

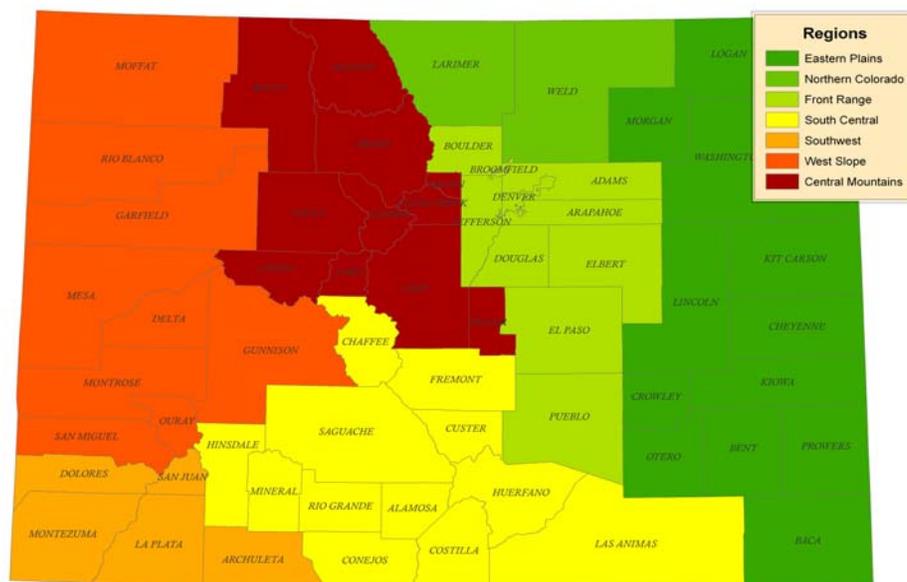


Economic Development Report



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AGRITOURISM IN COLORADO: A CLOSER LOOK AT REGIONAL TRENDS ¹ Martha Sullins,² and Dawn Thilmany ³



The tourism industry continues to hold promise as a growth sector for Colorado and the Western region. Within the broader industry, agritourism is increasingly being recognized as an area of growing interest to travelers and another means for farmers and ranchers to diversify and expand their income sources from agriculture. Agritourism may be defined as activities,

events and services related to agriculture that take place on or off the farm or ranch, and that connect consumers with the heritage, natural resource or culinary experience they value. There are three general classifications of agritourism activities: on-farm/ranch, food-based, and heritage activities. Wherever these activities occur, be it at a farm, rodeo or farmer's

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market, all provide many positive influences like education, outreach and economic development.

In Colorado, 23 counties outside of the Denver metro area have more than 1,000 jobs in the tourism sector (SDO, 2005). The State Demographer's Office estimates that, statewide, tourism jobs accounted for 13% of all employment in basic industries (that is, industries that bring dollars into Colorado's local and regional economies and are thus responsible for economic growth or decline), and 7.4% of total employment. At a regional level, the Eastern Plains counties are the least dependent on tourism jobs for growth (ranging from 0.2% of all jobs in Kiowa County to 7.5% in Lincoln), while the Central Mountain and West Slope counties are the most dependent (the highest being Gilpin County at 99%, Mineral at 69% and Summit at 63%).

Some areas formerly dependent on agriculture have begun to focus on attracting greater numbers of hunters, fishermen and wildlife-watching enthusiasts (as now measured by the US Census of Agriculture). They are also encouraging new economic activity through festivals, farmers markets, farm/ranch hospitality enterprises and wine and food businesses. In 2002, 867 Colorado farm and ranch businesses in 59 counties derived some income from recreational sources, contributing 13% to total farm income for producers, and a state total of well over \$10 million (US Census of Agriculture). While some counties contain only a few agritourism-based businesses, others have multiple enterprises, such as Rio Blanco (48), Weld (52), Routt (54), and Moffat (59), where the emphasis is primarily on hunting and fishing on private agricultural lands. As discussed in this fact sheet, there are opportunities for expanding agritourism-related enterprises in many counties across the state, based on the presence of significant natural amenities or cultural/historical sites and events.

This is the second report in a series of studies that will explore agritourism in Colorado. The goal of this series is to look at macro-trends, to explore the opportunities and weaknesses that Colorado's agritourism industry faces, and to assist individual communities and enterprises in developing marketing strategies in plans. This report will look at where travelers are going for agritourism in Colorado, the activities in which they are

participating, and what they are spending in different areas of the state.

REGIONAL TRAVEL PATTERNS

Although we know that agritourism can provide multiple benefits for agricultural producers and the communities they live in, we know little about how consumers view agritourism activities or how they spend money for agritourism-related goods and services throughout Colorado. An online survey of consumer agritourism experiences and expenditures was conducted by Colorado State University's Department of Agricultural Economics and the Colorado Department of Agriculture from January 27 to Feb 1, 2007, and administered to 1,003 people in four states to assess visitation by Colorado residents and tourists, including the following samples:

- 503 respondents in Colorado, and
- 500 respondents in 3 metropolitan areas:
 - 1) Salt Lake City, Utah (98)
 - 2) Albuquerque/Santa Fe, New Mexico (125)
 - 3) Phoenix, Arizona (277)

In-state travelers (Colorado residents traveling to another region of the state) made up 42.5% of the survey's agritourism participants (185 travel parties, or 617 total travelers), while out-of-state travelers made up 57.5% (250 travel parties or 837 total travelers). Overall, residents and out-of-state travelers visited at least 45 of Colorado's 64 counties for agritourism, however, the visitation varied widely from region to region.⁴

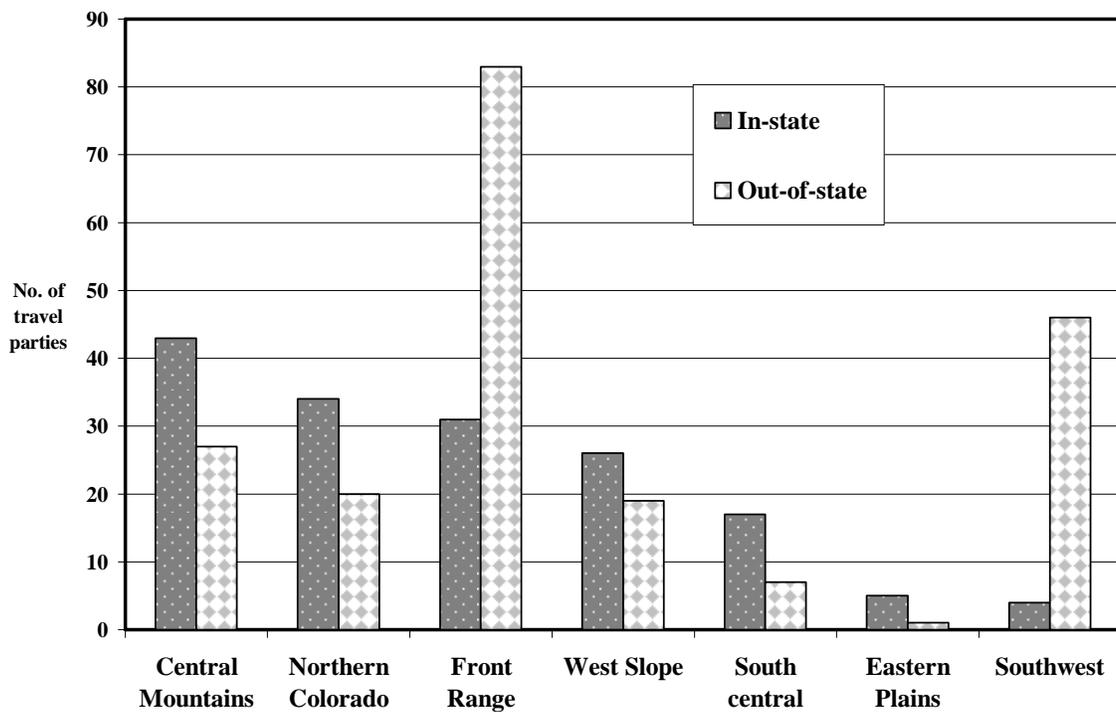
Nearly half of all in-state travel parties took their agritourism trips in the Central Mountains (an 11-county area) or in Northern Colorado (2 counties), while 41% of all out-of-state travel parties concentrated their visits in one or more of the 10 Front Range counties, and another 23% visited the Southwest region's 5 counties (an area visited by only 3% of in-state agritourism travelers, see Figure 1).

The higher rates of visitation to Colorado's Southwest region likely stem from the fact that the survey's out-of-state respondents all came from Arizona, Utah and New Mexico which are each contiguous to the Southwest area.⁵ The Eastern Plains area attracted 6 travel parties over the survey period which, although

⁴ We were unable to attribute a region and county of visitation to each agritourism visitor as here were 72 missing responses for county and region: 25 in-state and 47 out-of-state travelers did not provide this information.

⁵ Note that Colorado Tourism Office numbers suggest two-thirds of Colorado travelers are from that region, so these patterns are fairly representative.

Figure 1. Regional agritourism travel



quite small, may be indicative of visitation patterns to that region.

Overall, in-state travelers took more planned agritourism trips (51% said agritourism was the primary focus of their trip) than did out-of-state travelers, for whom only 24% of all trips had agritourism as a primary focus, and 57% participated in agritourism with no prior planning (the remainder are where travelers noted that agritourism was of secondary importance for the trip). There are apparent differences in the types of visits made by agritourists to various regions of the state. Travelers to the South Central region took the greatest share of planned agritourism trips (50%), while those to the Front Range took the smallest share (24%), even though Front Range travelers took longer trips.

DEMOGRAPHIC AND TRAVEL CHARACTERISTICS

A brief overview of Colorado’s agritourists during the 2005 and 2006 travel years shows:

- The average traveler’s age was 46; similar to heritage travelers to Colorado, but a little older than the

average traveler (CTO, 2005).

- In-state agritourists were a little older than average (nearly 49 years old), and, at 43 years, out-of-state agritourists were a little younger than the average.
- Twenty percent of in-state agritourists were 60 years and older, while only 12% of out-of-state agritourists fell in this age category, possibly indicative of older relatives (for example, grandparents) desiring to acquaint their younger relatives with the family’s agricultural past in Colorado.
- Out-of-state agritourists tended to be younger, with 24% under 30 years of age and 45% under the age of 40.
- Forty-four percent of out-of-state agritourists traveled with children, compared to 38% among in-state agritourists.
- More in-state agritourists traveled as couples, with younger couples taking longer trips (4.3 days) and older couples taking shorter trips (3.2 to 3.7 days on average). Among out-of-state agritourists, however, retired couples took the longest trips to Colorado (8.1 days) compared to 5.8 days for younger couples.

Table 1. Colorado trip characteristics

Traveler category	No. travel parties	Mean length of stay	Ave. number of agritourism activities during trip	Percent <u>primary</u> agritourism trips (no.)	Percent <u>unplanned</u> agritourism trips (no.)
Agritourist, in-state	185	3.8 ^b	2.2 ^b	51% (95)	36% (66)
Agritourist, out-of-state	250	5.9 ^b	2.6 ^b	24% (59)	57% (143)
All agritourism visits by region: ^a					
Front Range	114	5.0	2.3	24% (27)	62% (71)
Central Mountains	70	5.5	2.1	39% (27)	43% (30)
Northern Colorado	54	4.8	3.1	43% (23)	33% (18)
Southwest	50	5.0	2.5	38% (19)	46% (23)
West Slope	45	5.4	2.4	40% (18)	44% (20)
South Central	24	4.7	2.5	50% (12)	42% (10)
Eastern Plains	6	3.7	1.8	50% (3)	50% (3)

^a Regions for agritourism were identified for 363 out of 435 agritourists.

^b Significant difference between in-state and out-of-state travelers at 95% confidence level.

Source: 2007 CSU Agritourism Survey

AGRITOURISM ACTIVITIES

Most of the activities in which Colorado travelers reported participating were on-farm (68%), with the majority of those being educational and nature-based experiences. Agritourists participated in more culinary-oriented activities on the West Slope and in the Central Mountains than in other regions of Colorado, likely due to the emerging wine sectors of those regions (Figure 2). The Northern Colorado region saw the greatest number of participants in on-farm activities (79%), while the Eastern Plains attracted the most visits to heritage sites (50% of all visits to the regions).

AGRITOURISM EXPENDITURES

A look at expenditures on agritourism provides insights into the activities and regions where agritourism currently makes the greatest economic contributions, and points out the areas where communities can plan to improve revenue generation for local agricultural and related businesses. Overall, expenditures on agritourism vary by the type of traveler and region visited:

- Out-of-state visitors to Colorado spent 2.3 times more on their trips than did Colorado residents (\$887 compared to \$391).
- Out-of-state visitors spent more in every expenditure category, except license purchases, where Colorado residents spent nearly twice as much per trip.

- Visitors to the Southwest spent the greatest amount per trip (primarily on lodging, participation fees, rentals, and other miscellaneous expenditures), followed by visitors to the Central Mountains (whose greatest expenditure categories were dining, lodging, equipment purchases, groceries and liquor, and local transportation). In fact, the Southwest's agritourists spent 1.5 times as much as those visiting the Eastern Plains or the Front Range counties (see Figure 3).

Travelers to the Eastern Plains spent the least in all categories except lodging, gas and licenses. This is important to note as birding and hunting are major tourist attractions for many Eastern Plains counties, and the absence of these revenues signals a lost opportunity to rent or sell equipment to visiting enthusiasts. The regions with the highest expenditures on dining (Central Mountains, West Slope and Southwest) and lodging (Southwest, Central Mountains and Eastern Plains) signal potential opportunities for farm-based business owners to expand their set of enterprises (for example, a farm operation opening a bed and breakfast on the property, or a ranch operation offering cabin rentals and/or meals to visitors). Alternatively, it may suggest an opportunity for producers to partner with community chefs and restaurants to provide cross-promotion or package deals for their activities.

Figure 2. Regional participation in agritourism activities

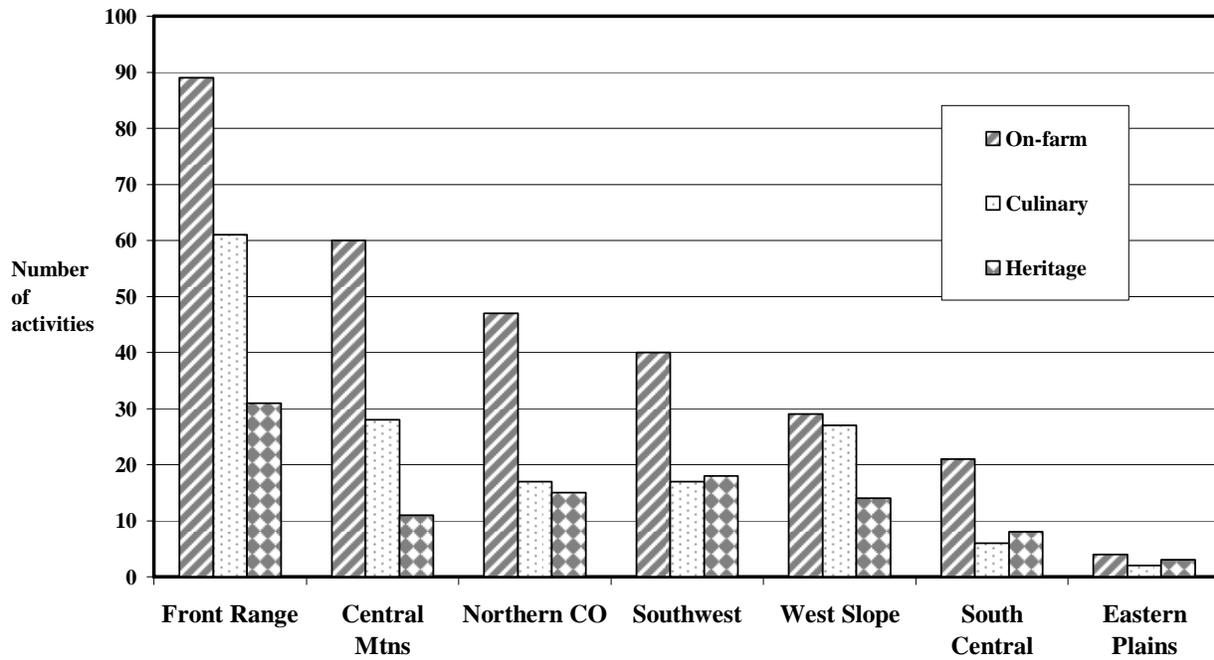


Figure 3. Total expenditures by region

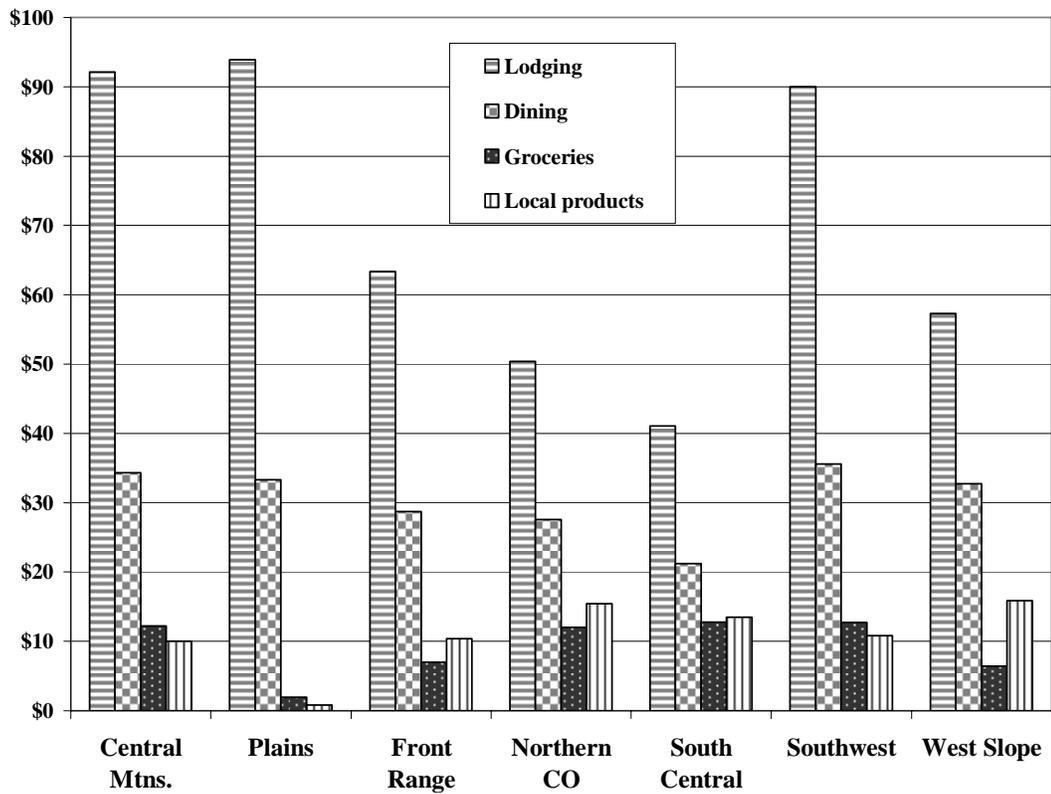
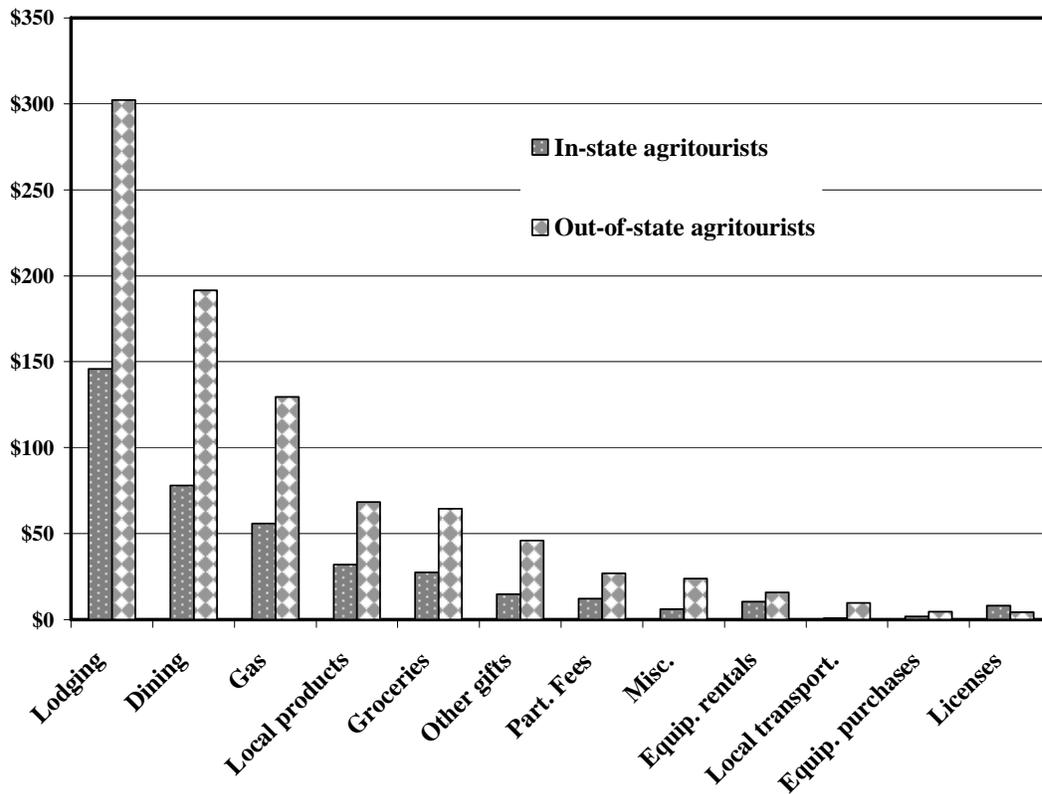


Figure 4. Expenditure categories for agritourists



IMPLICATIONS FOR COLORADO COMMUNITIES

These survey findings have several implications for communities across Colorado in terms of tourism planning, development and promotion. Although some parts of the state are well-known for nature-based tourism opportunities, there are latent and under-tapped opportunities in other areas (especially across the Eastern Plains and throughout the South Central part of the state), where agritourism can become a more important economic driver for business owners and their communities. Other areas such as Jackson County have ranches offering multi-season agriculturally-based activities (such as hunting, bird-watching, dude ranching, snowmobiling, and sleigh rides), but these are not well-publicized.

Twenty-five percent of visitors to the West Slope and 20% of those to the South Central region identified additional activities they would have participated in to extend their stays (such as hiking, four-wheeling, mountain biking and visiting heritage sites), the implication being that they had no knowledge of the availability of such activities when they visited. Given that these recreation

opportunities most often do exist, it is important to develop and market travel packages that help visitors put together vacations that meet their parties' needs.

There are two main challenges:

- 1) Packaging and promoting these regions and attractions to Colorado residents who make more frequent, planned agritourism-related trips; and
- 2) Providing resources to out-of-state tourists so that they can incorporate these activities into their vacation plans prior to travel.

As this survey showed, 52% of all out-of-state travelers did not plan agritourism as part of their travel itinerary prior to their arrival in Colorado. When asked if they would extend their stay to participate in any activities, 7% explicitly said their trip's time frame precluded them from extending their trip, while 81% said nothing would encourage them to extend their stay. Therefore, if out-of-state travelers arrive with little or no flexibility in their pre-established travel plans, there are fewer opportunities to sell them an agritourism experience. This underscores the need to

get travel information to consumers prior to their travel so it can be integrated into their planning and encourage them to increase their participation in, and expenditures on, agritourism activities in other areas of the state.

On a regional basis, a minimum of 26% of all travel parties came to the Front Range, emphasizing the need to attract people beyond the more highly populated and visited parts of the state through more focused marketing efforts. Trip planning resources should be Internet-accessible (while 49% of all visitors to Colorado said past experience was their most important travel planning resource, 22% said the Internet was most useful to them, and 13% said they planned based on the recommendation of friends or family), and laid out so they can see how agritourism fits into their broader travel plans. Several respondents stated that they wished they had known these opportunities were available before they made their plans to travel to Colorado.

Another important issue in developing and maintaining a vibrant agritourism sector is the ability of the state and interested communities to provide infrastructure that will both draw in visitors and encourage them to extend their stays. Overall, travelers to Colorado were very satisfied with most elements of their trip involving agritourism. However, our survey data did show that some areas may have a limited range of accommodations which will influence trip planning, travel satisfaction and the potential for repeat visits (especially since 49% of all travelers made their plans based on past experience).

For example, the Central Mountains and Southwest had the most diversity in terms of paid lodging chosen by the survey respondents (hotels and motels, condominiums, resorts, bed and breakfast establishments, camping facilities), while the South Central and Eastern Plains areas had the narrowest set of paid lodging selections. Twelve percent of survey respondents indicated that the availability of suitable lodging greatly influenced their travel satisfaction. Other negative factors included lack of directional signage on either highways or local roads (25%), value of the experience relative to its cost (22%),

distance from other attractions (21%) and lack of interpretative signage (20%). Respondents also noted that the presence of other infrastructure and additional activities were very important to their trip satisfaction, including more child-friendly activities and accommodations, pet care and shopping opportunities.

Overall, there are significant regional differences to consider in terms of marketing existing agritourism enterprises, developing new enterprises, and the lessons in planning and promotion that should be applied in communities interested in growing their agritourism sectors. Cross-promotion of activities within a specific region will aid travelers in envisioning the range of activities available and how those activities will meet their travel needs. Similarly, trip planning tools that draw visitors out of the primary travel corridors and into the less-traveled parts of the state will help spread revenues from tourism into smaller communities that have a wealth of opportunities for travelers. Lastly, advertising the full array of services available to the traveler—from equipment rental shops to unique shopping places—helps the less adventuresome traveler feel more comfortable venturing into Colorado's less traveled, but equally rewarding rural areas.

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