EXPLORING AGRITOURISM ENTREPRENEURSHIP IN THE UNITED KINGDOM

ABSTRACT Farm-based recreation or agritourism is increasingly seen as a diversification strategy to promote a more diverse and sustainable rural economy and to protect farming incomes against market fluctuation. Thus, farmers are increasingly being recognised as entrepreneurial, needing to develop new skills and capabilities to remain competitive. However, few studies have addressed the role of entrepreneurship within the context of the diversified farm tourism business. This paper examines the range of skills and competencies that farmers in the North West of England identify as important for successful diversification and explores the extent to which these competencies are evident. The findings indicate that although farmers are increasingly turning to agritourism as a means to generate additional income, they lack many of the fundamental business competencies required for success. This has implications for rural development policies and signals the need to address these skill deficiencies through farm advisory processes and via more effective training of and support for agritourism providers.

KEYWORDS: Agritourism; Farm Tourism; Diversification; Farm Entrepreneur; Business Competence; Entrepreneurial Skills.

Introduction

Within the European Union, reform of the Common Agricultural Policy (CAP) is leading to a reorientation of farming away from productionist to more entrepreneurial models of agriculture (Phillipson et al., 2004), with farmers becoming more market oriented in response to declining farm incomes and rural restructuring (Meert et al., 2005; OECD, 2009). Against this framework, diversification into other income earning activities – or ‘alternative farm enterprises’ (Ilbery et al., 1998; Bowler, 1999) – is increasingly seen as an effective strategy to promote a more diverse and sustainable rural economy. Thus, as diversification becomes an almost expected practice, farmers are being recognised as entrepreneurial, having to develop new skills and capabilities to remain competitive (McElwee, 2006). Indeed, Smit (2004) argues that entrepreneurship is increasingly becoming the most important aspect of modern farming.

In the UK, the government’s own definition of diversification alludes to this, describing it as the, ‘entrepreneurial use of farm resources, for a non-agricultural purpose, for commercial gain’ (Defra, 2009, p.14). Moreover, a growing literature is now emerging on entrepreneurship in the context of farm diversification (Vesala, Peura & McElwee, 2007; Couzy & Dockes, 2008; Hildenbrand & Hennon, 2008; McElwee, 2008; Vesala & Vesala, 2010), though it remains fragmented and limited. For example, Pyysiäinen, et al, (2006) call for more research to determine the skills that the diversified farmer needs from the perspective of both the farmer and those
with a stake in the farm business. This reflects the fact that, in the UK, a distinct lack of ‘business skill’, often combined with the failure to ‘conceptualise farming as a business’, is considered one of the key challenges to the success of any diversified project (Defra, 2007). This is manifested in difficulties amongst farmers in identifying market opportunities, uncertainty about the direction in which to take the business, an inability to develop a long term business plan, and a reluctance to take an investment risk (NAO, 2004). As the Curry Report (2002, p.20) on the ‘Future of Farming and Food’ in England concludes, some farmers have been;

slow to change, and slow to innovate. Farming will have to be quicker to spot opportunities if it is to survive and prosper in a liberalised world... farmers need - as some have already done - to rediscover their businessman’s mind, their marketing skills and their eye for new opportunities.

Hill (2007) concurs, observing that many of the required skills or competencies can be seen as entrepreneurial in nature; he also notes that, although there is evidence of specific business skill gaps, the extent to which they currently exist are not clear and warrants further research.

The literature has begun to address many of these issues. However, it has not yet done so in respect to agritourism, a diversification activity frequently undertaken by farm households to overcome the problems in agriculture outlined above. Indeed, Busby and Rendle (2000) highlight the absence of studies that discuss the role of entrepreneurship within the dynamics of the modern farm tourism business. Moreover, Barbieri and Mshenga (2008) note that not enough is yet known about the characteristics of either farm or farmer that might positively impact on agritourism performance. However, this is, perhaps, unsurprising given the lack of attention paid to theories of entrepreneurship within tourism scholarship more generally (Li, 2008), the entrepreneur being described as ‘the overlooked player in tourism development’ (Koh & Hatten, 2002).

Hence, despite an evident policy focus on the support for and promotion of agritourism, questions remain with respect to the range of competencies that diversification into tourism entails. In particular, what entrepreneurial and competitive skills do farmers require in making the transition from traditional agriculture to a service based tourism enterprise? Do farmers who consciously embrace tourism already possess these skills? Indeed, to what extent can farmers be considered entrepreneurial in the context of agritourism diversification? These are questions that remain largely unanswered in the literature and are, thus, the focus of this paper. Firstly, however, a review of the background to both diversification and agritourism as an alternate farm enterprise, along with a summary of the current knowledge in respect to entrepreneurship in these areas, is necessary to provide a framework for the subsequent research.

Agriculture Diversification

Agriculture, described as ‘one of the most potent and enduring symbols of rurality’ (Woods, 2005, p.42), has for centuries been the dominant and driving force of rural economies. However, since the 1950s, a decline in agriculture’s fortunes has been apparent, not least because of the problems of oversupply and the resulting government interventions of the 1970s and 1980s. This
led to the so called ‘post-productivist’ phase and resultant ‘farm crisis’ of the 1990’s, characterised by declining farm incomes, business closures and rural restructuring (Wilson, 2001; Evans, Morris & Winter, 2002). Subsequently, the problems of over-production and declining subsidies have led to a number of policies aimed at farm diversification, the aim being to reduce the dependency on traditional agriculture (McNally, 2001; Turner et al., 2002).

Defined by McInerney, Turner and Hollingham (1989) as ‘one off diversion to other-income earning uses of any resources previously committed to conventional farming activities’, diversification was initially seen as challenging the notion of farming identity and was resisted by those who wished to retain their concept of status and self identity (Ilbery, 1991). This is in stark contrast to the current situation where – after more than two decades of agricultural adjustment – not to diversify is now seen as poor farming practice (Walford, 2003, p.61).

Whilst a number of potential development strategies for farmers have been identified (cf. Meert et al., 2005; McElwee, 2006), the desire to remain ‘on the land’, as well as the perception that tourism is a viable alternative, has seen tourism enterprise become a key diversification activity (Ilbery, 1991; Hjalager, 1996; Ilbery et al., 1998). This is despite caution that tourism should not be viewed as a panacea for the problems of rural areas (Hall & Page, 2006), not least because of low wages and seasonality (Fleischer & Felsenstein, 2000) and concerns over sustainability (Sharpley, 2002). Moreover, many of the issues related to rural decline and farm restructuring are not confined solely to Europe, with diversification to agritourism seen increasingly in rural areas of: the USA (Veeck, Che & Veeck, 2006); Canada (Colton & Bissix, 2005); Japan (Ohe, 2007); Australia (Knowd, 2006); and New Zealand (Cloesen, 2007).

**Agritourism**

As considered above, the promotion of tourism as an ‘alternative farm enterprise’ has become a key development strategy for rural regions as well as an individual strategy for the farm household. Many researchers point to the long history of visitation to farms, practiced for over 150 years in Germany, though more prevalent in its conventional form in Scandinavia and many central European countries since the end of the Second World War (Nilsson, 2002). Whilst early forms of visitation tended to emphasise the farm stay and romanticism of the countryside, it has today evolved into a complex phenomenon, still recognisable as a form of rural tourism though more diverse and, hence, increasingly difficult to define. Busby and Rendle (2000) propose a continuum, which they describe as the transition from ‘tourism on farms’ to ‘farm tourism’. They suggest that various factors, including the level of marketing, competition, entrepreneurship and investment – and even the level of tourism versus agricultural income – will dictate where each farm lies on the scale. Other commentators argue that farm tourism exists only when it takes place on a ‘working farm’ (Clarke, 1996), whilst Peebles (1995) offers a simpler definition, that farm tourism is just tourism in a farm setting. In North America, agritourism more commonly refers to farm-based tourism ventures (Nickerson, Black & McCool, 2001), whilst the term agrotourism still dominates in many Mediterranean counties (Gousiou, Spilanis & Kizos, 2001).

It is not possible here to debate fully definitions or typologies of farm-based enterprises. Nevertheless, it must be acknowledged that a number of factors, including status as a working
farm, the professionalism of the operator and proportion of tourist income – all related to Busby and Rendle’s (2000) continuum – may well have a role to play in establishing the parameters of future research on issues of agritourism entrepreneurship. More specifically, McGehee (2007, p.120) argues that a number of issues remain un-addressed, including the need to extend research into the motivations of agritourism operators whilst, at the same time, asking ‘what technical assistance, skills and resources do agritourism providers feel are most important to their success’. Although the literature on motivations has grown considerably over recent years, it still lacks the geographical coverage that will allow for comparative case study analysis.

In North America, research indicates that farmers primarily diversify to provide additional income and employment opportunities for the farm family (Nickerson, Black & McCool, 2001; McGehee & Kim, 2004). A similar situation exists in the UK, where a survey of farmstays in the North East found that 60% of respondents had diversified to generate additional income and secure long term financial security (Sharpley & Vass 2006). Conversely, Ollenburg and Buckley (2007, p.451) found that although income generation is a significant driver, social motivations to diversify are more important to Australian operators. They suggest that, with a more explicit need to generate income, farmers in the Northern hemisphere need to be more professional, as defined by the ‘adoption of a business plan; seeking professional advice at establishment; separate accounting systems for tourism and farm businesses; involvement in regional and larger-scale tourism marketing initiatives; and occupancy rates and profitability’. Busby and Rendle (2000) echo this, noting that an additional criterion in moving from ‘tourism on a farm’ to ‘farm tourism’ may be the adoption of a tourism business plan.

In addition to considerations of entrepreneurial motivations, a small number of studies have begun to address the characteristics and performance of the farm and agritourism entrepreneur. In a survey of North American farms and ranches, Barbieri and Mshenga (2008) identified the relationship between farm size and performance, with larger acreage understandably leading to greater revenue. However, they also note that white male farmers earned more than their female counterparts and that age was also inversely related to business performance, with income falling as the farmer’s age category increased. In this study area, the adoption of farm business and marketing plans did not appear to contribute to success (despite the authors hypothesising to the contrary), whilst membership of business and agriculture associations did bring benefits, as reflected in gross farm income. Haugen and Vik’s (2008) analysis of agritourism entrepreneurs in Norway identified the influence of education, revealing that farmers who have diversified into tourism tend to have a higher level of both general and agricultural education. Additionally, they found that tourism entrepreneurship is considered an important ‘household’ rather than ‘individual farmer’ strategy. Indeed, the role of the family business has been a recurring theme within agritourism research (Andersson, Carlsen & Getz, 2002; Wilson, 2007), with Nilsson (2002) identifying that the farm wife is central to the tourism business. This, of course, raises the question as to the appropriate unit of analysis in agritourism entrepreneurship studies: the farm business, the individual farmer, the farm wife, the husband and wife team as copreneur, or the farming family as an entrepreneurial unit?

At a more fundamental level, Cloesen (2007), commenting on agritourism in New Zealand, argues that diversification in itself does not allow the farmer to be considered an entrepreneur.
Ascribing to the definition of entrepreneurship, popularised by Timmons (1994), as creating something from nothing, he argues that a separate legal entity needs to be created for the new venture for it to be considered entrepreneurial. Thus, it is necessary to consider briefly the concept of ‘entrepreneur’ as applied to the specific context of the diversified farmer.

**Entrepreneurship and Agriculture Diversification**

There is little consensus over definitions of the term entrepreneur. Schumpeter (1934), for example, defines entrepreneurship as ‘carrying out new combinations’ whilst, for Drucker (1970), it is about taking risks. Alternatively, Audretsch (1995) describes the entrepreneur as the agent of change, whilst Shane and Venkataraman (2000, p.218) see entrepreneurship as the ‘processes of discovery, evaluation, and exploitation of opportunities.’

Addressing this diversity of definitions, Low and MacMillan (1988, p.41) suggest entrepreneurship be broadly defined as the ‘creation of new enterprise’ and, thus, suggest that the purpose of entrepreneurship scholarship is to ‘explain and facilitate the role of new enterprise in furthering economic progress.’ To an extent this supports Cloesen’s position mentioned above. However, for the purposes of this paper, we follow the later interpretation of Low and MacMillan’s ‘new enterprise’ by Davidsson and Wiklund (2001), who argue that enterprise can be understood as an economic activity and not necessarily as the label for a formal organisational unit or structure.

Similarly, in a case study of new ventures in Swedish farm businesses, Ferguson and Olofsson (2008) acknowledge that where farmers diversify, it is after recognising a market opportunity which can be exploited by redirecting their resources. That is, they did not require the venture to become independent to be considered entrepreneurial, although they do acknowledge that, were the venture to become a new business, this would represent the furthest degree of development. Certainly, research has identified that farmers are an important group with respect to establishing new ventures in rural areas (Townroe & Mallalieu, 1993; Carter & Rosa, 1998), with farm diversification often considered to be an example of ‘portfolio entrepreneurship’ (Westhead & Wright, 1998; Carter, 1999, 2001; Carter & Ram, 2003). However, as Alsos, Ljunggren and Pettersen (2003) acknowledge, ‘there is still a paucity of knowledge about which factors trigger the start-up of entrepreneurial activities among farmers’.

More widely considered in the emerging literature on entrepreneurship amongst diversified farmers is the range of skills deemed critical to success. Not surprisingly, these reflect more generally proposed entrepreneurship skills. For example, McElwee (2008) suggests that networking, innovation, risk taking, team working, reflection, leadership, and business monitoring are fundamental to developing and improving the diversified farm business. Equally, Morgan et al. (2010) emphasise what they describe as higher order skills, namely: creating and evaluating a business strategy; networking and utilising contacts; and, recognising and realising opportunities. What is surprising, however, is that many diversified farmers still prefer not to consider themselves as entrepreneurs (Richards & Bulkley, 2007), preferring to maintain the cultural identity of farming, although, as Olsson (1988, p.242) observes:
The manager of the agricultural firm today has many roles. It is not enough for him to be a good farmer — a good producer of food products in a traditional way. The manager in modern agriculture must possess many of the qualities of a good entrepreneur.

Thus, the contemporary farmer may be considered the manager of a business, an entrepreneurial individual, or even both (Couzy & Dockes, 2008; McElwee, 2008).

However, irrespective of these conflicting notions of farming self-identity — in economic development terms at least — in practice the diversified farmer is increasingly being seen as an entrepreneur with a stake in the performance of rural areas (Defra, 2009; OECD, 2009). Therefore, it follows that a discussion — currently lacking in the literature — of the skills necessary for success in a modern, liberalised and increasingly diversified agricultural industry is required. Thus, the research considered in the following sections now explores the range of skills and competencies — from the farmers’ own perspective — that is considered important for successful diversification into agritourism enterprise.

**Empirical analysis**

The research is based upon a postal questionnaire undertaken in North-West England in late 2009. Almost 80% of the region is classified as rural or urban fringe, its population of over 6 million people mainly concentrated in the conurbations surrounding Manchester and Liverpool. The agricultural sector in the North-West comprises over 22,000 farm businesses, employing approximately 40,000 people. Holdings are predominantly livestock-based in Cumbria and Lancashire (to the north), whereas arable and horticulture enterprises predominate in Cheshire and the South Lancashire plains (GONW, 2003).

Farm incomes in the region averaged £26,550 in 2006, significantly less than the national average of £37,839. However, this figure hides the fact that direct income from agricultural production represents a negative value with the remainder of farm income coming from European subsidy payments (NWDA, 2008). Unsurprisingly, therefore, income from non-farming activities has become a significant factor in the economic viability of many farm holdings. For instance, in 2007/08, 47% of farm businesses in the North-West engaged in some form of diversified activity whilst, for 28% of farms, either the farmer or spouse engaged in some form of off-farm or self-employment (NWDA, 2008). Less certain is the level of agritourism enterprise within these figures. Research conducted by the North West Farm Tourism Initiative² (NWFTI) suggests that supplementary income from tourism represents, on average, 26% of turnover for the individual farm businesses. However, the evidence for this remains unclear, particularly as 16% of farms acknowledge they do not know how much income is derived from tourism, the implication being they do not keep separate business records (NWFTI, 2006). Nevertheless, it is apparent that tourism, as one of a number of diversification initiatives, is an important factor in both the sustainability of individual farm businesses and the economic viability of rural areas as a whole in the study region.
Method

As the population of farms engaging in tourism activity within the study region is not known, a purposive (non-probability) sampling frame was developed by the researchers, using a variety of sources; including tourist board directories, the national UK ‘Farm Stay’ brochure (2009), as well as an on-line search. Similar approaches utilising internet searches, directories, brochures and mailing lists have been reported in the agritourism literature, where adequate databases to serve as a sampling frame do not exist (McGhee & Kim, 2004; Ollenburg & Buckley, 2007; Barbieri & Mshenga, 2008). For the purposes of this study and acknowledging the contested definitions of farm based or agritourism as noted above, the researchers adopted an intentionally broad definition of agritourism as, ‘any practice developed on a working farm with the purpose of attracting visitors,’ (Barbieri & Mshenga, 2008, p.168). Thus, agritourism enterprises included in this research provide a wide variety of recreational opportunities, for example: on-farm accommodation; farm based visitor attractions, events and tours; retail and catering operations; pick-your-own harvesting; and other on-farm recreation including bird watching, nature trails and horse riding.

However, in acknowledging the limitations of this method, it must be identified that this sampling frame cannot identify all agritourism enterprises in the region. Moreover, the researchers concede that the use of network mailing lists, promotional material and online presence, undoubtedly excludes less commercially-oriented operations. What is more, the use of such sources does in itself imply that those sampled have already adopted an outward or ‘market-oriented’ approach in regard to networking and marketing, two of the skills under review. Additionally, the survey response was limited by the extreme flooding – described as the worst in over 100 years – in the target area shortly after the questionnaire was despatched (See: Peck, et al, 2010; Sibley, 2010).

Having been identified as the most feasible approach, the purposive or judgmental sampling technique identified 387 agritourism businesses, to which self-completion questionnaires were mailed during November 2009. In total, 118 fully completed questionnaires, representing a response rate of 30%, were returned. This is lower than has been the norm in comparative farm tourism research, though higher than anticipated given the extreme weather conditions during the survey (and, indeed, higher than the average response rate for postal surveys more generally).

Research Design

As outlined in the introduction, the purpose of the research was to assess the skills that farmers identify as relevant for effective and successful diversification to agritourism, by asking respondents to rate the importance of a range of skills, before asking them to then conduct a personal evaluation of their own abilities. Additionally, and in order to provide the context to the skill’s analysis, additional information regarding the characteristics of the farm and agritourism enterprise was also sought.

Many of the skills around which the questionnaire is constructed are widely accepted in the literature and acknowledged as entrepreneurial in nature. Others, however, have been introduced
to meet the purposes of this exploratory study. A number of the skills have been adapted from the work of Lichtenstein and Lyons (2001), who propose an ‘Entrepreneurial Development System’ (EDS) to foster entrepreneurship and build the entrepreneurial potential of regional communities in the United States. The EDS is based on three main premises: (1) ultimate success in entrepreneurship requires the mastery of a set of skills; (2) these skills can be developed; and (3) entrepreneurs do not all come to entrepreneurship at the same skill level (Lyons, 2003). This system has been utilised in the work of Smith, Schallenkamp and Eicholz (2007), who present the skills under the headings of technical, managerial and entrepreneurial skills, as well as personal maturity skills. The research design here draws on their approach, although for the purposes of this study, many skills within the EDS categories have been substituted for those considered more relevant to the rural, land-based or tourism and hospitality service industries, as identified by the UK Sector Skills agencies for these industries (Lantra, 2003, 2005; People 1st, 2007).

The outcomes of this research are discussed in the following sections, with the 15 individual skills, subdivided into management, entrepreneurial and personal maturity skills, identified in Table 1.

Results and Discussion

Agritourism Entrepreneurs

The questionnaire and covering letter were addressed to the person with responsibility for operating the diversified tourism enterprise and, of those returned; just over 70% were completed by the male partner in the farm household. This might be considered a departure from the literature. For example, 79% of respondents in Sharpley and Vass’s (2006) study in the North East of England were completed and returned by the farmer’s wife/partner, reflecting the findings of earlier studies which, in general, suggest that farm tourism enterprises are run and operated by female family members (Busby & Rendle, 2000; Nilsson, 2002). In contrast, however, Howden and Vancalay (2000), in their study of farming styles, identified that gender constructions of farming meant that the male ‘as farmer’ was the more likely to respond to their research questions. It may well be, therefore, that whilst the role of the farm wife remains central to the operation of the agritourism enterprise (for instance in receiving guests, serving meals and organising activities) the emphasis of this research on the farms business activities and individual entrepreneurial skill, reinforces established gender roles.

However, a later survey question asked for confirmation of who had decision-making responsibility with respect to tourism enterprise. Here, 33.3% of responses indicated that the person completing the form had overall and sole responsibility for decision-making whilst 20% recorded that the spouse or partner had responsibility. However, the situation is further complicated by a number of respondents who selected multiple answers. These revealed that in an additional 35.9% of cases, decisions were made jointly (i.e. spouse and partner) and, in 11.1% cases, decisions involved the spouse/partner along with other family members. Thus, it is clear that generalisations with respect to gender roles within diversified farm enterprises cannot be
made and that, as observed earlier, questions remains over the most appropriate ‘unit of analysis’ in agritourism studies.

Respondents were typically aged between 35 and 65, although 78% were over 45 years of age. Interestingly, only 20% of respondents held a degree level or equivalent qualification; conversely, around 53% of respondents possessed either no formal qualifications or were educated only to age 16-level qualifications. This again marks a departure from the literature on diversification and agritourism which suggests that it is predominantly those with higher or degree level education who establish new ventures on the farm (Haugen and Vik, 2008).

Reflecting the known characteristics of the study region, farm type was predominantly dairy (22.6%) and livestock grazing (57.6%). The latter figure includes both lowland grazing and grazing in ‘less favoured areas’ (34%), a term referring to more marginal hill-top and moorland sites, where farmers face even harsher economic pressure to diversify. Farm sizes are predominantly smaller than comparative regions, with over 60% of holdings less than 100 hectares; of the remainder, 16.7% are over 200 hectares in size.

With respect to tourism enterprise, the survey revealed a long history of agritourism in the region, 20.5% of respondents having diversified over 21 years ago and seven holdings 30 years ago. Predominantly, however, farm businesses had engaged in tourism enterprise within the last 10 years, with 50 properties (42.7%) having done so since the outbreak of foot and mouth disease in the region in 2001. With respect to tourism’s contribution to farm income, no easily discernable pattern emerges, with mean income from tourism being 53.5% of total income. However, it is interesting to note that, despite indicating that they remain working farms, 20.4% of holdings earn over 80%, and eight properties earn 100%, of farm income from tourism. This suggests that, for these businesses, the farming and tourism operations remain separate entities, that tourism is the farm’s sole income generator, or perhaps that respondents continue to retain their social identity of a farmer as custodian of the land, despite no longer engaging in farming activity.

The range of agritourism products and services reported was very diverse, the most frequently cited answers including, unsurprisingly, ‘Holiday Cottages’ and ‘Bed & Breakfast’. However, prominent in the number of responses were themed farm parks or petting-zoo style attractions, educational tours and purpose built classrooms, as well catering and retail operations. Moreover, in the majority of cases, the farms surveyed had established multiple agritourism ventures (i.e. a combination of on-farm accommodation along with attractions, retail or catering options aimed primarily at the day visit market), rendering a detailed breakdown as to skill levels, by agritourism venture type problematic.

In addition, and as a precursor to the discussion of the skills required for diversification, the survey instrument also sought to assess how many respondents made use of a business or marketing plan. Both were identified as being very low, with 71.2% reporting that they possessed no written business plan and 78% having no formal marketing plan for their tourism enterprise. This contrasts with Barbieri and Mshenga’s (2008) sample of US based agritourism ventures, where 63% held a formal business and marketing plan. In this instance, formal planning may be
seen as unnecessary or imply that farmers lack the ability to plan effectively; suggesting that farm business advisory and training support services should address this issue, given the assertion that a ‘tourism business plan’ is one element of the transition from ‘tourism on farms’ to ‘farm tourism’, and thus the professionalism of farm tourism operators (Busby & Rendle, 2000, p.640).

With regards to motivations to diversify and consistent with discussions in the literature, the need to ‘generate additional income’ emerged as a prime influence, with 89% of respondents rating this as important or very important. Conversely, social motivations to diversify remained low and thus the suggestion that farmers driven by the need to generate income will be more professional – particularly in the context of the later discussion surrounding skills – is not substantiated (Ollenburg and Buckley, 2007), at least not in this case study area, as revealed by the low levels of formal planning. However, further empirical analysis here is evidently required.

**Farmers’ perception of entrepreneurial skills**

This section focuses on the competencies and skills considered necessary for successful diversification and, as has been previously identified, respondents were initially asked to rate the skills they deemed most important in operating their diversified enterprises, from (1) unimportant through to (5) very important. The mean rankings against each of the skills deemed most applicable by the farmers sampled are shown at Table 1, with the competencies grouped into managerial skills and entrepreneurial and personal maturity skills, to allow for ease of analysis.

With respect to management competencies, ‘customer service’ skills are clearly identified by the respondents as being the most important attribute, with a mean ranking of 4.52 and a standard deviation of 0.88. Indeed, 23.7% of respondents categorised service skills as important and 67.8% as very important in managing their tourism operations. Additionally, high mean values were recorded for ‘managing finances’ (4.28), ‘marketing and sales’ (4.14) and ‘organisation skills’ (4.13). Of slightly less significance to respondents was the fifth ranked management variable of ‘small business regulations’ (3.95). This may be considered more of a knowledge competency than skill base but was included given both its prominence in the policy literature (Lantra, 2003; Defra, 2007; People 1st, 2007) and that this may include licensing, health and safety and disability legislation not ordinarily encountered by productionist agricultural operations. Of least importance was the ‘supervision and management of employees’ (2.98) although, as many of the farms surveyed were family operated, the anticipated roles of recruitment, training and appraisal, were unlikely to be deemed relevant by respondents.

As can be seen from Table 1, ‘accountability’ and ‘emotional coping’, as personal maturity skills, were ranked at 4.39 and 4.31 respectively. Here, one might relate these skills to farming identity and, indeed, it is easy to imagine that emotional coping as a trait may well be developed when managing the transition from falling agricultural returns to a new and challenging diversified environment, whilst seeking to maintain family and personal connections to both property and land.
The remaining entrepreneurial and higher order skills, from the ability to ‘think critically’ to ‘persuasive negotiation skills’ are ranked from 3.91 to 3.58, suggesting that they remain of importance in diversifying from the farmers perspective, but less so than a number of the management skills identified. Within this grouping, it is worth noting that two skills frequently associated with entrepreneurship – namely ‘environmental scanning’ (or opportunity recognition) and ‘business concept’ (or planning) – are revealing. Both have very similar mean values (3.68 and 3.66) though wide distributions. Indeed, closer analysis identifies that 37.3% of those surveyed rated ‘business concept’ in the categories unimportant through to moderately important, whilst 38.1% rated ‘environmental scanning’ in the same unimportant to mid-importance range. Taken at face value, this indicates that, for a number of farm businesses, entrepreneurial competencies are not deemed relevant. Thus, it is now necessary to review the extent to which these skills exist in the sample, via a review of the farmers personal skill evaluation.

**Farmer’s personal evaluation of entrepreneurial skills**

As has been outlined above, farmers were then asked to rate their own abilities against each of the 15 skills tested, as either (1) low, (2) medium or (3) high. The results of this analysis are presented in Table 2, whilst the skills that respondents evaluated as both the highest and lowest ability are presented in Table 3.
Table 2. Farmers personal skill evaluation: Mean rankings

<table>
<thead>
<tr>
<th>Skill</th>
<th>M</th>
<th>SD</th>
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<tbody>
<tr>
<td>Customer Service: Handling service expectations and dealing with problems</td>
<td>2.69</td>
<td>0.53</td>
</tr>
<tr>
<td>Accountability: Ability to take responsibility for solving a problem</td>
<td>2.65</td>
<td>0.54</td>
</tr>
<tr>
<td>Critical Evaluation: The ability to think critically</td>
<td>2.62</td>
<td>0.73</td>
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<tr>
<td>Emotional Coping: Emotional ability to cope with a problem</td>
<td>2.54</td>
<td>0.63</td>
</tr>
<tr>
<td>Organisational Skills: Day to day administration, managing yourself and your time</td>
<td>2.47</td>
<td>0.64</td>
</tr>
<tr>
<td>Financial: Managing financial resources, accounting, budgeting</td>
<td>2.31</td>
<td>0.60</td>
</tr>
<tr>
<td>Goal Setting: Ability to set personal goals, reach them and set new ones</td>
<td>2.31</td>
<td>0.69</td>
</tr>
<tr>
<td>Marketing/Sales: Identifying and reaching customers/distribution channels</td>
<td>2.19</td>
<td>0.68</td>
</tr>
<tr>
<td>Networking: Co-operation with others, networking and utilising contacts</td>
<td>2.19</td>
<td>0.74</td>
</tr>
<tr>
<td>Self Awareness: Ability to reflect and be introspective</td>
<td>2.19</td>
<td>0.71</td>
</tr>
<tr>
<td>Negotiation: Persuasive communication and negotiation skills</td>
<td>2.14</td>
<td>0.67</td>
</tr>
<tr>
<td>Business Concept: Business and strategic planning</td>
<td>2.13</td>
<td>0.66</td>
</tr>
<tr>
<td>Small Business Regulations: i.e. H&amp;S, risk assessment, disability legislation</td>
<td>2.02</td>
<td>0.78</td>
</tr>
<tr>
<td>Environmental Scanning: Recognise market gap, exploit market opportunity</td>
<td>2.02</td>
<td>0.75</td>
</tr>
<tr>
<td>Supervision: Manage/supervise employees and their needs</td>
<td>1.94</td>
<td>0.78</td>
</tr>
</tbody>
</table>

◊ Respondents were asked to rate their own ability as (1) low, (2) medium or (3) high.

Table 3. Farmers personal skill evaluation: A low-high comparison

<table>
<thead>
<tr>
<th>Skills † ranked at ‘low’ ability (1)</th>
<th>f</th>
<th>%</th>
<th>Skills † ranked at ‘high’ ability (3)</th>
<th>f</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervision</td>
<td>39</td>
<td>33.1</td>
<td>Customer Service</td>
<td>86</td>
<td>72.9</td>
</tr>
<tr>
<td>Environmental Scanning</td>
<td>32</td>
<td>27.1</td>
<td>Accountability</td>
<td>81</td>
<td>68.6</td>
</tr>
<tr>
<td>Small Business Regulations</td>
<td>30</td>
<td>25.4</td>
<td>Emotional Coping</td>
<td>73</td>
<td>61.9</td>
</tr>
<tr>
<td>Networking</td>
<td>23</td>
<td>19.5</td>
<td>Organisational Skills</td>
<td>65</td>
<td>55.1</td>
</tr>
<tr>
<td>Self Awareness</td>
<td>21</td>
<td>17.8</td>
<td>Critical Evaluation</td>
<td>52</td>
<td>44.1</td>
</tr>
<tr>
<td>Negotiation</td>
<td>19</td>
<td>16.1</td>
<td>Goal Setting</td>
<td>51</td>
<td>43.2</td>
</tr>
<tr>
<td>Business Concept</td>
<td>19</td>
<td>16.1</td>
<td>Financial</td>
<td>46</td>
<td>39.0</td>
</tr>
<tr>
<td>Marketing/Sales</td>
<td>18</td>
<td>15.3</td>
<td>Networking</td>
<td>45</td>
<td>38.1</td>
</tr>
<tr>
<td>Goal Setting</td>
<td>15</td>
<td>12.7</td>
<td>Self Awareness</td>
<td>43</td>
<td>36.4</td>
</tr>
<tr>
<td>Critical Evaluation</td>
<td>10</td>
<td>8.5</td>
<td>Marketing/Sales</td>
<td>40</td>
<td>33.9</td>
</tr>
<tr>
<td>Financial</td>
<td>9</td>
<td>7.6</td>
<td>Negotiation</td>
<td>35</td>
<td>29.7</td>
</tr>
<tr>
<td>Emotional Coping</td>
<td>9</td>
<td>7.6</td>
<td>Business Concept</td>
<td>34</td>
<td>28.8</td>
</tr>
<tr>
<td>Organisational Skills</td>
<td>5</td>
<td>4.2</td>
<td>Environmental Scanning</td>
<td>34</td>
<td>28.8</td>
</tr>
<tr>
<td>Customer Service</td>
<td>4</td>
<td>3.4</td>
<td>Small Business Regulations</td>
<td>32</td>
<td>27.1</td>
</tr>
<tr>
<td>Accountability</td>
<td>4</td>
<td>3.4</td>
<td>Supervision</td>
<td>32</td>
<td>27.1</td>
</tr>
</tbody>
</table>

† See Table 1 for a full description of each skill, only a descriptor is offered here.

With regards to the skills in which the respondents considered themselves proficient outlined at Table 3, ‘customer service’ emerges as the strongest, with 72.9% proposing that they had a high ability and only 3.4% considered scoring themselves low. In the context of the perceived skills need outlined earlier, this result is encouraging given that farmers had clearly identified that
service skills were critical to effective diversification. Indeed, Nickerson, Black and McCool (2001) outline the importance interpersonal skills in agritourism, calling for more research to determine their role in the ventures success.

Perceived competency in service skills, are followed closely by ‘accountability’, ‘emotional coping’ and ‘critical evaluation’, which are again reflected by a very high numbers of respondents ranking themselves with high ability in Table 3. Again, given the earlier discussion regarding which skills farmers consider essential, these results are encouraging. However ‘financial’ and ‘marketing’ skills, rank quite low in the self evaluation exercise., with Table 3 in particular revealing that only 33.9% of respondents rate themselves as possessing high levels of competency in marketing. Given that both financial and marketing skills were earlier identified by respondents as an important skill for successful diversification, this suggests that farmers would welcome the emphasis on these competencies in farm business advisory and training support services.

At the lower end of the scale, Table 3 indicates that ‘supervision’ as a skill offers mixed results, with 27.1% rating themselves high and 33.1% evaluating themselves with low self ability. Here one must acknowledge that as a skill, ‘supervision’ was earlier deemed relatively unimportant by the sample which evidently comprises mainly family enterprises. Thus, perhaps unfamiliarity with managing employees has manifested itself in a mixed response. Likewise, ‘small business regulations’, which respondents also deemed relatively unimportant for successful diversification, recorded only 27.1% as high and 25.4% with low ability. Here, one must consider whether this signals ambivalence towards new regulations and regulatory frameworks, an important consideration given that agritourism entrepreneurs will be exposed to new risks and liabilities when diversifying. This is illustrated by the recent high profile E. Coli outbreaks at a number of UK ‘petting farm attractions’ (Surman, 2010), highlighting that further research in this area is required.

Of greater interest are abilities that are identifiable in the literature as entrepreneurial yet which clearly represent very low mean rankings in respect to the respondents’ personal skill evaluation. For instance, in Table 2 ‘business concept’ and ‘environmental scanning’ have mean values of 2.13 and 2.02 respectively, whilst Table 3 indicates that only 28.8% of respondents appraise themselves as having a high personal ability in ‘business concept’ and ‘environmental scanning’. With an almost comparable number rating themselves as low for ‘environmental scanning’ (27.1%), though less so for ‘business concept’ (16.1%).

Thus, it is evident that, by asking farm respondents to self evaluate their own competencies, one can readily identify that a number of managerial and personal maturity skills dominate at the expense of those competencies which are easily identifiable as entrepreneurial. Such a finding is significant; both given the continued emphasis on the need for these entrepreneurial skills in the wider literature and indeed may challenge the contemporary assumption that farmers are becoming more enterprising in response to the structural changes in agriculture. Especially, when related to the earlier observation, that diversification in this region was primarily to generate and exploit new sources of income.
Conclusions

To date, research on agritourism has focussed primarily on the motivations of farmers and on the rationale for entrepreneurial development involving factors specific to the internal farm environment. However, comprehensive discussions of farm tourism entrepreneurship remain scarce; therefore, this paper has sought to address this deficit by examining the range of skills and competencies that farmers in the UK identify as important for successful diversification.

What has become clear from the discussion above is that whilst farmers are increasingly turning to agritourism as an alternative farm enterprise, they evidently lack many of the fundamental business competencies that are required for success, a situation which becomes more revealing when one considers the economic, as opposed to social motivations to diversify. Moreover, whilst managerial competencies are clearly important, entrepreneurship is about much more than simply managing (Pyysiäinen, et al, 2006); it is about innovation and risk-taking (Timmons, 1994) and, increasingly, is recognised as the ‘discovery, evaluation and exploitation of opportunities’ (Shane and Venkatraman, 2000, p.218). Thus, as opportunity is placed central to many discourses of entrepreneurship, one must acknowledge that ‘environmental scanning’ (or the ability to recognise and exploit market opportunities) exists only at relatively low levels amongst agritourism operators in this study area. Similarly, the ability to both create and evaluate a business strategy as a higher order entrepreneurial skill (Morgan, et al, 2010) is undermined by the low levels of formal business planning. As well as the perception amongst farmers, that ‘business concept’ as a competency, is considered relatively unimportant for diversification, along with low self-evaluations of their abilities in this regard.

Thus, a distinct lack of business skill and the failure to conceptualise the diversified project as a business may have very real implications for the longer term survival of the business. Certainly, whilst many farmers may not readily identify themselves as entrepreneurs, the need to embody a number of key business competencies – and, indeed, to become more enterprising and embrace new opportunities – will become fundamental to surviving as agricultural markets become ever more liberalised. In Europe in particular, ongoing reform of the CAP from 2013 onwards (EC, 2010) will see increasing calls for the reorientation of agriculture towards ever more entrepreneurial approaches, as subsidies decline and other income earning opportunities on the farm dominate.

It is in this context of ongoing agricultural reform that that the question of the entrepreneurial skill-set of farmers has been raised. However, it should be acknowledged that the skills evaluated here have been assembled apriori by the researchers using the framework and central premise of the Entrepreneurial Development System. This advocates that success requires a mastery of a set of skills, that these skills can be developed and that entrepreneurs do not all arrive at the same skills level (Lyons, 2003). With this in mind, and acknowledging the exploratory elements of our research, the authors welcome critical debate regarding the specific range of skills and competencies that agritourism – and indeed other ‘small tourism firm’ entrepreneurs – require. Indeed, such a debate is essential, ‘to develop a framework unique to the entrepreneurship domain of hospitality and tourism research’ (Li, 2008, p.1013).
Other preliminary questions also require addressing in future farm tourism research. For instance, whilst gender is clearly an important factor in studies of farm diversification, how should this be addressed in relation to entrepreneurial skills? Indeed, what unit of analysis is appropriate if one is to consider tourism as an individual as well as a farm household strategy? Would the idea of copreneurship or entrepreneurial teams be a useful conceptual approach, or should distinctions between the role of the farmer and farm wife be maintained, but now examined in the context of managerial and entrepreneurial competencies? Moreover, whilst it was not possible here to examine specific competencies required by specific venture types (i.e. on farm accommodation as opposed to farm attractions), it seems reasonable to assume that these enterprises require differing skill-sets. Could a deeper understanding of these differences help to explain venture success or indeed lead to more focussed and venture specific advice from farm business support and extension agencies? Additionally, at a more fundamental level, Cloessen (2007) argues that diversification to agritourism is not an act of entrepreneurship, unless a new venture, as separate legal entity, is created. Here the authors disagree, arguing that where new economic activity is created, the act of diversification should be considered as an enterprising act. However, the notion of new enterprise is itself debated in the entrepreneurship literature and when matched with contested definitions of agritourism and concerns regarding the unit of analysis, signals the need for more informed debate and discussion to bring clarity to ongoing and future agritourism research.

In summary then, whilst farm based recreation and tourism continues to be seen as a viable alternative for the diversification of rural areas and the economic survival of farm families, more needs to be known about the characteristics and profile, of both the agritourism entrepreneur and the farm tourism venture which may contributes to success. In particular, additional research is required to enrich our understanding of the necessary entrepreneurial skill set, with a call for case study analysis, interviews and observations with both successful and unsuccessful farm tourism ventures to add much needed depth to our understanding of the agritourism sector.

Endnotes
1. For the purposes of this paper the terms agritourism and farm or farm-based tourism are used interchangeably.
2. The North West Farm Tourism Initiative was a five year funded project (2002 to 2006) which supported agritourism in the region in the period following the outbreak of foot and mouth disease in the UK in the Summer of 2001.
3. These tourist boards were: Cumbria Tourism, The Lancashire and Blackpool Tourist Board, Visit Chester and Cheshire, Visit Manchester and The Mersey Partnership (See: Northwest Tourism, 2010).
References


