AGRITOURISM AND VALUE-ADDED PRODUCTS

Understanding what the consumer wants ...........
and finding ways to get it to them.

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Introduction

• Agriculture is changing in NJ.
  – Farm acres decreasing
  – Farm numbers increasing
• Consumers are more aware of the important role farms/farmers play.
  – “buy-local”
  – Maintain green/open space
• More consumers interested in getting a taste of “country life”
AGRITOURISM

THE BUSINESS OF MAKING FARMS A TRAVEL DESTINATION FOR EDUCATIONAL AND/OR RECREATIONAL PURPOSES.
AGRITOURISM

• Offers a tremendous opportunity for northeast farmers.

• Little research has been conducted to determine consumer interest.
  – What the consumer wants?
  – How do we reach them?
  – How much are they willing to spend?

• Can we meet the consumer’s needs?
  – Legal issues
  – $$$$$
Value-Added Agriculture

• Producing a “new” product from a raw agricultural product.
  – Jellies/Jams
  – Pies
  – Salsas
  – Sauces
Value-Added Agriculture

• Benefits
  – Increased $
  – Season extension
  – Diversity

• Concerns
  – Increased costs
  – Legal issues
  – $$$$
  – Where can I make V.A.P.s?
Highlands Region

- Agritourism survey.
- Commercial kitchen project.
Agritourism Survey

Goals

• To determine level of participation in agritourism activities.
• Identify spending habits and opportunities.
• Determine values and motivating factors.
• Who, What, Why, How…
Agritourism Survey

- 2007
- 3,000 random households selected
  - Purchased mailing list
- Highlands Counties. (Northwestern NJ)
- Modified Dillman’s Survey methodology
  - Yes/no
  - Rank/rate
  - Write-in sections
Results

• 10 % response rate
• 92% Caucasian
• 52% male, 48 % female
• 35% 36-50, 34% 51-65
• 11% $40-60K, 60% $80-100K
• 18% H.S., 33% 4 yr, 36% graduate degree
Awareness of agritourism concepts

<table>
<thead>
<tr>
<th>Concept</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agritourism</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>CSA</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Ecotourism</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Green Tourism</td>
<td>36%</td>
<td>64%</td>
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</tbody>
</table>

N=309
Participation in agritourism activities

- Hay rides: 74% yes, 26% no
- Corn maze: 53% yes, 47% no
- U-pick: 76% yes, 24% no
- Hunting: 85% yes, 15% no

N=310
Participation in agritourism activities

N=306

- Farm tour: 43% yes, 57% no
- School trip: 39% yes, 61% no
- Farmers market: 94% yes, 6% no
- Wedding: 89% yes, 11% no
Purchases made during agritourism activities

N=306
Season most likely to visit an agritourism location

<table>
<thead>
<tr>
<th>Season</th>
<th>Spring</th>
<th>Summer</th>
<th>Fall</th>
<th>Winter</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9%</td>
<td>47%</td>
<td>43%</td>
<td>1%</td>
</tr>
</tbody>
</table>

N=250
Reason for choosing agritourism location

![Bar chart showing reasons for choosing agritourism location.]

- **Freshness**: 85%
- **Higher quality**: 79%
- **Better price**: 32%
- **Convenience**: 30%

N=259
Willingness to pay a premium

- Up to 5%: 30%
- Up to 10%: 41%
- Up to 20%: 10%
- Not willing: 19%

N=296
Would you be willing to purchase ag products via the internet?

76% yes
24% no

N=296
Do you return to the same agritourism site during the year?

- Yes: 76%
- No: 24%

N=306
Average $ Amount spent Per visit?

$30.54
Reasons for NOT participating in agritourism activities

- 42% not aware
- 22% too far away
- 5% cost
- 2% other

N=217
Farms make the community more scenic.

N=304
I am willing to pay a premium for locally grown products if it helps support farmers and preserve open space.

- True: 77%
- False: 9%
- Don’t know: 14%

N=304
I would rather purchase locally grown products than organic products grown in other states

- True: 75%
- False: 12%
- Don’t know: 13%

N=304
Where did you get your information about agritourism activity that you participated in?

- **Word of mouth**: 53%
- **Sign**: 46%
- **Internet**: 13%
- **Tourism Guide**: 2%

N=304
Conclusions

- Agritourism offers a tremendous opportunity for producers.
- Value of having local farms.
  - Loyal customers
- Consumers are willing to pay a premium.
  - How much?
- Word of mouth is still important!!
  - Internet forums
  - Viral marketing
Commercial kitchen project

• Producers are interested in making value-added products.
  – Season extension
  – Good use of culls
  – Diversity
  – $

• Commercial kitchens are expensive
  – Small scale producers
How it started

• “Agency” meeting
• Farmers want a place to make value-added products.
  – “The tech school has a kitchen.”
  – “How hard could it be?”
Challenges

• Never been done before.
• How do we organize?
• Is it practical?
  – Economically
  – infrastructure
• Legal concerns
  – Farmer liability
  – Product liability
  – Health Dept., DOA, USDA
WHO IS KOMAR?

YES

NO
What we did

• Pilot project
• Highlands grant ($10,000)
  – Conduct food safety trainings
  – Pay rental fees
• 24 producers attended better process control school.
  – Glass closures
  – Acidified foods
• 20 producers “Serve Safe” certified
What we did

- Grant allowed acidified food recipes to be certified by certified process authority.
- Producers provided
  - Recipe
  - Product liability insurance
What we did

• Five individuals used kitchen
• 3 farms.
• Products made
  – Garlic jelly
  – Strawberry jam
  – Baked goods
• Several more are interested
  – Salsa
  – Fruit preserves
  – Baked goods
Value

• 102 % increase over value of raw products.
• $750 in sales during October (off-peak season.)
• $400 in October
Future Plans

• Senior special project.
  – Partner students and producers.
  – Develop recipes
  – Develop marketing materials
  – Develop labels
  – Work study program
Conclusions

• Using local tech school kitchen has tremendous potential.
• Requires some organization.
• Learn legal issues.
• FDA regulations
• Chapter 24
  – DOA
  – USDA
  – Local Board of Health
  – FDA
  – Extension
Conclusions

• Consumers are interested in supporting local agriculture.
• Take advantage of this fact.
• Don’t be afraid to try something new.