

Agritourism Business Concerns

ASSESSING & MITIGATING RISK

Risk and liability was one of Kevin's biggest fears starting out. He didn't want to be the one to lose a multi-generational farm because of a lawsuit. He credits the North Carolina Agritourism Networking Association (NCANA) for helping him build a successful agritourism operation.

Every year he takes courses at the NCANA conference, relating to farm liability and safety issues; and he attends agritourism farm tours around the state. He says, "Looking at what others are doing will many times inspire ideas to implement on my farm that I would have never thought of on my own."

One of the most important and easy ways to mitigate risk is to post two NC Agritourism General Statute signs on the farm. The statute requires farms to post at least two signs in visible, high traffic locations in order to be covered by the law, which was designed to protect farms from frivolous claims. It is huge positive step that our lawmakers have taken to protect the growing Agritourism industry.

The second most important step in mitigating risk is to establish and maintain a good relationship with your liability insurance carrier. The key is finding the right agent within the company, that is familiar with the agritourism industry. The agent for Hickory Creek Farm visits each year at Christmas on a busy day so that he sees and knows exactly what they are doing. This is essential for the Agent to correctly write the policy to provide you with the best possible coverage. A list of insurance providers is available to members of NC Agritourism Association.

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OTHER THOUGHTS

Agritourism is not for the faint of heart

Opening your farm and your life up to the public will be formidable. You have to be active and open both online and on the farm. I believe the real key to success in agritourism is having a true and deep down passion for sharing your farm with others. I have seen many farmers who thought agritourism was the answer to making more money with their farm but they didn't have that passion and were not successful long term. I absolutely love watching families come out and enjoy our farm. When I see the smiling faces at Christmas, it makes the long days and nights all worth it. The thrill of seeing lines of people drive out to make my dream a reality is more than I can describe in words... Kevin Gray



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Agritourism Case Study

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ECONOMIC IMPACTS WORK GROUP • SEPTEMBER 2020

SPOTLIGHT

Hickory Creek Farm

Kevin Gray (Hickory Creek Farm)
Jackie Miller (NC AgVentures)



ENTERPRISE OVERVIEW

Hickory Creek Farm is a fourth generation NC Century Family Farm that has transitioned from tobacco to a successful choose and cut Christmas tree/Agritourism farm. Each Christmas season, over 1500 families visit Hickory Creek Farm to purchase trees, wreaths and poinsettias.

In addition to Christmas sales, Hickory Creek Farm has established a successful wholesale business growing wheat straw bales for landscaping contractors across the Triad area.

Capitalizing on these two markets Hickory Creek recently added a plant nursery for trees and shrubs. These will be marketed to both the contractors and retail customers, and will create a more steady year-round income.

FINANCIAL IMPACT

The financial impact of the move toward agritourism has been huge. In the first five years, they doubled their gross revenue each year.

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The Local Food Program Team is a multi-disciplinary team of Extension professionals that identifies and assesses priorities, builds capacity, and mobilizes resources to support Cooperative Extension in leading and fostering stakeholders and community efforts that enhance the state's local food system(s).

The Economic Impacts Work Group facilitates regional economic development by developing agent trainings and other resource materials that support local food system development. Its 2016-2017 projects include agent trainings in organic certification and business planning, piloting county-based local food brochures and online farmer profiles in two counties, and agent trainings in agritourism, of which this case study is an important part.



Background

CONTINUING A LEGACY

Kevin Gray grew up learning to be a farmer from his Dad and Grandfather. He says, his best memories are on the farm. After high school he became a 911 telecommunicator and then a firefighter with the City of Greensboro Fire Department. His work schedule of working 24 hours on and 48 hours off provides plenty of time to farm.

Kevin's experience in the Christmas tree industry began 17 years ago when he met his wife Shantra. She has a close family relative who grows Fraser Fir trees in the NC Mountains. Kevin began helping him sell trees just for fun. That relationship was the beginning of a new vision for Hickory Creek Farm's transformation.

Today, Kevin and his wife Shantra have two small boys ages 9 and 6 who both love the farm and the Christmas season.



Developing the business concept

NEED TO DIVERSIFY

The dream of agritourism started over twenty years ago when Kevin visited a pumpkin patch on a school field trip with his nephew. It was a dream that he had cultivated for many years, but didn't have the courage to act on until meeting Annie Baggett with the NC Dept. of Agriculture. Her keynote speech at the Agritourism conference was the inspiration that helped him take his dreams and experiences to the next level.

The following year Hickory Creek sold trees from the NC mountains at the farm. His Dad thought he was crazy. He said there was no way anyone would drive "all the way out here" to get a tree. Today, his father is his biggest supporter.

Their latest venture is expanding the tree fields into a full landscape tree nursery that will be open year round. "There is no way we could be growing profitably like this without agritourism," says Kevin.



Leveraging Resources

TRADING WITH PARTNERS

Kevin works on a contract basis with a nearby tobacco and row crop farm, managing equipment maintenance and repair. The relationship allows for sharing equipment, labor and resources between the two farms as needed. This keeps their costs low and maximizes the equipment and resources that they each own.

Hickory Creek Farm

GREENSBORO, NC
HICKORYCREEKFARM.COM

PRICING, MARKETING AND PROMOTION

ACTIVITY PRICING

During the Christmas season, Hickory Creek Farm does not charge for the activities offered on the farm. This includes hayrides, bonfire, hay bale playground, visits with Santa and Mrs. Claus and farm tours. Instead, they built the price of the activities into the cost of the Christmas trees.

They are not lowest price tree in the area. However, the customers get a complete farm experience that keeps them coming back year after year. They do have the occasional "price shopper" who expresses that they think the prices are too high, but Kevin says that is okay. They are not the target customer.

Hickory Creek does charge for photo sessions. A beautiful field of Christmas trees, is a natural draw for photographers who want to bring their clients to the farm. Photography sessions can provide a new source of farm revenue with little investment except for time and patience.

Kevin suggests you charge more than you think your farm is worth. The current rate at Hickory Creek Farm is \$50 per hour with a no refund policy for cancellations.

Other agritourism events such as their Easter Helicopter Egg Drop and Sunflower Patch are based on ticket sales or an admission fee. This helps them control the number of people at a single time. They are working on parking and infrastructure to support larger crowds.

Anytime the farm is open, their farm store is open with an assortment of their private label jams and jellies, cider, candles and other gifts that support the farm revenue.

"Our goal, has been to create a Christmas Hallmark Movie destination at Hickory Creek Farm."
Kevin Gray



Hickory Creek Farm partners with local photographers who offer family portraits on the farm.

MARKETING AND PROMOTIONAL STRATEGIES

Over the last five years Hickory Creek Farm has worked to build a successful social media and web presence. The farm website is one of the top Google search results in the Triad area for Christmas trees.

In 2019, they began opening the farm for events other than Christmas including choose and cut sunflowers and an Easter Egg Hunt. They try to add one new activity, big or small, every season with profits from the previous year to keep their customers excited and looking forward to coming back. This provides an opportunity to invite folks out to the farm year round to see what's growing, and what they have to offer.

"Customers are craving an exceptional experience and quality products that they value, says Kevin. They love coming out and "disconnecting", while at the same time posting about their experience on their social media. It seems odd but that cycle and online presence is what keeps us growing"