NORTH BAY AGRI-TOURISM: ECONOMIC POTENTIAL AND STRATEGY

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Ag Tourism: Many Possibilities

Source of Images: Google Images
Why is it important?

• Supports farmers
  • Education, advocacy and diverse revenue sources

• The entire supply chain is here for this activity
  • In the field
  • In distribution and retail
  • Restaurants

Source of Image: Google Images
How an economist sees this

Where can agri-tourism both fit and thrive?
Examples: Cheese and Wine

- Similar?
- Both ag products with manufacturing process
- Both have field and “conversion” operations
- Both now have tasting and visitor facilities

Source of Images: Google Images
Two Other Examples: Livestock and Grain Farming

- Could field operations “fantasy camps” be the next big thing?
- It is an experience economy play!
  - but....
  - Liability
  - Access Management
  - Pre- and post-visitor issues
Where the juice flows to the regional economy

• Like other tourism, connecting supply chains
  • Farmers and tourism assets
  • Conversion to overnight stays
  • Restaurant meals
  • Retail
  • Regional partnerships
• For local governments
  • Sales taxes rise
  • TOT (bed) taxes rise
  • Preservation of agricultural land through multiple revenue channels

Source of Images: Google Images
When agri-tourism really cooks?

Diagram:
- Farmers and Land
- Restaurants, hotels, retail
- Rest of the economy
When agri-tourism really cooks!

- Farmers and Land
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- Rest of the economy
The Economic Impact Concept
Industries Involved after Farmers and hotels/restaurants/retailers as support

• Farmers and tourism industry directly affected
• Major Industries affected
  • Real estate agencies
  • Wholesale trade businesses
  • Banks and Credit Unions
  • Accounting, tax preparation, and payroll services
  • Maintenance and repair construction: commercial
  • Bars and Restaurants again
  • Retail trade again
Now that Prop 64 Passed

• Short-term: quick boost, price depression
• Medium-term: marginal businesses fall away, supply contracts, demand settles
• Long-term: Major players emerge, both new and old players,

Bottom line: ag business with fully supply chain coming
Conclusions and Strategy

• Pick some easy wins
  • Cheese trail and farmer’s markets solid
• Agri-Tourism already exists in wine
  • Is it feasible to expand in other ag
• Links to hotels, restaurants key
  • Think links in a supply chain that become multiplicative events for the economy
• Cannabis both a challenge and opportunity for this combo industry