Farm Diversification through Agri-tourism Webinar

November 7, 2018

Introduction

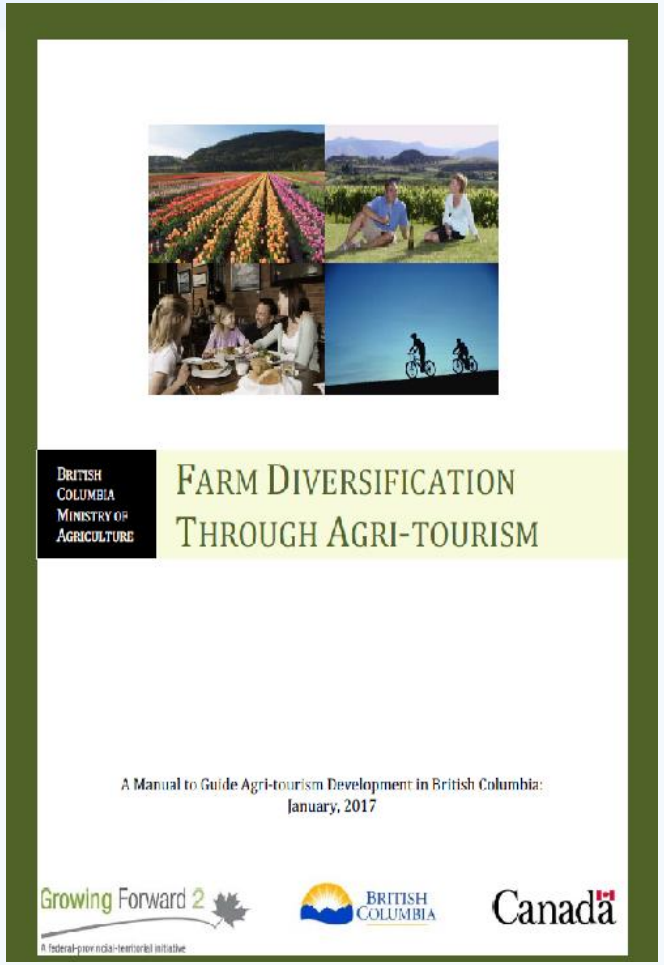
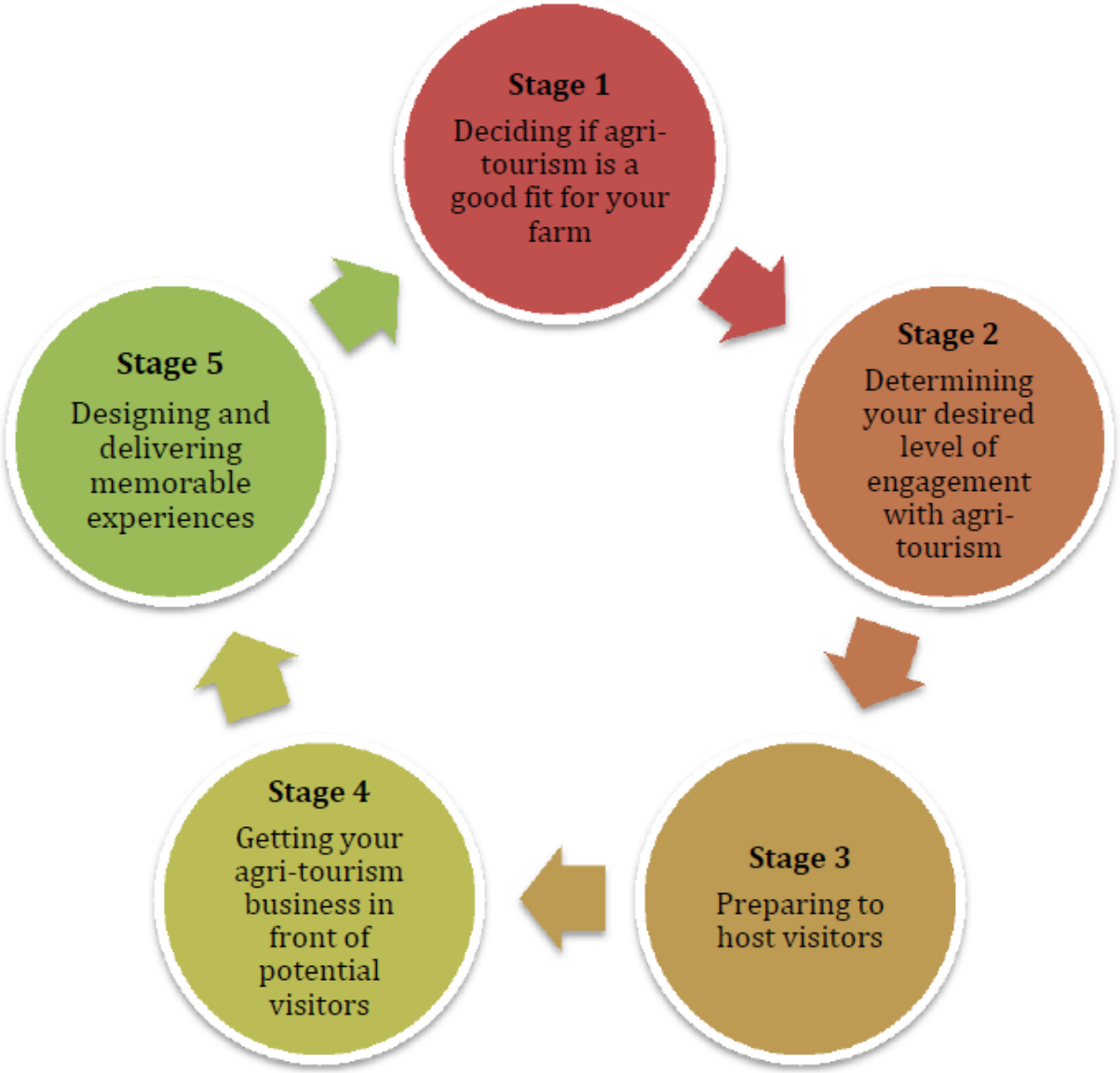


Figure 1: The five stages of providing high quality agri-tourism experiences



The road ahead…

- The plight of the family farm
- Trends influencing tourism to rural areas
- What is agritourism?
- How can farms engage in agritourism?
- How will it change farm activity?
- How are others capitalizing on and leading trends in agritourism?
- BC's diversification through agritourism manual
- Questions…

- "…tremendous concern relates to the stress and uncertainty within agriculture threatening the future of the family farm in Canada. The major concerns are the replacement of the family farm with corporate farms, financial barriers prohibiting young people from entering farming, increasing regulation burden on farms, farming and farmland, and a lack of understanding about the importance of agriculture and the benefit it holds for society"

(Ainley, 2012; Martz & Brueckner, 2003, p. iv).

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Region gets ready for ski season

Family run farms on the decline

AGRICULTURE February 18, 2014 2:37 pm

Number of farmers is shrinking, while avg age is climbing

By Staff The Canadian Press

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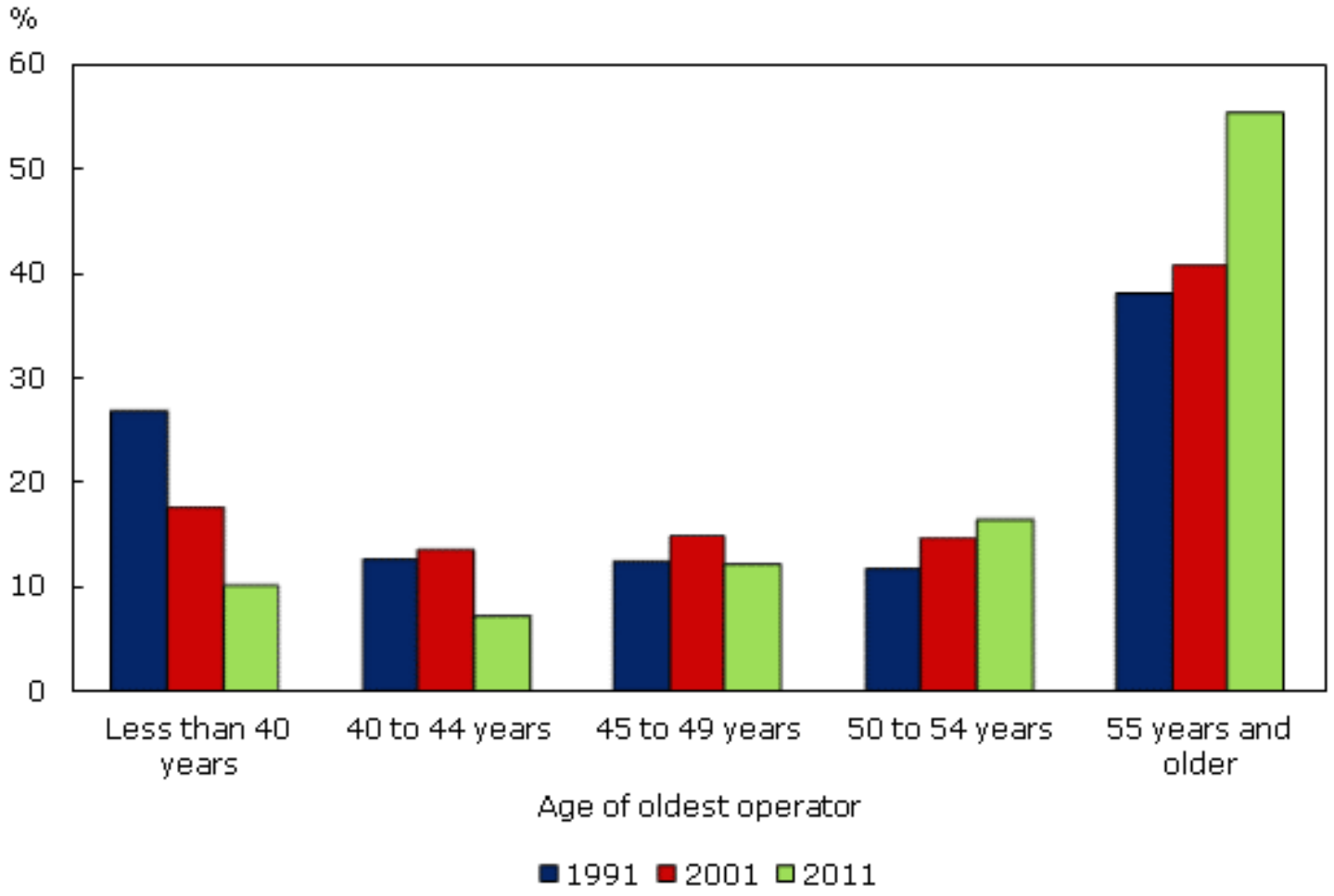
Canadian farms getting bigger, but rarer

CBC News Posted: May 10, 2012 11:48 AM ET | Last Updated: May 10, 2012 2:58 PM ET

StatsCan also found a shift away from livestock-based farms to crop-based operations. (Adrian Wyld/Canadian Press)

Chart 2
Distribution of farms by age of the oldest operator, Canada, 1991, 2001 and 2011



Source: Statistics Canada, Census of Agriculture, 1991, 2001 and 2011

Distribution of farms by age of the oldest operator, Canada and province

	Farms by age of the oldest operator				
	Less than 40 years	40 to 44 years	45 to 49 years	50 to 54 years	55 years and older
	percent				
Canada	9.9	6.9	11.8	16.2	55.2
Atlantic Provinces	7.1	6.5	11.5	15.0	60.0
Quebec	10.7	7.7	14.4	18.4	48.8
Ontario	9.5	6.7	11.5	15.9	56.4
Manitoba	11.5	7.7	12.3	16.6	51.9
Saskatchewan	11.8	6.6	11.0	16.1	54.6
Alberta	9.6	7.1	11.7	15.8	55.8
British Columbia	6.4	6.2	10.6	15.1	61.6

Source: Statistics Canada, Census of Agriculture 2011

"...agritourism for the family farm is "all about opportunity...to keep the family farm alive by creating new revenue streams" and a way to "keep the younger generation involved through creating new business roles and challenges" (Eckert, 2004)

What is agritourism?

- Types of agri-tourism activities
- Benefits of agri-tourism
- Potential costs of agri-tourism

"a specific type of rural tourism in which the hosting house must be integrated into an agricultural estate, inhabited by the proprietor, allowing visitors to take part in agricultural or complementary activities on the property" *(Marques (2006: 151)*

"any practice developed on a working farm with the purpose of attracting visitors" *(Barbieri and Mshenga (2008: 168)*

"rural enterprises which incorporate both a working farm environment and a commercial tourism component" *(McGehee (2007: 111) and McGehee, Kim, and Jennings (2007: 280)*

"tourism products which are directly connected with the agrarian environment, agrarian products or agrarian stays" *(Sharpley and Sharpley (1997: 9)*

Agri-tourism

"activities of hospitality performed by agricultural entrepreneurs and their family members that must remain connected and complementary to farming activities" *(Sonnino (2004: 286)*

In BC, agri-tourism is defined as : a tourist activity, service or facility accessory to land that is classified as a farm under the Assessment Act.

Types of activities	Examples
Recreation activities	Any recreation activities that take place in rural and farm settings such as: farm tours*, hunting, fishing, cattle driving*, petting zoo*, horseback riding, dog trials, harvesting, bird watching, hiking, visiting wineries, cycling, all-terrain vehicle tours, photography and videography, painting and sketching, animal husbandry, gardening, corn mazes*, egg hunt, barn dancing, boating, floral arrangements, hay or sleigh rides*, off-roading, etc.
Events/festivals	Any events or festivals that celebrate within rural and farm settings such as: harvest festivals*, heritage celebrations, seasonal events* that promote and market farm products.
Educational services	Any delivery of an educational* or learning experience on the farm such as: tours of farm operations*, workshops to learn new skills, lessons and courses, heritage tours to learn about the history and evolution of farm practices, demonstrations on making goods or animal care, farm work experience, craft shows, dog training, etc.
Direct marketing	Activities where farms are directly marketing their products* in a way that enables contact with visitors such as: farmers' market, farm stands, u-pick operations, meals prepared and served on site, picnics, cutting Christmas trees, etc.
Overnight visits	Agri-tourism accommodation for temporary use by tourists in conjunction with agricultural uses and farm activities or experiences.

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Does Agritourism Enhance Farm Profitability?

Brian J. Schilling, Witsanu Attavanich, and Yanhong Jin

The impacts of agritourism on farm profitability are poorly understood. Using Census of Agriculture records, we employ propensity score matching to estimate the effects of agritourism on the net cash income per acre of New Jersey farms. We find that agritourism has statistically significant and positive effects on farm profitability. Profit impacts are highest among small farms operated by individuals primarily engaged in farming. Positive but smaller effects are observed for lifestyle farms. Profit effects among larger farms are not statistically significant.

Key words: agritourism, direct-to-consumer marketing, farm profitability, propensity score matching

"We find that agri-tourism has **statistically significant and positive effects on farm profitability.** Profit impacts are highest among small farms operated by individuals primarily engaged in farming. Positive but smaller effects are observed for lifestyle farms"

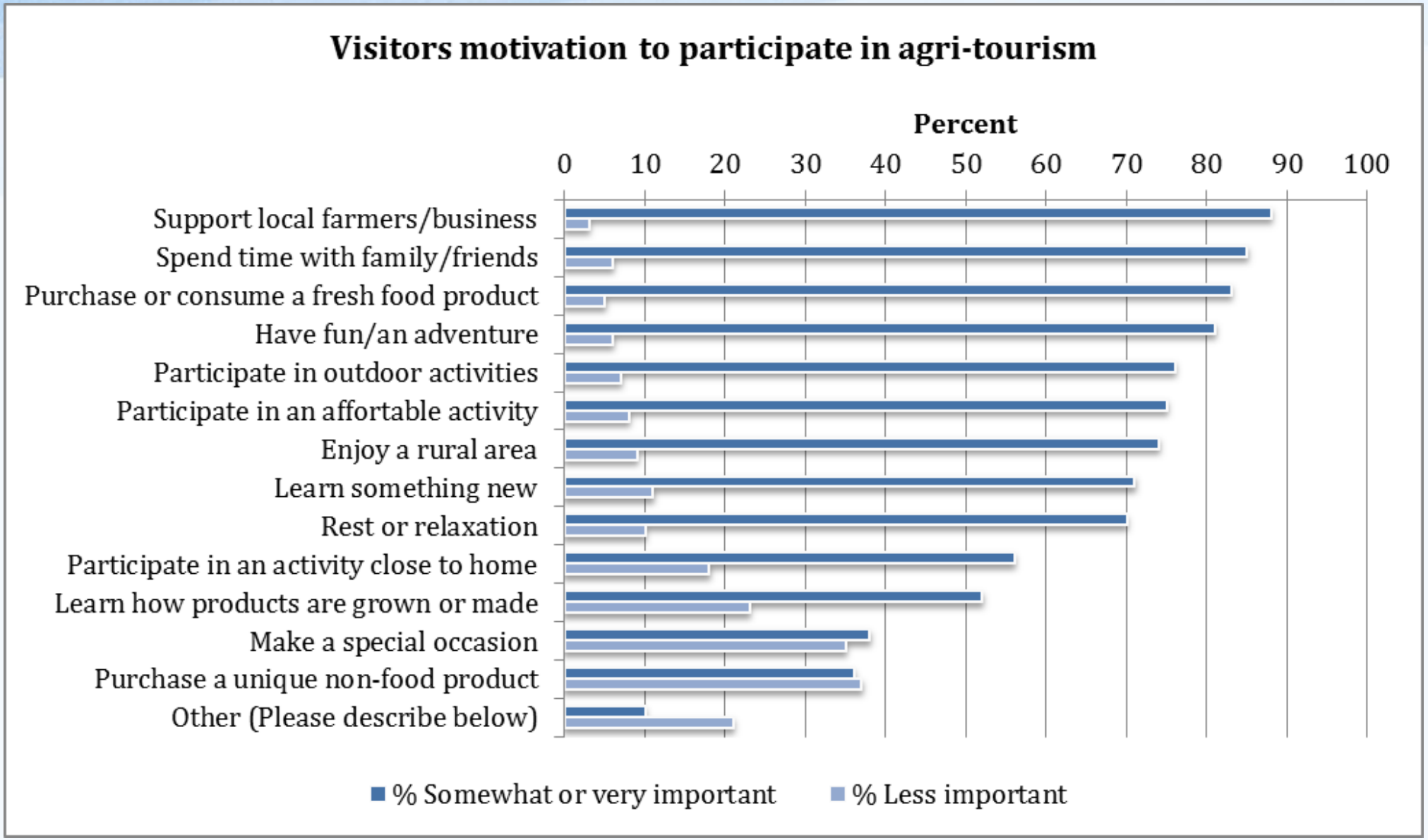
Benefits of agri-tourism for farms

- Generates additional income
- Creates additional job opportunities
- Improves living and working conditions on the farm
- Develops skills in managing, entrepreneurship and communications
- Spreads awareness about local agriculture venues and products
- Educations visitors about food security
- Increases farm resilience and prosperity
- Creates opportunities that keep family members on the farm
- Can generate off-season revenue

Potential costs of engaging in agri-tourism for farms

- Rezoning or development application fees if current local government regulations do not permit the intended uses
- Additional investments in the farm to host visitors
- Interference with other farming activities
- Financial risk, increased liability and extra taxation
- Understanding and adhering to additional policies
- Requires developing new marketing strategies to reach visitors
- Recruitment and training of employees
- Neighbour and nuisance complaints

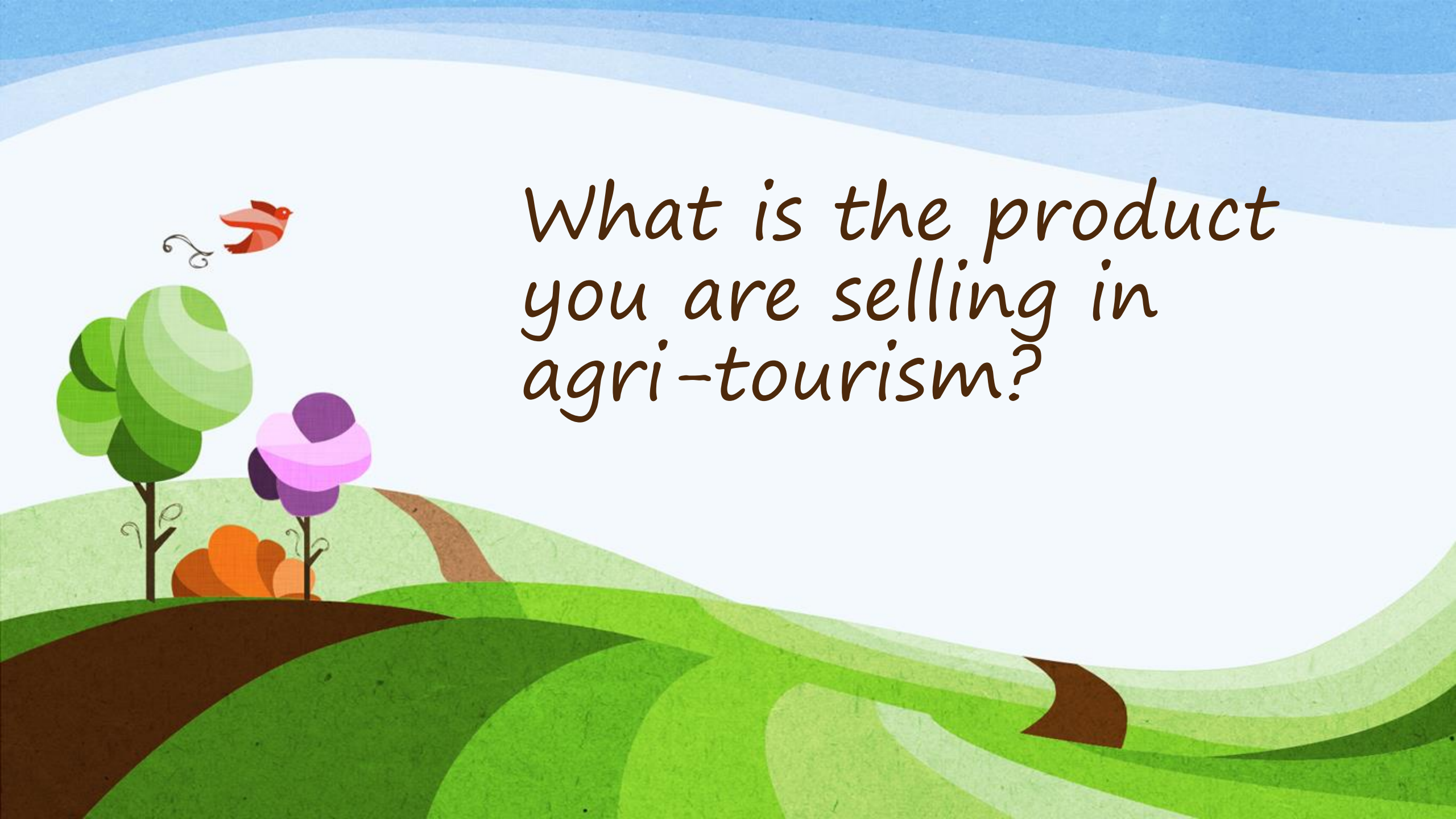
Who are agri-tourists?


Visitors motivation to participate in agri-tourism
Percent
0
10
20
30
40
50
60
70
80
90
100
Support local farmers/business
Spend time with family/friends
Purchase or consume a fresh food product
Have fun/an adventure
Participate in outdoor activities
Participate in an affortable activity
Enjoy a rural area
Learn something new
Rest or relaxation
Participate in an activity close to home
Learn how products are grown or made
Make a special occasion
Purchase a unique non-food product
Other (Please describe below)
% Somewhat or very important
% Less important

We don't know enough but…

1. Understand who is already coming to your area as they are your primary market
   1. The BC market consists of 1,886,217 households with a population of 3,852,278.
   2. BC residents travel multiple times per year providing ample opportunity to entice them to the area or a stopover en route to other destinations,
   3. The BC resident market is projected to grow to 2026

What is the product you are selling in agri-tourism?



Tangible Products

- Customers can see, feel, touch or taste them prior to purchase
- The producer has control over quality and can ensure consistency
- There is some ability to store unsold products for future sales

Intangible Products

"Visitor experiences"

- Customers cannot see, feel, touch or taste prior to purchase and have to imagine the benefits that will result in the experience
- The producer has less control over the quality and consistency of the experience due to factors outside of their control (i.e consumers, weather)
- Experiences are highly perishable and cannot be stored for future sales

Is agri-tourism a good fit for your farm? If so, what type of experience would fit best?

Deciding if agri-tourism is a good fit for your farm

- Evaluating your resources & assets
- Regulation & logistics

Evaluating your Resources & Assets

- Ensure agri-tourism activities align with your regulatory environment
  - Become familiar with the zoning bylaws and regulations - learning about these prior to the investing can save farms financial resources as well as time.
  - Policies and regulations of farm and non-farm activities on land in the ALR can limit a farms ability to provide certain agri-tourism experiences.
  - Food safety
  - Worksafe BC regulations

Land & Space

- Bringing visitors into a farm environment requires a number of careful considerations about land use
- Think about…
  - Parking
  - Pathways
  - Fencing
  - Signage
  - The location of the start & end of the experience
- Consider…
  - Neighboring properties
  - Noise
  - Zoing bylaws and set back requirements for buildings, stuctures and parking
  - Risks to visitors
  - Areas you do not want visitors to go ex.)working fields, livestock pens, barns, vegetable gardens

- Surrounding Amenities
  - What makes your farm attractive to visitors?
- Presence of other agri-tourism operators
  - Opportunities for cross promotion, to attract visitors in, complimentary experiences?
- Human resources
  - Who is going to staff your experience? Do they have the appropriate training?
- Financial resources
  - What additional financial resources will be needed to enhance your farm and get it ready to host visitors?

Determining the level of investment in agri-tourism

Purchase products

Gate sales, markets, restaurants, stores

Increases demand for products

Visit farms (day trips)

Education, events, activities, U-pick, demonstrations

Diversify farm revenue streams

Stay on farms (overnight)

Farm stays in venues like Bed, Bale and Breakfast, camping, cottages, cabins, Teepees, Yurts, etc.

Diversify farm revenue streams

Tangible products ← → Intangible product: experience

Continuum of exposure to tourists

Neck deep:

Invite visitors overnight to your farm for authentic experiences (overnight)

- Farm stays
- Bed Bale Breakfast
- Wwoofing
- Camping

Waist deep:

Invite visitors to your farm (day)

- Gate sales
- Demonstrations
- Activities and events
- Education

Knee deep:

Place products in front of visitors

- Farm markets or stores
- Links with restaurants

How invested do you want to be in agritourism?

Neck deep:

Invite visitors overnight to your farm for authentic experiences (overnight)

- Changes the activity of the working farm but opportunity for better returns
- Requires investment in farm enhancements to host visitors, provide activities, etc.
- Requires expanded business network and engagement with tourism partners
- Requires a focus on visitor experience (customer service, interaction)

Waist deep:

Invite visitors to your farm (day)

- Changes the activity of the working farm but opportunity for enhanced returns
- Requires investment in farm enhancements to host visitors **(volume)**, provide activities
- Requires expanded business network and engagement with tourism partners
- Requires a focus on visitor experience (customer service, interaction)

Knee deep:

Place products in front of visitors

- Core activity of the farm remains the same
- Visitors provide additional customer base for sale of farm products

Numerous examples – most farms however, do not recognize the role that tourism plays in generating demand for their products and thereby, their overall success.

Knee deep

YELLOW POINT Cranberries

Welcome,
we are a family owned and operated
cranberry farm.

Morning Star Farm

HARBOUR HOUSE HOTEL
restaurant & organic farm
WELCOME to the
HARBOUR HOUSE HOTEL
on SALT SPRING ISLAND, BC
Search
The Hotel
Rooms & Rates
Meetings &Events
Organic Farm
Restaurant
News & Events
Services & Activities
Gallery
Offers
Explore
Contact
Enjoy the Organic Farm
Meetings & Events
Upcoming Events
$258+ Tax (Gratuities are not included).
- 2 Nights in a Harbour View Room
- Salt Spring Lamb Tour
Salt Spring Lamb Tour
Plan a Visit
Arrival Date
2014-02-06
Nights
Adults
Kids
1
1
0
Under 13
Check Availability
Full Availability Calendar »
Specials & Packages
Adventure Package
Read More »
January &

Neck deep

Ensuring the safety of your visitors: Risk management

- Risk management
- Risks to visitors
- Risks to the farm

A 75-year-old Montreal woman says she is considering legal action after being mutilated by a llama while visiting a B.C. petting zoo.

France Pilotte's daughter and grandson watched in horror last week as a llama knocked her down from behind and began trampling on her at Krause Berry Farms.

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Llama attack on senior 'a nightmare'

CBC News Posted: Aug 05, 2011 5:43 PM PT | Last Updated: Aug 05, 2011 9:06 PM PT

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Senior considering legal action after llama attack

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Llama shatters senior's bones at petting zoo

Farm owner Alf Krause said this is the first time anyone has been hurt at the petting zoo, which opened three years ago to offer more family experiences at the working farm.

"We've never had an issue before and hopefully we'll never have one again," he added. "We're trying to make a good farming experience and accidents happen, unfortunately."

He said that the animals were following Pilotte because she had grain in her bag. On the way, he said, she got bumped and "just fell down and couldn't get up."

The animals tried to get at the grain in her bag, he said, but he insisted she wasn't trampled, adding the animals had all been fed earlier.

"We work hard here to make it a good family time. Unfortunately, animals are unpredictable," he said.

The farm is now prohibiting visitors from entering the pen with food. Philpott said the RCMP was notified of the incident. In the meantime, the matter is being investigated by SPCA Abbotsford.

Krause said his staff accompanied her family to hospital after the attack and remained with Philpott's daughter for more than two hours while Pilotte was being admitted.

"For over 38 years, without incident, our focus has been to ensure our guests have a safe enjoyable time while experiencing a working family farm," Krause wrote.

The llama is secured in a separate pen during visiting hours now, he said, and a sign has been installed indicating that animals must be fed from outside the pen's fence from now on.

Risk to the farm

- *It is important for farms to think about the potential risks for your property as well:*

a. Park all your agricultural machinery away from the visitor's area. People might be interested and ask you questions about your equipment, but you do not want children using them as climbing objects.
b. All pesticides and other agricultural products should be stored away from the visitors. Repair facilities should be locked while you have tourists on your farm.
c. If there are any areas or facilities on your farm where you do not want anybody to go to for personal or safety concerns put the sign "Do Not Enter" across the entrance.

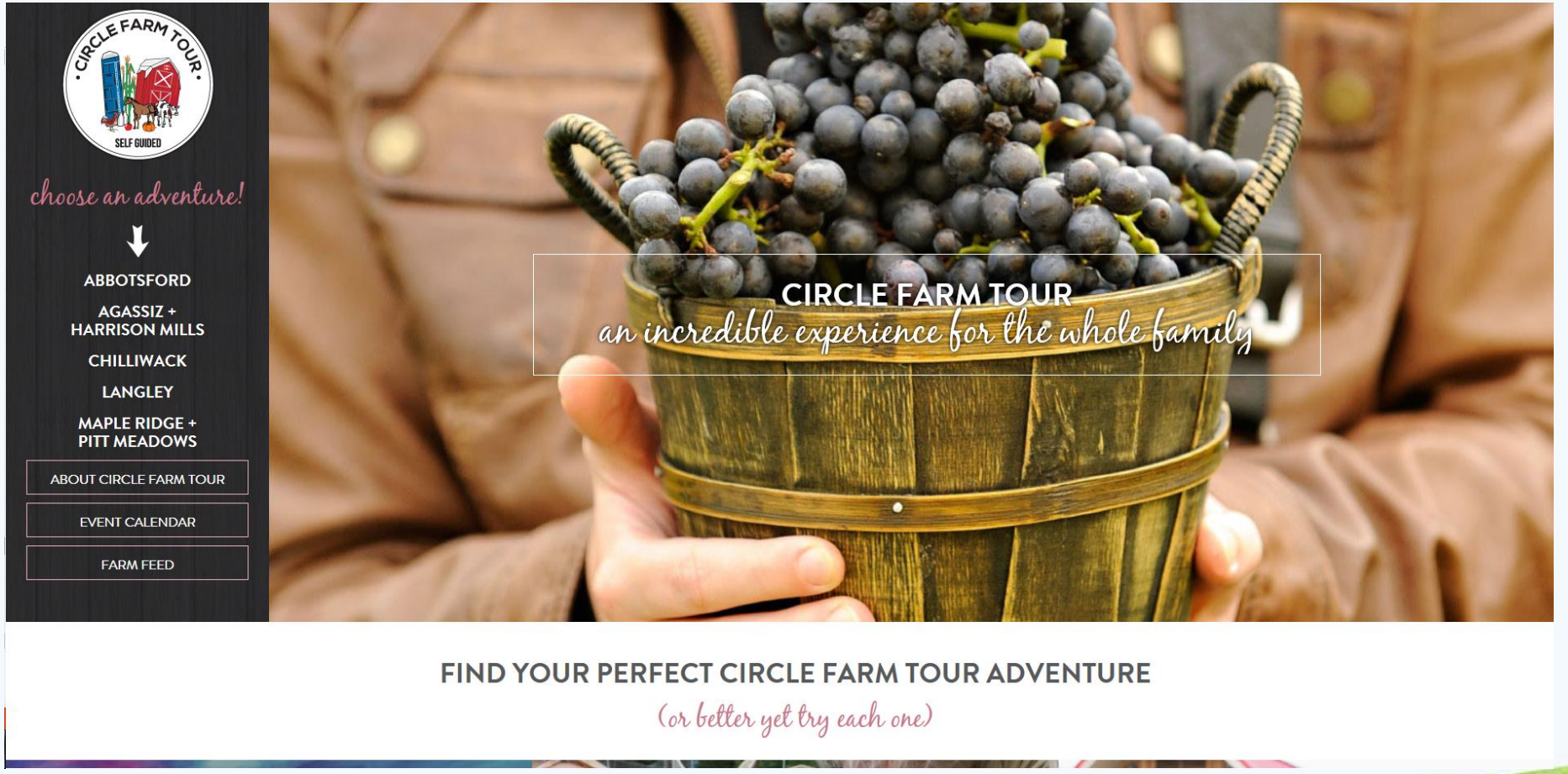
Getting your agri-tourism business in front of potential visitors

Stages of a visitor journey

Important points…

- Get involved with your local and regional destination marketing organization and make sure they know you exist! Bring them out to the farm for a FAM (familiarization) tour!
- Identify other farms involved in agri-tourism. Go visit them, invite them to your farm – discuss ways to collaborate on marketing investments, special events or circle tours
- Identify your desired market and learn as much as you can about them. Figure out what they read or where they are and get your message in front of them using a range of promotional tools.

Get on, or start a circle tour…



WHAT IS A CIRCLE FARM TOUR?
CHOOSE AN ADVENTURE

A Circle Farm Tour is a road map that directs you to a variety of specialty farm-gate vendors, open air markets, charming eateries, heritage sites, fairs, and other special events. There's a brochure and map for each participating community. The tours are self-guided, meaning that you travel in your own car, at your own pace, when it suits you. Each community brochure/map directs you from 10 to 20 venues. All are related in some way to agriculture and the area's farming heritage.

Depending on where you live, what your interests are, and how much time you have, you can build your own itinerary for a day trip or a full vacation. Check out the Event Calendar for unique activities, and the Farm Feed for up to date information and tips on how to plan and enjoy your personalized Circle Farm Tour!

Pick up the guide at a local Visitor Centre, participating farm or follow the trail online!

Consider events as promotional tools

Designing and delivering memorable experiences

- Preplanning: Staging the experience
- Delivering the experience
- Customer service
- Staff and volunteer management
- Evaluating the experience

Designing and delivering memorable experiences

Preplanning: Staging the experience

The purpose of this phase is to have farms consider the staging of your agri-tourism experience so when visitors arrive at your venture (farm, tent, store, booth, etc.) you can successfully deliver a valuable experience.

Staging experiences in tourism indicates that operators in a destination "intentionally use services as the stage and goods as props, to engage individual customers in a way that creates a memorable event."

(Pine & Gilmore, 1999, p. 11)

Designing and delivering memorable experiences

To identify what first impressions visitors might have of your farm and agri-tourism experience consider the following questions:

- When your visitors first arrive, do they know where they should park?
- As visitors are pulling up to your location and parking, what do they see?
- Once your visitors have parked, do they know where to go to participate in your agri-tourism experience?
- As visitors are walking towards the location to participate in your experience, what do they see? Is your environment clean and inviting?
- Are visitors are required to pay admission fees before entering the property? If so do they know where to pay?
- Have your made visitors aware of your payments options? Ex.) Is your operation cash only? Are debit/credit cards accepted? And is there an ATM on site?
- If there is any safety concerns, how are visitors made aware of these immediately?

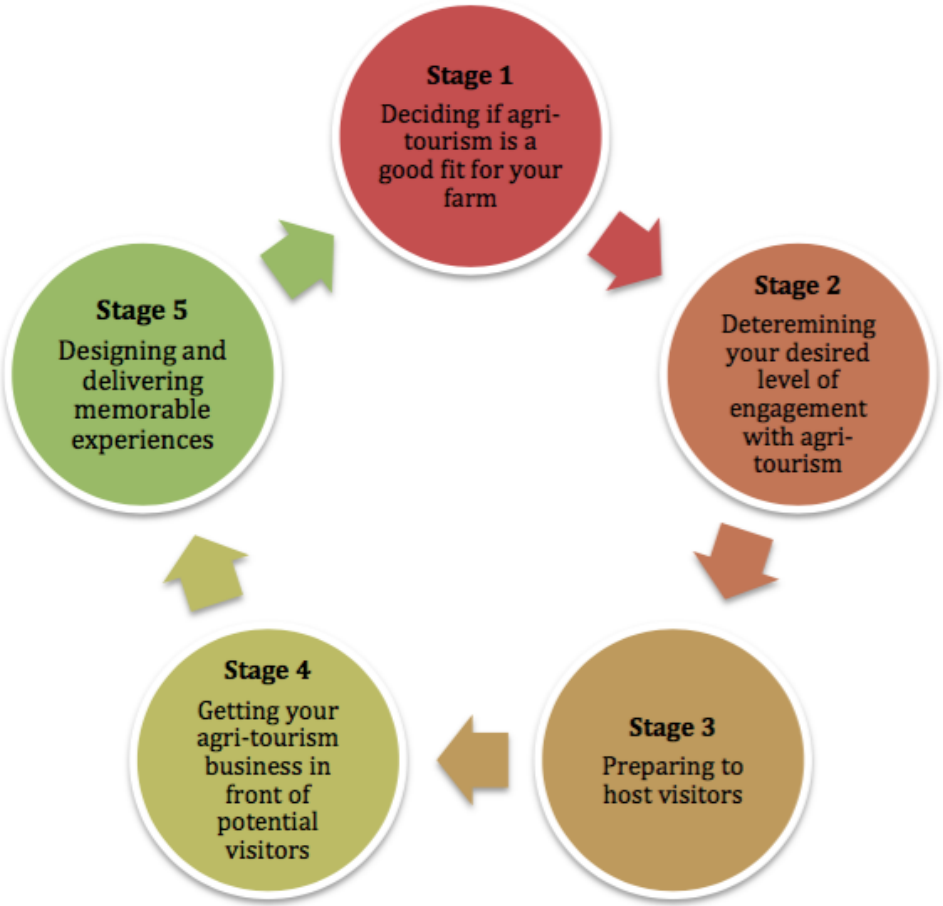
How do you want them to remember their experience at your farm?

- What tangible items are you providing for them to take away?
  - Farm products?
  - Non farm products?

  What intangibles are you providing for them to take away?
  - Memories
  - Photos (amplified via social media creates free marketing)
  - Education or awareness

Wrap up

Figure 1: The five stages of providing high quality agri-tourism experiences



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- Emeritus BC Regional Innovation Chair in Tourism and Sustainable Rural Development
- Owner/operator Broody Rooster Farm