

HOW TO PAY FOR UPGRADES?

Taxing bodies in Kansas City clash over financing improvements along Main Street. | C3



Business

FYI
SECTION D,
INSIDE

STAR BUSINESS WEEKLY ★

MIDWEST FARMING | Nurturing another source of revenue

HELPING AGTOURISM GROW AS AN INDUSTRY



PHOTOS BY CAMILLE PHILLIPS | HARVEST PUBLIC MEDIA

Agritourism businesses in the Midwest come in many forms. Mule Barn Berries in Lathrop, Mo., lets customers pick their own berries. It also sells its raspberries and blackberries to restaurants, farmers markets and other places.

By CAMILLE PHILLIPS
Harvest Public Media

Are Midwestern farmers overlooking an opportunity ripe for the picking?

Farm-based tourism attractions such as “u-pick” berry patches, wine tastings, dude ranches and guided hunting trips have operated in the region for years. But California, Texas and Colorado have the biggest share of this type of business, often called agritourism.

Recently, however, Midwestern policy-makers have begun planting the seeds to grow the agritourism industry in their states. And more farmers seem to be recognizing the potential for rural community building and additional income.

Renee Seba and her husband, Charlie, are among those figuring out how to make a go of it. They own Mule Barn Berries in Lathrop, Mo., north of Kansas City.

Last year they didn't have enough customers for their u-pick operation. With bushels of berries rotting on the vine, they scrambled to find other ways to sell the fruit.

“My husband said: ‘Well, call Lidia’s Restaurant. Let’s pack up fruit

SEE AGTOURISM | C6

Organized labor continues to contribute

GUEST COLUMN | C9

LOOKING AHEAD | EXPERTS PONDER WHAT'S AHEAD FOR MARKETS, ECONOMY | C11

U.S. MARKETS WERE CLOSED FOR THE LABOR DAY HOLIDAY

AGTOURISM: Farmers see potential for growth

FROM C1

and take it to grocery stores and see if they'll buy anything." It was this panic moment," Renee Seba said.

But this year they are better prepared. Several area restaurants buy their berries. They've made arrangements to sell at more farmers markets. And as a last resort they can call gleaners to pick the remaining fruit. And, of course, they have u-pick.

"U-pick, everyone's happy," Seba said. "They come out, they have a great experience. I get to talk to people, which I really like. It's all win-win-win when it's u-pick."

Still, the Sebas aren't over the hump.

"We hoped to be profitable by the end of this year, but that's not going to be reality," Renee Seba said. "We spent too much money. Didn't budget well enough."

Even when the Sebas begin making a profit, odds are it won't be enough to make much of a living. Agritourism businesses in Nebraska, Iowa, Missouri and Kansas brought in an average of \$12,344 in 2007. That's according to the Census of Agriculture undertaken every five years by the U.S. Department of Agriculture.

As modest as the 2007 Midwest agritourism numbers were, they show a marked improvement from the 2002 Agriculture Census, when agritourism brought in an average of \$3,443.

Over the last few years, state agencies and universities have developed many resources and websites devoted to agritourism, and they may be part of the reason revenue improved.

By the numbers

So how big is this industry? Missouri, for example, has AgriMissouri, a program begun in the 1980s to promote agricultural products. The program — which producers can join for \$50 a year — grew from 350 to 1,400 members last year, following a program overhaul, according to the state Department of Agriculture. More than 400 of those members have



PHOTOS BY CAMILLE PHILLIPS | HARVEST PUBLIC MEDIA

Peaches ready for picking get people to visit Gieringer Orchards in Edgerton, co-owned by Frank Gieringer.

agritourism businesses.

Now the program focuses on "connecting producers to consumers and consumers to agriculture." Its new focus is also reflected in a new website, which includes a map of agritourism operations in the state.

Kansas also has a map of agritourism businesses on its state websites, simplykansas.com and kansasagritourism.com. There are about 350 businesses listed, but that number includes companies that have more to do with selling products such as jams or baked goods than offering experiences such as u-pick or hunting.

Officials in both states agree that their states have barely scratched the surface of agritourism's potential. Less than 2 percent of farms in the four-state region have agritourism operations, according to the 2007 ag census.

"It's new for Kansas," said Linda Craghead with the Kansas Department of Wildlife, Parks and Tourism. "Even though we passed the law in 2004" to promote agritourism, "it's not something people have just truly embraced."

Dig deeper

Inviting customers out to the farm carries risks.

The Kansas law that Craghead mentioned is the Agritourism Promotion Act, passed with the aim of encouraging Kansas farmers and ranchers to get into agritourism. It limits the liability of agritourism operators, and aids their marketing through free registration.

Gieringer Orchards in Edgerton is among those who have registered with the state. Owners Frank and Melanie Gieringer said adding a u-pick component to their peach orchard was a natural progression.

Frank Gieringer farms about 1,000 acres and produces corn, soybeans and beef cattle — which is his family's primary source of income.

But he also has 12 acres of peach trees, a couple of acres of blackberries, sweet corn and five hoop houses full of tomatoes and other vegetables. The smaller acreage of these specialty crops makes it necessary to sell directly to the customer to make a profit, Gieringer said.

As such, inviting customers out to the orchard 10 years ago to



Carolyn's Country Cousins near Liberty has animals to pet and feed, as well as a tower for kids and critters to climb. Above, co-owner Carolyn Raasch held granddaughter Adalyn Raasch, and site manager Gieselle Fest got some canine attention. Below, Adalyn and Raasch fed the goats.



pick their own peaches made sense.

In addition to u-pick, the Gieringers sell their produce at a country store on their property, and at several area farmers markets.

"When we set up, we only sell what we grow," Gieringer said. "And we usually put up a u-pick sign, too, so people auto-

matically key into the fact that, well, they've got to grow their stuff."

Much like the Gieringers, Carolyn Raasch in Liberty kind of fell into agritourism.

In 1991 she opened Carolyn's Country Cousins on her farm to sell the pumpkins and other produce she had been selling at a farmers market. That same

year a school asked whether they could bring students out to see a farm. Now 17,000 schoolchildren tour the farm each year.

Raasch has become a sort of ambassador for agriculture, educating the children and adults who come on the tours about farm life.

"People used to be able to go

to Grandma's and Grandpa's every weekend, or aunt's and uncle's," Raasch said. "And now we are not one generation removed from the farm, we're three and four generations removed from the farm. Some of them have never set foot on a farm and just played in the mud and played in the dirt, like we used to all the time."

Raasch advertised the opening of Carolyn's Country Cousins in 1991 by leaving fliers on minivans in the parking lot of a nearby Walmart. Even today the Raasches rely mainly on home-grown advertising methods, such as a sign painted on the side of a trailer.

But their school tours offer a lot more than dirt. There's an animal barn, a pig race, a hay bale maze, a slide and jungle gym made of farm supplies, a train ride and, to top it off, a u-pick pumpkin patch. Raasch's sons also operate a corn maze right next to Carolyn's Country Cousins.

Despite their originally modest intentions, the Raasches have stayed in the agritourism business and expanded their operations because it makes sense for them. It takes advantage of the land, equipment and knowledge they already possess. Raasch and her husband, Buddy, farm full time, as do their two adult sons. They use the same farm equipment and expertise to plant their 8,000 acres of row crops as they do to plant the 60 acre u-pick pumpkin patch and corn maze.

Still, traditional farming remains the Raasch family's primary income.

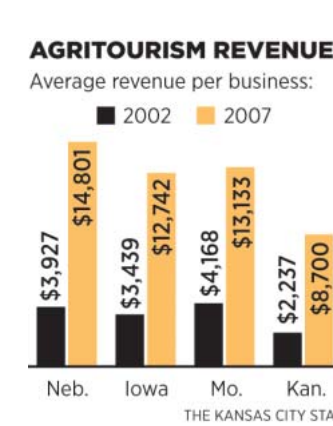
"Row crop is our Number 1 income," Raasch said. "Row crop is our Number 1 income by far."

Although agritourism may provide a limited contribution to Midwest farmers' bottom lines, there's yet another way to measure the value: impact on rural economies.

Community gains

Carolyn's Country Cousins draws thousands of customers each year and employs 150 people each fall. That kind of success can create a ripple effect of economic growth in a rural community, said Sharon Gulick with the University of Missouri Extension. After all, tourists need places to stay, restaurants to eat in, and a variety of things to do.

Gulick, who oversees rural



agritourism census questionnaire, which comes out every five years.

However, the questionnaire leaves the definition of agritourism open to interpretation, describing it as "farm or winery tours, hay rides, hunting, fishing, etc." It depends on what each producer reports, and it is possible, for example, that winery owners reported only the amount they received directly from wine tours and omitted money from overnight stays, restaurants and selling the wine itself.

According to the Wine Institute, an organization that represents the interests of the California wine industry, California wine contributed \$2.1 billion to the tourist industry in 2006. That's a little more than half of what the entire California agritourism industry made in 2007, according to the agriculture census. The census questionnaire also has a separate section for reporting income received from selling products directly to the customer. That means income from u-pick and country stores may not be included in the agritourism numbers.

| Harvest Public Media



Camille Phillips is an intern for Harvest Public Media. She grew up in southwest Missouri, and her farm roots go back to the 1920s in southeast Kansas. As a graduate student at University of Missouri School of Journalism, she reported for an NPR affiliate, KBIA-FM, and a newspaper, the Columbia Missourian. Harvest Public Media covers agriculture under a grant from National Public Radio and involves six stations led by KCUR in Kansas City. Find out more at www.harvestpublicmedia.org.

economic development projects in the state, helps find the potential on a regional basis. Often, she said, the food of the region is what stands out most. "And that's where the unique opportunity comes in, because the wine in Mississippi River Hills is very different from the wine that's in Old Trails," Gulick said.

A regional agritourism magnet for tourists? Some state officials think it could happen.

Craghead envisions Kansas farms as vacation destinations. "But there are so many people that want to experience what we do every day," she said. "How many people out

SO HOW BIG IS THIS INDUSTRY?

Fully understanding the potential of agritourism in the Midwest and the country as a whole is hampered by the lack of an official definition of agritourism and the limited amount of economic data available.

The only comprehensive source on the economic impact of U.S. agritourism comes from the Department of Agriculture's Census of Agriculture. Every agriculture producer in the country is required to fill out the

Oil and gas production ramp up after Isaac

The Associated Press

The nation's oil and gas hub along the Gulf Coast is slowly coming back to life in the aftermath of Hurricane Isaac.

Offshore oil platforms are beginning to ramp up production as crews are returning. Refineries are beginning to restart units as power is restored and floodwaters are cleared out.

Although a substantial amount of oil and gas production remains offline, production is coming back as expected. No major damage to oil platforms or refineries has been reported, and no further storm-related spikes in energy prices are expected.

The Bureau of Safety and Environmental Enforcement said Monday that 800,000 barrels per day of oil production remained offline, 58 percent of Gulf of Mexico production. About 100,000 barrels per day of production was restored Sunday and Monday.

At the height of the storm, 1.3 million barrels per day of oil production was suspended. The U.S. consumes an average of 19 million barrels of petroleum a day.

Companies have been quickly returning workers to platforms. About 12 percent of the region's platforms were still without staff.

Nearly all of the gulf's offshore platforms and rigs were evacuated last week.

Nine refineries in the path of Isaac are restarting or operating

at reduced rates, according to the Energy Department.

One refinery has returned to full operation and one, the Belle Chasse, La., refinery operated by Phillips 66, is still shut down because it is still without power.

The company said Sunday that most of the floodwater had been cleared from the refinery and that most refinery personnel had returned to work to prepare the plant for restarting when power was restored. On Monday, the company said there was no update on the refinery's status.

The national average price of gasoline rose 11 cents last week as Isaac threatened the Gulf Coast and then swept ashore. But by Friday the price had leveled off to just under \$3.83 per gallon.

On Monday, the average price declined — barely — by 0.2 cents, to \$3.827 per gallon, according to the Oil Price Information Service, AAA and Wright Express.

That's the highest price ever for gasoline for Labor Day, although it is 11 cents below this year's high of \$3.94 per gallon, set April 6.

Prices in the Kansas City area hovered closer to \$3.65 per gallon.

Analysts say that gasoline prices should drift lower in the coming weeks as Gulf Coast refineries ramp back up, the summer driving season ends and refiners switch to cheaper winter blends of gasoline.

CD OWNERS!

Unhappy With Low CD Rates?

3.10%

Yield*

for 5 years

Call for Appointment • 913-754-3153

10990 Quivira Road, Suite 230, Overland Park, KS 66210

www.firstfidelityusa.com/kansascity

FIRST FIDELITY

Financial Group of Kansas City
"Your Safe Money Solution"

Hurry! Rates are going down!

- Guaranteed Principal
- Guaranteed Rate
- Earnings Are Tax Deferred
- 5 year period

First Fidelity is a financial services firm. Minimum deposit may apply; rate and deposit subject to availability; subject to change without notice; penalty for early withdrawal; First Fidelity Financial Group is not a state or federally insured financial institution, and is not affiliated with First Fidelity Bank, First Fidelity Trust, or First Fidelity Savings & Loan. *Insurance Products, including fixed annuities, are not guaranteed by any bank, Federal agency, or the FDIC © 2009 First Fidelity Financial Group, LLC Rev 9/09