

**AGRICULTURAL
DIVERSIFICATION
THROUGH
NATURE TOURISM**



**Opportunities for the
Rural Business and
Landowner**

TEXAS DEPARTMENT OF AGRICULTURE

Susan Combs, Commissioner

Agricultural Diversification through Nature Tourism

Texas Department of Agriculture

Introduction

The Texas Department of Agriculture (TDA) has a strong interest in rural economic development. As commodity prices decline, ranchers, farmers and the communities that depend on them continue looking for ways to diversify their income.

The Rural Economic Development Division focuses on assisting landowners in their efforts to diversify and strengthen the economy in communities that surround them. As a result, many landowners have found nature tourism a good way to maintain their rural way of life.

TDA has compiled this guide to provide you with information about agricultural diversification through nature tourism. It is intended as a starting place for people interested in establishing or expanding an agricultural-based nature tourism business, and it includes many references and resources for additional information.

Texas Yes! is a new initiative from the Texas Department of Agriculture designed to promote the growth and prosperity of every rural Texas town, city and county. Membership in Texas Yes! is free and open to communities, businesses, and associates. For more information about Texas Yes!, go to www.TexasYes.org.

***Rural Development Toll Free Assistance Line
(877) 428-7848***

***TDA Web site:
www.agr.state.tx.us***

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Message from the Commissioner

Today's farmers and ranchers are increasingly on the lookout for ways to maintain their land and lifestyles in rural Texas. The Texas Department of Agriculture is working hard to assist producers, including partnering with the U.S. Department of Agriculture's Natural Resources Conservation Service and the Texas Cooperative Extension to provide the information and connections necessary for agricultural diversification. One of the most challenging and rewarding means of ag diversification is through nature tourism.

Recreational and nature tourism is not a silver bullet to save farms and ranches, but its potential as an additional income source appears to be growing in Texas, where 97 percent of the land is privately owned and the urban population continues to rapidly increase, accounting for more than 85 percent of the total population.

Trail-based activities such as hiking, bicycling and horseback-riding were listed by 3,000 Texans polled by Texas A&M University as the three most popular activities while close to home or away on vacation. Other surveys have indicated that more Texans are participating in trail use than in golfing or hunting. Texas has 178 million visitors a year with 23 million involved in "nature activities," according to a recent Texas Agricultural Statistics Service survey.

Birdwatchers also are an important and affluent segment of nature tourism. Nationwide, Americans spend about \$29 billion each year on observing, feeding and photographing wildlife. At High Island, Texas, birders spent more than \$2.5 million in lodging and other travel-related activities in one season.

However, according to some landowners, like any industry in its infancy, there still are many misunderstandings about nature and recreational tourism, especially among banking, legal and insurance professionals. This can make it difficult to obtain outside resources.

Texas farmers and ranchers are known for their innovation and persistence when making a living off the land. With our state's growing urban population seeking countryside retreats, more producers are considering nature and recreational tourism as a new income source to help diversify and sustain their operations.

Susan Combs
Commissioner

Nature Tourism

Farmers and ranchers have always been innovators and experts at diversifying their operations. In that tradition, some producers in Texas are now examining nature tourism, based upon natural, recreational, cultural or historical assets, as a way to supplement conventional agricultural incomes. Nature tourism may not work for every farm or ranch, but it does have potential as an additional income source for some operations. Nature tourism on private land also has a great potential to grow in Texas where 97 percent of the land is privately owned and where more than 85 percent of the state's population is urban.

Nature tourism is defined by the Texas Nature Tourism Task Force as "discretionary travel to natural areas that conserves the environmental, social and cultural values while generating an economic benefit to the local community." Nature tourists are travelers who spend their time and money enjoying and appreciating a broad range of outdoor activities.

Tourism as an industry is growing, and that growth includes great increases in spending on nature-based travel. In Texas, the overall economic effect of fish- and wildlife-associated recreation (fishing, hunting and wildlife viewing) in 2001 is estimated to have been \$10.9 billion. The urban population is increasingly interested in connecting with nature and chooses to do so in a number of ways. Biking, nature and hiking trails have been ranked by Texans as among the top 10 most-needed recreation facilities in our state. Bird and wildlife viewing are also popular.

For landowners interested in diversifying, nature tourism offers a large market. In addition to the more traditional nature activities of hunting and fishing, landowners can open their property to cyclists, hikers or horseback riders, providing travellers with additional destinations and landowners with additional income. According to research done by the Economic Development and Tourism division of the Office of the Governor and others, people are looking for "experiences," and if you can provide a great experience, you're off to a good start. Remember, some of the experiences that you may take for granted - the view of the water tank in the morning or the "critters" that may be a pest to you - may be the very things that your target market seeks.

Hosting tourists is hard work, requires good people skills and takes research and marketing. Landowners who think this sort of diversification will work for them should know up front that it is a lot of work. But that work can be very rewarding for the host as well as the tourists.



Cultural and Heritage Tourism

Rural Texas is also fertile ground for developing cultural and heritage tourism. This type of tourism is travel directed toward experiencing the culture and heritage of a city, region, state or country.

Today's travellers expect more out of their vacation experience. A growing segment of the travelling public is retired baby-boomers. This group, as a whole, is more educated and experienced. More and more are taking time to travel, and as a result, cultural and heritage tourism are the fastest growing segments of the travel economy. Additionally, they're good customers: heritage travelers spend more per day and stay longer on their visits.

Texas has a unique culture and heritage that many people would like to learn about. Spanish, French, Czech, German, Mexican and many other nationalities have influenced the culture and the history of our state. Since 97 percent of Texas land is privately owned, much of the culturally significant property is in private hands. Providing a rich experience for travelers depends on the collaboration of landowners and communities.

A cultural and heritage tourism plan can begin with an honest appraisal of your land and community assets. What can the landowner or business offer as a destination? Is there a dominant theme in the region?

To attract tourists, it is important for landowners to work with businesses and other landowners in the local community to create a multilevel experience, ideally including several possible destinations with a similar theme and places to stay and eat.

Additionally, working with the local city or county economic development or chamber of commerce staff can provide benefits. Rural cities and counties with populations less than 20,000 are eligible for full membership in TDA's Texas Yes! program, which helps promote tourism in rural Texas. Businesses and individuals are also welcome to participate as business and associate members.

An excellent resource for information on cultural and heritage tourism is the Texas Historical Commission (THC). THC has worked with the Texas Commission on the Arts, the Texas Association of Museums and the Texas Travel Industry Association to create a Web site, *Uniquely Texas*, which serves as a resource for cultural and heritage tourism. THC also supports a number of Heritage Trails around the state that bring together businesses and communities to develop heritage tourism in a region. Information about these programs can be found on the Texas Tourism Resources page in this guide.



Business Considerations

As with any start-up business, one must carefully consider many factors before launching a nature tourism operation. Most small business owners will tell you that owning your own business is very gratifying, as well as very time consuming. Be sure to consider lifestyle changes that owning a nature tourism business may bring. If you will be managing the business, ask yourself if your personality is well suited for the service industry. Being a “people person” is an important attribute for the person in charge of the operation.

Many businesses never reach their full potential because they do not develop and follow a good “roadmap.” A well-written business plan is essential to develop and/or expand any small business. There are many different types of business plans, but most incorporate the following core elements:

Business Description

Include a description of your proposed nature tourism business. How will this business fit in with any existing agricultural enterprises?

Product Description

Identify your product. A very important consideration is “What makes my product unique?” Include your pricing strategy. Service, amenities and location all impact the price that your target market will be willing to pay. (See additional comments on pricing below.)

Market Description

Marketing is probably the area that most distinguishes nature tourism from traditional ag operations. Identify your customers, where they are located and how you intend to target and service them. Remember that research indicates that most tourists in rural areas come from within 250 miles. The Internet is increasingly important for getting the word out about your product and services. Having a Web site and promoting it properly can be crucial.

Collaboration Opportunities

Identify others in your region that you could work with to provide a more balanced and complete experience to the traveller. Working with a community and highlighting all local attractions could provide a stronger draw to tourists who are expecting more from their travel experience, which could mean longer visits.

Competition

Identify your competitors. Remember, in many cases, a nature tourism enterprise that provides a minimum level of service or amenities may be competing with public parklands for customers. Identify your competitive advantage.



Other components the business plan should address are location, facilities, management/personnel, financial needs and liability. TDA has a business plan guide on our Web site at www.agr.state.tx.us/eco/rural_eco_devo/economic_development/docs/2000plan.pdf.

Pricing your Nature Tourism Business

While pricing is only one element of a business plan, it is an issue that landowners are often curious about as they consider how nature tourism might enhance their existing operation. Our research indicates that pricing varies widely, but here are a few things to consider.

The most successful businesses are providing “value-added” services in addition to a primary activity such as camping, horseback riding or nature tours. For example, businesses may offer lodging, professional guides or some “unique experience” that attract customers.

A review of various nature tourism operations indicates a range of advertised rates for activities with limited service or amenities:

- \$5-\$65 per day for birding (tours on public land are generally on the lower end, while tours on privately owned land are typically on the upper end of the price scale).
- \$18-\$25 per hour for horseback riding and \$50 per hour for private lessons on privately owned land.
- \$2-\$6 per day for mountain biking in state parks or on privately owned land.

Revenues can increase dramatically when services are added. The following are examples of advertised rates of activities involving higher levels of service or amenities. These value-added services provide the customer with a unique experience that is not available elsewhere and therefore justifies a higher price.

- Birders may pay \$195 per person for a full weekend, which includes birding classes, field trips and lodging.
- Trailriders may pay \$90 or more per person for two hours of horseback riding, lodging, meals and other ranch activities.
- Mountain bikers often pay an additional \$5 per person per night for basic camping facilities or \$10 per night for trailer hook-ups. Mountain bike races are very popular events and attract large numbers of entrants and spectators. Race fees are charged in addition to land access fees for each rider, and spectators may pay an entry fee as well.

Publications that address pricing a nature tourism business are referenced in the Useful Publications section of this guide.

Tips for Success

Successful nature tourism operators offer the following tips for success. They suggest that nature tourism entrepreneurs:

- Like working with people.
- Start small, then learn and build as the tourism business grows.
- Offer products that are interactive and developmentally appropriate for audiences.
- Understand customers' preferences and habits.
- Provide large signs with clear customer instructions.
- Consider accessibility areas for physically challenged visitors.
- Provide clean restrooms with a diaper-changing area.
- Understand the hospitality, tourism and leisure travel market.
- Join tourism promotion and related organizations.
- Provide well-designed Web sites and business brochures.
- Provide customer offerings, confirmation letters, cancellation and payment terms, directions, bad weather policies, health emergency procedures and a business mission statement in promotional materials.
- Hire friendly, courteous sales staff who are knowledgeable about products.

(Small Farm Digest, Volume 5, No. 1-Fall/Winter 2001-2002, United States Department of Agriculture)



Landowner Liability Facts

Beginning in 1985, the Texas Legislature offered landowners limited liability protection by adding Chapter 75 to the Texas Civil Practices and Remedies Code. In its current amended form, Chapter 75 provides that the owner of agricultural land used for recreational purposes does not incur liability for injury or damage caused by an act of the user if:

- there is no entry charge, or
- annual charges for entry did not exceed 20 times the property taxes on the agricultural land during the preceding year, or
- the owner has liability insurance in the amount of at least \$500,000 per person and \$1,000,000 per occurrence for injury or death and \$100,000 per occurrence for damage to property.

Agricultural landowners are not totally absolved of liability for recreational use. Landowners are liable for:

- gross negligence,
- deliberate, willful, or malicious injury, and
- injury to children under the attractive nuisance doctrine.

The information presented in this Guide regarding landowner liability is intended for informational purposes only and is not intended as and should not be relied upon as legal advice to any person or entity. It is important that anyone interested in bringing recreational guests onto their property seek individual legal advice regarding their specific circumstances.



Case Study

The founders of Texas Prairie Rivers Inc. (TPR), a non-profit organization begun by local ranchers in the eastern part of the Texas Panhandle, saw both threats and opportunities facing their way of life and the natural environment that had sustained them for generations. Not only did they see the opportunity to capitalize on the unique culture and ecological diversity of the area, they recognized that in order to do so, they would have to actively work together to preserve it.

TPR has expanded to include federal, state, county, and local governments, businesses, non-profit organizations, and urban and rural residents, with over 500 partners. Their focus has been two-fold: developing wildlife-based tourism on private lands and facilitating conservation and development program funding to help landowners enhance the value of their properties as native habitat. Lesser Prairie Chickens, prairie dogs, burrowing owls, raptors, rolling vistas, starry night skies and a variety of native plants are natural resources that enthusiasts are willing to pay to see.

To develop awareness in the region of the value of natural resources, the group began with events focused on the Lesser Prairie Chicken. From there, they expanded to other opportunities to allow guests to experience the region's unique natural, historical and cultural venues. A non-profit, 501(c)3 corporation was formed, which allowed the organization to apply for government and private grants, including one from the federal Economic Development Administration. TPR has also been invaluable to landowners by promoting the region to prospective tourists. TPR has been so successful that they have worked with other groups outside their region.

Early on, the organization saw that in order to be successful, it would need a carefully thought out strategic plan. The organization worked with consulting firm Fermata Inc. to identify basic implementation steps:

1. Create planning committee.
2. Formalize organization.
3. Develop resource inventory.
4. Develop strategic plan and outreach materials.
5. Determine funding needs.
6. Develop funding strategy.
7. Develop communication and education materials.
8. Conduct public meetings.
9. Develop system of review and revision.

For more information on Texas Prairie Rivers Inc. and its members, see www.texasprairierivers.com or call (806) 323-5397 or (806) 323-6234.



Resources

Texas Tourism Resources

Texas Department of Agriculture (www.agr.state.tx.us)

The Texas Department of Agriculture (TDA), in cooperation with public and private partners, is dedicated to economic development by increasing rural and agribusiness development opportunities. TDA's Rural Economic Development (RED) division assists rural communities and agribusinesses throughout the state by promoting and encouraging creation of new businesses and jobs. RED can identify financial resources and contacts to identify opportunities for diversification of traditional agriculture-based economies.

Texas Yes! (www.texasyes.org) is an initiative of the Texas Department of Agriculture designed to promote the growth and prosperity of every rural Texas town, city and county, with a special focus on tourism. Membership in Texas Yes! is free and open to communities, businesses, and associates.

Contact: Rural Economic Development

P.O. Box 12847, Austin, Texas 78711

Toll-Free Rural Assistance Hotline: (877) 428-7848

Telephone: (512) 936-0273

Fax: (512) 936-0300

Economic Development and Tourism, Office of the Governor (www.governor.state.tx.us/divisions/ecodev and www.travel.state.tx.us)

Economic Development and Tourism markets Texas and promotes the opportunities that anyone can find within our borders. Staff do extensive research on travel in Texas and administer a cooperative advertising program.

Contact: Economic Development and Tourism, Office of the Governor

P.O. Box 12728, Austin, Texas 78711

Telephone: (512) 463-2000

Fax: (512) 463-1849

Texas Parks and Wildlife Department (www.tpwd.state.tx.us)

Department biologists and other staff can assist landowners and communities in assessing natural resources, conserving habitat and providing management recommendations. The department also develops wildlife viewing sites that are attractive to birders and other wildlife watchers. TPWD, in partnership with the Texas Department of Transportation, administers the Great Texas Coastal Birding Trail and other natural history driving trails. The trails are designed to help visitors find the best wildlife viewing sites; encourage travel to local communities along the trail; and build public support for habitat conservation. Additionally, TPWD will conduct free biological site surveys for landowners.

Contact: Nature Tourism Coordinator

4200 Smith School Road, Austin, Texas 78744

Telephone: (512) 389-4396 or (800) 792-1112

Fax: (512) 389-4593



Texas Historical Commission (www.thc.state.tx.us)

The commission is a leader in developing and promoting Texas heritage tourism, which involves travel directed toward experiencing the arts, heritage and special character of a location. The commission operates the Texas Travel Trails Regional Program to promote tourism visitation to historical and cultural sites. Texas Travel Trails include the Texas Forts Trail Region, the Texas Independence Trail Region and the Texas Forest Trail. The commission's Texas Heritage Corridors helps county historical commissions, convention and visitor bureaus, chambers of commerce and other groups identify and promote historic corridors to increase tourist visitation and preserve historic sites. The commission administers the Texas Main Street Program, one of the most successful downtown revitalization programs in the nation.

Contact: THC's Community Heritage Development Division
P.O. Box 12276, Austin, Texas 78711-2276
Telephone: (512) 463-6100
Fax: (512) 475-4872

Uniquely Texas (www.uniquelytexas.org)

This Web site is a collaboration among the Texas Historical Commission, Texas Commission on the Arts, Texas Association of Museums and the Texas Travel Industry Association. It provides links to a large number of resources devoted to cultural and heritage tourism. It also provides a bibliography of tourism resources and media material.

Contact: Texas Commission on the Arts
P.O. Box 13406, Austin, Texas 78711
Telephone: (512) 463-5535, ext. 42331

Texas Department of Transportation - Travel Division (www.dot.state.tx.us)

The division operates the Texas Travel Information Centers; publishes the state's official travel magazine, *Texas Highways*; and produces and publishes travel literature promoting Texas.

Contact: Travel Division
P.O. Box 149248, Austin, Texas 78714-9248.
Telephone: (512) 486-5900
Fax: (512) 486-5909

Texas Travel Industry Association (www.tourtexas.com and www.ttia.org)

The Texas Travel Industry Association is a non-profit organization made up of businesses, organizations, associations and individuals dedicated to developing Texas tourism to its fullest potential. The association's purpose is to help ensure the most effective tourism program possible, by complementing and maximizing the results of promotional efforts of private businesses, city and regional organizations and the State of Texas.

Contact: Texas Travel Industry Association
812 San Antonio St., Suite 401, Austin, Texas 78701
Telephone: (512) 476-4472
Fax: (512) 478-9177



Texas Nature Tourism Council (www.tourtexas.com/tntc)

The council is a unit of the Texas Travel Industry Association and is organized for education and information exchange in the nature tourism industry. The council promotes the development of nature tourism enterprises and provides marketing opportunities for nature tourism attractions and communities.

Contact: Texas Nature Tourism Council

812 San Antonio St., Suite 401, Austin, Texas 78701

Telephone: (512) 476-4472

Fax: (512) 478-9177

Texas Festival and Events Association (www.tourtexas.com/tfea)

Founded in 1982, TFEA is a privately funded, non-profit organization that serves the unique needs of festival and special event organizers and suppliers throughout Texas. Festivals and special events are ardent contributors to the social and economic landscape of Texas. They promote community fellowship, encourage family interaction, and maintain our rich and diverse cultural heritage. Additionally, these events pump millions of dollars each year into local communities and contribute to the prosperity of Texas tourism.

Contact: Texas Festival and Events Association

P.O. Box 1025, Fredericksburg, Texas 78624

Telephone: (830) 997-0741

Texas A&M University/Texas Cooperative Extension (naturetourism.tamu.edu)

Texas A&M University focuses on nature tourism education and research with an emphasis on helping landowners and smaller communities. The extension service coordinates an interagency Nature Tourism Response Team, which develops information and educational programs to meet landowners' nature tourism needs. Other A&M departments are part of the Response Team. The Department of Recreation, Park and Tourism Sciences has undergraduate and graduate tourism emphasis programs offering bachelors of science, masters of science and doctorates. Their Web site has tools to help small businesses and landowners and the program staff have a variety of specializations, ranging from hospitality (the Texas Friendly program) to marketing.

Contact: Department of Recreation, Park and Tourism Sciences

Texas A&M University, College Station, Texas 77843-2261

Telephone: (979) 845-5330

Fax: (979) 845-0871

Texas Center for Rural Entrepreneurship (www.tcre.org)

The Texas Center for Rural Entrepreneurship is a non-profit organization created by rural entrepreneurs, economic development leaders, non-profit organizations, and local, state and federal government entities. TCRE was created to establish neutral ground to facilitate the delivery of educational and technical support to meet the needs of rural entrepreneurs and organizations supporting entrepreneurs and the entrepreneurial spirit in rural Texas.

TCRE's Web portal serves as an on-line tool to support the coordinated delivery of services and information between service providers and the rural businesses and communities they serve.



Useful Publications

Making Nature Your Business - A Guide for Starting a Nature Tourism Business in the Lone Star State and Diversifying Farm and Ranch Income Through Nature Tourism

(Texas Parks & Wildlife)

This site is intended to provide a user-friendly and readable resource for persons interested in starting successful nature tourism businesses that are sensitive to the natural resources on which a nature business depends. You can download this title at www.tpwd.state.tx.us/nature/tourism/.

Pricing Tourism Products & Services

(Michigan State University Extension)

This bulletin addresses the key factors that should be considered in making pricing decisions because most tourism/recreation businesses have some flexibility to establish prices. You can view this bulletin at www.msue.msu.edu/imp/modtd/33740097.html.

Equestrian Trail Riding as an Alternative Agricultural Enterprise

(Texas Equestrian Trail Riders, Texas Farm Bureau, Texas & Southwestern Cattle Raisers Association, Texas Cooperative Extension)

This handbook addresses issues involving starting a trail riding business. Liability issues are discussed and a sample liability release form is provided. Guide includes survey of trail riders and helpful contacts. You can download this publication at naturetourism.tamu.edu/equinetrailridinghandbook.pdf.

Establishing a Birding-Related Business

(Texas Cooperative Extension)

Texas' diverse landscape and large number of bird species draw tourists and birders from all over the world. Many individuals and communities are looking for ways to profit from these visitors. Developing a birding-related business requires research, planning, business sense, personal commitment, customer relations skills and patience. To order this publication, go to TCEbookstore.org.

Developing Trails and Tourism on Private Lands in Texas (B-6103)

(Texas Cooperative Extension)

The demand for outdoor recreational opportunities is growing rapidly. Texas landowners are discovering that developing trail-type tourism activities can be both profitable and rewarding. This publication features details about seven such enterprises, including tips for getting started, creating a desirable product, and developing partnerships to make such ventures more economical. To order this publication, go to TCEbookstore.org/search.cfm



How to Organize a Birding or Nature Festival
(American Birding)

A step-by-step organizational manual for promoting and implementing a birding or nature festival in your community. You can download the manual at www.americanbirding.org/programs/consfesthr.pdf.

Landowner Liability

(Texas A&M University's Real Estate Center)

Various publications are provided as free downloads from the Web site of the Real Estate Center at Texas A&M University. See recenter.tamu.edu/pubs/catlanl.html.

Nature Tourism: A Guidebook for Evaluating Enterprise Opportunities
(Texas Cooperative Extension)

This resource guide aims to address the most important questions and issues to consider in evaluating a potential tourism/ recreation enterprise. The guide is designed to lead you through a step-by-step process to determine whether a business will work for you and is economically feasible, as well as how to enter into business based on sound research and planning. To order this publication, go to TCEbookstore.org.



