



Agritourism Guidebook: Hawai'i County

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Introduction

Agritourism is defined broadly as any agriculturally based operation or activity that brings visitors to a farm or ranch. A relatively new industry in Hawai'i, it has enormous potential not only to provide tourists with an alternative to the regular Hawai'i vacation, but also to connect the Islands' residents with its producers and to strengthen communities. Agritourism has the potential to sustain agricultural practices due to a steady stream of income that is less dependent on weather, markets, pests, or diseases.



Tourism is the largest economic driver within the state of Hawai'i. According to the 2012 Annual Visitor Research Report by the Hawaii Tourism Authority (HTA), tourist spending and total visitors increased to a record high in that year: Approximately 8,029,000 visitors came and spent \$14.4 billion dollars. Among the four larger Hawaiian islands, O'ahu dominates the tourist industry, with Maui second and Hawai'i Island third. Hawai'i Island and County recorded 1,581,690 visitors that spent a total of \$1.7 billion dollars in 2012. This guidebook focuses upon Hawai'i County but can be applicable to the other counties within the state of Hawai'i. Hawai'i County has a strong tourism economy but also has room to grow in this area, and it has the largest land area dedicated to agricultural use in the

state. Hawai'i County is also at the forefront of passing new bills to allow for some agricultural producers to use agritourism without having to go through a special use permit.

Agriculture in Hawai'i was once the state's dominant economic driver but has since declined since the sugar plantations shut down in 1996. However, it still brings in \$595.4 million according to a report in 2009. Considered to still be a big part of the economy, agriculture needs to grow within the state to help improve Hawai'i's overall self-sufficiency. Small and medium-sized farmers in the United States are challenged to sustain farming activities given rising input costs and competition from large-scale domestic and overseas production. In the U.S., small and medium-sized farms (gross income < \$250,000 annually) comprise around 90% of the total farms (USDA 2012). In 2012 the USDA stated that 96% of farms within the state of Hawai'i are designated as small farms. The costs of running a small farm are supplemented by off-farm incomes in order to keep the operations sustainable.

Agritourism can help with all these problems. Farmers and ranchers with the vision, skills, and commitment can create an enterprise that is able to sustain their agricultural business and lifestyle. However, developing an enterprise that will be able to accommodate and entertain visitors isn't simple. Issues that need to be addressed before an operator digs into it include liability, public safety, animal well-being, permitting, and financial backing.

The authors hope that this guidebook will help nurture those willing to participate in agritourism within the state. It's written to help operators determine the potential for a tourism enterprise and the steps necessary to establish one. It is divided into 8 chapters that go from general guidelines to specific advice and also includes further resources that are available for farmers and ranchers to help develop their operations.

Chapter 1. Introducing Agritourism and Nature Tourism

Rural tourism is the business of providing tours and services to people who travel to rural areas for pleasure. Examples of this are resorts, agricultural tours, off-site farmers' markets, and other leisure and hospitality businesses. There are two types of rural tourism that involve farmers and ranchers, agritourism and nature tourism. They take place on farms and ranches, diversify agricultural operations, and can generate additional income, at the same time fostering thoughtful care of the land.

Agritourism and nature tourism are rapidly growing industries within the U.S. because they resonate with urbanized residents who are searching for a “real lifestyle” experience. As our society becomes more

and more disconnected from our food sources, people become curious about how farmers and ranchers produce the commodities they need. These forms of tourism provide opportunities for farmers and ranchers to diversify and protect themselves from fluctuating markets and also allow landowners to benefit financially from different land uses.

Wise land use is important not only for tourism and the general public but for rural communities as well. Sustainable land practices help to build sustainable economies. When operators make good decisions about practices, it strengthens options for future generations, because of the long-term well-being they promote. These industries have the opportunity to teach visitors the values and benefits of farms and ranches. They can turn tourists into allies of family farms and ranches and of the wildlife, habitat, and open space these operations conserve.



What Is Agritourism?

It is a business conducted by farmers or ranchers on their working agricultural, horticultural, or agribusiness operation for the enjoyment and education of visitors. It is intended to promote farm products and to generate additional farm income. In the process, agritourism provides visitors with entertainment, recreation, participation, and education. It offers a chance to operate and display an agricultural lifestyle, from conventional mono-cropping to agroforestry.

What Is Nature Tourism?

Another form of rural tourism, it entails a commercial operation working towards its visitors' enjoyment, understanding, and appreciation of natural areas while at the same time conserving the local ecological, social, and cultural values and improving the local economy. It focuses on nature-based travel experiences while striving for long-term rural well-being. Landowners are working to enhance and market natural habitats and wildlife populations, even in small areas of their land that go uncultivated, by attracting wildlife by planting native species and building demonstration areas.

Travel Trends

Understanding the tourist's choices allows for a better plan and a more successful agritourism and nature tourism operation.

The state of Hawai'i is dependent upon travelers from all over the world. In 2012 it was reported that over 8,028,000 visitors came to the state. Those visitors spent \$14.4 billion to help support Hawai'i's economy. Hawai'i County had a total of 1,581,290 visitors in 2012 that spent \$1.7 billion. Knowing that the tourism industry is growing and is expected to continue to grow in the future, farmers and ranchers can design an operation that will attract these visitors.

Growth in Nature Tourism

In the U.S., nature tourism is considered the fastest-growing form of tourism, averaging a 30% increase each year since 1987. The U.S. Fish and Wildlife Service (USFWS) noted that in 1996 Americans spent \$29.2 billion to observe, feed, and photograph wildlife. In 2011 it was estimated that \$107 billion was spent on bird watching equipment and travel just within the U.S. (National Survey of Hunting and Fishing, and Wild-Life

Associated Recreation). This means farmers, ranchers, and rural communities have great economic potential. Providing amenities these tourists seek, such as guides, lodging, food, and transportation, farmers or ranchers can utilize their lands to help protect and conserve open spaces.

State Benefits

In the state of Hawai'i there is a general excise tax (GET) of 4% that is put upon the supplier, not the consumer, but which may be passed on to the consumer. In addition to the GET, there is also a transient accommodations tax of 9.25%. So not only do agritourism and nature tourism improve the local economy; they also support the state as well.

Consumer Trends

In the U.S., the number-one activity tourists participate in is shopping, followed by outdoor activities, visiting historical places and museums, experiencing national and state parks, and taking part in cultural events and festivals.

In Hawai'i, over 80% of travelers to the Islands came here for pleasure. The four largest markets of visitors, in order, come from U.S. West, U.S. East, Japan, and Canada. Of the largest group, the U.S. West visitors, 81.5% were returning visitors, which means they are usually looking for new experiences in the Islands. The U.S. West's largest age group were those 41–59 years old (33%) of the 3,178,824 visitors from the U.S. West. 11.1% of the total U.S. West travelers wanted to stay in bed and breakfasts, and 14.9% chose to stay in rental homes, exhibiting a market that wants to get away from the usual resorts and hotels.

About the Consumer

Who Visits the Countryside?

On Hawai'i Island the visitors that arrive usually stay around 7.29 days, and the average size of the traveling party was 2.16 persons in 2012. The amount the average person spent per day was \$158.9 in 2012, and total per-person trip spending was \$1,158.7.

About Age

The agricultural and nature tourism industries encompass primarily middle-aged and senior citizens and citizens. 22% of the national population is between the ages of



45 and 65. The younger senior citizens, aged 55–65, constitute the nation's wealthiest age group, comprising 20% of the national population and representing 80% of vacation dollars spent in the U.S.

Typically white and well-educated, senior tourists are interested in museums, historical sites, and cultural exhibits and activities like walking, visiting historical sites, wildlife viewing, observing nature, bird-watching; fewer participate in physically demanding outdoor recreation.

About Culture

Hawai'i has a diverse and vibrant array of cultures, being a melting pot of sorts due to the plantation era of its history. The visitors coming to experience Hawai'i are usually from the U.S., so they have a different culture and want to experience the Island lifestyle. Catering to those different visitors is important for success. Chapter 2 describes the traditional culture of Hawai'i and discusses how it can be translated to current times.

About Families

Family travel is for leisure, and family leisure is broken up into four main categories: a visit with family and friends, a special event, a weekend getaway, and a

vacation. Like other agritourists and nature tourists, families seek participatory experiences, preferring new outdoor activities at new places. In 2012 26.2% of leisure travelers traveled with their families, and their median household income was \$62,000 (U.S. Travel Association). They want to experience a healthy environment and the rural lifestyle, and they want their children to learn where food and fiber come from.

About Childless Travelers

Childless travelers have more disposable income and take longer trips than families with children. Accordingly they spend more money on vacations. Today, two-thirds of American households contain no person younger than 18, and one quarter of American households contain only one individual.

About Gender

More and more single women are traveling today. Married women generally have more say than their husbands when it comes to vacation decisions. When making vacation decisions, both married and single women look at geographic limitations; availability of time, money, and babysitters; social belonging and peer approval; getting away from children, home, and work;

excitement; the possibility of making new friends; and discovering their roots.

Nature Tourists

Nature tourists are environmentally conscious people who enjoy wilderness settings, wildlife viewing, hiking, and trekking. Typically 35–54 years of age, they are equally gendered (2001 National Survey of Fishing Hunting, and Wildlife Associated Recreation). They travel with children rarely, and take vacations of 8–14 days. They spend an average of 12 days per year watching wildlife (2001 National Survey of Fishing Hunting, and Wildlife Associated Recreation).

They tend to be upper-middle-class Americans: urban, affluent, highly educated, sophisticated, busy, and middle-aged. Those who travel outside their home state are generally of higher income than those who vacation within their home state and the national population itself (2001 National Survey of Fishing Hunting, and Wildlife Associated Recreation).

Nature tourists appreciate educational experiences and activities that deepen their viewing skills and their understanding of the local area. Seeking hands-on experience, they will spend money and effort to help build and restore sites. They want an active adventure as well as intimate encounters with nature.

Hunters and Anglers

These tend to be men between 16 and 34 years of age who live in rural areas. They love the outdoors and love being outside. They value solitude and appreciate unpopulated areas. Worried about today's increasingly limited access to fish, animals, and land, many anglers and hunters are looking for a reservation system or a place that provides land access.

Adventure Enthusiasts

Adventure tourists want thrills, excitement, and challenge. They climb mountains, bicycle the back country, shoot rapids, and participate in other sports that challenge their physical or mental condition. Often very social people, adventure tourists usually travel in large groups. They tend to be young and healthy, with higher-than-average incomes. It was estimated that adventure travelers spent over \$345 billion worldwide in 2012 (Adventure Travel Trade Association 2013).

Culinary Enthusiasts

These are people interested in food, fine dining, and new eating experiences. They appreciate wine, handcrafted beers, and gourmet cooking, preferring something new to something they've had before. Culinary enthusiasts tend to be 50 years or older and to travel without children. Appreciating educational opportunities, they want to meet local people, to try local specialties, and to watch particular foods being made. They also have been reported to spend more than the leisure traveler by up to \$300 in a survey of the American Culinary Traveler in 2013.

Hikers

Hiking is rapidly growing in popularity. Participation is related to income and age, and it is significantly more popular among high-income households and younger Americans. Participation is not related to gender, however; equal numbers of men and women hike. Typically keen environmentalists, hikers like to enjoy nature and improve their physical fitness at the same time.

Chapter 2 Ho'okipa Transitions

This chapter aims to establish the view of ho'okipa as a solid social structure, elements of which are relatable today and can be reflected in businesses and communities of Hawai'i. It is through the true meaning of ho'okipa in a display of basic human needs that a culture is able to survive. Thus if the small farms of Hawai'i can pull in their communities and share knowledge and wealth with strangers, they can build relationships that can sustain them over time. This chapter begins by discussing hospitality before western contact, including what exactly it meant, literally and spiritually, in its formalities. The chapter then discusses how this traditional concept can be translated or retained in the present day to serve a thriving tourist industry. Finally it establishes ways in which farms and ranches can incorporate a value system that will distance their tourism operations from those with a colonized origin.

Ho'okipa Before Westerners

Literally translated into English, *ho'okipa* means “to enable a visitation to occur,” or, “to be hospitable.” *Kipa*, the root word, means “to visit,” and *ho'o*, the prefix, means “to enable” (Puku'i and Elbert 1975). Today it is translated to mean hospitality and is associated with the perceived Hawaiian aloha spirit (Kanahele 1986). “Hospitality flows from an outpouring of aloha first, not the other way around” (Kanahele 1986). Ho'okipa is a sincere and habitual concept that embodies the social, political and religious codes of Hawaiian society (Fong 1994). From the Hawaiian perspective, hospitality is more of a process, recognizing social class, political ideology, and different institutions, rather than a social requirement. Fong (1994) describes ho'okipa as an ideology, a way of thinking that becomes necessary for a community to survive, not so much as an activity but a form of “timelessness.”

Ho'okipa is indeed a Hawaiian “folkway,” one of the patterns created by hosts and visitors to deal with survival issues away from home (Babbie 1980). Prior to Western contact in Hawai'i and the development of society in the Hawaiian Islands, home, food, and basic resources were spread over vast distances and the dependence on the welcome of one's neighbors developed. Ho'okipa concepts are part of a constellation of ancient and even



primitive “exchange” and “boundary crossing” organized behaviors that enabled pacific people not only survive but flourish within their extended and boundless “sea of islands” (Hau'ofa 1993).

The expression of hospitality and exchange probably became more frequent because of the need to travel to obtain goods that weren't readily available near people's home area (Fong 1994). Fong (1994) characterizes ho'okipa as an “institutionalized code of behavior” dependent on the sincerity of spontaneous generosity. Hawaiian society was challenged to address the issue of survival and sustenance when traveling away from the home territory (Kanahele 1981).

Ralph Linton described “status” as either an ascribed or achieved social position that is recognized for the purpose of engaging in meaningful social interaction (Kanahele 1981). Traditional Hawaiian society was guided by a code of pride versus shame that saw mana (power) as being possessed by those who gave generously and being retracted from those who did

not. This can be seen in the exchange of items between individuals, where different things travel in different directions at different times, allowing one person to be confident that the gift will be reciprocated at a later date (Linnekin 1990).

As society became more stratified and social classes arose, so did different ho'okipa formalities. It is always important for the visitor to project a sincere sense of honor that the host would grace him with their presence, and the host's efforts were generous and greatly appreciated. The concept was a combination of civil obligation, social etiquette, status acquisition, and sincerity. Five elements have been identified that comprise a formal ho'okipa experience: heahea (call or welcome), mea 'ai (food), kuleana (purpose of visitation), le'ale'a (fun and entertainment), and makana (gifts) (Fong 1994). Each of these needs to be seen as an integral part of ho'okipa as a whole.

Heahea's form may be varied (Kanahele 1981) and usually spontaneous, but it was always the responsibility of the host to call to or welcome approaching visitors. If the visitor went unnoticed, it was all right for them to call out to the host with a mele kahea to ask for permission to enter, and the host would respond with a mele komo to grant permission (Kanahele 1981). A mele kahea was not considered complete without the host's response of overwhelming his guest with food (Emerson 1965).

Mea 'ai, the second element of ho'okipa, usually accompanied the heahea and was introduced with this saying: "Hele mai e 'ai!" (Come and eat!). Linnekin (1985) describes an offering not only to eat but "'Ai a ma'ona, inu a kena!" (Eat until you are satisfied, drink until quenched!) The sharing of food was not only for the hungry but was a metaphor of the social bonding, coming from a single calabash (Fong 1994). When exchanging food and passing a dish one would invite questions of a person's visit and discussion of shared friends. Business was never discussed while eating; one's eating and enjoyment were not to be upset by the discussion of wants and needs that were far from the appetite. Considered a celebration of food, feasting was also a display of wealth, for a chief with a hale papa'a (full(?) storehouse) had loyal subjects (Kanahele 1986). Not everyone during those times had enough to store; today we are lucky enough to have enough to be put away and require storage areas.

Someone who was traveling always traveled with a purpose, and this kuleana is what brought the visitor to the host's vicinity. In a formal or announced visitation, the reason would be known beforehand, but a more spontaneous appearance would pique the interest of the host. Every situation was different, whether they were family or strangers. If the visitors were strangers, this would probably keep their host from discussing their purpose as quickly. Visitors would announce where they were coming from so that their hosts, perhaps knowing their family or friends from this area, could be assured that the visitor was benign and meant no harm (Fong 1994). It was the visitor's obligation to mention his plans, even if briefly or indirectly, since he had "burdened" the hosts; each party, however, was required to show the utmost etiquette.

Le'ale'a, a general term for fun, joy, or amusement, was pursued through a variety of activities practiced by Hawaiians (Kanahele 1981). As another element of ho'okipa, the purpose of le'ale'a was to make the guests comfortable and feel welcomed. Le'ale'a could range from pleasant storytelling and conversation, kukahekahe, to mele (chants and dances) and oli (chants), which were themselves another form of storytelling, to halau hula (dance school), which was considered a favorite pastime that went on for hours during festive celebrations or entertainment for visitors of high rank (Malo 1951, Barrere et al. 1980, Kanahele 1981).

During the days of monarchy, kilu was played in downtown Honolulu and was considered a "supreme expression of hospitality" (Malo 1951). This was an aristocratic game, exclusively involving chiefly members of society, that was played as a form of matchmaking or a way to offer a sexual partner for the night. Equally popular was the game of puhenehene, in which two groups of people would sit across from each other with a long piece of kapa (bark cloth) held between the two groups. One group would hide a no'a (token) upon another team member, and the other team would guess where it was hidden (Kanahele 1981). Ume was a game exclusively for the common folk, in which a group would build a fire outside and then retreat inside and sit in a circle. Then a man known as a mau would dance and chant within the circle and wave a long wand to select a man and woman, who would leave the hale to enjoy sex in a private place. A visitor would be

highly encouraged to participate in these sorts of games (Pukui et al. 1972).

Gifts given ranged from casual tokens of affection to elaborate displays of wealth and prestige. *Makana* is the general term for gift. *Uku*, payment or retribution, also refers to the exchange of gifts but does not carry the same connotation in English. Instead, “*Uku* acknowledges that the whole of society depends on mutual exchange and that one should be mindful of giving to those who have also given to him” (Fong 1994). The key concept in ho’okipa as well as gift-giving is reciprocity: it was rude to express one’s desire for a gift in return, so one had to believe it was forthcoming at a later time. This was known as a cultural agreement (Kanahele 1981, Linnekin 1985).

If a gift was not maua (reciprocated), it was embarrassing and remembered as shameful over generations. Pu’olo, “take a bundle,” was a gift that visitors would carry with them, which showed respect for the host (Puku’i 1983). Recognized as part of a larger cycle, gift-giving was perceived to be the way of showing respect and gratitude for one another, and was a way to obtain goods from different areas. Most times one would

travel empty handed over vast distances and his greatest gift would be a mele inoa (name chant) or song for the host to honor him it would bring tears and were referred to as lei (garlands) or wehi (adornment) that “beautified” the honoree (Fong 1994, Puku’i et al. 1975). It is most important for a visitor to never travel truly empty handed, for it would bring shame to not only the individual but the traveler’s family (Kanahele 1981).

In Waiahole on O‘ahu, a visitor who craved taro asked for some from his host, who directed him to his taro patch. Later he found that his taro had all been pulled up and cut into pieces (OHA 1988). To breach etiquette is to risk the loss of family, honor, and dignity; shameful behavior could be remembered for years (OHA 1988). There are many stories of people running out of food throughout the literature, and this was one of the most embarrassing moments of a household (Linnekin 1985). It is the visitor’s concern, however, whether this was a result of greed or true destitution. One should always adhere to the phrase ““ai i ka mea loa‘a,” “Eat what there is” (Puku’i et al. 1972). Hospitality should never be counted as a favor, and it could be considered



impolite to remember each time one offered one's home to another (Handy et al. 1972). One would always allow his guest to leave freely, but must not "call back," kahea kua, for then the visitor would feel obliged to stay longer than he desired (Kanahele 1988).

Ho'okipa Translated

The only Hawaiian institution left during the early twentieth century was the extended family unit, though even this was only partially intact. It was this last institution that kept key aspects of Hawaiian culture alive (Fong 1994). Ho'okipa involves much more than the exchange of material goods; it is an attitude and perspective. While Hawaiians lost control of their resources over time, they still had the power to create and maintain relationships that would enable them and their culture to survive (Fong 1994). Stories and depictions of ho'okipa suggest that the creation of relationships, along with the basic human needs for food, water, shelter, and security, is a requirement for survival to Hawaiians.

Initial contact was well received by Hawaiians, and the Western view found them generous, though they sometimes miscalculated because of their differing views of trade and barter systems. Along with the economical differences between the cultures, sexual and religious views were almost on opposite ends of the spectrum. After Western contact, Europeans' descriptions of Pacific peoples' "primitive perfection" exemplified their idealism about island life; among them were descriptions of the beauty of the body uncovered, the natives' free and unbridled sexuality, the endless bounty of land and sea, and the naiveté of the islanders' invitation to partake of all of the above (Daws 1980). Rooted in this display of "difference" is the native body: both sexualized, as alluded to earlier, and as a means to nativize, idealize and decontextualize the civilized present into the cultural "pseudo-past" (Kanahlele 1981).

This sort of miscommunication led, and leads, to the mythical view the tourist industry perpetuates of Hawaiian culture. But the quick-rising visitor industry created a new kind of Hawaiian culture, one that was legitimized by "smiling natives, singing and dancing," which possessed the potential to attract both the rich and the famous from all over the world. In this constructed "culture" the aloha spirit and its traditions of hospitality have been commercialized to the point of abuse. The

original ho'okipa traditions have been consolidated into a more formal and commercialized form, the luau (an elaborate Hawaiian feast) (Fong 1994). The land, people and culture have become commodities, each at the mercy of the world market and destined to be defined and validated in foreign terms. Beginning during the late 19th and early 20th century, Hawai'i was described as a location for paradise and leisure. A tourism industry was created in which people who were hosted needed to be fed, and instead of an uku in traditional form, money was the exchange and supported the transition into a Western society and form of currency. The shift from spontaneous generosity and reciprocity has led to many losses in the Hawaiian culture. Trask would agree that Hawaiians had invited the haole in to eat, but did not think they would take over the entire house (Trask 1992).

Ho'okipa With Agriculture

Historically, hospitality and agriculture have been intertwined, along with an attitude towards others that previously was described as spontaneous generosity. Today more than 90% of farms located in the state of Hawai'i are classified as small (<\$250,000 gross annual income) (USDA 2013). These farms, although not rich in monetary value, are expressions of culture and are part of the local community and economy. There has been a shift toward agricultural tourism and diversified agriculture where a farm also functions as a store, restaurant, and activity center. This is to help these smaller farms become more stable and able to boost their on-farm incomes, so they are not solely or primarily dependent on income from outside jobs.

If these farms and farmers do decide to pursue tourism or welcoming of customers, thoughts of ho'okipa and Hawaiian perspective may be distanced from the ersatz 1960's views and form of Hawaiian hospitality. Thanks to a revival of Hawaiian tradition and knowledge, through university programs, workshops, and the extended family unit, information is available as to the true nature and customs practiced. Remember the five elements involved in the attitude and necessity of ho'okipa. Even though times have changed and so has the form of each element, the ideas behind it can still be applied and practiced today, helping the community to survive through agriculture by learning and visiting the places where food that nourishes them is grown.



Heahea is still practiced today but may be reversed in most situations, as when someone calls another to come in or to come over to their house. Currently there are so many forms of communication, from emails to phone calls to text messages, that it is easy to contact others and express a desire to see them or share your home. Farms can put up signs and post flyers and announcements for community workshops, farmers' markets, and different activities to engage their local neighbors. It is in this setting that a call to welcome is still alive and well.

During modern times, food and worship continue to be connected for many Hawaiians, even if the original religion isn't practiced. Mea 'ai is always the center of local parties and gatherings, though there has been a loss of traditional foods, an integration of different cultures producing new local favorites. With more people come more crops; today the number of foods that can be grown and raised in Hawai'i is far greater, and the wealth of one's land may still be held in its ability to produce food. Offering the local farms' foods and your own farm's

products can link the public to a face behind the food, in a culture where the majority of the public have lost their connection to agricultural roots.

Since the population has grown from thousands to millions in the Hawaiian Island chain, kuleana is usually stated and up front during modern times. It becomes harder to just trust everyone you meet, and even more so when a stranger comes to knock on your door. Even in contemporary times when I myself meet people, one of the first questions that is asked is "Where are you from? Oh, do you know so and so?" It's always been a way to "break the ice" with others. Mostly an announcement of purpose for visitation, it is usually announce when a stranger or other comes to knock on your door. Farms can address this by the invitations they send out or by visitor introduction. Farms can research their properties and the historical owners, its uses before western contact even, and find mo'olelo (stories) of their area.

Entertainment and fun (le'ale'a) can range over a number of activities, depending on the agricultural

operation. Rodeos, horseback riding, hikes, educational tours, farm-to-table dinners, and more are all forms of entertainment that can attract community members and visiting tourists to a farm or ranch. This can help not only to garner visitors and income for farms but also to educate their visitors and customers through these different experiences, ones vastly different from the lu‘au and hula dances of the 1960’s. As in the formal meetings of pre-Western Hawai‘i, the focal point is honoring the guest. Although the offer of women and sexual favors to make customers feel welcomed will not continue, it should be the hosts’ responsibility to ensure that their visitors are welcomed with an attitude of honor and stringency.

Makana (gifts) have stood the test of time locally, as in the tradition of always arriving at your host’s dwelling with something in your hand (pu‘olo). Gifts have been more marginalized, though, with some being store bought rather than made in a visitor’s home area. But stories of neighbors trading fruits for fish or salt for other goods are still heard today, and this custom is practiced, with reciprocation being fulfilled at different times. Farms and businesses offer their products, foods, and services as their gifts to their customers; an integration of a western concept of a trade or currency is created between strangers, but maybe with the building of these relationships, instant gratification will not be as necessary. Especially when holding workshops for community rural development, things that are produced on your own farm for the people visiting from different professions might later be reciprocated by them through professional advice.

Kanahele, Daws, and Puku‘i speak of relationships, respect, and always offering what little they might have to others. As stated earlier, Hawaiians practiced ho‘okipa as a way of thinking and did not necessarily acknowledge a hospitable act as a conscious ho‘okipa effort. Ho‘okipa itself is a construct that has been identified and defined in an attempt to understand the ideology behind indigenous expressions of hospitality. In contemporary times, such social codes are in short supply, so in order for Hawaiian society to survive and flourish, a cultural standard of behavior is essential.

Farmers and ranchers have the opportunity to enhance local community development, through offering tours and welcoming the public to experience not

only their products but also their educational values. Green Rows Farm, located in Kane‘ohe, O‘ahu, offers community workshop days, yoga practices, and mulching demonstrations. These types of values, which will help to bring people together through common ideas and values, are what I feel ho‘okipa truly tries to preserve, a love for one’s neighbors as though they were one’s family. The trades of goods and services through relationship building, not just monetary, but also through professional development. In a way it is like the times of the past where food and culture and the attitude of society as a whole were able to induce a system of spontaneous generosity, because of the belief in reciprocation. I hope that in doing this and establishing agricultural tours, the customers respect and see a new light of Hawai‘i, away from the beaches, the mai tais, and the commercialized values the tourism industry has given us.

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Chapter 3 Evaluating Your Resources: Is Tourism for You?

First examine your business goals, and identify your underlying philosophy and objectives. Analyze your operation's current capabilities and situation. Next, sit down with your business partners and/or family members and discuss your business and personal goals. Look at where you are now and where you want to be.

Consider the Costs and Benefits

Remember that not all small businesses succeed and that there is a high failure rate for most. The endeavor can be very beneficial to your ranch or farm income, but it takes a certain personality to host tours. Enjoying and interacting well with people, maintaining high quality, marketing effectively, and making sound financial decisions are characteristics of a successful agritourism and nature tourism owner.

Remembering that the new operation of tourism comes with additional work such as personnel management, record keeping, marketing, retailing, accommodations, entertainment, food service, catering, and interpretation. Understanding the regulations, financial sources, liabilities, marketing, running costs, and employees, as well as your own abilities, are important when starting an agritourism operation.

Identify Your Competition and Customers

Looking at who else in the area or on the island is participating in agritourism is important because it offers insight into what has been successful and what markets have been filled. Where, who, and what kind of attractions and customers are brought in are things to take note of when visiting other farms.

Knowing who your customers are is just as important as recognizing competing businesses. Asking yourself who you can attract to your farm or ranch as it is today, and who might be interested when there is a tour in operation. The number of potential customers to agritourism and nature tourism operations is high. Using a wide variety of attractions is often expensive and rarely effective; instead, choose and target a customer sector within the agritourism industry. To begin to identify your visitors, create a profile of your ideal customers.

Ask yourself these questions:

- Where do they come from?
- What are their ages?
- Are they single or married?
- Do they have children?
- What is their ideal party size and composition?
- What is their income?
- What sort of magazines, newspapers, and books do they read?
- What are their hobbies or interests?
- How much time do they have for the activities that I offer?
- What characteristics do they have?
 - Are they looking for demonstration and guidance?
 - Are they seeking relaxation?
 - Do they want entertainment activities?
 - Do they want action or physical activities?
 - Do they emphasize self-fulfillment/self-help?

Assess What You Have

Really looking at your farm or ranch, ask yourself if it would be financially prudent to launch your new enterprise with what your operation possesses today rather than with what you could go out and purchase. What is intrinsic and unique to your land and operation? Why would a person enjoy visiting, and what makes it memorable? Think about the natural environment, scenic areas, and history of your operation and its surrounding area. Understanding its location, including its proximity from urban areas, main roads, and other active tourism operations, is important.

Good people skills are fundamental to success in the tourism business. A love for working with people, serving, leading, and motivating others is a skill that's indescribably important for success. In addition, you and your employees should have good senses of humor, a dedication to excellence, a strong work ethic, and physical stamina.

Review Your Physical Resources

Land

- Legal description: How much land do I own or have access to? List the acreage amount, location, and proximity. List property that is deeded, leased, private, state owned, and federally owned.

- **Land use:** How do I want to use my land? Farms or ranches with wooded areas can be used for mushroom production, hunting, reforestation, and wildlife habitat. Open areas might be good sites for fairs, festivals, and plays. Fallow fields might provide income from goose hunting, and pastures might be used to graze alternative livestock. List your land's current uses, including hayfields, rangelands, croplands, and feed grounds.
- **Land features:** What does my land look like? Land with vistas and view planes can provide income opportunities. Hikers, horseback riders, nature enthusiasts, and artists are willing to pay to access these areas. List your land's elevation, features, topography, and natural places.
- **Soil type:** What are the characteristics of my soil? What is it best suited for?
- **Water bodies:** What streams, lakes, rivers, and ponds will attract tourists? Land with water can be used for such activities as fishing, bird-watching, photography, and swimming.

Climate

- How will weather patterns affect the activities I provide? When is the growing season? Is water an issue?
- What are the temperature ranges and averages of each month?
- What is the average monthly rainfall? How much does this vary?

Farmstead features

- What buildings, fences, corrals, working facilities, equipment, roads, and paths are on my land? Is my home well-suited for lodgers, or is the barn a possibility for conferences or banquets?

Historical resources

- What special historical or cultural buildings and features exist on my property or nearby?

Additional attractions

- What other resources do I have on my land that might



attract tourists? Consider livestock, fishing areas, vistas, and proximity to natural or created points of interest such as waterfalls, mountain ranges, or lava tubes.

Local infrastructure

- What local infrastructure exists? Consider roads, buses, and nearby lodging and dining, for instance Volcano Village next to the Volcanoes National Park.

Evaluate Your Financial Resources

You will need financial resources for business startup and upkeep. While some alternative enterprises have high start-up costs, others require little up-front investment. Do you have access to loans or other sources of capital?

What are my financial resources?

- What are my start-up costs? What access do I have to capital?

Consider Your Operational and Management Resources

Landowner's and manager's strengths

- What tangible and intangible assets do I have to help create a farm or ranch recreation operation? Consider interpersonal skills; marketing ability; knowledge about specific topics such as livestock management, gardening, or local history; and special skills such as horseback riding, furniture-making, and cooking.

Family strengths and resources

- What intangibles can my family members bring to this enterprise?

Farm and ranch personality

- What is the “personality” of my farm or ranch? Is it serene, vibrant, laid-back, or interactive? This description can help you choose suitable events and to design them appropriately.



Farm and ranch activities

- What current farm or ranch activities might appeal to the public? Remember that what you consider routine might be unusual and interesting to the non-farming public.
- Be creative! Activities might include cattle drives; calving or lambing; trail rides; roadside produce stands; machinery operations such as planting, cultivating, and harvesting; and on-site food processing.

Neighbor and community resources

- What talents, skills, and interests might local residents add?
- Are they supportive of this venture?

Assess Your Personal Strengths

What are my personal strengths and characteristics?

- Do I like meeting and working with all types of people?
- Do I like to entertain and serve strangers?
- Am I patient and sensitive to the needs of travelers?
- Am I willing to work long hours in sometimes difficult situations?
- Do I have the physical stamina and vigor to maintain my operation while properly serving customers?
- Can I manage my enterprise while conserving the land?
- Do I know the natural history of my area?
- Do I have in-depth outdoor skills?
- Am I ...
 - a self-starter?
 - willing to take responsibility?
 - organized?
 - able to make and carry out decisions?
 - able to solve problems?
 - independent, self-confident, and positive?
 - energetic and persistent?
- Do I have experience with budgeting?
 - ...planning?
 - ...managing people?
 - ...communicating?
 - ...presenting my ideas to many people?
 - ...selling?
 - ...keeping financial records?

Rate Your Human Resources

What about the people with whom visitors might have contact—your staff, neighbors, local community businesses, agencies, residents? It's also helpful to understand whether the law and government and economic development staff's goals match your operation's plans so that they are supportive of your pursuits.

How supportive are other people?

- Staff: family and hired:
 - Do they have special talents or abilities?
 - Do they have time to deal with the public?
 - Are they willing to deal with the public?
 - Are they friendly with the public?
- Management team:
 - Are they committed to working with me to make a successful venture?
- Neighbors:
 - Are there any conflicts?
 - Will they allow bordering access?
 - Will they support recreation options?

Map Activity Sites

Now that you have ideas of the activities that can be done on your property, develop them further by identifying areas where they can happen. Look at the types of interactions and externalities that will come from new activities and how they will impact current operations. Think about the quality of the experience, ensuring that your visitors get the best treatment and have a meaningful, fun, and authentic activity. Enabling your visitors to easily locate your farm or ranch is something that can be done to improve your agritourism business. Marking entrances, exits, and visitor access areas: using, simple directional signs: keeping roads clear and graded: and setting up parking areas near the activity site are ways of making access easy.

Chapter 4 Creating Your Business Plan

What Is a Business Plan?

It is an essential document that describes all aspects of the business and gives partners a clear understanding of the goals and management of the proposed agritourism or nature tourism enterprise. One operator described his business plan as the focus and dream of his farm, what he plans on doing and how it is going to be accomplished. The plan helps owners decide if their ideas are truly feasible and helps lenders and financial backers decide if they should invest.

A properly drafted business plan describes your values, goals, challenges, and operations with clarity. It allows an owner to gain financing, a prerequisite for growth or development of the property. Looking at your business plan allows mistakes and projections to be made on paper, before actually following through with an idea. Investors like plans to verify actual numbers for financial backing, justify needs, and being positive and real about your ideas.

Creating a business plan is a long, dynamic process that is often changing as different parts are put together. Think of it as a mechanical tool, like a chainsaw: there are many moving parts and resources needed for it to work. Parts become worn, fuel is needed, and occasionally refurbishing is required. A business plan usually has the following components:

Executive summary – A one-page summary of the entire plan, logically stating your business idea, the expected conclusions, and the financial strategy to implement. It is written last but appears first when presented.

Mission statement – This reflects the core purpose of your business, stating your values and goals in a focused sentence of less than 50 words.

Your business concept or idea – A one-page direct, influential, and complete description of the what, where, why, and how of your business. It should explain your agritourism or nature tourism operation, products and services, market, and integration with the community, both competitive and complementary.

Measurable goals and objectives – The difference between goals and objectives is their time frames. A goal is long term, like a 5-year plan. Objectives are short term and are considered a plan to achieve the goals you've stated.

Background information – This part of your business plan is based upon research into the industry and a market analysis. It gives reasons your product or service is needed. Describing the potential of your business, estimated start-up costs, competition, and other business that complement yours basically allows you to set a “niche” for your enterprise.

Management needs and management history – A description of how your business will be run, including the management team, legal structure, insurance, and employment. In addition, it will list the other agencies and associates you will be working with, and how to address their requirements.

Marketing strategy – The promotion of your enterprise is planned in this section. It can be through the coconut wireless (word of mouth), a huge promotional campaign through tourism agencies, or just simple advertisements in newspapers and other media sources.



Financial strategy – A basic explanation of how you will obtain money. You'll need to describe sources of current debt and needs for financing, identifying fixed assets, initial investments, and forecasts as well as principle and interest payments. Also identify how your new enterprise will fit into current operations and summarize your financial documents; profit and loss statement with assumptions; balance sheet, including assets, liabilities, and net worth; and cash flow projection, including sales projection and assumptions.

The appendix – At the end of your business plan, provide supporting documents that include financial statements, customer support statements, and credit terms available to your business.

Some of these concepts are fairly self-explanatory; those that are not will be described in more detail below.

Establishing a Mission Statement

Discovering Your Values

What is the difference between you and other enterprises? It's the values you and your family strive to keep, and how these are shown through your business. The core of your being really influences business decisions, and if you don't follow it, you'll feel conflict with your intimate feelings. Articulating these values is sometimes difficult; each member of your business needs to participate in order to fully meet your operations goals. Use the following worksheet to help establish your business's highest values first, and then move forward on actual decisions.

Values	Least Important	Somewhat Important	More Important	Most Important
Spending time with my family				
Embracing spirituality or church				
Enjoying my peace and privacy				
Participating in our community				
Building a stronger local community				
Keeping the land in our family				
Maintaining our heritage-homestead				
Restoring our farm or ranch				
Protecting the resource base				
Enjoying the natural environment				
Displaying our land stewardship				
Making land available for our grandkids				
Leaving a legacy				
Continuing the family business				
Ensuring our economic stability				
Producing food for others				
Providing the highest-quality products				
Providing the most affordable product				
Growing unique crops or animals				
Teaching others				
Continuing my education				

Now ask yourselves:

- What do we want this ranch or farm to look like at the end of our stewardship?
- What quality of life is important to us?
- What relationship do we want with family members? The local community? Our customers? Vendors?
- What changes are we willing to make to our farm or ranch so the above can happen?
- Who can help us make the above happen?
- What resources do we have to make the above happen?

Write Your Mission Statement

Now that you have selected the enterprise you want to pursue and established your highest values, you will be able to develop a proper mission statement. It requires you to ask yourself, "What is the purpose of my proposed enterprise? What are the benefits? Who are its customers?" The mission statement is subject to knowing what you are getting yourself into financially, and establishing a way to earn enough money to keep your enterprise going.

Business Concept or Idea

Describe Your Idea

- **Your agritourism or nature tourism enterprise:** Explain the history your operation and how it all began. Describe how the new enterprise will fit into your current farm or ranch's structure, and identify its business structure.
- **Your product and or services:** List all the products you are selling to the public and explain their benefits or service to the public. What do you provide, how is it different from others, what is the cost to the public, and what is your price for the product or service offered? List the differences to other similar enterprises.
- **Your clientele:** As in Chapter 2, describe your target market, including gender, age, income, occupation, location, family status, education, and interests. The amount of time they will ideally be spending is also good to note.
- **How your enterprise fits with other in the region:** After identifying other producers in your area, engage them and see how you can work together



to benefit each other and the region as a whole. Describe your collaborative efforts in your business concept.

Write Your Business Concept

This allows you to describe and imagine how the farm or ranch will be operating. The structure and legal liability of your business need to be specified within your concept. In addition the types of crops and amount of land designated for production of those are all explained. Who you will be selling these products and services to, and how you will engage the community as well are discussed in your concept briefly. Lastly how you expect to obtain financial backing for this new enterprise will show investors that you have thought through this process thoroughly. This is the bridge between an idea and a business plan, and puts the end goals into short-term objectives to accomplish them.

Set Measurable Goals and Objectives

Now that you have identified your values and constructed a mission statement, know how the proposed business is conceptualized, the next task is setting the goals and designing objectives to reach those goals. Think of it like a road trip: the goal is the final destination, objectives are the different routes and highways in order to reach it, action steps are those individual roads or highways, and tasks are the exits you must take in order to connect the highways.

Take the time to ask yourself who will be responsible for the different activities on your farm or ranch. Who are the key employees, and what are their titles? Will you need new employees, or can you retrain existing ones? How long do you plan to operate this venture? How many hours are you willing to commit to this venture? Where do you see the business in 5 years? How are you going to promote customer satisfaction?

A Closer Look

Goals are your desired future. They are visionary, yet they are attainable and fit well with your mission statement. They respond to the challenges, opportunities, and potentials of the future, yet they vary little from year to year. Then there are expected outcomes. Expected outcomes specify the conditions that will exist when you meet each goal, describing desired conditions, quality levels, and subjective conditions and feelings. They help

clarify goals and guide and direct the development of annual objectives. In your business plan, you should have at least three expected outcomes for each goal.

Write Your Own Goals and Objectives

Give it a try with your family, establishing three to five measurable goals and their expected outcomes, objectives, and action steps (see worksheet on following page).

Management Needs and Management History: How Will You Run Your Business?

This constitutes the business-management aspect of your enterprise. Considering a variety of topics, employees, regulatory agencies, liability, and financial risks, a management scheme can help accommodate all of these challenges.

Identify Your Management Team

In the daily grind of your business, this team will advise your enterprise to make sure goals and objectives are met. A management team will consist of paid advisors, such as lawyers, accountants, insurance agents, and marketers and retail specialists, and also individuals within the operation who can fill those paid roles as well. A well-rounded management team will have a well-balanced institutional, administrative, and technological knowledge base. Create a list in the appendix of your business plan with each member's name and qualifications.

Identify Your Legal Structure

The form of ownership that best suits your enterprise needs to be carefully considered, and you can use your key advisors to help determine this. The legal structure of your business has effects upon the control, taxation, liability, and planning. There are sole proprietorships, general partnerships, limited partnerships, corporations, limited liability companies, and limited liability partnerships. Remember that liability is a very complex and broad topic.

Liability – the degree to which your personal assets are exposed to business risks. You can protect your personal assets from these risks by choosing to conduct and structure your business in limited-liability manner.

Control – the degree of control you have over your enterprise is determined by the business's structure. A

Our Goals and Objectives

Enterprise Name:

Mission Statement

Goal # (To be accomplished by _____)

Expected Outcomes

The goal will be satisfied when...

1

2

3

Objectives (How will I achieve this goal?)

1.1

1.2

2.1

2.2

Detailed Action Steps (Who, What, When)

1.1.1

1.1.2

2.1.1

2.2.1

corporation with many stockholders operates differently than a partnership or sole proprietorship.

Taxation – a corporation is a separate taxable entity; the profit the corporation makes is taxed, and then the remaining profit is distributed as dividends to stockholders, who then pay a second tax.

Tax benefit / burden – Three factors determine the overall tax burden of an entity:

1. The tax brackets of the owners of the entity
2. The amount distributed rather than the amount retained
3. The length of time before the owners dispose of their interests in the entity.

Sole Proprietorship

This is the simplest of the business structures. A sole proprietorship is owned by one individual, or by a wife

and husband. It is perceived as an extension of the individual who owns, manages, and is directly liable for the business. The sole proprietor must obtain a business license, comply with Department of Labor regulations regarding unemployment and insurance, register their trade name, and apply for employee I.D. numbers. All profits will be reflected upon the sole proprietor's tax form, and he/she is responsible for his/her acts and the business's employees. This puts the personal assets and business assets at risk. This structure is considered to be most suitable for simple enterprises that have no employees and few liabilities that may be insured against.

General Partnership

An association of two or more people to run the business as co-owners for profit. It is funded by the amount



the partners are willing to invest, and a percentage of the profit is used to compensate for the amount each individual puts in. The amount of profit a partner is allocated is considered personal income for tax purposes. To ensure every partner is on the same page, a written partnership agreement is needed. The agreement should cover management issues, additional capitalization, allocation of profits and losses, operational guidelines, dispute resolution, revisions, and termination procedures. Each partner is responsible and liable for the other(s), which means the people you partner with should be people with whom you are familiar and whom you trust to conduct themselves in a professional manner.

Limited Partnership

In this “layered” partnership, there are one or more general partners and one or more limited partners. The general partners carry out the business, and the limited partners are usually passive investors who do not take part in management decisions. The amount of liability limited partners have depends on the investment they put in. The name of the entity must contain “limited partnership,” and it must be registered with the Secretary of State and obtain a federal I.D. number.

Corporation

This is a taxable entity considered by law to be an artificial person possessing the same rights and responsibilities as an individual. You establish your corporation by contacting the Secretary of State and filing articles of incorporation. A corporation has bylaws directing how it will be run. The corporation must file for an employer I.D. number with the IRS, and you are required to fill out and return a report to the Secretary of State.

A corporation is responsible for its own debts as a business, and its shareholders have limited liability directly proportional to the amount of their investment. They are subject to double taxation, unless a “Sub-S” election is filed with the IRS. This S corporation is not subject to a double tax, and its income is passed through its shareholders for the benefit of small businesses. It cannot have more than 75 shareholders, and they must be individuals and U.S. residents.

Limited Liability Company

A hybrid entity, this offers the limited liability of a corporation, is not double taxed, and is governed by a

formal written agreement. Formed by filing a certificate with the Secretary of State, the company must include “LLC” in its name and is managed either by its members or by one individual. Members and managers are not liable for the debts of the company and are not liable to each other except in cases of gross negligence, intentional misconduct, or a knowing violation of the law.

An LLC is funded by the interested members contributions and by admitting new members. An LLC may be expensive to form, depending on the complexity of the agreement. If the business is managed simply and the profits are divided between shareholders evenly, an S corporation may be more practical.

Limited Liability Partnership

General and limited partnerships can apply to become limited liability partnerships by filing a certificate with the Secretary of State. The difference between the general and limited partnerships and an LLP is that partners are not liable for the negligence or malpractice of another partner. An LLP is required to carry a specified amount of malpractice insurance, though.

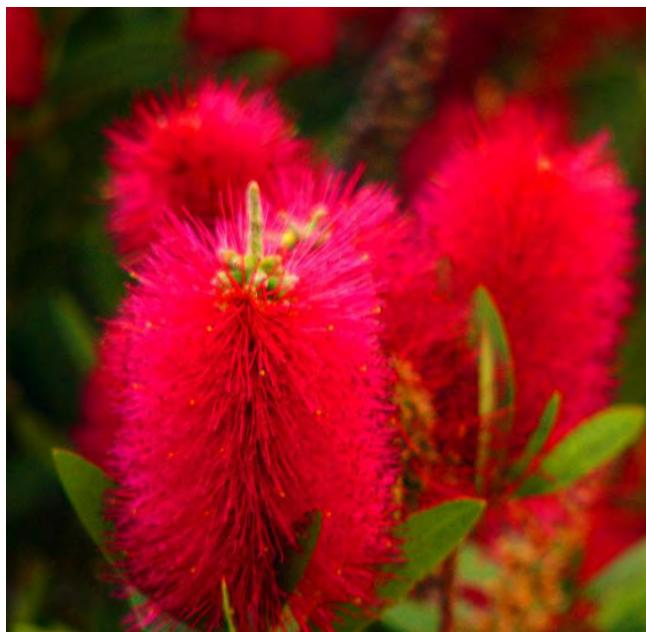
You should consider reviewing your choice of entity with professional advisers, including your attorney and tax accountant. The decisions are not irrevocable, and they may be staged to occur at different levels of growth. However, to maximize your goals, professional consultation prior to making your decision would be the most effective way to do business.

Staffing

Records of your new enterprise and its associated employees should be kept separate from the original farm or ranch operation’s records. The new compensation rates and requirements of the new business differ from the rest of your operation, so ensure that the appropriate taxes and costs are paid accordingly. Make sure to list all key employees and their qualifications in the appendix. In the business plan, strategize how many employees you will need, their titles, duties, and skills.

Devise Your Financial Strategy

A critical component of your business plan, your financial strategy identifies your existing sources of debt and the needs to finance out of it. Your current and future assets are specified as well as the start-up costs and the different forecasts for monthly principle and interest payments.



A lender's evaluation of your enterprise is based upon your financial strategy and is key to obtaining money. Accurately estimating numbers, explaining the needs, verifying sources of capital, is equally important to you the lender and to you when evaluating if you will need outside financing.

Keeping records and balancing the costs with profit is of utmost importance, and there are classes that offer help in this if you are unfamiliar with the procedures. There are also a number of computer programs that help small businesses and entrepreneurs set up business books. The U.S. Small Business Administration also has resources available on their website.

Make a Budget

A budget is a projection of income and expenses. It is your view of the future, based on your assumptions. (Later you will want to reexamine these for accuracy.) Start with the new proposed enterprise, because the budget will only consider the costs associated with it. Then move onto the entire farm budget, because it will be easier to integrate the enterprise with the entire farm.

Fixed Assets

These are the things you own that have a useful life of more than 1 year. In the financial strategy, the cost and estimated acquisition date, useful life, and depreciation

schedule of each asset should be completed. Also list future assets for further development and the loans you will need to acquire them.

Start-Up Costs

Every new enterprise has them, and they need to be included in the financial plan. These are costs associated with opening your new enterprise. Most are one-time expenditures, but some recur annually. Legal fees, accounting fees, licenses and permits, remodeling, advertising, and hiring costs are all start-up costs.

Sales Forecasts

These are vital from both management and sales perspectives: planning financially by having a good estimate of sales. Looking back on the review of your products, customers, competitors, and budgets, you will be able to establish trends and provide a sales strategy. Make sure that you do this several times with worst-case, most likely case, and best-case scenarios.

Cash-Flow Forecast

This will allow you to estimate closely how much working capital the new enterprise will need. Adequate working capital is needed if you are to leave your other operation's budget unaffected. The cash-flow forecast is a prediction of income and expenses as they "flow" through your operation. This is usually over a 1-year period, a combination of your start-up costs, sales forecasts, and debt servicing to create it.

Profit and Loss Statement

Profit and loss statement = $(\text{revenues} + \text{adjustments to revenues}) - (\text{expenses} + \text{adjustments to expenses})$.

It is treated as if it were a budget in summary, but it has adjustment categories like capital gains and losses, or depreciation. Also called an "income statement," it expresses your business over a specific time period such as a quarter. Keep in mind the start-up costs associated with a new enterprise and the projected profit and loss statements should allow time for the business to get up and running.

A Balance Sheet

Assets = liabilities + owner equity

Assets are what your business owns, liabilities are what the business owes, and owner equity is what the business

owner owns free and clear of all debt at a specific date in time. A business plan must include a balance sheet that includes your entire operation. Using an accountant will help to greatly ease this process.

Include an Appendix

Located at the end of your business plan, an appendix includes supporting documents: tax returns; major financial documents, both business and personal, including prior credit and debit history; your resume and those of key employees; resumes of your management team, including outside consultants and advisors such as accountants, lawyers, bankers, and insurance brokers; certificates of completion of all business-planning and management courses you've taken.

Find Financing

Most small business owners require some initial capital to start an agritourism business; there are a variety of sources available to you. Personal funds, debt financing, traditional agricultural lenders, small-farm-friendly banks, the Small Business Administration, rural economic development agencies, and micro-loans are all sources that can be explored for help with the start-up costs.

Chapter 5 Navigating Legal Constraints

What Are Regulations?

Imposed by different levels of government, from the county to the state and up to the federal government, regulations are constraints or limitations placed upon your agritourism or nature tourism enterprise. There may be laws, municipal codes, and ordinances outlining the regulations and the procedures for complying with them. Becoming familiar with these regulations will allow your business plan to develop further; knowing what is permitted and the steps to allow proposed activities on the property and associated costs is very practical.

Most farmers or agricultural producers are already familiar with post-harvest and processing regulations, so only preparing for additional legal requirements is usually necessary in the initial planning phase. But if you're new to agricultural production and processing, there is a lot to learn about what is necessary in order to get your products or services to the market.

Hawai'i County Zoning

Hawai'i Island is based upon a Euclidean Zoning key, where land is divided into urban, rural, agricultural, and conservation districts. The Land Use Commission (LUC) is responsible for designating these different land-use areas. Under current law in Hawai'i County, "agricultural tourism" means visitor-related commercial activities or periodic special events designed to promote agricultural activities conducted on a working farm, ranch, or agricultural products-processing facility.

In Chapter 25 of Hawai'i County Revised Statutes agricultural tourism is allowed as an accessory use to agricultural activities in commercial, industrial and mixed-use areas. Agricultural tourism is permitted as an accessory use to agricultural activities and agricultural processing facilities in the agricultural and rural districts, subject to plan approval and in conformance with section 25-4-15(d). Agricultural tourism activities in agricultural and residential agricultural districts that do not conform to section 25-4-15(d) shall obtain a special permit in the state land-use agricultural or rural



districts, or a use permit in the state land-use urban districts.

Agricultural tourism operators shall comply with the following regulations:

- The agricultural activity or agricultural products-processing facility must have a minimum of \$10,000 in verifiable gross sales, exclusive of any income from agricultural tourism activities or any other non-agricultural activities, for the year preceding the commencement of the agricultural tourism activity or, in the case of a new agricultural activity or agricultural products-processing facility, provide evidence to the director's satisfaction that sufficient investment has been made in the planting of crops, acquisition of livestock, or construction of agricultural products-processing facilities, that the agricultural activity or agricultural processing facility will achieve the minimum required gross sales.
- Agricultural tourism activities shall not commence prior to 8:00 a.m. or continue past 6:00 p.m. daily.
- The agricultural tourism operation shall have a maximum of thirty thousand visitors annually.
- All visitor and employee parking, loading/unloading, and vehicular turn-around areas shall be located off-street.
- The total area of spaces, including covered decks, lanais, tents or canopies, and gazebos, whether

newly constructed or within existing structures, to be utilized principally for the agricultural tourism activity, but not including parking and vehicular-access areas, shall not exceed one thousand square feet.

- Gross revenues from agricultural tourism shall not exceed the gross revenues of the associated agricultural activity and/or agricultural products-processing facility, including revenues from adjacent parcels under the same ownership, except where it can be demonstrated to the director's satisfaction that the gross agricultural products/processing income is less than fifty percent of the total income due to unforeseen environmental or economic conditions for not more than two consecutive years, or, in the case of a new agricultural activity or agricultural products-processing facility, that sufficient investment has been made so that it is reasonable to project that the operation's gross revenues from agricultural tourism will not exceed fifty percent of gross revenues, and provided further, that the sale of all items which include agricultural products grown or processed by the associated agricultural activity or agricultural processing facility shall be included in the gross revenues of the associated agricultural activity or agricultural processing facility.
- Sales of agricultural products grown on the island of Hawai'i, and processed agricultural products where the main ingredient was grown on the island of Hawai'i, shall be allowed as part of the agricultural tourism operation. Incidental sales of non-agricultural promotional items, including but not limited to coffee mugs, tee shirts, etc., shall be permitted provided: (A) The items are specifically promotional to the site's agricultural activities and/or product; and (B) The gross revenues from the sale of non-agricultural promotional items shall be included with the gross revenues from the agricultural tourism activities.
- Agricultural tourism in the agricultural districts shall not include weddings, parties, restaurants, schools, catered events, or overnight accommodations, unless allowed by special permit or use permit.
- Annual events that promote an agricultural industry or agricultural area, and organized on a not-for-profit



basis, are permitted in agricultural districts without a need for a special use permit. Agricultural tourism in agricultural districts shall not include weddings, parties, restaurants, schools, catered events, or overnight accommodations, unless allowed by special permit or use permit.

Any agricultural tourism activity that is not in compliance with the or appropriately permitted shall be considered illegal under this chapter, unless otherwise noted herein. Agricultural use without having received plan approval shall be considered illegal under this chapter. Any agricultural tourism activity that is currently operated under a special permit may continue to operate under the terms and conditions of the special permit, or apply to void the special permit and, if the permit is voided, operate under the above regulations. An agricultural tourism activity that obtains plan approval, but becomes non-compliant with the above regulations because of an increase in the number of visitors, shall apply for a special permit, but may continue to operate until a final decision is made on the special permit application. An agricultural tourism activity which has received plan approval shall submit financial records to the director on request to verify compliance and shall maintain a count of visitors which shall be furnished to the director on request. The director may use observations of visitor arrivals, including bus traffic, in estimating whether an agricultural tourism activity complies with the above regulations, and may require that an activity allowed with plan approval apply for a special permit based on such observations. In that case, the activity may continue until a final decision is made on the special permit.

Maui County Zoning

The actions and permitted uses in Maui County are different than in the rest of the counties in the state of Hawai'i because this county includes three separate islands in the chain. The zoning regulations give Maui Island more leeway in the allowable uses, while trying to maintain the culture of Lana'i and Moloka'i. The regulations and permitted uses can be found in Maui County Revised Statutes Chapter 19.

Compared with Hawai'i County, Maui County permits some associated uses with agricultural-zoned lands. These include one agricultural product stand per lot, for the purpose of displaying and selling agricultural

products grown and processed on the premises or grown in the county, limiting that stand to a total of 300 square feet and set back at least fifteen feet back from roadways and 50% open walled. If the farm is selling products not produced in the county, they are required to obtain a special use permit.

Farmer's markets are allowed for the growers and producers of agricultural products grown in the county, on lots bigger than 10 acres. Depending on the location and structures, any new buildings may need to obtain a building permit. If the farmer's market doesn't meet these requirements, it is required to obtain a special-use permit through the county.

Moloka'i Island is pretty restrictive in uses and requires any type of commercial and noncommercial open land recreation to be approved by the Moloka'i Planning Commission. These types of uses include hiking, camping, fishing, hunting, equestrian activities; rodeo arenas; arboretums; greenways; botanical gardens; and guided tours that are accessory to principal uses, such as farm or plantation tours, petting zoos, and garden tours; hang gliding; paragliding; mountain biking; and accessory restroom facilities. In comparison, those types of commercial activities on Maui and Lana'i Island require a special-use permit to operate.

On Maui and Lana'i, bed and breakfast homes are permitted if that agricultural operation is able to show gross sales of \$35,000 annually for the two preceding



years. These lots need to be in compliance with 19.64 and show that they are not condominiums, were created before November 1, 2008, and are less than five acres. The lot also could be registered and recognized as a Historic Place or Building.

City and County of Honolulu

In the City and County of Honolulu there are allowable associated agribusiness activities. A roadside stand with specifications similar to those for Maui County is permitted, but it is limited to a 500-square-foot area. The products sold have to all be from Honolulu City and County, and 50% of those products need to come directly from that farm or operation. This includes jams, jellies, candies, and pickled or dried produce made from those products.

Motorized transportation systems such as, but not limited to, tramways, trains, and other forms of connected, motorized vehicles used for guided or self-guided tours may be permitted only if in conjunction with and incidental to the existing agricultural operation on the same site. This means that if you have obtained a conditional-use permit or special-use permit to operate an agricultural tour, you are allowed to supply a transportation system.

Again similar to Maui, one farmer's market for the growers and producers of agricultural products to display and sell agricultural products grown in the City and County of Honolulu is permitted on a zoning lot. Jams, jellies, candies, and pickled or dried produce or similar items made from these products also may be included for display or sale. Markets shall operate only during daylight hours and shall not operate on parcels of less than five acres. Structures in the farmer's market may have a wall area, but any wall shall be at least 50-percent open, and all structures shall have a rural or rustic appearance. The market shall be on a scale appropriate to the size of the lot and surrounding area, and adequate parking and vehicular access shall be provided as determined by the director.

The City and County of Honolulu website lists all of the permitted uses and uses requiring approval on agricultural zoned districts. The process of obtaining these permits is similar to that of Hawai'i County but may require more public support due to the exponentially greater population compared with the other Counties.

Kaua'i County

Kaua'i County is unique among Hawai'i's counties and has different zoning district requirements. This is because there is a large number of zoning classes and permits required for specific locations and designated areas. All regulations and special-use permits can be obtained and referred to on the Kaua'i County website. The application and special-use permit process is similar to that of Hawai'i Island and can be found in Chapter 8.3.4. The allowed uses, and those that require use permits, can be found in Table 8.2 of the current comprehensive zoning ordinances. Most activities that aren't direct agriculture or traditionally associated with agriculture require a use permit.

Environmental Health

The state of Hawai'i Department of Health (DOH) Environmental Health Administration (EHA) has set quality standards, and it's the counties' job to ensure that the impacts of developmental projects are in compliance with those standards. These standards can be found by contacting the EHA directly and speaking with consultants. Typically the most common problem with getting a permit approved is complaints of increased traffic. Ensuring that your neighbors and county are on board with your project before applying will prevent unseen costs.

Public Health and Public Safety

Agritourism and nature tourism enterprises need to follow state codes and guidelines for processed foods and direct sales. Any food that needs to be packaged or cooked, such as jams, jellies, or laulau, needs to be processed in a commercially certified kitchen. Raw fruits and vegetables, and even honey (up to 1,000 lbs) can be sold on the farm directly without going through a commercial kitchen. If you're planning on selling value-added products, please look up the available commercial kitchens in your area or look into establishing one on your property. If you are serving hot, fresh foods, you must obtain a food establishment permit from the DOH.

Licenses, Taxes

All businesses are required to comply with administrative regulations: licenses; excise taxes; federal, state, and local taxes; and employee-related laws. Other businesses have

additional tax burdens; for instance, wineries require liquor licenses, and bed and breakfasts have to charge a tourism tax rate. All businesses need to register with the General Excise Tax licenses through the state. Every business that isn't a sole proprietorship without a trade name must register with the Department of Commerce. Businesses with employees, partnerships, or corporations must obtain an Employer Identification Number (EIN) from the U.S. Internal Revenue Service. Businesses with one or more full-time or part-time employees must acquire unemployment insurance for their workers from the State Department of Labor and Industrial Unemployment Insurance Division. Businesses with one or more full-time or part-time employees are required to have private worker's compensation and temporary disability insurance. A full list of agencies and contacts for businesses is available at the County of Hawai'i website under "Licenses, Permits, and other Requirements."

The Hawai'i transient accommodation tax is set at 9.25% and is set to revert to 7.25% in 2015. This is important to know because most bed and breakfasts need to collect this from customers. It's a state tax on revenues generated from accommodations industries. If you are running a bed and breakfast, you need to obtain a certificate for transient accommodation registration.

Regulations and Your Business: Where to Start *Do Your Homework*

Checking the zoning maps for your county will help to ensure that the types of activity you want to offer are allowed on your property. Talk with your county planning department and bring in assessor's parcel zone and resource inventory maps, looking at the county's codes and zoning lists of allowable uses in each district. Look up the local, state, and federal requirements and guidelines specific to your activity. Research design



reviews; codes concerning signs, parking, and road access; rules about access for the disabled; and other requirements. Always ask for some explanation of any regulations that you don't understand.

Now, if your proposed enterprise requires a special-use permit or use permit, then you'll need to learn about the process for approval. The Hawai'i Rural Development Council has put out a paper illustrating the steps required in obtaining a special use or use permit. It can be found online by searching for "Introduction to Hawaii's Land Use and Classification and Management System." Basically you will need to put together background information, show that your proposed plan meets standards, a scale-drawing of the proposed action, a list of names and contacts who will be affected by the proposed use, and proof that you will have the financial backing to follow through with the proposed use.

Use Permit Application

1. Background information

- Detailed description of the proposed use, a statement of objectives and reasons for the request, including proposed hours of operation and number of employees/clientele
- Description of the subject property in sufficient detail, existing uses structures, and topography.
- State/county Plans affecting the subject request: land use designation, zoning, special management and community development plans
- Surrounding zoning and land uses
- Archaeological resources (one of the following)
 - An AIR (archeological inventory report)
 - A "no effect" letter from the state DLNR Historic Preservation Division
 - A copy of a letter written by the applicant to the state DLNR Historic Preservation Division requesting a "no effect" letter, including supporting documentation, to which SHPRD has not responded after 30 days.
- Floral and faunal resources
- Description of access to the area; if it is a private roadway, submit evidence of access rights.
- Traffic impacts: existing conditions, anticipated increase and mitigation processes
- Availability of utilities: water, telephone, electricity, and sewage disposal

2. Request meets standards

- Consistent with the general purpose of the zoned district, the intent and purpose of the zoning code, and the county general plan
- The proposed use shall not be materially detrimental to the public welfare nor cause substantial adverse impact to the community's character or to surrounding properties.
- Not unreasonably burden public agencies to provide roads and streets, sewers, water, drainage, school improvements, police and fire protection, and other related infrastructure.

3. **A scale-drawn plot plan of the property** showing lines; all existing and proposed structures, uses and improvements, and reference points such as roadways, shoreline
4. One copy of a **full-size (2'x3')**, **scale-drawn plot of Item 5** for presentation purposes
5. **A list of the names, addresses, and tax map keys** of all owners and lessees of record of surrounding properties who are required to receive notice
6. **A certificate of clearance from the Director of Finance** that the real property taxes and all other fees relating to the subject parcels have been paid.

Requirement to Inform Surrounding Property Owners and Lessees of Contested Case Procedure

First notice – within ten (10) days after the planning department or planning commission has officially acknowledged receipt of your application you are required to serve notice of your application on surrounding property owners and lessees of record, in accordance with the Hawai'i County Zoning Code, Section 25-2-4

Second notice – You are required to serve a second notice within ten days after receiving notice from the director of the date of the scheduled hearing but not less than ten days prior to the date of the scheduled hearing.

Both notices shall include the following information:

1. Name of applicant
2. Precise location of the property involved, including tax map key identification, location map, and site plan.
3. Nature of the application and the proposed use of the property
4. Date application was filed
5. Notice to landowner and lessee that they have a

- right to submit a written request for a contested case procedure should they seek to intervene as a party
6. Notice to landowner and lessee that should they choose not to submit a written request for a contested case procedure, they may express support/opposition in writing or by oral testimony at the planning commission public hearing to be scheduled
 7. Planning department mailing address and phone number should there be any questions
 8. Date time and place of the public hearing for the considered application (for second notice)

Permits, Licenses, and Your Business Plan

Estimate permit and licensing fees

A finalized business plan will include the costs associated with permits and licenses. Most permits require processing fees for applying, and licenses require yearly renewals as well. There are fees that accompany permit applications and that are required for public hearings on the proposed use. There are always additional fees for business licenses, liquor licenses, food establishment certificates, commercial kitchen certifications, and other licenses.

Remember that if your plan involves building new structures, there are permits and codes to follow in certain areas. Those permits also require fees, as well as people's time and services to approve the new structure(s). Just researching the costs can help you refine the decisions in your plan. Sometimes the cost of complying with all the regulations is prohibitive, and you must modify your project plans.

Bill 25 Regarding Agritourism

Currently Hawai'i County is leading the state in proposing a new bill that will allow small farms to increase profitability by allowing 5,000 visitors or less a year without having to apply for a special-use permit. They define agricultural tourism as "the practice of visiting an agribusiness, horticultural, aquacultural, or agricultural operation, including but not limited to a farm, orchard, winery, greenhouse, or hunting preserve, an agricultural products-processing facility, or a companion animal or livestock show, for the purpose of recreation, education, or active involvement in the operation, other than as a contractor or employee of the operation." These minor agricultural permits don't require the full plan required by major agritourism operations, in which up 30,000 visitors are allowed per year. Minor operations are not allowed to have vehicles that hold more than 15 people on their property and are allowed up to 100 visitors per week. The bill is in the process of taking in testimony and is being revised before being proposed to the county council again. The revised bill can be seen by interested parties by emailing Zendo Kern at zkern@co.hawaii.hi.us.

Chapter 6

Developing Your Risk-Management Plan

About Landowner Liability

Liability should be of concern to anyone contemplating a tourism enterprise. Liability means legal responsibility, according to Hawai'i law. Landowners who charge for recreational use on their property are legally responsible for the well-being of those persons. Considering the liability of your agritourism or nature tourism operation will allow you to plan out the types of risks you are taking.

What Is a Risk-Management Plan?

In any business there are risks, but in an agritourism operation there are two types of risks you should especially worry about. The first is farm-safety risks, which involve your physical operations. The second are financial risks, which involve employee issues or loss of customers, or the closing of a certain market. There aren't any ways to eliminate all these risks, but there are some ways to reduce them: avoiding certain activities; keeping grounds clear and well kept; having visitors sign liability waivers; choosing the appropriate legal structure;

purchasing insurance; and learning good management rules for hiring, training, and developing employees. A risk-management plan addresses the assets and associated hazards that you are responsible for, and creates strategies for if accidents do happen to occur.

Risk-Management Plan, Part 1: Farm Safety

Reevaluate Your Venture

Taking a step back and looking at the enterprise you are trying to create, the goal is to attract visitors and keep them safe. You not only need to keep visitors safe, but your staff, animals, and operators need to be cared for, too. Carefully contemplating how you can keep your farm safe and disease free as possible can help to build good practices and reduce physical risks.

Reconsider Your Activities

Identify all the potential hazards of the activities your operation wants to do and try to avoid them as much as possible. For instance, if you are offering horseback rides, you need to establish some rules for riders and safety guidelines for the staff. If you are offering food services, train employees on food-handling practices.



Make Your Place Safe

Just paying attention to the small things at your farm or ranch will allow you to mitigate hazards and avoid accidents. Reduce physical hazards by posting signs and educating guests on where boundaries are. Looking at the places on your property that are safe and identifying specific areas for guests is a good way to keep them secure. Established areas and safety rules need to be enforced for all guests in order for them to work.

Cleaning up visitor areas by filling in potholes, fixing gates, pulling out rusty nails, and keeping animals in designated areas is a good way to make sure your property is safe. Maintaining structures and safety features of buildings is always good practice, and providing adequate lighting for different areas will help keep guests from getting hurt. If there are hazards on your property, take time to explain them and the dangers they pose to guests. Provide visitors with handouts and post signs by dangerous areas to help them better understand the risks.

Training employees is important for their own safety as well as visitors' safety. You can do this by providing safety education classes. Make sure that you establish emergency plans for fires, floods, earthquakes, and other natural disasters. Keep first-aid kits handy and provide CPR training for all employees, posting emergency

telephone numbers and contacts where all can see them. Contact emergency response crews so that they are aware of where your property is located and how to get to it—this can be the difference between death and surviving an accident.

Blocking off bodies of water will keep the public safe, preventing small children from falling in. Providing adequate parking and convenient transportation will decrease customers' stress. Keeping your farm sanitary by providing restrooms and hand washing stations, especially in areas where there are animals present. Keeping animals in designated holding pens and barring visitors from troubled ones will help prevent accidents.

Keep things secure by putting away dangerous chemicals and locking tools and sharp objects in shops to keep visitors from injuring themselves. Remember that implements and equipment can be very intriguing for visitors, so try to distance them from designated visitor areas to avoid accidents. Vigilance is key, and every guest's safety is important to success.

Reduce Risks From Animals

Animals often act unpredictably around groups of people and differently from when there is only one person. Controlling the access to these “viewing animals” and supervising each interaction will help to decrease risks.



Choose the most friendly and well-behaved animals for public interaction. Your animals' well-being is paramount to your operation, and keeping them healthy with vaccinations and regular care will also help decrease the transmission of diseases. Keeping stalls and holding pens clean will help decrease odors and increase sanitation. If a guest is bitten or kicked, report these incidents to the local health department.

Address Other Liability Issues

If you are selling alcohol on your property, you need to carry a liquor license and also liquor legal-liability insurance. When providing transportation to customers in personal vehicles, you must have commercial automobile policy insurance. Remember, as a landowner you are responsible not only for your own actions but also for any person representing your enterprise, including employees and contractors. Discuss the liability you have with lawyers and insurance agents to get the types of coverage you want.

Sometimes off-farm hazards become a problem, with fires, chemicals, and trespassers disrupting the normal flow of business. Remember that there are always going to be threats of natural disasters and accidents off-site that can affect you and your operations. For instance, a fire that started from a lava flow miles away could blow towards your farm and put assets at risk. Mitigating this threat by using firebreaks around your property can help to hinder the transfer of fires.

Issue Liability Waivers

A liability waiver demonstrates that your guests understand the risks on your property and accept responsibility. Having your visitors sign a waiver doesn't completely absolve you of liability, but it is a document valid in court. Not only will waivers help keep a count on the amount of visitors; they will educate guests about the dangers in your job.

Drafting a Liability Waiver

Describe the use of property, and the terms which a person or group is welcomed. Leave a space for visitors to write their name, and clearly state the size and boundaries of land the waiver covers, as well as areas that are off limits, safety zones, barns, and pastures. List the specific uses permitted under the agreement, food, lodging, guides, transportation, and services provided.

Provide a state law compliance so that visitors agree to follow all state laws while on your property.

Insure that guests register in and out at the same location. Explain the limitations and rights-of-access to adjoining lands. Specify that the user agrees to "indemnify and hold harmless the landowner from any claims made by the user or third parties arising from the use of the land or activities." For additional protection, incorporate firearm-safety principles, require successful completion of hunter-safety or horseback-riding basics if relevant, and prohibit alcohol consumption before dangerous activities.

Acknowledgement and assumption of risk is important describing and recording all the dangers on your property such as fallen logs, lava tubes, wild animals, barbed-wire fences, and dangerous activities. Note that guests accept these risks that associated with the property and activity use. Specify that the users carry liability insurance and, in their policy, that they name the landowner as an insured.

List the necessary conditions of cancelation, renegotiation, or renewal in case either party terminates, renegotiates, or renews an agreement for various reasons. Reduce the risk of disagreements resulting in legal litigation. Specify that problems (injury included) arising from 1) the waiver of liability and 2) the use of property will be addressed in mediation before either party resorts to legal action.

Specify the payment amount and method and the failure-to-pay provisions. Establish a deposit for damages



caused and not repaired by visitors, noting the deposit is returned if damages do not occur. Address any other concerns you may have, such as gate closures, procedures of activities, and sanitation requirements.

To complete the agreement, have your visitors print their names and addresses followed by their signatures and date of signing. Make sure to keep a log of the safety inspections and incident reports. Anytime an incident does occur involving your employees or visitors, make sure to collect names, contact information, and a statement.

Choose the Appropriate Legal Structure

Before you host a single visitor or plan an event, make sure to talk to your management team, which you formed in chapter three. Your lawyer, who should be familiar with business law, and your insurance agent are essential in this process. It will allow you to structure your business in the way that best protects you. The structure of your business influences many aspects of your operations. Management, taxation, and estate planning are important components to consider when selecting the best legal structure and are described in detail in chapter three, “Creating Your Business Plan.”

Buy Insurance

Know that accidents can occur but that taking the necessary precautions can decrease their effects. These are questions that need to be addressed when deciding to purchase insurance and decrease the risk upon your personal assets:

- How will my business run if I am ill or injured?
- What steps have I taken to protect myself?
- What provisions have I made for the business after my retirement?
- What happens to the business when I die?
- How will my business run if a key person gets ill or injured?

Liability insurance shifts the risk from you to your insurance company: if you've taken the necessary steps to prevent an accident and it still occurs, then your insurance policy should cover the costs. Liability insurance can protect your personal assets and pay for additional costs if a lawsuit does occur. Without it you risk everything you own, so it is critical that you discuss this coverage with your lawyer and insurance agent. However, most farm

and ranch policies discourage agritourism, so expect higher rate policies or exclusions to their policies.

Purchasing Coverage

- Does the difference between the insurance premium and the income gained allow you to earn enough income to make your new enterprise worthwhile?
- Can you realistically pass the insurance cost on to the customer, or will the cost of the insurance limit the demand for the activity?

Make sure to purchase an insurance policy that protects your personal assets. Costs will vary with the company, the activities offered, and the risks facing visitors, and they reflect the net worth of your entire operation. Identify a credible insurance company, and review your coverage every year; shop around and get quotes from other companies every 3–4 years. Talk with other operators to see if they have a certain policy or relationship with an insurance company that may work for your enterprise. Using the table on the following page will help you to select the best insurance for your needs.

Risk Management Plan, Part 2: Employee Well-Being

Your financial well-being is dependent upon your employees and addressing strategies to reduce risks and liabilities involving them. Risk management regarding employees involves a good sense and sound information. Good management practices are imperative; learning and following good hiring and training practices will safeguard your employees' health and safety, as well as protecting you legally. Again, discussing these employer laws with your lawyer will help to understand your liability under local, state, and federal practices.

Acquire Employer Status

Begin your employee well-being strategy by contacting the federal and state governments for your employer identification numbers. You'll need a federal employer identification number and a state employer accountant number.

Following Good Hiring Practices

When hiring employees, ask yourself these questions:

- Can I add my new enterprise without overloading my existing staff?

Buying Liability Insurance

Call several companies to compare rates and coverages		
1)		
2)		
3)		
Insurance company:		
Is there a deductible?	Yes	No
If yes, how much?		
Does the insurance apply to...	Yes	No
...my premises and operations liability?		
...my products and operations liability?		
...my contractual liability to others?		
...my personal injury liability to others?		
...my advertising injury to others?		
...my property liability to damage to others?		
...incidental medical malpractice liability resulting from helping an injured person?		
...non-owned watercraft liability?		
...host-liquor liability?		
..court costs for defense—above limit or included in liability policy limit?		
Is each of my employees added as an additional insured?		
Is the premium a set fee?		
Is the premium based on a percentage of gross sales or on client days?		
Do I have to belong to an association to purchase insurance?		
If yes, what is the cost of membership?		
Does the insurance agent understand my proposed enterprise?		

- How will I recruit additional staff?
- What process will I use to screen and hire employees?
- What training will I provide, by whom, and at what cost?
- How will I set salaries and wages?
- What benefits will I provide?

Looking at your enterprise, list the employees that are needed, noting duties, titles, and skills. Research the pay range for a similar job, and offer it to a friendly, knowledgeable person whom you know would represent your business favorably. Advertise your seasonal or part-time jobs to your community, hiring responsible residents. Remember that there are laws and requirements for advertising these jobs fairly.

Deciding on what qualifies a potential employee is only the first step. Interview candidates to make sure that they have a good sense of what the job entails, communicate well, and are responsible and serious about the job. Make sure to check references thoroughly and always abide by equal-opportunity employment principles.

After you've identified the ideal candidates you are ready to make a formal offer of employment. Include 1) a statement of wages or salary, 2) the number of hours to be worked, 3) the days and times to be worked, 4) pay days, and 5) benefits. Make sure you obtain a young employee's proof of age, an immigrant's work visa, a minor's work permit, and everyone's Social Security



numbers, I-9 forms, and W-4 forms, as well as a new hire report for the Hawai'i Employment Development Department. According to law you must provide your employees unemployment insurance, state disability insurance, and worker compensation. It isn't necessary to provide all employees with health insurance but identify the circumstances in which it is required. The Hawaii Employers Council has resources available to help you navigate the legal requirements.

Orient Your Employees

Whether they're new or advancing employees, personally take them on a tour of your operation, pointing out their duties and how they are important to your enterprise. Every person of your operation is a reflection upon your business and must understand and know the business. Get the message and vision of what you consider important

across to employees and explain what they must do to prosper. Really encourage input and questions from employees so that they feel like they're part of the team.

New employees should be introduced to the entire staff and educated about the equipment, storage locations, and rules of your operation. Make sure you clearly explain the job description, task list, and safety rules in written as well as oral form, and give a hard copy to employees. Employees must grasp that customer service is a top priority and should view customers as the reason for their jobs, not as interruptions to their daily tasks.

Train Your Employees

Trained and educated workers are more confident, competent, and self-directed. Make sure to train and retrain employees, even family members. Along with a tour of your operations, educate them about the tourism

industry itself. Deciding on who will train and educate your staff and at what costs. Will you go through a consultant, college, or other recreational business? Training them yourself is always an option, but making sure you are properly trained yourself is necessary before hand.

Keep in mind that no one does a job exactly the same, even with training, and that employees may do the job as well or perhaps even better than you. Manage employees for results, not methods, unless safety, health, or the business is at risk. Ask yourself these questions when evaluating: 1) Did the job get done? 2) Was the job done well? 3) Are my customers continually satisfied by my employees' work?

Encourage, Empower, Reward!

Always treat your employees with respect. Remember the golden rule: treat others as you would want to be treated. This will reflect upon how they treat your customers. Employees' positive morale and behavior are imperative to your businesses success, so give them responsibilities that will reflect their importance and value to the enterprise.

Give them thanks and always use positive reinforcement when a job is well done. When customers give reviews, these also can be shared with your employees. Try creating a poster board with all your employees and their pictures along with some of their interests. This will not only create pride in your staff but also give customers a sense of familiarity with your operation.

Arranging a staff meeting weekly will help with communication. At it, bring up problems or goals for the week. Review past events and how customers reacted so that your staff is aware of concerns and what exactly needs improvement. Just make sure the floor is open in those meetings so that employees feel that they are valued; in turn, trust, relationships, and enjoyment will grow.

Pay Fair Wages

Good work should be matched with good pay. Always pay your staff when scheduled. When an employee leaves, always pay them within 72 hours of termination, layoff, or quitting. Document their pay with a receipt or pay stub that includes the employee's name and Social Security number, pay date and period covered, salary or base wage

or piece wage, hours worked or pieces handled, total compensation, state and federal tax deductions, other deductions, and net pay.

Document!

This is something that is hard to do but is necessary. Document employees' hiring, training, and termination as well as your entire enterprise's performance. Keep your employees' personal files secure and locked. Document performance, verbal warnings, and copies of written warnings: these are especially important when you discharge an employee.

Files of worker's compensation claims, discrimination complaints and actions, safety complaints, and Occupational and Safety Health Administration (OSHA) actions should be kept safely and securely. Also place in your files state disability insurance claims, promotion and pay increases, signed resignation forms for voluntary resignation, unemployment insurance claims, vacation and leave requests, medical release to work, and annual and seasonal pay summaries.

Provide Safe and Healthy Conditions

It is of paramount importance that you keep a healthy and safe staff. An important way to help ensure that is to provide safe and healthy working conditions. Clean drinking water, spotless restrooms, and convenient hand-washing facilities are all necessary to help keep employees and customers healthy. Make sure employees attend a job-safety training session and that at least one employee has taken a first-aid and CPR course.

Even with these precautions, however, accidents can happen. If an accident does occur:

1. Get medical treatment for the person.
2. Obtain the injured person's name and address.
3. Call your insurance agent as soon as possible.
4. Document the accident.

Obtain Worker's Compensation

This provides injured employees specific benefits regardless of who is liable. It is required by law that you obtain worker's compensation, and this insurance can be expensive, so keep that in mind when planning your business. Talk with your lawyer or even the Hawaii Employers Council for help with how to abide by Hawai'i's Worker's Compensation laws.

Special Needs Demand Special Attention

When planning for safety and risk-management, consider people with special needs: children, the elderly, and the disabled. Title III of the Americans with Disabilities Act, a federal law, mandates that commercial businesses and private businesses serving the public be designed, constructed, and altered to comply with its specified accessibility standards. These standards involve access to lodging, sleeping facilities, restrooms, eating facilities, transportation, and parking spaces, among other things.

Information is provided on the American with Disabilities Act (ADA) website. If you have questions, phone the Federal Department of Justice's ADA information line at (800) 514-0301 or consult your lawyer.

Remember Your Animals' Welfare

Along with visitor and employee safety, animal welfare is critical to your success. As animal rights become a growing concern, taking the time to care really well for your animals is crucial. There are only a few laws and regulations that mandate animal care practices; these center on animal cruelty and neglect. However, there are many animal care guidelines and numerous publications discussing them.

- Guidelines by the National Safety Council (<http://www.nsc.org/farmsafe/facts.htm#5>)
- An animal care series by UC Davis School of Veterinary Medicine (<http://www.vetmed.ucdavis.edu/vetext/AN-Progs.html>)
- A poultry care handbook by the Poultry United Egg Producers (www.fda.gov/ohrms/dockets/dockets/97n0074/c000101.pdf)



Chapter 7

Designing Your Marketing Strategy

What Is a Marketing Strategy?

This is a plan that goes over how you will promote your agritourism or nature tourism enterprise. It covers what you will offer customers to attract them to your farm or ranch, and what keeps them interested and want to return. It's a function of your product, prices, promotion, place of sale, and your customers, competitors, complementary businesses, and production costs.

Like your business plan, your marketing strategy is fundamental to your business success. Start with your business idea and continue with the sale and products or services. To develop your marketing strategy, first review your business plan, because you must know where you are now, where you want to be, and what you have to do to get there.

Understand the Market

Researching the market you'll be working with is an important first step. Understanding the feasibility and information these current agritourism and nature tourism industries go through will help in planning and finding your niche market.

Know Your Industry

Begin by keeping up with the agritourism and nature tourism trends that can impact your operations. Predict how the market might change and strategize how to keep up with other businesses. Using the following sources to help inform decisions:

- Trade journals
- Magazine and newspaper articles
- Government agencies such as your local Small Business Development Center
- Websites like the USDA Agricultural Marketing Service (www.ams.usda.gov)
- The consumer: your target customers (using review forms)

Understand the Consumer

To select your target customers, find out who is already visiting the community around your area. Tourism boards and your chamber of commerce will provide information about the agritourism or nature tourism clientele. From



this larger market, you will be able to specify your target customers. Will they be single or married with children, local residents or just passing through? After you identify your customers, take the time to find commonalities in their characteristics and needs. Understand how these needs and characteristics can change over time.

Using outside resources to help understand the customers, decide if you can create an atmosphere that will offer amenities that tend to target customers. Or think of which customers you may be better able to please. Also calculate the approximate size and growth of your potential target markets. This can be done using population figures, sales tax information, industry information, and more. Remember this quote: "Selling is getting rid of what you have, while marketing is making sure you have what you can sell. The aim of marketing is to know customers so well that the product fits them and sells itself."

Learn Consumer Trends

An examination of USDA's Farmer Direct Marketing Service is a good place to start. Direct marketing includes farmer's markets, u-pick farms, roadside stands, subscription farming, community-supported agriculture, and catalog sales. The USDA website describes consumer trends in the purchase of fruits, vegetables, nuts, honey, meats, eggs, flowers, plants, herbs, spices, specialty crops, Christmas trees, and value-added products.

Build Strong Community Relations

Any service industry is fundamentally dependent on good public relations. Actively working to build and maintain a good positive image and a sound reputation with your customers, local community, region, state, and industry. In the local community, the acquaintanceships, friendships, communication, and collaboration you foster can provide valuable emotional, financial, and entrepreneurial support. Just becoming a valuable community member can go a long way in your new venture.

What Makes You Special?

Customer happiness is dependent on the qualities and accommodations you offer, which separate you from the competition. The unique combination of features will distinguish you from other businesses, identifying these features will help to forward your success. These features can include the following:

- The length of time your operation has been in business (farming for over four generations)
- Your location (next to the ocean, along a stream, near a waterfall, tucked away in a rainforest, near a quaint small town)
- The size of your operation (50-acre farm)
- Your product or service (outdoor family fun, obstacle course)
- A unique aspect of your product or service (bed and breakfast)
- Benefits of your product or services (solitude, community involvement)
- Unique people involved in your operation (a nationally renowned cultural expert)
- Your price (affordable family adventure, high-end luxury)
- Your reputation (featured in the *Hawaii Tribune Herald*)
- The lifestyle you offer (the lifestyle of local farmers)



Know Your Product

A “product” denotes something that is tangible, designed, manufactured, and packaged. Products are an obvious component of the manufacturing industry but are less evident in the service industry. Understanding the ambiance and feelings provoked by your farm or area will lead to a better knowledge of your own product. A good marketing plan considers the product mix, service, and overall atmosphere and theme.

Which products will you have on your shelf? Why have you chosen those products in particular? For example, if you sell primarily impulse-buy items but carry core items to keep customers coming back, describe your strategy.

When you are shopping somewhere, do you prefer hunting aisles on your own or being assisted by staff? Decide what level your service will be and how it makes sense in your overall business plan.

What emotions will your customers take away from their experience with your business? Too often, business owners fail to consider how the customer feels after the business exchange. These feelings elicited in the

customer are critically important to service businesses. In fact, sometimes what the customer remembers from the experience is the most important “intangible product.”

Develop Your Message

Once you’ve identified your enterprise’s unique features and benefits, forming a key message for public relations and advertisements will be easier, and you can better educate people about your business, both verbally and in writing. Deciding on how best to attract customers can be tricky. You can hire a professional to help develop your message, or recruit family members and outside partners. A good message should attract attention, retain interest, build desire, and encourage a call to action. Ask yourself: What image do I want to project, and what information do I want to provide visitors to help project it?

Pull in the values you and your family have prioritized, along with the unique mix of features and benefits. Then identify your products and services, budget for the enterprise, set prices, determine the method for

Categories of Features			
Product: The definition of your product or services	Price: The cost, price, and payment of your products or services	Promotion: How you notify your customers of your products or services, and how you sell them	Placement: Where you sell your products and services
Shape, size, package, special characteristics, identification Optional services Product Quality Staff Quality Style Parking Scenic Beauty Location Guarantees Transportation Remoteness	Cost of similar items Discounts Credit terms Group rates Weekly rates	Brochures Demonstrations Samples Advertising Sales promotions Personal sales Collaboration Mailing lists Packaging Brand or logo Location of sale	Distributors Grocery store, farmers market, restaurant Visibility Ease of purchase Timeliness Availability Consumers' awareness of availability Timing Frequency of service Tie-ins Co-branding



making reservations, and create clear directions to your site. Once you've determined your message, filter it down to one statement worth remembering and repeating.

Launch a Promotional Campaign

Promotion isn't a lazy job—you have to complete tasks in advance and on time. You need to create rates, design and distribute promotional materials, and follow established concrete timelines. Note that publications, seasonal customers, and travel agencies require early notice for their advertising schedules, and community relationships take time and patience to build. Try starting to promote your enterprise 3 to 12 months before you open up for business.

Once more, ensure that your community as a whole knows about your new enterprise and what it offers. Word of mouth is the least expensive and is often the most effective form of promotion. It is also the best way to develop customer loyalty.

Some Other Valuable Marketing Strategies

- Create websites
- Put up posters and/or hand out flyers
- Distribute brochures and business cards
- Include recipe cards and bookmarks with products
- Offer samples, where allowed
- Provide press releases to local newspapers, radio stations, and television stations
- Have the local press write a feature story about your unique establishment
- Tell customers about your products, where they are grown and how they are made
- Encourage customers to refer you to friends, and offer them a discount for every referral that walks through your door
- Donate to a local charity or event
- Work with local restaurants to offer your products on their menu
- Join the local chamber of commerce.

No matter which marketing tools you choose, think about the effectiveness for your target customers. Don't just choose the tools that you feel most comfortable with or like the best. Be consistent with your marketing tools—don't change your message or look too soon; stick with one tool so the customers become familiar with your enterprise and don't get confused.

What Is Your Marketing Cost?

Marketing research, promotion, and continual customer feedback are ongoing costs of business. Consequently, you must budget for them each year. Your marketing costs depend largely on your enterprise's size and type and on your advertising and sales methods. Expect to pay 10–25 percent of your total operating costs for marketing during your first four years. As you build a sound reputation, however, your marketing costs will decrease to around 4–10%—unless competition and other external factors compel you to put more money into marketing to maintain your market share.

What Price?

What you charge customers reflects what it costs you to manufacture, market, and sell your product/service relative to the features and benefits provided by local competitors. To determine this, take your break-even point and add a percentage for profit. If you find yourself charging substantially more than your competitors, review the results of your market research. If you find yourself charging far less, look again at your quality of service; perhaps it needs upgrading. Consider providing group bookings and large-sales discounts for added profit. Although it's unwise to "buy" business, a smaller margin on a larger volume might earn you money.

Be strategic. For example, consider seasonal prices. If you increase summer prices, you might decrease winter prices too and thus stimulate customer interest during a time you'd otherwise see little activity. Or you might simply save your summer profit for your slow time of year.

Websites

These are now considered a necessity, since the Internet is one of main ways people get information today. You can create your own website or hire a website designer to do it for you. Whoever develops your website must keep in

mind that it must be easy to use, include key information, hours, contact information, product information, services available, prices, and upcoming special events. Use your mission statement to help shape the website to display your enterprise. Be consistent with logos, colors, and key messages used in other promotional tools. Keep your website up to date to reflect seasonal changes such as hours and prices.

Social Media

Times are changing, and the amount of information received and displayed for others has grown exponentially with the invention of social media sites. These free sites are often the best means of voicing your opinion and connecting with friends and family. There is a number of apps and tools to display your business. Facebook, Instagram, and Twitter are all free to the public and can be used to showcase your agritourism or nature tourism business and its personality. It can often be a way to advertise specials and connect you with other community members.

Working With the Press

Start by creating an online or printed press kit. If you are creating a printed press kit, present your material in a folder with sleeve pockets. Either type of press kit should include a brief cover letter, including your operation's website address, if you have one. The following should also be included:

- Two copies of your business card (in the printed kit)
- A brochure
- Location and directions
- Services provided
- Price list
- Brief biographical sketch
- Photographs of your farm or ranch and its employees, in both color and black and white. If possible, the printed kit should include these images not only in hard copy but also in jpeg or gif format on a jumpdrive or CD
- Press clippings
- Testimonials from customers
- News. News is probably the most relevant and important element of a press kit. Reporters and broadcast producers receive hundreds of press kits, so unless you tie in actual news of value to the

community, yours will likely go straight into the filing cabinet. A way to gain interest from reporters is to include some samples from your enterprise. Even if they don't feature your enterprise, the entire newsroom will be more interested.

After you have developed and delivered your press kit, continue to build a relationship with the local paper. Give them a call and ask who covers agriculture in your community. Email or call that reporter to introduce yourself and your enterprise. Send press releases about any new happenings at your enterprise to keep your name, logo, and public image on the reporter's "radar screen" during the off-season if possible.

Find an Angle

Consider using one of these angles for your press release:

- Strong local story
- Public impact
- Interesting or unusual information
- Useful advice: consumer protection or other helpful information
- Celebrity
- Human interest
- Timeliness
- Proximity
- Localizing national trends and/or stories



Craft a Key Message

Communicating a specific idea or response to a problem in your operation can be done using a key message. Break the information down into three or four main points to present via the media. Key messages allow you to give your perspective on an incident and provide consistent information to the news media. They will help to prevent misinterpretation and focus under pressure.

Key messages should be the most important information you want to convey to the public. They should be the most essential information, boiled down into a simple sentence—factual and truthful, concisely written, and as simple as possible. After you craft your key messages, take time to familiarize yourself with them. Understand them and figure out how to phrase them in several ways so when being interviewed they will come off the tongue naturally.

Interviews

Before you are interviewed, try to anticipate the reporter's questions. Ask yourself, "If I were the reporter, what would I like to know?" A simple exercise like this will help to prepare you for the majority of questions. Use the key messages you created earlier and try to fit them into the answers you would expect to give. Remember to try get across your most important message and make one or two points about it. Studies show that most viewers remember just one point of an hour-long television or radio show.

During the interview remember to always be cordial and respectful, no matter the reporter's attitude. When responding to a question, start off by giving a definitive answer, and explain your reasoning. Try to imagine yourself talking to a friend or an audience, and avoid acronyms, jargon, and complicated terms that they wouldn't understand. Keep your answers concise and be specific, using anecdotes and stories to illustrate your point.

Some questions will be out of your mind, and coming up with an answer is sometimes impossible. Remember in these situations just to stay calm and be truthful; if you do not want to answer a certain question just say that you don't feel qualified enough to answer it. Never agree to speak off the record; never say anything you wouldn't want to see in print or on the evening news.

Identifying Your Competitors

Competitor	How They Compete
1	
2	
3	
4	
5	
6	
7	

Comparing Your Enterprise With Others

Rate yourself and your competitors on a scale of 1 (poor) to 5 (excellent)										
Features	My enterprise rating					Competitor's enterprise rating				
	1	2	3	4	5	1	2	3	4	5
Image										
Geographic location										
Physical resources										
Accessibility										
Visibility										
Quality of roads										
Quality of parking										
Nearby transportation										
Nearby lodging										
Products and services										
Customer Service										
Advertising										
Ease of Purchase										

Make use of bridges, phrases that can lead you back to your key messages. These will allow you to really represent your enterprise and smooth out some rough topics. Think of the interview as a conversation with the reporter: sometimes you can take the lead so that you are able to get all your key messages across.

After the interview, thank the reporter and let them know you are available for follow-up questions, and trade contact information. Reporters strive for balanced stories, so don't be discouraged if there are some negative points to your enterprise that are brought up in the report. Follow post-interview etiquette: promptly deliver materials you promised to the reporter, never ask to see a story ahead of time, but always urge the reporter to call if they want to double-check any information. Never pressure editors or station managers to prevent a story from running, and always remember to compliment the reporter if you feel your enterprise was given an accurate representation.

Advertise

Press releases, articles, and interviews are all part of free promotion. In contrast, advertising is considered paid-for promotion. You pay for time on radio and television, and for space in newspaper, travel magazines, webpages, and on signs. This may be an expensive tactic, but it is a way to interest first-time customers in visiting your enterprise.

Not only must your advertisements must be attractive; they must be frequent. Research different type of media's visibility, coverage, timing, and cost before you choose a method. Always double-check an advertisement for key information (dates, times, prices, location, telephone numbers). Once you have arranged for an advertisement, make sure you can deliver what you promise.

Assess Your Competitive Advantage

Take time to assess your competitive advantage by, identifying your competitors, comparing your enterprise with theirs, and determining the changes you need to make to gain a competitive advantage. As you complete these assessments, ask yourself these questions:

- What activities can people participate in within my area?
- Do these activities compete with or complement my enterprise?
- Would my targeted customers like to participate in these activities?



- What other locales offer experiences similar to mine?
- What makes my enterprise and locale different from others?
- How could I collaborate with complementary businesses?

Use the worksheet on the following page to help you with these questions.

Sell Smart

Once you have gotten your products and services available, you will need to design them so they are attractive and easy to purchase. Give your business a personality, choosing a name, creating a unique logo, and composing a catchy slogan. Products should appeal to the eye with distinctive colors and identifiable

packaging. Capture the difference and value of your product or service by using phrases like “locally grown and produced” or “a tropical lifestyle experience.”

Promotional items are the extras that add value to your enterprise. They can increase the appeal of your products and services. Perhaps the most important “little thing” you can offer is availability. Ensure that your product is continually available, unless it is seasonal. If you provide a service, make sure that you are fully staffed and otherwise prepared to offer your service as long as possible. Providing knowledge about your product and your community is important, as is ensuring privacy for your customers if they desire it.

Tips for Better Sales

Each agritourism and nature tourism enterprise has its own set of methods to increase sales. Incorporate whatever methods suit your operation into your selling efforts.

Nature tourism

- Post visible road signs that lead to your operation.
- Know your product and teach your staff about it.
- Provide as many natural settings as possible.
- Furnish remote and quiet areas that are easy to find.
- Set aside a picturesque spot where guests can be photographed.
- Erect wildlife feeders and bird nesting boxes to attract a diversity of species.
- Post interpretive signs.
- Provide numerous options for active participation.
- Sell nature goods that are locally produced.
- Sell guidebooks, picture books, disposable cameras, film, local postcards, and stamps.
- Hand out brochures and free postcards of your enterprise.
- Post a local map showing areas of special interest.
- Post local nature tourism events.
- Develop a website where you report your area's



- upcoming nature festivals and activities.
- Develop a mailing list of existing and potential customers; send them flyers about upcoming events at your operation or in the region.

Shops at farm stays and B&B's

- Provide baskets with handles.
- Post the payment methods you accept, such as cash, checks, and credit cards.
- Put up signs that identify local goods with stories and photographs of the maker, farmer, or farm.
- Offer premade gift baskets.
- Provide gift-wrapping and shipping.
- Decorate guests' rooms and common areas with objects you're selling and place an order pad at the checkout counter.
- Develop and sell a recipe book with recipes that incorporate your products.
- Sell local picture books, disposable cameras, film, local postcards, and books of stamps.
- Set aside a picturesque spot where guests can be photographed.

U-pick farms

- Post road signs that lead to your operation and clearly state your business hours.
- Provide different sizes of take-home containers.
- Offer already-harvested crops as well.
- Post a big map of your operation at the entrance, and if your operation is large, hand out maps to help customers navigate.
- Hire enough staff to provide selection assistance, quick checkout, and purchase carry-out.
- Make sure all staff members wear easily identifiable clothing such as logo t-shirts, hats, vests, and nametags.
- Provide hand-washing and restroom facilities.
- Furnish convenient places to sit; the longer customers are on your property the more they will buy.
- Bring people in at one end of the operation and provide parking along the way out. This arrangement allows customers to park nearer to their crop of choice, lessens parking problems, and places checkout at the exit.
- Develop a mailing list and website where you offer recipes and announce upcoming crops.

- Also post copies of recipes and news of upcoming crops in your booth.

Roadside stands and farmer's markets

- Post easy-to-see prices.
- Have employees wear easily identifiable clothing.
- Provide a choice of products and packaging.
- Sell both pre-bagged and bag-your-own products.
- Place baskets and bags in convenient locations.
- Use suggestive merchandising: place complementary products next to each other.
- Offer ready-made gift baskets.
- Provide gift-wrapping, boxing, and shipping.
- Develop a mailing list and a website where you offer recipes and announce upcoming crops.
- Also post copies of recipes and news of upcoming crops in your booth.
- Know your produce and products from the ground to the table, and teach your staff the same.
- Provide samples, abiding by food-handling regulations.
- Provide good customer service and quick checkout.

Evaluate Your Marketing Success

Evaluating your progress will allow you to identify whether or not you are close to your sales goals. It can help you discover what problems are associated with your marketing scheme and allow you to fix them. It is important that you continually evaluate your marketing success so that you can make necessary changes to your marketing strategy.

Tracking your marketing methods, by using formal and informal surveys to assess success, is essential in evaluation. An informal survey involves asking customers how they learned of your enterprise, or asking your guests how you're doing, what they enjoyed at your operation, or what you could improve. Putting out cards in visitor areas will allow them to take the time to comment on how your business is doing. A formal survey or questionnaire is often a great way to learn about customer satisfaction. Make questions brief yet specific enough to provide you with relevant information.

Listening for off-hand comments is another way of evaluating your business. Train employees to listen when customers wait in line or walk to their car and to write down their comments as quickly as possible. Just



getting a head count of the number of customers that walk through your property is a way to understand if business is increasing or decreasing.

You might offer different types of coupons or discounts related to ads. For instance, a magazine with a coupon could be redeemed, and holding onto the coupon will allow you to see how the customer heard of your enterprise. Businesses with years of information can compare to past years, and take into consideration weather- and disaster-related impacts.

During your regular staff meetings, talk about the requests, comments, and complaints you've received from customers. Creatively use the information you received during evaluations to refine your marketing strategy, hone next year's budget, better publicize and promote your products and services, and ultimately increase your sales.

Look After Your Customers

Welcome

The goal of serving customers is to build a relationship with them so that they feel comfortable, respected, and appreciated. Cordially greet guests and customers; this will start off with a good first impression.

Introduce yourself and your employees by name. Be casual, friendly, and direct, keeping in mind that first impressions are often derived directly from the person greeting your customers and from the person answering your telephone.

Foresee Customer Questions

When you are visiting someplace new, what would you ask someone working there or from the area? These are the types of questions visitors to your enterprise are likely to ask. Thinking about this will help you prepare answers for customers in advance and educate your employees. Employees must know the history of your enterprise and be well trained in customer service. If you don't have an answer off the top of your head, simply say you don't know but will follow up with them happily as long as they leave contact information. The following questions are common for customers to ask:

- How long have you been farming or ranching?
- Why do you do it?
- What about pests? How are they handled?
- Do you ever let people fish or hunt on your property?
- What is it like to live out here?
- How are the schools here?

- What bird is that?
- Is this berry safe to eat?
- Where a good place to stay in the area?
- Are there any museums or historical sites in the community?
- Can you recommend a good restaurant?
- What activities and events are happening in the next few days?
- Where can I get my car fixed?
- Where will I find tourist information?

Work With Your Neighbors

Whatever your new enterprise is, it will have an externality that affects your neighbors. From the start of your enterprise you should have been conversing with your neighbors—it is personally rewarding, professionally important, and fundamental to your success. A good relationship with your neighbors can ward off problems and lawsuits and, with luck, create a spirit of cooperation and collaboration in which your neighborhood can prosper.

What's Your Impact?

If you don't know your neighbors, go ahead and introduce yourself and your business, interests, and ideology. It doesn't hurt to bring them a sample of your products or services, and it may intrigue them to take a tour of your property or operation. Start early when you are just planning your new operation, so that you can listen to your neighbors and address any concerns they have right away. Be sure to invite them to your open house or grand opening and keep them informed as things develop.

Furthering Neighbor Relations

The Ohio Farm Bureau provides suggestions to improve relations between farmers, ranchers, and neighbors. It reminds landowners and managers that the best public relations technique is one-on-one face-to-face contact. Make sure to be aware, open, considerate, and responsible. The following ideas are way to help open up communication and make sure you and your neighbors are on the same page:

- Host an open house or picnic for neighbors.
- Be friendly to neighborhood children. Invite them to see a newborn animal or help them with a science fair project.

- Take opportunities to educate neighbors about what you do and why. Discuss your enterprise and its specific tasks: for instance, how the bees you are keeping can help pollinate a neighbor's orchards.
- Explain to your neighbors why farmers must work late into the night and on weekends during planting and harvest seasons. If they know the noise, traffic, and lights are limited to certain times of year, they will likely be more tolerant.
- Use conservation practices when possible.
- Just remember to always be a good neighbor and help others when possible.

Collaborate

Relationships don't just end with your neighbors; your relationships with other local businesses are just as important to success. Ask these other businesses if they would be willing to promote you and do the same for them, helping to bring in more business and build your community's economic development. You can promote other businesses by advertising them in your brochures, selling their products in your store, and sharing signs on the highway. Just make sure these other local businesses hold themselves to the same standard of quality you do, so that you both are represented equally.

When your enterprise is running well, start to work with your competitors, because no two enterprises are the same. Try to refer customers that are you not able to serve to competitors. Try to find other businesses that complement yours; for instance, if you run an ATV- or horseback-riding company but don't offer overnight accommodations, recommend that your customers try a nearby B&B.

Use the worksheet on the following page to help brainstorm collaboration ideas.

Participate

As your agritourism or nature tourism business starts to take off, begin looking at community organizations. It is great to get involved with your community because, as stated before, it creates better relationships with your neighbors and other businesses. You can start by joining a community organization and assist with one community improvement project once a year. Joining the Hawai'i Island Chamber of Commerce (HICC) both to support other local businesses and to have a voice for your enterprise.

Business Resources		
Local Business	Supplies/Services They Can Provide Me	Supplies/Services I Can Provide Them
Competitors		
Competitor	How We Could Work Together	
Collaborators		
Local Business, Nonprofit, and Organization That Complements My Enterprise	How We Could Work Together	

Community relations can be improved by shopping locally. Supporting other local suppliers and businesses helps to recirculate money through the community and gain community support of your business. Looking at your budget, try to set aside a certain percentage to purchase local products to use at your enterprise.

Work With Local Regulators

Understanding who allows your business to happen is important. Regulators, County Council members, county planners, and the land-use commission need to be contacted in the early stages of the development of your enterprise. Building relationships with these important community members will help make your enterprise more of a reality and gain referrals in the process.

Unite Regionally

Regional marketing connects people of a certain agricultural sector to work together to promote their industry. The Hawai'i Agricultural Tourism Association is a new organization for agritourism enterprises across the state to help people interested in starting a new business and visiting these operations. Joining this organization will help you build relationships with other businesses and learn more about the industry.

Learn what attractions exist in your county and who promotes them. These counties have attractions, like farmers' markets, county fairs, food-tasting events, festivals such as 'ulu and kalo festivals, and cultural gatherings.

Learn tourism business skills that are required for a successful tourism operation. Remember that these are service industries and need an entrepreneurial outlook, knowledge of market trends, and a commitment to understanding consumers, a way of thinking much different than traditional agriculture.

Talking to your economic development director can aid in marketing and link you to a better understanding of the goals in your community. It will help develop coordination with other businesses and create a strategic plan. Remember that cooperation and long-term commitment are the ingredients for success.

Getting involved in visitor and economic development endeavors helps you understand the goals of the community as a whole and will lead you to advertise toward your target customers better.

Contact the Hawaii Tourism Association and Hawai'i Economic Development to ask if they will include nature and agritourism in their promotions. Ask State trade and commerce centers, local convention centers, and visitor's bureaus to include you in their promotional publications to help expose your enterprise to visiting groups.

Marketing Ideas for Agritourism Operations

By Mike Wetter, Consultant, Mike Wetter and Associates

1. Happy customers are the most important key to success. They will return, and they will tell their friends about your operation. Learn their names, and remember what they enjoyed. Keep a database if you have a hard time remembering all your customers.
2. Develop a mailing list by obtaining names from outdoor magazines, associations, and other sources of people who like outdoor activities. Your mailing list is one of your most important assets. You should contact the people on it at least twice a year.
3. People don't visit agritourism operations strictly to hunt or fish or ride a horse. They come to have fun and relax. You are in the hospitality business; take care of your customers and you will succeed. Always ask your customers what they liked about their stay and what could be improved.
4. Cater to as "high end" a customer as you can, and don't be afraid to charge for your services. This is not a volume business, so you can't go low-end and make money. If you target people with money and charge more for your services, people will expect more from you. You don't have to be "upscale," but you do need to offer a quality experience.
5. Take care of details, such as answering a telephone professionally and being prompt in communicating.
6. Let your neighbors know about you. Join the local chamber of commerce; talk to service clubs and owners of gas stations, cafes, motels, and neighboring farms. Give people your brochure and make sure that people in your area know about you. Start close to home at first and move out gradually.
7. Send information about your company to magazines and newspapers. Think of items that will interest them. Send them news releases and story ideas. Invite them out for a free stay. Follow mailings with personal calls.

8. Obtain brochures and literature from other operations that are similar to yours. See what they are offering and what it costs. Look at their brochures to see what you like and don't like. Improve materials accordingly. Get addresses and phone numbers of operations from outdoor recreation magazines. Owners are generally willing to give you a half-hour of free advice. Call them and tell them you are just starting out and ask if you can have a few minutes of their time to ask some questions.
9. Create a website and list it with a search engine. Advertise in the telephone book. Consider placing an ad in the Yellow Pages in target markets. On your property, post signs that are visible from the road. Make sure people can find you and have a way to contact you.
10. Produce quality brochures and public relations materials. On brochures, less is more. Don't clutter them with lots of words; instead, use more pictures to visualize the service and products you offer. Use a graphic artist or get feedback from other business owners. Remember, always use color: even though it is costlier, it shows a commitment to quality and attracts a lot more attention.

Chapter 8 Resources for Success

Help is available for landowners who want to expand their operations and become involved with agritourism and nature tourism. There are many resources ranging from workshops, seminars, publications, and websites to consultants that provide facts, ideas, insight, and advice. This chapter lists some of those resources.

General-Interest Resources

Directories

County of Hawai'i Agriculture

The County of Hawai'i Agriculture website provides assistance to farmers in the form of loan information, programs, Extension services, research, and techniques. It serves as a directory to resources and services available as well as a guide to a variety of government and non-government agricultural programs.

<http://hawaiicountyag.com/>

Federal Statistics on Hawai'i Agriculture (USDA ERS)

The state facts sheet lists agricultural income, farm size, crops and exports, and population statistics.

U.S. Department of Agriculture Economic Research Service
1400 Independence Ave., SW Mail Stop 1800 Washington, DC 20250-0002

http://www.ers.usda.gov/data-products/state-fact-sheets/state-data.aspx?StateFIPS=15&StateName=Hawaii#.U_5D4Pm-33h

Hawai'i Agricultural Food Products Directory (Hawai'i Department of Agriculture)

This allows you to browse through Hawai'i's diverse agricultural products and find a specific producer or product that interests you..

Hawai'i Department of Agriculture
<http://hawaii.gov/hdoa/add/products-database>

Hawaii Organic Marketplace (Hawaii Organic Farming Association)

The Organic Marketplace includes certified organic and sustainably grown food and products, and the farms, processors, retailers and suppliers throughout the Hawaiian Islands that provide them.

Hawaii Organic Farming Association (HOFA)

76-789 'Ilo Place Kailua-Kona, HI 96740

Phone: 808-969-7789

HOFA@HawaiiOrganic.org

<http://www.hawaiiorganic.org/organic-marketplace>

Handbooks

Corum, Vance, Marcie Rosenzweig, and Eric Gibson.

2001. The New Farmers' Market: Farmfresh Ideas for Producers, Managers, and Communities.

Auburn, CA: New World Publishing.

This book presents in-depth and practical information about selling at farmers' markets for all sizes of farms and markets. The following selections are available as free PDF downloads:

- Educating the Public About Local Agriculture and Farmers' Markets
- Getting Top Dollar for What You Sell at Farmers' Markets
- Top Trends in Farmers' Markets
- Getting Grants for Your Market
- Benefits of Farmers' Markets for Farmers, Customers, and Communities
- Resources from "Embracing the Community" and "Expanding the Vision" chapters.

Small Farm Center. 1994. Small Farm Handbook.

Davis, CA: Regents of the University of California,

Division of Agriculture and Natural Resources.

This book contemplates all aspects of owning and operating a small farm. It's written by the people who know best: farmers, small farm specialists, farm advisors, and researchers. It provides resources, references, and worksheets.

Junge, Sharon, Roger Ingram, and Garth Veerkamp, eds. 1995. Community Supported Agriculture: Making the Connection. Auburn, CA: Regents of the University of California.

The nonprofit resource Appropriate Technology Transfer for Rural Areas considers this book the single best manual you can buy. It described the book as taking "a potential grower through the process of starting a CSA, including designing the CSA, recruiting members and marketing, creating production and harvest plans, setting share prices, and legal issues."

Other Resources

Appropriate Technology Transfer for Rural Areas

Appropriate Technology Transfer for Rural Areas (ATTRA) is an important information source for farmers and university Extension agents interested in sustainable farming. It is a national sustainable farming information center operated by the private nonprofit National Center for Appropriate Technology. It provides technical assistance, publications, and resources to farmers, Extension agents, market gardeners, agricultural researchers, and other agriculture professionals across the United States. The information offered by ATTRA centers on 1) sustainable farming production practices, 2) alternative crop and livestock enterprises, and 3) innovative marketing.

College of Tropical Agriculture and Human Resources

Provides a farmers' bookshelf that helps interested people information and resources that cover a range of topics on tropical crop production. They also provide many different sources of publications and information including Ask the Experts, Publications Bibliographies, Knowledge Master, and Hawaii Native Plant Propagation Database.

<http://www.ctahr.hawaii.edu/site/Info.aspx>

Community Alliance with Family Farmers

The Community Alliance with Family Farmers organizes rural and urban people to foster family-scale agriculture that cares for the land, sustains local economies, and promotes social justice.

<http://www.caaff.org>

Kamehameha Schools Land Assets Division

Kamehameha Schools has set aside land specifically for agriculture and provides leases for interested farmers. They also have invested \$22 million dollars in infrastructure improvements to help increase agricultural production on their lands. They are committed to sustainable agriculture and have developed a strategic plan to accomplish this in 2009.

<http://www.ksbe.edu/land/supporting-farmers/>

National Agricultural Library

The National Agricultural Library is part of the Agricultural Research Service of the U.S. Department

of Agriculture. It is a major source for agriculture and ag-related information. Its website provides access to its many resources and institutions.
<http://www.nal.usda.gov>

North American Farmers' Direct Marketing Association

The NAFDMA promotes the growth of farm direct marketing by offering education, networking, and fellowship opportunities. It supplies information on and supports the growth of farm direct marketing. It also voices support for members and the farm direct marketing industry, provides an umbrella organization for regional associations, and encourages the formation of regional and local associations. It hosts an annual conference with the most up-to-date information on this topic.

North American Farmers' Direct Marketing Association
62 White Loaf Road, Southampton, MA 01073
Phone: (413) 529-0386
Fax: (413) 529-2471
<http://www.nafdma.com>

Natural Resource Agricultural Engineering Service

This website presents numerous publications about farm safety, livestock and poultry, forestry and logging, wildlife, horticulture, and other topics. Many are award winning.

<http://www.nraes.org/index.html>

Small Farms (U.S. Department of Agriculture)

This website is a gateway to USDA resources, benefits, and services for small farmers.

<http://www.nifa.usda.gov/familysmallfarms.cfm>

Tourism Resources

National Survey on Recreation and the Environment (NSRE)

The National Survey on Recreation and the Environment (NSRE) represents the continuation of the ongoing National Recreation Survey (NRS) series. Begun in 1960 by the congressionally created Outdoor Recreation Resources Review Commission (ORRRC), the first NRS was a four-season, in-the-home survey of outdoor recreation participation in the United States. Since that time, five additional NRSs have been conducted in 1965, 1970, 1972, 1977, and 1982–83, and one NSRE in

1994–95. The latest National Survey on Recreation and the Environment is a telephone survey and has already begun.
<http://www.srs.fs.usda.gov/trends/nsre-directory/index.html>

New Strategist Publications, Inc.

This organization publishes books about American consumers. It provides information about changing demographics and spending patterns, which can be useful to small business owners.
<http://www.newstrategist.com>

Travel Industry Association of America

The Travel Industry Association of America supplies information about the U.S. tourism industry and trends that affect it. It provides a list of publications, too.
<http://www.tia.org.default.asp>

World Tourism Organization

The World Tourism Organization is a leading international organization in travel and tourism. It provides a global forum for tourism policy issues and an information source about tourism.
<http://www.world-tourism.org>

Hawai'i Tourism Resources

Hawai'i Lodging and Tourism Association
The Hawai'i Lodging & Tourism Association is a non-profit, statewide trade organization of lodging properties, lodging owners and management firms, suppliers, and related firms and individuals. It was founded in 1947, with an original membership of 16 hotels, to represent the interests of Hawai'i's lodging industry. Today, the HLTA includes 156 lodging properties representing 48,000 rooms and more than 400 members in other membership categories. The association's mission is to provide advocacy and education for the hospitality industry. The HLTA is a partner state association of the American Hotel & Lodging Association, the largest association of its kind.
<http://hawaiilodging.org/>

Hawaii Tourism Association

The mission of the Hawaii Tourism Association (HiTA) is to inform, educate, and update the local and global travel industry on current and emerging trends, economics, events, activities, businesses, and marketing

that help shape the tourists' perception of the Hawaiian Islands.

<http://www.hawaiitourismassociation.com/>

Hawaii Tourism Authority

As Hawai'i's state tourism agency, the HTA uses its industry research and marketing expertise to develop and implement the state's strategic tourism marketing plan. Equally important, the HTA is responsible for supporting programs that enhance and showcase Hawai'i's people, place, and culture in order to deliver an incomparable visitor experience.

<http://www.hawaiitourismauthority.org/>

Agritourism Resources

Agricultural Marketing Resource Center

As a condition of their USDA Rural Development grant, the cooperating universities comprising AgMRC were tasked to prepare four reports a year and submit them to USDA. These reports summarize the activities completed during each quarter, including website development and functions (Commodities & Products, Markets & Industries, and Renewable Energy sections), value-added business and economic analysis tools (Business Development section), and outreach activities (workshops, seminars, newsletters, and webmail inquiries).

http://www.agmrc.org/commodities__products/agritourism/

Alexander, Ben. 2000. *The New Frontiers of Ranching: Business Diversification and Land Stewardship*. Bozeman, MT: Sonoran Institute.

This book presents diversification as a way for ranchers to create financially viable and ecologically sustainable operations. It looks at niche marketing, guest ranching, and small business development.

<http://www.sonoran.org>

Hawaii Agricultural Tourism Association

HATA is an organization for interested farmers and producers to showcase their properties for locals and visitors alike. The directors have prior experience in agritourism and are there as resources to help connect customers and farmers. They also are organized so that the agritourism operators are able to form a strong voice when new bills and legislation are proposed at the state

and county levels.

<http://www.hiagtourism.org/aboutus.shtml>

Farm Stay U.S.

Farm Stay U.S. is the website of the U.S. Farm Stay Association, a non-profit 501c6 trade association, designed to connect guests with farm and ranch stays throughout the United States.

<http://www.farmstayus.com/>

Natural Resources Conservation Service (USDA)

This website is devoted to alternative enterprises and agritourism. It includes resources for evaluating your farm or ranch to see if one of these options is a right fit for you and your business.

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/econ/references/?&cid=nrcs143_009750

Walker, Martha A. 2009. Agritourism: Ideas and Resources. Virginia Cooperative Extension, Virginia Polytechnic Institute.

This paper put out by the Cooperative Extension in Virginia defines and provides different ideas that are applicable to the northeast region of the continental U.S. It also refers a number of resources to help you get started on business marketing and assess your farm operation's suitability.

http://pubs.ext.vt.edu/310/310-004/310-004_pdf.pdf

Nature Tourism Resources

Ecotourism Development Manual

This manual was a joint project of the NW Arkansas RC&D council and the University of Arkansas, Cooperative Extension Service.

<http://www.arcommunities.org/tourism/maual.asp>

Hawaii Ecotourism Association

Hawaii Ecotourism Association (HEA) is a 501(c)(3) non-profit organization to protect Hawai'i's unique natural environment and host culture through the promotion of responsible travel and educational programs relating to sustainable tourism for residents, businesses, and visitors. It strives to promote communication and education about ecotourism, sustainable travel, and community-based visitor businesses that are environmentally sensitive

and culturally accurate. It seeks to provide information, professional development, and a resource network.

<http://www.hawaiiecotourism.org/>

Fermata Inc.

This company works to advance experiential tourism. It inventories cultural and nature resources and develops strategic plans for nature and cultural tourism and for overcoming tourism challenges. It works with people interested in implementing experiential tourism.

<http://www.fermatainc.com>

Nature Tourism Planning

This group provides biological and tourism assessments, interpretive and site development, and marketing services for communities, nature tourism businesses, and public-sector resource agencies.

<http://www.naturetourismplanning.com>

Sustainable Development of Tourism (World Tourism Organization)

This organization provides a global view of tourism and conducts training and conferences on a variety of topics.

<http://sdt.unwto.org/>

Business Plan Resources

Business Owner's Tool Kit

This website supplies information to help small-business owners make decisions and "get the most from your business."

<http://www.bizfilings.com/toolkit/index.aspx>

Bplans.com

This private website offers a free sample marketing plan for adventure travel.

<http://www.bplans.com/spv/3319/index.cfm?affiliate=pas>

Canadian Business Service Centers

Important to Americans as well as Canadians, this website offers a web-based interactive business planner. It stores your business plan and lets you update it.

<http://www.cbsc.org>

Chamber of Commerce Hawaii

As the "Voice of Business" in Hawai'i, the Chamber of Commerce Hawaii is a statewide non-profit organization

whose mission is to serve as the advocate for business in Hawai'i. Members have great opportunities for networking and professional development.
<http://www.cochawaii.org/>

Hawaii Small Business Development Center

The Hawai'i Small Business Development Center, established in 1990, provides professional business consulting, research, and training to business owners and new entrepreneurs in order to promote growth, innovation, productivity, and management improvement. To accomplish these objectives, we link federal, state, and local resources; the educational community; and the private sector to meet the needs of Hawai'i's businesses.
<http://www.hisbdc.org/>

My Own Business, Inc.

The nonprofit organization My Own Business, Inc. offers an online course on starting a new business.
<http://www.myownbusiness.org/>

SCORE Hawaii

SCORE Hawaii is part of SCORE, "Counselors to America's Small Business," a national nonprofit association dedicated to entrepreneur education and the formation, growth, and success of the nation's small businesses. It provides professional counseling, education, and mentoring for the diverse business community of Hawai'i.
<https://hawaii.score.org/>

The Business Plan: Road Map to Success (U.S. Small Business Administration)

The website is an online business plan tutorial in English and Spanish.
http://www.sba.gov/starting_business/planning/basic.html

Financial Resources

The Farm Credit System

The Farm Credit system is a network of borrower-owned lending institutions and related service organizations that offer financial help to farmers across the United States and Puerto Rico. These institutions provide credit and related services to farmers, ranchers, and aquatic-product producers and harvesters, and they issue loans for processing and marketing. In addition, the institutions

issue loans to rural homeowners; certain farm-related businesses; and agricultural, aquatic, and public-utility cooperatives. The Farm Credit System recently started pilot programs for beginning farmers, young farmers, and part-time farmers. For the contact in your area and further information, look up its websites.

<http://www.agloan.com>
<http://www.fca.gov>
<http://www.fccouncil.com>

Farm Aid – Financial Resources Guide

Creating a financial plan for your farm business will help you achieve your goals. Explore resources on this website to learn about agricultural lending, contract agreements, financial planning, loan and grant programs, and more.
http://www.farmaid.org/site/c.qlI5lhNVJsE/b.8064285/k.2A44/Financial_Resources_Resource_Guide.htm

Rural Assistance Center – Grant Writing

Foundations and government agencies fulfill their missions, in part, by providing funds for specific purposes in the form of grants. Grant proposal writing is the process of applying for funding in support of a project that provides a social good. Grants may be sought to begin a new activity, to support ongoing operations, to make capital improvements, to purchase needed equipment and supplies, and for other purposes that support a project. A primary goal of grant proposal writing is the demonstration of a match between the funder's mission and the project's purpose.
<http://www.raconline.org/topics/grantwriting>

USDA Farm Service Agency

In most counties, the Farm Service Agency is located within the office of the U.S. Department of Agriculture. The Farm Service Agency lends money and provides advice and credit counseling to farmers. It advises farmers and ranchers temporarily unable to obtain private commercial credit, such as beginning farmers who can't qualify for conventional loans because of insufficient net worth or established ranchers suffering financial setbacks from natural disasters. It issues loans to farmers and ranchers for purchasing farmland and financing agricultural production. The Farm Service Agency has two basic loan programs: the Guaranteed Loan Program and the Direct Loan Program. See its website for details.
<http://www.fsa.usda.gov>

USDA Resource Conservation and Development Councils

Resource Conservation and Development (RC&D) Councils work to improve the general level of economic activity and enhance the environment and standard of living in all communities. Congress created this public-private partnership as a way of engaging local leaders to promote their local economy by leveraging limited federal dollars.

<http://www.rcdnet.org/>

USDA Rural Development

Also within your local consolidated USDA office is the Rural Development department. Rural development offers a Business and Industry Guaranteed Loan Program that guarantees as much as 80 percent of a loan issued by a commercial lender to start or expand a rural business or cooperative. This loan program reduces the risks faced by private lenders and raises their lending limits. It might help applicants otherwise unable to obtain credit for a business startup.

Rural Development offers grants as well. Its grants include ones to economic and community development agencies, which pool funds for micro-loans and issue them to startup businesses and small businesses that cannot otherwise obtain funding. Its website offers further information, including the addresses and phone numbers of regional Rural Development offices.

<http://www.rurdev.usda.gov>

USDA – Small Farm Funding Resources

This website includes an introduction to acquiring financial resources, developing a farm business plan, financial and planning resources, funding and program assistance, veteran resources, agriculture disaster assistance, and organizations and websites.

<http://ric.nal.usda.gov/small-farm-funding>

Community Development Financial Institutions

Community Development Financial Institutions provides a range of financial products and services, including commercial loans and investments to start or expand small businesses and funds for low-income households and local businesses. In addition they provide technical assistance to small businesses and credit counseling to consumers. Through these institutions, farmers and

ranchers can apply for financing from the Community Development Financial Institutions fund. This fund was created in the U.S. Department of Treasury to expand the availability of credit, investment capital, and financial services in distressed urban and rural communities. Details are furnished on their website.
<http://www.ustreas.gov/cdfi/>

Marketing Resources

Agricultural Marketing Service (USDA)

www.ams.usda.usda.gov/directmarketing

Direct Marketing Series (Appropriate Technology Transfer for Rural Areas)

www.attra.org/attra-pub/directmkt.html

Agricultural Marketing Resource Center

<http://www.agmrc.org/>

Management Resources

Farm Management Publications (Farm Management Resources, Washington State University)

This website offers numerous inexpensive publications about both farm management and alternative crops plus some interesting web links.

<http://farm.mnrg.esu.edu/misc.html>

Savory, Allen. 1999. Holistic Management: A New Framework for Decision Making. Covelo, Ca: Island Press.

<http://www.holisticmanagement.org>

Legal Resources

Farmer's Legal Action Group (FLAG)

Farmers' Legal Action Group, Inc. (FLAG) is a nonprofit law center dedicated to providing legal services to family farmers and their rural communities in order to help keep family farmers on the land.

<http://www.flaginc.org/>

Hamilton, Neil D. 1999. The Legal Guide for Direct Farm Marketing. Des Moines, IA: Drake University.

This book provides information to help farmers, USDA employees, and other advisors understand the effect of various laws and regulations on direct farm marketing.

It provides general information and advice on how the law might pertain to specific situations, and it addresses liability insurance questions.

<http://www.iowafoodpolicy.org/legalguide.htm>

National Center for Agricultural Law Research and Information

The National Center for Agricultural Law Research and Information (NCALRI) addresses legal issues affecting American agriculture. These issues include government farm programs, farm finance and credit, hired labor practices, land use, liability and insurance coverage, environmental law, international trade, and biotechnology. The NCALRI conducts research and analysis and provides up-to-date information to farmers and agribusinesses, attorneys, community groups, and other confronting agricultural law issues. It focuses on research, writing, publishing, developing its library services, and disseminating information to the public. It does not provide legal representation or advice about specific legal questions.

<http://www.nationalaglawcenter.org>

Safety and Risk-Management Resources

Agricultural Safety and Health (National Institute for Occupational Safety and Health, Centers for Disease Control and Prevention)

The National Institute for Occupational Safety and Health is the federal agency responsible for conducting research and making recommendations about preventing work-related disease and injury. Its website supplies links to other sites plus information about agricultural safety and health.

<http://www.cdc.gov/niosh/topics/agriculture>

Appropriate Technology Transfer for Rural Areas

This website provides information about such topics as protecting against liability and guarding against risks to children.

<https://attra.ncat.org/>

National Safety Council

The National Safety Council's Agricultural Division presents fact sheets on farm safety, from livestock handling to sun and heat exposure.

<http://www.nsc.org/farmsafe/facts.htm>

County of Hawaii – Risk Management Division

The Risk Management Division formulates and coordinates the implementation of County policies, procedures, and programs for the management of risk and loss control. The Division serves as a technical advisor and resource to County officials, managers, and employees on risk management. It also directs and oversees risk exposure assessments, including employee safety, and determines effective methods for risk assumption, prevention, avoidance, and transfer to provide optimum coverage at reduced or minimal cost.

Division Head: Scott T. Knowles, Risk Management Officer

Address: 25 Aupuni Street, Suite 1101, Hilo, HI 96720

Hours of Operation: 7:45 a.m.–4:30 p.m., Monday–Friday

Phone Number: (808) 961-8068

Fax Number: (808) 961-8248

<http://www.hawaiicounty.gov/finance-risk-management/>

AgRisk Hawaii (UH Manoa CTAHR)

This page provides resources and documents on managing agricultural risk, most available in PDF format.
<http://www.ctahr.hawaii.edu/agrisk/library.html>

Farm Bureau Financial Services – Risk Management

This division of Farm Bureau Financial Services offers risk management assistance.

<http://www.fbfs.com/content/business/business-insurance/risk-management/default.aspx>

State of Hawaii Agriculture Development Department Risk Management

Risk is an integral part of agriculture. Each day, farmers confront different types of risk, but changes in the risk environment and the tools available to manage the risk are a compelling reason to engage in risk-management education. The site offers resources in different types of insurance and disaster assistance.

<http://hdoa.hawaii.gov/add/md/risk-management/>

Worker's Compensation Site (Hawai'i Department of Labor and Industrial Records)

The Employment Benefits & Rights line of business protects the economic security, physical, economic, and

social well-being of workers and supports good labor-management relations. This includes developing and disseminating labor market information and assisting job seekers, workers and employers to facilitate workforce development.

<http://labor.hawaii.gov/>

Resources for Addressing Special Needs Americans with Disabilities Act (U.S. Department of Justice)

The Department of Justice website provides information on the Americans with Disabilities Act, including the Act itself. It includes a description of technical programs provided to small businesses, enforcement of the Act, certification, mediation, and new and proposed regulations. It includes important links to relevant websites.

<http://www.ada.gov/>

Animal Health and Welfare Resources

Animal and Plant Health Inspection Services (U.S. Department of Agriculture Marketing and Regulatory Programs)

This website provides current information about animal diseases and suspected outbreaks.

<http://www.aphis.usda.gov>

State and Local Laws – Animal Welfare Information Center

This website provides resources and links to state laws for animal treatment and rights.

<http://awic.nal.usda.gov/government-and-professional-resources/state-and-local-laws>

United Egg Producers

The United Egg Producers publishes a valuable animal-husbandry document.

www.fda.gov/ohrms/dockets/dockets/97n0074/c000101.pdf

Dr. Temple Grandin's Web Page: Livestock Behavior, Design of Facilities and Humane Slaughter

This website discusses modern methods of livestock handling that improve animal welfare and productivity. It offers information on the behavior and handling of cattle, pigs, antelope, bison, and other animals. It also contains

information on the design of animal-handling facilities, humane slaughter, and animal welfare.

<http://www.grandin.com>

County Planning Resources

Rural Policy and Best Practices Project (State of Hawaii Office of Planning)

Provides a Rural Economic Development Planning Report written by SMS Research and Marketing Services Inc.

(808) 587-2846

http://files.hawaii.gov/dbedt/op/spb/Rural_Economic_Development_Report_010713_Final.pdf

Community Development Plans (Hawaii County Department of Planning)

Information on planning methods, practices, options, research, and outcomes relevant to the Community Development Planning process. Resources include maps, strategies, infrastructures, and other rules about different communities; they are separated by community.

<http://hawaiicountycdp.info/public-planning-resources>

Niche Market Resources

Agtourism in Hawaii Proceedings, Hawaii Grown Workshop, CTAHR

http://www.ctahr.hawaii.edu/agtourism/art/ag-tourism_proceedings.pdf

Conservation Resources

Farmland Trusts

Conservation easements protect farmland from urbanization and allow farmers to continue farming. As a result, they are attracting interest. Explore the following websites for more information.

<http://www.farmland.org> (American Farmland Trust)

<http://www.lta.org> (Land Trust Alliance)

Hawaii Conservation Alliance

The HCA promotes strategic environmental stewardship, stimulates community participation in resource management, and leverages capacity across the Hawaiian Islands. For two decades, the Alliance has led the coordination of the annual Hawai'i Conservation Conference which serves as an essential interactive

forum for scientists, managers, students, and cultural practitioners to share their best practices and discuss cutting-edge issues across the Pacific Islands.
<http://www.hawaiiconservation.org/resources>

Hawaii Association of Conservation Districts

The National Association of Conservation Districts (NACD) is the nonprofit organization that represents America's 3,000 conservation districts and the 17,000 men and women who serve on their governing boards. Conservation districts are local units of government established under state law to carry out natural resource management programs at the local level. Districts work with millions of cooperating landowners and operators to help them manage and protect land and water resources on all private lands and many public lands in the United States.

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PO Box 430
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Michelle Watkins
State Association Executive Director
99-193 Aiea Heights Drive, Suite 110
Aiea, HI 96701-3900
(808) 483-8600 (120)
hacd@hawaii@gmail.com

Hawaii Natural Resources Conservation Services

The Natural Resources Conservation Service is a federal agency in the U.S. Department of Agriculture. It works closely with landowners to conserve natural resources on private lands. Their website has a wealth of information about conservation programs, including technical help

and the location of the nearest service center.

<http://www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/technical/econ/stateresources/?cid=stelprdb1044074>

Educational Resources

National Farm to School Network

The National Farm to School Network (NFSN) is an information, advocacy, and networking hub for communities working to bring local food sourcing and food and agriculture education into school systems and preschools.

<http://www.farmtoschool.org/>

National Institute of Food and Agriculture (USDA)

NIFA's educational efforts seek to improve scientific and agricultural literacy, especially among youth, and open opportunities for students in vocational careers in agriculture. In cooperation with public institutions, private sector partners, and the land-grant university system, NIFA provides national leadership to address critical educational issues. Funding includes programs targeting minority-serving institutions.

<http://www.nifa.usda.gov/nea/education/education.cfm>