most rural areas, can be marketed as the perfect setting for a number of agritourism enterprises.

* * *

The Futures’ farm is located in a typical central North Carolina landscape of rolling hills interspersed with areas of relatively flat, highly productive soil. There are no outstanding landscape features, but the property does have a special point of interest to the family, friends, and neighbors: a hill that overlooks a valley of farms, pastureland, and cropland. The hill usually catches a nice breeze in the late afternoon and early evening. Several small intermittent streams and a perennial stream flow through the property. *The Farm and Ranch Landscape Resource Worksheet is found in Appendix B, page B-5.*



Farm and Ranch Landscape Resource Worksheet Sample

1 Landscape feature	2 Units	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations
Wooded overlook	3 acres	Family and public access	Family relaxation Picnics	Weddings Reunions Dinners Camping Lodging	Cash income
Intermittent streams	2 miles	Cattle water		Hiking Photography	Cash income
Perennial stream	0.9 mile	Family fishing Canoeing	Family relaxation	Canoe rentals Fishing Camping	Cash income
Hills	110 acres	Livestock Woodland	Cash income	Biking Hiking Paintball Camping	Cash income

Buildings

Farm and ranch buildings are also landscape features. They are a part of the landscape that is very important to preserve and is appreciated by rural and urban people alike. Buildings are able to take on many roles, or to be an attraction, in an alternative enterprise or agritourism business.

Ron and Sarah Future's farm has a wealth of historic buildings since it was part of a plantation in the 18th century. The barn dates from 1868 and the original 1792 house is still being used today, although it has had several additions. The tobacco barn will be empty following the transition from tobacco, and there are some foundations of old farm workers' cabins. *The Farm and Ranch Building Resource Worksheet is in Appendix B, page B-7.*

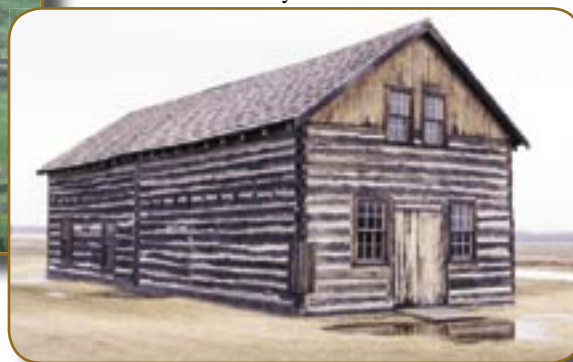


Farm and Ranch Building Resource Worksheet Sample

1 Building	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations
Barn	Empty	Esthetic value Requires repair	Office Store Product processing Historic barn Cattle feeding	Centennial barn Visitor attraction Education center
House	Family home	Living	Historic attraction	Visitor attraction
Farm workers' cabins	Disrepair	Being preserved	Historic attraction	Education Farm history
Granary	Storage	Esthetic value Leaky roof	Haunted house Education center Chicken house	Cash income Education Farm history



Photo courtesy: Jim Maetzold



Water

Water resources can provide many alternative and agritourism enterprise opportunities. Experienced vegetable and fruit growers say that the availability of irrigation water is a must for success. But water has many uses beyond basic agricultural production. Water quality is also an important consideration. The NRCS can assist in testing quality and provide technical and financial assistance to improve water quantity and quality.

The Futures' farm has several different water resources that should be considered in identifying alternative and agritourism enterprise possibilities. Because of its location in a relatively high rainfall area of the United States, more water resources are present than in other regions and the potential for developing water-based enterprises is greater. *The Farm and Ranch Water Resource Worksheet is in Appendix B, page B-9.*



Farm and Ranch Water Resource Worksheet Sample

1 Water resource	2 Units	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations
Wells	Three	House and animals	Crop production Livestock rotation	Visitor water supply Crop irrigation	No water problem Limit to 10 acres
Intermittent streams	1 mile	Livestock water	Cattle in streams	Wetland areas development Wildlife viewing Pond development	Water quality Visitor use Income Fishing Swimming Restrain cattle from stream
Perennial stream	0.9 mile	Livestock Family fishing Swimming Canoeing	Cattle in streams	Fishing Canoeing Camping Hiking Swimming	Income Restrain cattle from stream
Ponds	1/2 acre	Livestock water Irrigation		fee-fishing	Income



Something to Think About:

Wetlands:

Wetlands filter water and provide habitat for many birds and other animals. Wetland areas can be used for outdoor classrooms, nutrient/waste management, and other practices. Many opportunities exist to establish, improve, or enlarge wetlands. Wetlands are most easily established in the obvious marshy regions of your land. Local soil characteristics, however, may make it possible to develop wetlands in other locations as well.

NRCS can help identify where the wetlands are or could be located and how to improve existing or develop new wetlands. Cost-share programs may be available to help you improve or develop wetlands.

Ponds:

Building a pond can create or augment several agritourism and alternative enterprise opportunities. Ponds can be used for recreational purposes (fee-fishing, canoeing, paddle boating) or production purposes (crops, livestock, poultry, vegetables, or fish). NRCS provides technical assistance to design and develop ponds.

Conservation buffers can help improve water quality.

Conservation buffers are strips of permanent vegetation that help filter pollutants; protect soil, air, and water quality; and improve fish and wildlife habitats. They are usually placed along streams or around lakes, wetlands, or ponds, but they can also be established on the upland.



Air

Wind erosion and its effect on air quality is a major concern in many states. The effects of confined livestock production have become a major concern in many areas as well. Air quality has become such a concern that several legislative measures have been passed at the state and Federal levels to improve air quality. Alternative enterprises provide opportunities to improve air quality and complement agritourism enterprises by producing clear, open skies for the public to enjoy. Natural resource conservation programs are available to help landowners improve air quality.

Air quality enterprises may complement other alternative enterprises or agritourism. Woodland and grassland sequester carbon dioxide, which improves global air quality. Various government agencies, including NRCS, are willing to help farmers participate in technical and financial programs that improve air quality. Trees can be used to protect livestock and crops, save moisture, or enhance picnic and meeting areas and the esthetic value of the landscape. Good air quality is part of the rural quality of life.

The Futures' farm is known for its green, breezy hill and its clear view of the farms in the valley. The nights offer an opportunity for stargazing without the interference of city lights. The breeze and view are two air resources that can be considered in *the Farm and Ranch Air Resource Worksheet* in Appendix B, page B-11.



Farm and Ranch Air Resource Worksheet Sample

1 Air resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations
View	Family Public access	Relaxation	Picnic Weddings Parties	Cash income
Breezy hill (4 acres of grass and woods)	Family Neighbors	Relaxing	Kite flying Picnics Weddings Wind generators Hang gliding	Income Open space Scenic Fresh, cool breeze Visual and noise pollution Safety and insurance
Clear star-filled nights	None		Stargazing Astronomy classes Night events	Income Relax from busy lifestyle Education



Plants

Plants are the basic production component of nearly every farm or ranch operation. Plants provide an almost endless number of alternative enterprises and agritourism opportunities. Plants can provide products for niche and ethnic markets; produce alternative or traditional crops using current or new production methods; produce value-added products for gift baskets, preserves, and bread; produce livestock, poultry, and exotic animals; provide food and cover for wildlife; or enhance the esthetics of the landscape. All of these uses can improve an on-farm agricultural experience.

* * *

The Futures use the land mainly to produce the traditional commodity crops of North Carolina: tobacco, corn, soybeans, forests, and pasture forage. Ron and Sarah identified the crops and other plants on their farm in column 1, noted their use in column 2, and their benefits and drawbacks in column 3. They will refer to the soil survey to identify potential alternative uses as well as benefits or limitations of a transition to a different use. *The Farm and Ranch Plant Resource Worksheet is in Appendix B, page B-13.*



Farm and Ranch Plant Resource Worksheet Sample

1 Plant resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations
Tobacco	Cash crop	Principal source of income State tobacco buyout program	Corn Soybeans Pumpkins Corn maze Vegetables Berries Herbs Free-range poultry/ eggs Organic hay	Transition from tobacco to high value-added income Labor needs of intensive vegetable farming
Corn	Livestock feed	Reduces feed costs Erosion		
Soybeans	Cash crop	Income Erosion		
Pasture forage	Beef—cow/calf Hay Hilltop view aesthetics	Supports beef cows and calves Income	Hay for sale Grass-fed beef Poultry Corn Soybeans Orchards	Corn, soybeans require conservation practices Rotational grazing Increased production
forests	Wildlife Hunting	No management for hunting	Woodlot management Orchards Wildlife planting Haunted woods Birding Picnics Camping Hunting lease Game bird stocking	Income Harvest hardwoods
Flowers, ornamental and flowering shrubs on hilltop site			Rent for picnics, weddings, birthdays, reunions	Cash income Public on land Liability insurance Esthetics

Animals

Wildlife

Wildlife can be found on virtually every farm and ranch. Wildlife resources include all of the non-domesticated animals that can be found on a farm or ranch, or that can be attracted through habitat management. Some wildlife categories are:

- Big game—deer, antelope, elk, bear
- Small game—squirrels, rabbits, raccoons
- Game birds—turkey, pheasant, quail, grouse, ducks, geese, others
- Game fish—trout, bass, sunfish, catfish, others
- Non-game—songbirds, raptors, snakes, rodents, frogs, turtles (snakes, frogs, and turtles are game in some places), threatened or endangered species

Alternative enterprises for many species of wildlife can be classified as consumptive, non-consumptive, or both. Wildlife resources are managed differently if an animal is to be hunted or viewed and photographed.

* * *

The Futures have a variety of wildlife because of the diversity of vegetation, water sources, and topography on the farm. They hosted a picnic for members of the local Audubon Society chapter and local birding club and obtained assistance in identifying most of the wildlife, especially the songbirds, by species. In general, habitat will be managed to increase the number and diversity of wildlife so that wildlife will become an added attraction for customers attending other activities. The Futures are also developing a partnership with their neighbors to improve overall corridor habitat. Use *the Farm and Ranch Wildlife Resource Worksheet in Appendix B, page B-15*, to complete the resource inventory.



Farm and Ranch Wildlife Resource Worksheet Sample

1 Wildlife resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations
Deer	Game	Family/friends	fee hunting View Photo	Income Habitat management Income
Turkey	Game	Family/friends	fee hunting View Photo	Income
Rabbits	None		View	Relax
Songbirds	View/listen	Relaxing Endangered species	View Photo Endangered	Esthetic value Habitat management Income
Frogs Turtles Snakes	Family view	Relaxing	View Photo	Need to increase habitat Esthetic value
Bass Catfish Sunfish	Family use Fishing	Relaxing	fee-fishing View	Income Habitat management
Quail Grouse			fee hunting View Photo	Habitat management Income Esthetic value

Wildlife Habitat

Wildlife habitat determines the kinds of wildlife that are available on your property and in the surrounding area. An alternative enterprise or agritourism that uses or highlights wildlife should focus on improving or enhancing the habitats that maintain them. Creating habitats to attract other wildlife species may be easy and should be considered. NRCS can offer technical and financial assistance for the development of wildlife habitats.

* * *

The Futures' land has a number of different wildlife habitats as result of their crop, forest, and livestock enterprises plus the stream and streambank habitat. Because the relationships between habitats and wildlife species are complex, the Futures requested the assistance of the local NRCS wildlife biologist and the State Department of Natural Resources biologist. Local birding and hunting clubs can also be of assistance. It was necessary to walk the fields, fencelines, woods, and streams to take an accurate inventory and provide ideas for potential changes. You can find *the Farm and Ranch Wildlife Habitat Worksheet in Appendix B, page B-17.*



Farm and Ranch Wildlife Habitat Worksheet Sample

1 Habitat type	2 Current use	3 Benefits/ limitations	4 Potential use	5 Benefits/ limitations
fencerow	Birds Quail	Habitat Weeds	Reduce weed Wild plants Flowers	Esthetic value Diversity of habitat
Streams	Frogs Turtles, Snakes Fish	Livestock damage	Fee fishing Picnics Buffers	Income Keep out livestock
Ponds	Fish Waterfowl	Livestock damage	Fee fishing Buffers	Income Keep out livestock Esthetics
Pasture	Birds, Deer Turkey		Quail	Quail habitat added
forest	Birds Deer Bear			Add habitat for birds and picnic area
Cropland	Birds Rabbit Deer Waterfowl			Quail habitat added



Something to Think About:

Some wildlife species need a whole neighborhood or corridor to provide the habitat diversity they need, but a strong business can still be built around them. You may want to partner with neighbors and make wildlife habitat development a community project. Some species might spend the entire year on your farm or ranch; others might be present only for a short time.

Livestock and Poultry

Alternative livestock or poultry enterprise options provide many opportunities and are limited only by what the natural resources will support. The alternative enterprise could focus on anything from traditional food and fiber production and breeding to reaching niche or ethnic markets. Also, livestock and poultry enterprises can supply many forms of entertainment, education, and other services to the public.

The Future family has focused on an Angus cow-and-calf enterprise, which has fit well into the family’s available labor supply since both Ron and Sarah work off the farm. Because Ron and the children enjoy raising and managing livestock, there is potential for starting several enterprise opportunities. The children are now at an age where they can be the needed labor force. The Futures’ soil, plant and water resources provide the base for a wide selection of livestock enterprises. You can find *the Farm and Ranch Livestock/Poultry Worksheet in Appendix B, page B-19.*



Farm and Ranch Livestock/Poultry Worksheet Sample

1 Enterprise	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations
Beef—Cow/calf	Major income	Good use of less productive land Low per-acre returns	Meat goats and lamb Grass-fed beef Hogs	High per-acre value Rotational pasture management Better resource use More labor required
			free-range poultry and eggs	Income High per-acre value to replace tobacco income Labor considerations
			Petting farm	Tourism trend Children’s attraction

Photo courtesy: Great American Publication

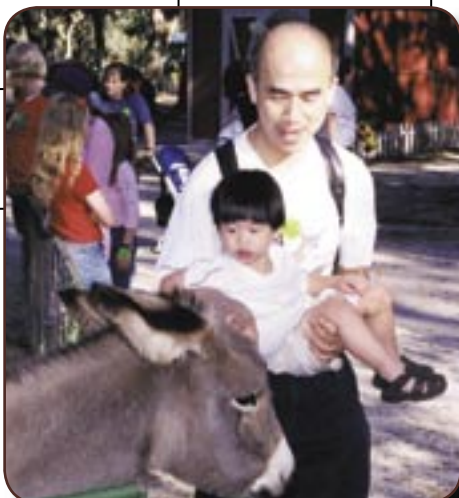


Photo courtesy: Jim Maetzold

People

Family Considerations

Family resources and preferences are a crucial part of identifying alternative enterprises or agritourism opportunities. In most cases, these enterprises require the whole family to be involved in the business. All family members must determine their satisfaction with the new enterprises because they will affect the success of the new ventures. *Each member of the family has to complete the “Family Resource Worksheet” in Appendix B, page B-21. Several copies may be needed.*

Identifying the family goals, preferences, needs, and lifestyle considerations are the first step towards arriving at adding new enterprises. Four areas that need to be addressed include:

- Satisfaction with the current farm business or employment situation.
- Willingness to take risks with the new enterprise.
- Hopes and concerns regarding the future of the farm business and family roles in it.
- Types of enterprises that are preferred.

These goals need to be established before family resources and preferences can be determined. Family cooperation is the key to starting a new enterprise. The Cooperative Extension Service is a great resource to help guide you through this step. A few questions are listed in the Family Resource Worksheet to help determine the type of family input necessary to develop an entrepreneurial enterprise. (Several resources are listed in Appendix C of this publication to help you pursue and answer these questions in more detail.)

Something to Think About:

The new business may require interaction with people—marketing products directly to customers, for example. Some members of the family may need to take courses on production, management, or marketing to grow the business.

Community Characteristics and Infrastructure

Once each family member has completed the Family Resource Worksheet, it is important to take into account the community’s infrastructure and available resources. Although it may not be immediately apparent, the community does have an integral role in the development of entrepreneurial businesses. The community may be your neighbors, township, rural town, or larger entity. *See the Community Resource Worksheet in Appendix B, page B-23.*

Something to Think About:

You can have an effect on community decisions and activities by joining the Chamber of Commerce or other clubs, zoning boards, organizations such as the convention and visitor’s bureau, or the Ruritan, Rotary, Kiwanis, or other business leagues. As an active member of your community, you will not only influence community involvement in your business, but also be more likely to receive local support on actions needed to grow your business enterprises.

Future Family Alternative Enterprise and Agritourism Summary

The Futures’ new enterprises will need to fit around the work schedules of Ron’s part-time and Sarah’s full-time schedules. Ron’s schedule is flexible, so he could be available during the week. The children are available before and after school and most weekends. Ron’s job in the hardware store and Sarah’s teaching career provide a great beginning customer base. Time needs to be set aside for school, church, and family activities. The Futures checked the local farmers’ market and surrounding area for existing alternative enterprises and agritourism activities. Several farmers were marketing fruits and vegetables, but only one was marketing livestock products. They also asked their friends if they were interested in grass-fed beef and free-range poultry and hog products. The response was overwhelmingly positive.



A high-value-per-acre enterprise is needed to replace the high-value-per-acre tobacco crop. All family members enjoy working with livestock and poultry, so the family agreed that new, value-added livestock and poultry enterprises would be part of the new business plan.

- The Futures will begin by keeping four of the beef calves, which will be grass-fed and promoted as healthy food high in Omega-3 and conjugated linoleic acid (CLA).
- The beef cull animals will be grass-fed for 90 days, and their meat will be sold as ground beef and for stew meat. The barn will provide shelter for the grass-fed calves and cull animals.
- The Futures plan to expand the size of the herd as demand increases by increasing forage capacity through grassland management and rotational grazing.
- The Futures plan to take advantage of the state's tobacco buyout program and to use the tobacco land for beef and poultry production.
- Free-range egg production (200 chickens) will begin at the same time. The chickens will be housed in the former granary, which is located at the edge of the farmstead and next to the pasture forage that will be planted on the tobacco land. The free-range chickens will require only one acre of the ten-acre pasture. Only laying nests and feed and water troughs are needed. Electric woven fence will be used to control the flock, keep out predators, and provide for easy rotation.
- The existing garage will be used for sales because it is near the house for easy access, and used freezers and coolers will be purchased for storage of meat and eggs.
- The second year, the Futures will add 250 free-range chickens (broilers) along with a few ducks and turkeys for the holidays.
- During the third year, the Futures will expand these enterprises according to the increase in demand and marketing efforts. The whole hog sausage market will be tested.

The family agreed that agritourism will be part of the new business plan. Everyone in the family enjoys working with people. However, this business will be open only on weekends, holidays, or by reservation, depending on Ron's work schedule, until sufficient business is developed to hire staff or until Ron can leave his part-time job. The amount of business the family plans to generate will be stated in the business plan. The agritourism business will include the following:

- Turn the breezy hill into a nature site suitable for weddings, picnics, birthdays, reunions, and company events. The site will start with a tent and gazebo, and amenities will be added as returns from the enterprise are realized. Required health department needs will be satisfied.
- A petting farm will be developed over 3 years.
- The pond will be developed and improved for fee fishing, with improved wildlife habitat in the adjacent area.
- A wetlands area will be developed based on the soil resources worksheet.
- The general wildlife and stream habitat environment will be improved, including the addition of picnic areas, for the public to enjoy.
- During the second year, a fall pumpkin season will be held. The Futures will build a straw bale maze on the tobacco land next to the farmstead.
- The third year will focus on developing a school field trip agricultural experience.
- Also in the third year, a corn maze will be considered.

Photo courtesy: Jim Maetzold



Photo courtesy: Jody Christiansen

The Futures decided to use as much state, local, and federal government technical and financial assistance as possible. They will develop an overall conservation plan that will include better uses of the natural water and wildlife resources for food and fiber production.

- Funds from the state tobacco transition program will be used to make improvements.
- NRCS and Extension staff will be asked to assist in developing conservation plans, rotational grazing methods, and improved grassland management. The USDA grazing lands initiative will be used to improve pasture conditions and management.
- The Futures will apply for a Sustainable Agriculture Research and Education (SARE) producer grant to test the now rotational pasture system to increase their beef cow/calf enterprise.
- Wetlands will be developed with the assistance of Ducks Unlimited and the USDA Wetlands Reserve Program.
- The Audubon Society will be asked to help select habitat for wildlife and enhance the natural resources, including the area around the fee fishing pond.
- Plans are to apply for funds from USDA's continuous Conservation Reserve Program (CRP) signup and from NRCS's Environmental Quality Incentives Program (EQIP), which can be used to restrain the beef cattle from the stream, establish controlled access sites, provide off-stream water sources, erect fencing, and improve water quality.
- The USDA Buffer Initiative pulls together funds from these programs along with the cost-share monies to install the various conservation practices, improve the pastures, develop wildlife habitat, and build the alternative agriculture and agritourism businesses.
- Finally, the family will apply to the Farm and Ranchland Protection Program and other programs that deal with property development rights.

The Futures decided that at the end of 3 years they would assess their situation and decide whether or not to enter into additional enterprises such as pick-your-own berries and tree fruits or agritourism ventures such as a haunted house or haunted woods. They have already decided that growing vegetables is incompatible with their interests and lifestyle. They will assess their situation in light of similar ventures nearby to determine if they can be competitive in the marketplace and if they can add products and services to complement existing enterprises in the county. The Futures will also evaluate a fee-hunting enterprise.

Use Appednix B, page B-22 to develop your own summary.

Photo courtesy: Jim Maetzold



Marketing Alternatives

Marketing is the process of determining what customers want, and of using that information to produce and sell a good or service to satisfy that want. The first step in creating a marketing plan is finding out who the customers are. Think of marketing as a life preserver with the customer in the center. The outside of the life preserver is divided into four sections that correspond to the four P's of marketing: Product, Place, Price, and Promotion.

The Four P's of Marketing

Product: Do the goods or services fulfill a consumer need or want?



Place: Is the business easily accessible to consumers? If consumers find it difficult or troublesome to locate or reach a business, they may be discouraged from purchasing the product or service unless you deliver.

Price: The product or service needs to be set low enough to be attractive to consumers but high enough to yield a profit.

Promotion: Targeting the message to a receptive audience. For example, the Internet can be used for the web-savvy target group. For others, stick to traditional promotion methods such as fliers, radio, or newspapers. Research shows that word of mouth among customers is the primary form of advertising for alternative enterprises and agritourism.

Something to Think About:

There are two marketing methods:

- Transactional marketing is the approach usually taken by larger businesses. It seeks to make the largest number of sales possible.
- Relationship marketing cultivates loyal, repeat customers. Agritourism and alternative enterprise marketers usually use the relationship marketing approach through personal sales or services.

Value-added agriculture means getting more income from farm or ranch production or services in innovative ways by:

- Processing a commodity before it is marketed
- Changing the way a product is packaged

In many cases, a combination of several new value-added products and/or services have a synergistic effect, yielding a higher income for the entrepreneur and providing jobs for the rural community.

Recreation and education should be considered in a marketing plan. Value can be added through services such as hosting school field trips to the farm, workshops, classes, educational signage, food preparation classes, and working farm stays. Livestock, poultry, or crop enterprises can provide children and the general public an important agricultural learning experience.

Cultural and heritage tourism is one of the fastest growing domestic and world tourism activities. Heritage tourism satisfies a need for those looking for traditional values. Agriculture is unique in that many Americans want to get back to their roots and learn about their country's history. Others want to learn how their food and clothing are produced. Many farmers and ranchers not only own historic buildings or property that includes historic sites, but also know the history of their community and region. If you are willing to have people stay or visit to learn about food and fiber production and the farming heritage, you should include this activity in your business and marketing plan.

Several outlets are available to sell farm or ranch food and fiber products. These include on-farm sales, farmers' markets, Community-Supported Agriculture, restaurants, institutions, schools, consumer groups, Internet sales, wholesale, grocery stores, and specialty markets. Most of the education, recreation, and agricultural experience services will occur on the farm or ranch.

Something to Think About:

Most farmers and ranchers start small and market to neighbors, friends, church groups, and other local organizations. Then use their experience with these groups to expand their business—they “build and learn.”

Something to Think About:

With the Internet's growing popularity, the opportunities for online marketing and promotion have increased. Simply creating a web site could be a great way to promote your business. There are also various web sites that use listings and other databases to link buyers directly to produce growers, cooperatives, and processors who can supply seasonal fruits and vegetables. In all cases, you must have the product and services available to meet the Internet market. This needs to be a part of your business and marketing plan.

Photo courtesy: Jim Maetzold



The Futures' Marketing Alternatives Summary

The Futures decided that an aggressive but low-cost marketing approach was their best alternative until revenues from the enterprises permitted other advertising methods. They decided to make friends and neighbors aware of their new businesses through word-of-mouth advertising, signage, and a brochure.



Ron's and Sarah's work relationships complement the relationship marketing approach. They will market their products where they work. Sarah will work with the county Cooperative Extension educator to place feature articles about the business in the local newspapers. This can lead to a more aggressive media campaign once the business becomes established.

The 4 P's identified by the Futures in their marketing alternatives plan include:

Product:

- Age beef carcasses for 3 weeks or more to achieve maximum tenderness.
- Market the grass-fed beef at about 900 pounds the first year, by the quarter or half if possible.
- Market culls as soon as proper finish is achieved, and sell as well-aged ground beef and stew meat with some prime cuts to evaluate market response.
- Market more beef as cuts in the following years.
- Deliver product to restaurants, retirement homes, and nursing homes in the second and third years.
- During the second and third years, exhibit and sell at local and regional fairs and festivals.
- During the second year, begin testing the market for free-range eggs and broilers in local restaurants.
- Develop agritourism products of the breezy hill, petting farm, and education tours.

Promotion:

- Erect roadside signs because the farm is located on a heavily traveled road. Post products for sale and hours of operation.
- Use black-and-white fliers, and place them in every sale package and with all deliveries.
- Include recipes with all meat sales, especially the cull cow cuts.
- Contact neighbors, church groups, farm organizations, and friends by letter and brochure. Follow up these initial contacts with personal visits or presentations.
- Join other business organizations that will help the Futures become known in the community—such as the Chamber of Commerce, Rotary Club, Jaycees, Lions Club, birding clubs, hunting and fishing clubs, environmental organizations, the historical society, health clubs, and the sustainable agriculture organization.
- Promote their business at their jobs, put signs on their cars, and sell products at work with employers' permission.
- The third year, plan a chef's and farmer's event on the breezy hill to acquaint local restaurateurs with local farm products. Partner with other farmers in this event.
- Have the children develop a web site at school to market products, events, and services.
- Market agritourism on the breezy hill by word of mouth, inviting friends, business organizations, churches and social groups, and others to free events on the hill. Include representatives of the media on the invitation lists.
- Market "Breezy Hill" through fliers and special events with an effort to reach seniors in the second year.
- Market school field tours by mail and school visits the third year.

Place:

- Use the local Saturday farmers' market as an outlet for meat, sausage, eggs, and poultry.
- Market eggs, beef, sausage, chicken, ducks, and turkeys through on-farm sales.
- Market eggs, ground pork, and ground beef through the honor system during the day at the farm.

Price:

- Set prices at 30 percent (some farmers use this as a guide) above supermarket prices for equivalent quality products.
- Charge an agritourism admission fee for all people entering the farm to enjoy the breezy hill and other on-farm activities.
- Include the admission fee in charges for parties and other events. Research admission charges of local competitors to establish competitive prices.

Now it's your turn. Complete *the Marketing Alternatives Worksheet in Appendix B, page B-25*, using the resource worksheets as references. This will be the *first step* in developing information needed for the business and marketing plan. This will become part of the overall business plan that is developed in the *next step*.

Legal and Liability Considerations

Products or services must be marketed within local, county, state, and federal rules and regulations. Before proceeding with any new enterprise, you need to research and understand the applicable rules and regulations. Liability is also a concern, but covering liability is a simple and easy process in most cases. Knowing and understanding these matters are part of developing an alternative enterprise and agritourism business plan.

Regulations

Start by checking with local, state, and federal agencies that promulgate and enforce regulations. These agencies include the health department, planning and zoning board, departments of agriculture and environmental quality, business and economic development offices, bureau of tourism or convention and visitors bureau, Chamber of Commerce, Secretary of State, and taxation department. There may be others in your locality.

Liability

Liability is a concern when the public is invited to visit or work on a farm or ranch. Research has shown, however, that there are very few claims relative to the level of activity. Nonetheless, every agritourism and alternative agriculture enterprise must be adequately protected. Most farm and ranch insurance policies will need to be altered or a new one added to cover liability.

Meet not only with an insurance broker about the options and cost of insurance but also with other farmers and ranchers engaged in similar enterprises. Or join organizations that represent the business; a number of these organizations have informal arrangements with insurance companies. Seek legal counsel to discuss the liability concerns and organization structure. And remember, your primary liability precaution is to take the necessary steps to protect customers. This will help avoid most liability issues.

Ten Questions to Ask Your Agent About Your Insurance Coverage

(In the following list, wherever the words “direct marketing” appear, add the type of enterprises that are being considered, such as beef, vegetables, fishing, hunting, recreation, education, etc.)

1. Does my farm liability policy cover my direct farm marketing sales, such as at my roadside stand, or are they excluded as a “separate business” for which I need to buy a commercial policy?
2. Is there a limit to the amount or type of direct farm sales I can make and still have them considered as incidental to my farming operation?
3. Even if my farm liability policy covers my direct marketing operation are there reasons why it would be better to obtain a commercial business policy?
4. Does my farm liability policy cover any sales made off the farm such as at farmers’ market or direct deliveries to stores or restaurants?
5. If my farm policy does not cover sales at the farmers’ market then what type of policy should I buy for this purpose? Is product liability insurance available or necessary for what I sell?
6. As part of my direct marketing operation some customers pay to visit the farm to engage in recreation and other customers pick their own produce. Does my farm liability policy apply or do these activities present special insurance needs?
7. As part of my direct marketing business, sometimes other family members or employees make deliveries of produce to customers using farm vehicles. Does my automobile insurance cover such trips and if not what type of policy do I need?
8. When buying insurance for buildings and equipment, should I set the value at “replacement cost value” or “depreciated value”? Is there a “co-insurance” provision in my policy which requires me to pay part of any loss?
9. Is my policy a “claims and occurrences” policy and if so when does coverage end and what happens if I change insurers?
10. Are you a general agent working for one company or an independent agent?

Printed with permission from Neil D. Hamilton, author of *The Legal Guide to Direct Farm Marketing*, Drake University. Copies of the book may be obtained by calling 515-271-4956. Publication of this book was made possible by a USDA Sustainable Agriculture, Research and Education (SARE) grant.

Taking the Next Step

You have taken the *first step* in developing an alternative enterprise or agritourism business by completing the resource inventory worksheets in this guide. You have laid the groundwork for new enterprises by identifying the wealth of opportunities available on your land and in your family. This process has also raised some concerns and questions, which will be answered as you develop a business and marketing plan.

Study the notes on your worksheets, and don't be afraid to add more. Let your thoughts marinate.

Continue to think outside the box, and continue to dream. Identify the alternative enterprises or agritourism businesses that would be developed more fully in a business plan. Some web sites are listed on the back cover to help you locate resources such as county Cooperative Extension Service agents and Resource Conservation and Development coordinators.

The *next step* is to develop your business and marketing plan.

Something to Think About:

Stay on track. Once you have completed this workbook remember to continue:

- Identifying the potential of your land's resources for possible enterprises
- Examining the capabilities and limits of your and your family's resources
- Learning about laws and regulations regarding your choice of enterprises
- Learning about opportunities for financial or technical assistance

Something to Think About: Tips for Getting Started and Staying on Track

Recommended for a 1- to 2-year period:

1. Assess your resources:

- Look at the notes you have made in this workbook. Use them to make a more in-depth assessment of the resources available to you and your family.

2. Get informed:

- Attend conferences, field days, workshops, trade shows, and schools.
- Purchase books, videos, newsletters, magazines, and other publications.
- Go to the library and do some research. Use the Internet to get the most up-to-date information. If you don't have an Internet connection at home, one should be available to you at the library.
- Look through the resources listed in the NRCS publication "Alternative Enterprises and Agritourism: Farming for Profit and Sustainability Resource Manual," available at your area Resource Conservation & Development Office, or visit the web site www.nrcs.usda.gov/technical/RESS/altenterprise

3. Find out what other entrepreneurs are doing:

- Talk to neighbors, friends, and strangers about their businesses.
- Visit businesses in your surrounding area and in neighboring counties or states and see what they are doing and how they are running their businesses.

4. Consult potential customers:

- Ask your relatives, friends, and neighbors about the products or services you are thinking of providing through your new enterprise. Are they interested?

5. Research the market to identify products and services needed or wanted.

6. Network:

- Join organizations or groups involved in enterprises similar to the one in which you are interested.
- Join the local Chamber of Commerce, Rotary, and/or other business and planning organizations or committees.
- See if other local entrepreneurs would like to join you in your business venture or start their own agritourism or alternative enterprise.

7. Get help:

- Visit resource people in your county, region, or state. Cooperative Extension Service agents and staff, RC&D coordinators, Department of Agriculture staff, state tourism directors and staff, small business development center staff, and other specialists should all be willing to answer your questions and help you get started.

8. Develop a business and marketing plan:

- Various books, worksheets, and programs are designed to help you develop a successful business and marketing plan. These resources are available through the Internet or your local library, community college, small business administration, economic development organizations, Cooperative Extension office, or RC&D office.

9. Create a financial plan:

- Decide how you will finance your business.
- Find out about financial assistance (grants and loans) available to you.

10. Start small, learn from your experience, and expand the business.

Appendix A

Alternative Enterprise and Agritourism Ideas

The following lists of alternative enterprises and agritourism ideas are designed to help you identify new enterprises as you complete the “potential uses” columns in the resource worksheets in Appendix B. Review them to identify the enterprises that appeal to you and that match the resources on your farm or ranch. The lists provide examples and are intended to stoke your imagination, but they are far from complete; add your own ideas or expand on ideas from the list. As you complete each resource worksheet, you may find that you have used the same enterprise in more than one category because that is the proper use of the resource.

Something to Think About:

How might the farm or ranch enterprise appeal to the public? Remember, what is routine on a farm may be new and exciting to others.

Determining the alternative and agritourism enterprises that fit the resources is the *first step* in economically sustaining the farm or ranch and conserving the natural resources while meeting family goals and objectives.

The local Resource Conservation and Development office and/or Extension office will have a list of the crops and livestock that can be grown or raised in the your area. Check other resource guides to see if additional enterprises can be added.

Recreation and Education

- Outdoor games (laser tag, paint ball, volley ball)
- Archery
- Bird watching
- Rock climbing/rappelling
- Scenic trails (for horseback riding, cross-country skiing, hiking, or snowshoeing)
- Biking (trails and competition)
- Skating and sledding
- Swimming, inner tubing, canoeing, kayaking
- Race courses (peddle carts, tricycles, or motorcycles)
- Miniature golf
- Guided nature walks
- Fishing and hunting
- Trap shooting
- Fee-fishing (catch and release)
- Haunted house/ haunted woods
- Miniature golf
- Mazes (corn, bale, tall grass, willow)
- Crop art
- Archery
- Arts and crafts demonstrations
- Birthing
- Cooking demonstrations
- Processing demonstrations
- Cider mill demonstrations
- Maple sugaring demonstrations
- Sheep shearing demonstrations
- Wool processing demonstrations
- Milking demonstrations
- Farm schools
- Herb walks

- Horseshoeing
- Bee bearding
- Water slides
- Goat walks
- Astronomy
- Organic food production
- Apple butter making
- Farm tours
- Workshops (wreaths, gardening)
- Horse instruction
- Haying or other harvest experiences
- Rock or gem gathering
- Pizza farms
- Pumpkin carving
- Petting farm
- Cattle roping, branding
- Lectures, seminars, classes
- Paintball
- ATV course

Livestock and Poultry

- Traditional breeds of livestock
- Non-traditional breeds of livestock
- Veal production
- Traditional breeds of poultry
- Non-traditional breeds of poultry
- Goats (for dairy, cheese or meat)
- Rabbits
- Mules, donkeys
- Pig racing
- Goat climbs (trees, poles, buildings)

Livestock and Poultry *continued*

- Free-range poultry (chickens, ducks, geese, turkeys)
 - Free-range eggs
 - Deer
 - Elk
 - Llamas
 - Horses
 - Miniatures of any livestock
 - Bison
 - Ostriches
 - Emus
 - Rheas
 - Peacocks
-

Services

- Bed and breakfast
 - Cabin rentals
 - Farm/ranch vacations (cattle roundups, cattle drives)
 - Weddings
 - Picnic sites
 - Camping
 - Hay/sleigh/tractor rides
 - Nature photography
 - Dude ranches
 - Banquet facilities
 - Chuck wagon dinners
 - Farm theme playground
 - Catered events
 - Horse boarding
 - Animal kennel
 - Wishing well with benefit partners
 - Custom slaughter (domestic and wild)
 - Rentals (boats, canoes, floral plants, fishing rods, kayaks, camping gear, etc.)
 - Guided hunting, fishing, birding
-

Value-Added and Direct Sales

- Pick/cut your own (fruits, flowers, vegetables, Christmas trees)
- Rent-a-tree, berries, fruit trees, cow, garden, or flowerbed
- Community-Supported Agriculture
- Direct delivery of food products
- Internet and mail order sales
- Gift baskets of local foods
- Roadside sales
- Deli
- Hoop house

- Greenhouses to extend growing season
 - Chefs, schools, institutions
 - Red-Meat—buffalo, beef, pork, goat, ostrich, rabbit, veal
 - Poultry—chickens, ducks, geese, turkeys, fish, eggs
 - Dairy products—cheese, milk, yogurt, ice cream
 - Fish—smoked, fresh
 - Fiber—wool, alpaca
 - Breads, pies, jams, jellies, condiments
 - Canned, dried, smoked or other preserved foods
 - Special sauces and condiments
 - Shrimp
-

Vegetables and Other Crops

- Organic food and feed grain production
 - Vegetables (local cuisine, ethnic, gourmet, other specialty vegetables)
 - Gourds—ornamental
 - Herbs
 - Mushrooms
 - Indian corn
 - Popcorn
 - Birdseed (Sunflower, millet)
 - Hay and straw
-

Special Events

- Festivals and fairs (ethnic, blossom, harvest, music)
- Heritage festival
- Bonfires
- Clambakes
- Dances
- Outdoor plays and concerts
- Wineries tours
- Pumpkin festival
- Field days
- Northern Lights show (northern United States only)
- Rodeos, roundups, horse shows
- Trap shoots
- Races (all kinds)

Appendix B

Farm and Ranch Resource Worksheets

This appendix contains 12 worksheets for your use in identifying the resources on your farm or ranch as well as their current and potential uses. Use the Future Family worksheets completed throughout the publication as examples for your own farming operations. The NRCS Technical Guide will also serve as an excellent resource for identifying conservation practices that may be needed for your farm or ranch operations. Each state's NRCS Field Office Technical Guide may be found at <http://nrcs.usda.gov/technical/efotg/>. Landowners should seek assistance from their local USDA NRCS Service Center office, RC&D office, or technical service provider for additional information.

Appendix B

Farm and Ranch Resource Worksheet

The soil survey is designed for many uses. Farmers can use it to evaluate the potential of a soil and the management needed to achieve maximum production. Conservationists, recreation specialists, wildlife managers, and other specialists can use the soil survey to help you understand how to conserve, protect, and enhance the environment when it is being used for food and fiber production and other purposes. Soil capability is also an important consideration in the siting and construction of buildings and parking lots.

Each soil in the soil survey publication has a detailed description of its potential, uses, and management requirements. This soil information should be studied and discussed with the local NRCS technical staff, who can help guide you where to place ponds; develop wetlands; or site pastures, orchards, crops, and structures such as parking areas and buildings. Local staff may also assist in the development of conservation and management plans to achieve maximum production while conserving the natural resources. Funding is available to implement a number of conservation programs that support alternative and agritourism enterprises; visit your local NRCS office or the NRCS web site (www.nrcs.usda.gov) for more information on these programs.

Complete columns 1 through 3. Fill in column 4 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 5. For column 6, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome based on the soil survey. Be realistic, and don't hesitate to modify column 5 or 6 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Soil Resource Worksheet

1 Soil type	2 Acres	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations
OVER					

Farm and Ranch Resource Worksheet continued

1 Soil type	2 Acres	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations

Appendix B

Farm and Ranch Landscape Resource Worksheet

Your land may include mountains, hills, valleys, rivers, lakes, cliffs, streams, or any number of other interesting features. Think about the location, size, and current use of the landscape features on your property. Also consider the landscape of the surrounding area and how it affects potential uses of your land. You may be able to partner with neighbors who are interested in alternative enterprises or rent their property for special events.

Complete columns 1 through 3. Fill in column 4 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 5. For column 6, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome. Be realistic, and don't hesitate to modify column 5 or 6 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Landscape Resource Worksheet

1 Landscape feature	2 Units	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations

Farm and Ranch Landscape Resource Worksheet continued

1 Landscape feature	2 Units	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations

Appendix B Farm and Ranch Building Resource Worksheet

List the farm and ranch buildings on your property, such as claim sheds, old houses or barns, wells, dry wells, or other historic buildings. Also list historic farms or buildings in your community that are attractions or that might become partners in agritourism and alternative enterprises.

Complete columns 1 and 2. Fill in column 3 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 4. For column 5, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome. Be realistic, and don't hesitate to modify column 4 or 5 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Building Resource Worksheet

1 Building	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Farm and Ranch Building Resource Worksheet continued

1 Building	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Appendix B

Farm and Ranch Water Resource Worksheet

Water resources include streams, rivers, lakes, ponds, wetlands, springs, wells, and aquifers. Your farm or ranch has at least one water-based resource and the potential for the creation of more. Water resources can be used for a variety of purposes and can add value to any agritourism or alternative enterprise. The water resources can be used for livestock, crops, aquaculture, fee-fishing, wildlife viewing, swimming hole, picnic site, educational program, or a multitude of other purposes. New water resources such as a wetland or pond can be designed and installed with the aid of government conservation technical and sometimes financial assistance.

Complete columns 1 through 3. Fill in column 4 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 5. For column 6, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome. Be realistic, and don't hesitate to modify column 5 or 6 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Water Resource Worksheet

1 Water resource	2 Units	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations

Over

Farm and Ranch Water Resource Worksheet continued

1 Water resource	2 Units	3 Current use	4 Benefits/ limitations	5 Potential uses	6 Benefits/ limitations

Appendix B

Farm and Ranch Air Resource Worksheet

People appreciate the opportunity to see the sky, gaze at the stars, and enjoy clear fresh air and rural landscapes. Air is an important resource to maintain and improve because it complements most other enterprises. Generally, an air enterprise does not conflict with other alternative enterprises and agritourism businesses or degrade the other natural resources on a farm or ranch.

Complete columns 1 and 2. Fill in column 3 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 4. For column 5, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome. Be realistic, and don't hesitate to modify column 5 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Air Resource Worksheet

1 Air resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Over

Farm and Ranch Air Resource Worksheet continued

1 Air resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Farm and Ranch Plant Resource Worksheet continued

1 Plant resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Appendix B

Farm and Ranch Wildlife Resource Worksheet

Most farms and ranches host a diversity of wildlife. As you complete this worksheet, you should mentally or physically walk all the habitat areas on the property. Take note of streams, ponds, sloughs, shelterbelts, grasslands, cropland, woodland, and lakes. Birding clubs, Audubon chapters, and other local wildlife groups will generally be pleased to help identify species and assess habitat condition if asked. The presence of endangered and threatened species may also provide an excellent marketing option.

Complete columns 1 and 2, entering wildlife species in column 1. Fill in column 3 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 4. For column 5, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome. Be realistic, and don't hesitate to modify column 4 or 5 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Wildlife Resource Worksheet

1 Wildlife resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Over

Farm and Ranch Wildlife Resource Worksheet continued

1 Wildlife resource	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Farm and Ranch Wildlife Habitat Worksheet continued

1 Habitat type	2 Current use	3 Benefits/ limitations	4 Potential use	5 Benefits/ limitations

Appendix B

Farm and Ranch Livestock/Poultry Resource Worksheet

Refer to the Soil Resource and Water Resource Worksheets to determine how these resources can support livestock and poultry enterprises. Use of conservation practices and grazing land rotation practices allow a manager to graze several livestock and poultry species on the same acreage.

Complete columns 1 and 2. Fill in column 3 based on your current understanding of the enterprise and after discussions with technical experts and others. Refer to Appendix A to complete column 4. For column 5, identify the major benefits you want or expect to realize from adding the new enterprise. Likewise, identify problems that you might need to overcome. Be realistic, and don't hesitate to modify column 4 or 5 as you gain knowledge and understanding from technical and other business planning experts.

Farm and Ranch Livestock/Poultry Worksheet

1 Enterprise	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Over

Farm and Ranch Livestock/Poultry Worksheet continued

1 Enterprise	2 Current use	3 Benefits/ limitations	4 Potential uses	5 Benefits/ limitations

Family Resource Worksheet

(To be completed by *each* family member.)

For most families, this worksheet is the most difficult to complete because emotions are involved and communication among family members may not always be clear and distinct. All of the ideas and goals established in this worksheet must be understood by all members of the family. We recommend that families work with County Extension Agents, small business groups, and others in preparing this worksheet. These groups will have material available to help you reach the necessary conclusions about alternative enterprises and agritourism, family views, and current enterprises.

Two goals that you expect to achieve by adding new enterprises.

1. _____

2. _____

Your preferred new enterprises: 1st _____; 2nd _____, 3rd _____

Family members who would like to be involved in the new enterprises.

Family members' roles in the new enterprises in the areas of production _____, management _____, and marketing _____.

Your satisfaction with the current farm business today _____ and where it should be 3 to 5 years from now. _____

What should the new enterprises provide in terms of income and family employment over the next 3 years?

Over the next 5 years? _____

On-farm and off-employment expectations from adding new enterprises. _____

Expectations of inviting the public onto the farm and working with the public. _____

Level of financial risk in dollars that can be allocated to enterprise development.

Sources of funds and programs that can be used to develop the enterprise.

Develop your own Alternative Enterprise and Agritourism Summary

Use the example on pages 15-17 as your guide.

Identifying the family goals, preferences, needs, and lifestyle considerations are the first step towards arriving at adding new enterprises.

1. Satisfaction with the current farm business or employment situation.

2. Willingness to take risks with the new enterprise.

3. Hopes and concerns regarding the future of the farm business and family roles in it.

4. Types of enterprises that are preferred.

Community Resource Worksheet

Review these questions with the Chamber of Commerce, the county visitor's bureau, small business groups, and economic development organizations.

Your membership in community business organizations and farm and ranch organizations.

Organizations that support locally owned businesses, such the Chamber of Commerce and visitor's bureau.

Organizations that you should consider joining. _____

Small business programs that support entrepreneurs in the community. _____

Businesses and local organizations that support the new enterprises. _____

Effect of the new enterprise on the community. _____

Partnerships that can be formed that support the new enterprises. _____

Community seasonal activities, fairs, or festivals that support farm and ranch enterprises.

Adequacy of lodging and dining facilities, medical facilities, and security services in your area.

Condition and adequacy of the road to the farm or ranch. _____

Marketing Alternatives Worksheet

The four “P’s” of marketing—product, price, place and promotion—are the focus for identifying the marketing alternatives for alternative and agritourism enterprises. Of course, these elements are centered on the customer. On this worksheet, record marketing ideas that can be further developed in the marketing and business plan, which will be the *next step*.

Product—(Quality, value-added) _____

Price—(Cost plus profit, local prices) _____

Place—(Places of sale) _____

Promotion—(Media, brochures, personal) _____

Customer/Target Market—(Neighbors, friends, church groups) _____

Appendix C

Additional Resources

The following Web sites provide basic information and the opportunity to link to additional resource material.

Appropriate Technology Transfer for Rural Areas (ATTRA)

www.attra.ncat.edu
1-800-346-9140

Farming Alternatives Program, Cornell University

www.cals.cornell.edu/dept/ruralsoc/fap
607-255-9832

Kerr Center for Sustainable Agriculture

www.kerrcenter.com

Michigan State University Travel, Tourism and Recreation Center

www.tourism.msu.edu
517-731-0272

Minnesota Tourism Center

www.tourism.umn.edu

Missouri Alternatives Center

www.agebb.missouri.edu/mac
573-884-4339

National Association of Resource Conservation and Development Councils

www.rcdnet.org

National Endowment for the Arts

www.arts.endow.gov

National Association of State Development Agencies

www.nasda.com

NAFDMA-North American Farmers Direct Marketing Association

www.nafdma.com

National Trust for Historic Preservation, Rural Heritage

<http://www.ruralheritage.org>
202-588-6204

NRCS Alternative Enterprises and Agritourism

www.nrcs.usda.gov/technical/RESS/altenterprise/index.html
202-720-0132

Rural Information Center (RIC)

www.nal.usda.gov/ric
1-800-633-7701

Small Farms Center, University of California, Davis

www.sfc.ucdavis.edu
530-752-7774

Sustainable Agriculture, Research and Education (SARE)

www.sare.org
202-720-5203

Texas A&M Recreation Park and Tourism Sciences

<http://naturetourism.tamu.edu>
979-845-0871

Tilling the Soil of Opportunity: NxLevel

Guide for Agricultural Entrepreneurs

www.nebraskaedge.unl.edu
800-328-2851

United States Department of Agriculture (USDA)

www.usda.gov
www.ams.usda.gov
www.csrees.usda.gov
www.nrcs.usda.gov
www.sare.org

USDA Alternative Farming Systems Information Center (AFSIC)

www.nal.usda.gov/afsic
301-504-6422 or 301-504-5724

USDA Rural Development

www.rurdev.usda.gov

USDA Small Farms

www.usda.gov/oce/smallfarm/sfhome.htm

U.S. Small Business Administration

www.sbaonline.sba.gov



