



United States
Department of
Agriculture

Natural
Resources
Conservation
Service

AE-1

Alternative Enterprises – For Higher Profits, Healthier Land

What Are Alternative Enterprises and Agritourism?

Alternative enterprises and agritourism allow farmers and ranchers to earn higher profits by replacing or supplementing traditional farm operations with innovative, sustainable on-farm or on-ranch ventures.

Alternative enterprises and agritourism can take many forms. They can:

- produce food and fiber or have little to do with agriculture,
- produce new or unique crops or livestock or add value to traditional agricultural products,
- rely on traditional farm practices or use alternative methods, such as organic systems,
- be labor- and resource- intensive or require few inputs,
- operate either seasonally or year-round,
- produce fun, recreation, and education- or nature-based agritourism.

But they all have a common theme: farmers and ranchers rely on the natural resources on their land – the soil, water, air, plants, wildlife, and scenery – to keep their family on the farm and the farm in their family. They also require sound land care. Since the land's resources generate income, conserving those resources makes good business sense.

Which Alternative Enterprise Might Be Right for Me?

A lot goes into determining what type of enterprise is most appropriate for you. But first you must assess the natural resources on your farm or ranch, as well as your personal and financial resources. Here are a few questions you should consider:

Land Use: How much land do you own or have access to and how is it being used? Farms with wooded areas may be well suited for mushroom production or hunting. Operations with open areas may make good sites for public events. Fallow

cornfields may be rented out for goose hunting. Pasturelands could be used to graze alternative livestock, such as goats, poultry, or bison.

Land Features: What does your land look like? Does it have scenic views? Rolling hills? Interesting geologic features, like caves or glacial features? Land that is unique or visually appealing may provide income opportunities from activities like hiking, horseback riding, nature tours, or hayrides. Land with water features could be used for fishing, duck hunting, canoeing, and other water sports.

Land Location: How close are your neighbors? How close is your marketplace? Being located too close to people may limit some enterprises, like hunting. But access to nearby markets may be required for other ventures, like pick-your-own enterprises.

Soil Type: What are the characteristics of your soil, and what is it best suited for? Soil capability should factor into your decision.

Farmstead Features: Are there historic buildings or other historic features on your property that might serve as tourist attractions? Is your farmhouse well suited for a bed and breakfast? Are there buildings that could be modified for use as conference or banquet facilities?

Climate: What is the average temperature, rainfall, or snowfall in your area? Will you need to irrigate?

Wildlife: Is there abundant wildlife on your property that could support recreation like hunting, fishing, and bird watching?

Financial Resources: Do you have access to loans or other sources of capital? Some alternative enterprises have high start-up costs, while others require little up-front investment.

Other Resources: What are *your* talents, skills, and interests? Are you, or are others in your family, good

at particular crafts such as woodworking, quilting, or knitting that you could teach or demonstrate? Do you enjoy working and talking with people?

Are there others – family members, neighbors, community groups – you can team up with on an alternative enterprise?

How much labor can you provide or do you have access to?

What Else Do I Need To Know?

Business Planning

Any new venture requires a well-developed business plan.

You'll need to do the following:

- assess your resources,
- research market and business conditions,
- identify your customers and competitors,
- set your business development and financial goals,
- research and comply with any rules and regulations (discussed below),
- arrange financing,
- develop a marketing plan, and
- implement your business plan.

Rules and Regulations

Alternative enterprises often pose new legal challenges that traditional farming operations don't face. You'll need to research whether your potential enterprise will require any of the following:

- special permits, including zoning, building, vendor, environmental, and other permits;
- compliance with health and environmental regulations, fish and game rules, building codes, tax remittance on sales, and other local, state, and Federal regulations;
- legal agreements to use other private or public property;
- liability or other insurance.

Where To Get Help

U.S. Department of Agriculture (USDA)

USDA's Sustainable Agriculture Research and Education program and its Sustainable Agriculture Network have developed and compiled information on planning, developing, and marketing different types of alternative enterprises. SARE also offers grants for research and education on alternative production and marketing systems. See <http://www.sare.org> on the web or call the SARE program at (202) 720-5203.

USDA's **Natural Resources Conservation Service** (NRCS) can help you conduct a natural resources assessment. To locate the NRCS office nearest you, look in your phone book under "U.S. Government, Department of Agriculture, Natural Resources Conservation Service."

For a national listing of alternative enterprises and agritourism liaisons, see <http://www.nhq.nrcs.usda.gov/RESS/econ/ressd.htm>.

Resource Conservation and Development Councils, coordinated by NRCS, can also help you get started on alternative enterprises. To locate the RC&D Council that serves your area, contact your nearest NRCS office or see <http://www.nhq.nrcs.usda.gov/RCCD/rc&dstate.html> on the web.

Cooperative Extension

Your local Cooperative Extension Service can help you locate resources and expertise on alternative enterprises and business development. To find the Cooperative Extension office nearest you, look in your phone book under "County Government, Cooperative Extension."

Appropriate Technology Transfer for Rural Areas (ATTRA)

ATTRA offers extensive information on initiating and maintaining successful alternative enterprises and provides links to other organizations that can help you. See <http://www.attra.org> on the web, or call (800) 346-9140. ATTRA also provides useful information on marketing and evaluating alternative agricultural enterprises. ATTRA is sponsored by USDA's Rural Business-Cooperative Service.

Farming Alternatives Program (FAP), Cornell University

FAP has produced a step-by-step workbook, *Farming Alternatives: A Guide to Evaluating the Feasibility of New Farm-Based Enterprises*, to help you plan and evaluate a new enterprise. It can be ordered by calling FAP at (607) 255-9832. Also see <http://www.cals.cornell.edu/dept/ruralsoc/fap/fap.html> on the web.

Small Business Administration (SBA)

The SBA provides information on planning, financing, and marketing your new business, including a small business "start up kit." SBA may also be able to help you develop a business plan and with other aspects of launching an alternative business. To locate

the SBA office nearest you, look in your phone book, under “U.S. Government, Small Business Administration,” see <http://www.sba.gov> on the web, or call 1-800-UASKSBA.

Other Resources

For information on the local and state business climate, contact your local Chamber of Commerce. For information on starting and marketing your own tourist or recreation enterprise, contact your state department of tourism or your county or city convention and visitors bureau. Trade associations for specific businesses, such as the National Aquaculture Association, North American Farmers Direct Marketing Association, the American Pastured Poultry Producers Association, the American Bed and Breakfast Association, and many others, may be able to give you additional guidance.

Examples of Alternative Enterprises

FEE-BASED OUTDOOR RECREATION

Recreation derived from the natural resources on farms and ranches can provide new income opportunities for landowners. However, these types of enterprises require careful resources management to stay viable. The following are some of the activities that can be offered to the public for a fee:

Access to water bodies, natural areas, scenic sites, etc.

Archery

Bird watching or nature photography

Fishing or hunting

Ice-skating and sledding

Outdoor games (laser tag, paint ball, golf)

Swimming, inner tubing, canoeing

Rock climbing/rappelling

Scenic trails (for horseback riding, cross country skiing, hiking, or snowshoeing)

Picnicking and camping

EQUIPMENT RENTAL

If you are offering for-fee recreational services or are located in areas where outdoor recreation is popular – near trout streams, hiking trails, state and national parks, etc. – you may wish to consider offering rental of the following types of equipment:

Binoculars, sighting scopes, tripods

Boats, canoes, kayaks, inner tubes

Camping, fishing, or hunting equipment

Snowshoes, toboggans, cross country skis

ALTERNATIVE CROPS and VALUE-ADDED PRODUCTS

Growing high-value, non-traditional crops, raising specialty livestock, or providing farm-related services can provide farmers and ranchers with supplemental income. The following list includes just a few of the items or services farmers and ranchers can grow or develop on their land to generate income:

Alternative livestock products

Goats (meat, milk, cheese, soap)

Llamas and alpacas (wool or breeding stock)

Free-range livestock

Pastured poultry and livestock

Rabbit

Bison, elk, and deer

Aquaculture (fish, clams, shrimp)

Bait (minnows, worm farming)

Canned, dried, smoked, or other preserved goods

Craft sales (dried flowers, wreaths, furniture)

Firewood

Flowers or herbs

Fruit or nut orchards

Christmas trees

Guide service for hunting, fishing, or pack trips

Horse boarding

Mushrooms (shiitake and others)

Nursery products (shrubs, annuals, nursery stock, etc.)

Organic produce

Straw (pine straw and others)

ALTERNATIVE MARKETING

There are a number of innovative ways to market crops that you already grow or those that you wish to grow. These marketing techniques can increase your share of farm and ranch sales.

Pick/cut-your-own (fruits, vegetables, flowers, Christmas trees)

Rent-a-tree, berry bush, garden, or flowerbed

Community-supported agriculture

Direct marketing

Internet sales to distant buyers

Farmers' markets

Roadside sales

Direct selling to schools and restaurants

PUBLIC EVENTS and PARTICIPANT EXPERIENCES

Farms and ranches can make ideal settings for local fairs and festivals and other community events. You can offer your farm or ranch as the event site for a fee and offer goods for sale during the event for extra profit. You can also offer programs that help people reconnect with the land. The following are

types of events or participant experiences that urban dwellers and others may wish to participate in:

Bonfires
Clam bakes
Corn or tall grass maze
Dances
Farm school for children and adults
Festivals and fairs
 Anniversary festivals
 Blossom or harvest festivals
 Cultural or ethnic festivals
 Music festivals
 Heritage festivals
Food gathering (fruit, nut, mushroom, flower picking)
Rock or gem gathering
Garden plot rentals
Guided nature walks
Haying or other harvest experiences
Hay/sleigh/tractor rides
Historic interpretation or reenactments
Outdoor plays and concerts
Pumpkin carving
Petting zoo
Rodeos, roundups, horse shows
Syrup making
Tours of wildlife and fish habitat conservation projects

HOSPITALITY SERVICES

Because of the serenity they can provide, farms and ranches are increasingly being sought out for lodging and other hospitality services. Here are a few of the services that some farms and ranches are providing:

Bed and breakfast
Cabin rentals
Child care
Catering for events held on your farm or ranch
Meeting and conference facilities for business and pleasure
 Country weddings
 Company retreats
 Family reunions
 Church picnics
Farm/ranch vacations (cattle roundups, chuck wagon meals, cattle drives)
Pet boarding/training
Youth camps

EDUCATIONAL ACTIVITIES

The farmstead is increasingly becoming a desirable location for demonstration or instruction of crafts and traditional rural activities. The following are some of the skills that imaginative farmers are sharing with the public:

Cattle roping, branding
Cooking, canning, wine making, syrup making, smoking fish and meats
Cow/goat milking
Crafts (woodworking, rug hooking, quilting, knitting, wool spinning, weaving, soap making, flower arranging)
Flour milling
Gardening
Grain threshing
Lumberjack skills
Organic food production
Plant identification
Sheep herding (sheep dog demos)

TOURISM

Tourism generates income not just from entrance fees but also from food, crafts, and other souvenirs offered for sale. The following list includes different farming and ranching operations the public may wish to tour. To attract more tourists, farmers and ranchers may want to join with other producers and innkeepers in their communities to offer tours of multiple operations (a fish farm, a flower farm, a llama operation, a ranch, etc.) and other rural attractions for a package price.

Bird/wildlife preserves
Cider mills
Farm/ranch buildings
Fish farms
Flower and herb farms
Specialty livestock operations (angora goats, llamas, dairy)
Food processing facilities
Historic sites or buildings
Hydroponics operations
Maple syrup production facilities
Orchards
Saw mills
Traditional farms and ranches
Wineries

For additional copies of this information sheet, AE-1, call 1-888-LANDCARE or see the website at <http://www.nhq.nrcs.usda/RESS/econ/ressd.htm>.

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