

The Agritourism Diversification Journey

“Agritourism 2023”

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Why do farmers diversify?

- Earn extra income
- Provide business opportunity for partner/family member
- Future proof the farm for future generations
- Utilise redundant farm buildings / unproductive land
- Provide income for the short term
- Planning to wind down.

Why people from Farming are suited to business start-ups

- Multi skilled – e.g. welding, machinery repairs etc.
- Usually disciplined.
- Familiar with handling their own finances.
- Usually have assets (land, stock)
- Hard working.....work ethic
- Familiar with dealing with people – buying/selling.



**IDEAS CAN
OVERWHELM**

Key considerations in farm diversification

- What are key interests and skills in your rural area?
- What supports are available?
- What are the type of tourism diversification enterprise suited to your area?
- What level of investment and education is required, language, marketing etc.?
- What is labour availability in rural areas?

Teagasc Rural Development

- Farm Business Options Programme
- Diversification
- Innovation

[Find out more about the Teagasc Rural Development Department here](#)



Common themes that Options training will address

- Lack of self belief
- Stuck in 'this is the way it has always been'
- Overwhelmed by what change might mean
- The feeling they must have to do it all
- That their skills are 'just farming' and that they are not qualified in anything else
- These mindset areas are addressed in the training

What will you learn at – Farm Business Options?

Assessing your enterprise
Developing your idea
Food enterprise possibilities
Energy crops
Forestry
Renewables
Organic opportunities
Rural Tourism
Marketing and direct selling
A business plan - the basics
Applying for grant aid
Family farm finance
Business supports
Succession



Typical Mistakes

- Access to finance and bridging loans
- Not getting key decision makers involved
- Not investing enough effort in research.
- Not taking time to examine budgetary financials.
- Ensuring diversification projects fit in with core farming within a region.

Training Supports Required

- Ability to shop around for finance deals
- Training that helps project developers to Scrutinise terms and conditions
- Making realistic cash flow projections
- Investigating funding grant opportunities
- Specifying identical requirements on quotes
- Ensuring cash flow to account for grant paid in arrears.

Research is critical to diversification

- Prevent a new business being out muscled by existing business.
- Search out similar businesses in other parts of Europe or further a field.
- What is successful in regions similar to your own.
- Need to exploit a narrow niche within an existing market – wedding venues
- Major interest in Leisure, health and wellbeing has resulted in examples of e.g. glamping (choosing an accommodation to allow relaxation away from usual surroundings).

What is Agritourism

Basic requirements: Farm that offers accommodation, food and other attractions connected with authentic real life.

Tourists that experience this kind of activity

- Use accommodation and stay in an acting farm
- Have the possibility to experience everyday life on the farm and to live like the local family.
- Want a contact with the local community



Women and Agritourism

- Rural women were often under-employed.
- Women are strong in hospitality and people skills.
- Women are good at working in partnerships
- Women thrive on the challenge of rural tourism.
- In some cases rural women have married into farm families, bringing new skills and contacts.

Understanding Change

- Growing competition from resorts, low cost city hotels, cheap flights
- Social marketing
- Global pandemic
- Web marketing groups
- Short breaks
- Niche markets
- New tourism concepts
- The elderly sector
- Climate change & changes in society

Insurance and Risk Management

- Protect from liability claims and enable to stay afloat in the event of serious damage.
- Involve insurers at the planning stage
- Provide some assurance on costs and safety features before the first concrete is poured.
- Employers liability insurance
- Public liability & theft – level of cover
- Train employees to ensure compliance
- Maintaining property in a good condition and clear signage.
- Are you insured for fire, flood or machinery breakdown

Grant assistance

LEADER (EAFRD)

LEO

- Competitive
- Fulfilling a demand gap
- How will it benefit the economy
- Cash flow forecasts and business plan
- Ability to meet match funding
- Letters of support/ contracts
- Three separate quotes
- Planning permission

Questions to ask?

- How productive is my core farming business?
- Could I differentiate myself to capture new markets?
- Do I want to deal with the public and invite people to my farm?
- What business opportunities are there from greater public engagement? (educational or recreational experiences and services to the public)...
- How can digital technology benefit your farm to diversify?
- What are the unique advantages and challenges on your farm?

Conclusion

- Best projects complement the existing farm business.
- A good project will remove the volatility that exists in the current farming business.
- No substitute for forward planning and looking at every aspect of the business.



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