Survey of California Agritourism Operators

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State Agritourism Workgroup Benchmarks

- 1997 Workshops around state start
- 2000 Calagtour.org website
- 2002 State Agritourism Handbook
- 2007 White paper statewide focus
- 2009 UC Small Farm Center hires state Agtourism Coordinator
Survey Goals

• Better understand goals and needs of California agritourism operators
• Identify size and profitability of the California agritourism community
• Develop outreach programs and information to help sector
• Improve operator database
Defining the PRODUCT

Agritourism

“Any income-generating activity conducted on a working farm or ranch for the enjoyment and education of visitors.

It includes the interpretation of the natural, cultural, historic, and environmental assets of the land and the people working on it.”

Agritourism and Nature Tourism in California (pg 3)
Survey Focus

- Types of activities
- Marketing
- Managing
- Staffing
- Profitability
- Visitors
Survey Methods

- Mixed mail list
- 1,940 surveys mailed
- Mailed February 2009
- Winery issue
- 222 respondents not involved in agritourism
- N = 332
Responses by Region

Respondents by region

- South Coast: 80
- Central Coast: 53
- Central Valley: 67
- Foothills & Mountains: 84
- North Coast: 17
- Inland Empire: 5
- No county stated
California Wine Industry

- 4th largest in world
- 2.5 billion bottles/yr
- 19.7 million winery visitors
- $2 billion in annual tourism expenditures in 2005
- 2,687 wineries
- 500,000 acres of vineyard

- Annual impact of $51.8 billion on CA economy
- $125.3 billion on the US economy annually

Source - 2005 Wine Institute Study
Wineries are remarkably effective magnets for tourism.

America's new experiential consumer' is particularly attracted to the personal connection, artisan atmosphere, rural environment and beauty of California's wineries and vineyards."

Karen Ross, California Association of Winegrape Growers
Year Started Agtourism Operation - All California

- <= 1984: 25%
- 1985 - 1989: 15%
- 1990 - 1994: 10%
- 1995 - 1999: 7%
- 2000 - 2004: 15%
- 2005+: 20%
Motivators

Why did you open your farm/ranch to visitors?

All California

- **Increase profitability**: 75.2%
- **Enjoy working with people**: 45.3%
- **Educate visitors**: 63.9%
- **Provide family employment**: 22%
- **As marketing tool**: 61.5%
- **Outreach to community**: 41.9%
- **Other**: 11.3%
Activities and Sales

What direct sales are part of your agritourism operation?

All California

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percent of Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm stand with fresh produce, nuts, or flowers</td>
<td>37.6</td>
</tr>
<tr>
<td>Farm stand with processed agricultural products</td>
<td>17</td>
</tr>
<tr>
<td>U-Pick</td>
<td>22.7</td>
</tr>
<tr>
<td>Christmas tree sales</td>
<td>9.7</td>
</tr>
<tr>
<td>Pumpkin Patch</td>
<td>17.6</td>
</tr>
<tr>
<td>Corn Maze</td>
<td>7</td>
</tr>
<tr>
<td>Meat or cheese sales</td>
<td>9.1</td>
</tr>
<tr>
<td>Vineyard, Winery</td>
<td>21.5</td>
</tr>
<tr>
<td>Other sales</td>
<td>10.9</td>
</tr>
</tbody>
</table>
Rate the effectiveness of each type of promotion used

1 = Not Effective  5 = Highly Effective

- Chamber of Commerce: 2.7
- Agricultural organization: 3.0
- Regional guide: 3.0
- Visitors' Bureau: 3.0
- Paid advertising: 3.1
- Business card or brochure: 3.4
- Business newsletter: 3.7
- Sign outside business: 3.7
- Direct mailings: 3.9
- Website: 4.0
- Feature story: 4.0
- Word of mouth: 4.3

Average (mean) of responses
Marketing Expenses & Websites

Website relation to marketing spending

Spent marketing agritourism operation
- less than $500
- $500 - $999
- $1,000 - $4,999
- $5,000 - $9,999
- $10,000 - $24,999
- $25,000 or more

Number of operations

Use a website for agritourism promotion?

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<table>
<thead>
<tr>
<th>Use a website</th>
<th>less than $500</th>
<th>$500 - $999</th>
<th>$1,000 - $4,999</th>
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<th>$25,000 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>no</td>
<td>3</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>yes</td>
<td>67</td>
<td>38</td>
<td>59</td>
<td>26</td>
<td>21</td>
<td>24</td>
</tr>
</tbody>
</table>
What are the Major Challenges for your Agritourism Operation?
1 = Not a Problem  5 = Very Challenging

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Average (mean) of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lengthening agritourism season</td>
<td>2.5</td>
</tr>
<tr>
<td>Expanding agritourism</td>
<td>2.8</td>
</tr>
<tr>
<td>Crop or animal production logistics</td>
<td>2.2</td>
</tr>
<tr>
<td>Promotion and advertising</td>
<td>2.8</td>
</tr>
<tr>
<td>Liability or insurance issues</td>
<td>3.1</td>
</tr>
<tr>
<td>Other regs &amp; legal constraints</td>
<td>3.2</td>
</tr>
<tr>
<td>Permitting and zoning</td>
<td>3.0</td>
</tr>
<tr>
<td>Availability of reliable labor</td>
<td>2.5</td>
</tr>
</tbody>
</table>
Comments on Challenges

- Money, cash flow, profitability
- Government regulations, intervention, taxes, fees
- Environmental regulations
- Insurance & liability
Permitting and Zoning Issues

Permitting and zoning
- Not a problem: 30%
- Slightly challenging: 28%
- Somewhat challenging: 14%
- Challenging: 10%
- Very challenging: 18%
Business Plan and Insurance Coverage

- 87% have insurance
- 90% of insured have at least $1 million or greater
- 24% have a business plan for the ranch
- Also have a business plan for agritourism venue
Fees charged?
Profitability Range

Operators' Rating of Agritourism Operation Profitability

7 = Highly Profitable  1 = Not at all profitable

All California

Percent of responses

- Not at all profitable: 16.27%
- Slightly profitable: 18.31%
- More than slightly profitable: 19.32%
- Somewhat profitable: 20.68%
- Fairly profitable: 19.66%
- Somewhat highly profitable: 2.71%
- Highly profitable: 3.05%

How profitable is your agritourism operation?
Challenges of Estimating Gross Income

California Census of Agriculture Stats for Agritourism
- 2002: $6.5 million, 499 farms
- 2007: $35 million, 685 farms

New York Stats:
- 1999: $210 million in Kuehn study, 645 farms
- 2007: $17 million in Census of Ag, 1,420 farms
2.4 Million Visitors in 2008
Visitor Demographics

Average percent of visitors coming from where?

All California Agritourism Operations

- From same county as business: 50.03%
- From other county CA: 38.13%
- From other states in US, not CA: 7.67%
- From Canada: 0.66%
- From other foreign countries: 2.45%
Visitor Types

What types of visitors/customers in 2008?

- Families: 33.0%
- Adults without children: 43.6%
- School groups: 9.6%
- Senior groups: 4.0%
- Corporate, university, gov. groups: 3.3%
- Other: 2.1%

Average percent of type of visitors
Future Plans

What plans do you have for your agritourism operation over the next five years?

All California

- Expand or diversify experiences or products: 63.7%
- Reduce experiences or products: 3.6%
- Invest more in agritourism: 37.4%
- Go out of business: 4%
- Hire more employees: 13.4%
- Maintain current income: 23.1%
Conclusions

- Initial analysis stage
- Correlate with wineries
- Share with operators, agencies, universities, tourism industry, local government
- Journal articles