EDUCATING FARMERS TO UTILIZE SWOT ANALYSIS FOR DIRECT MARKETING AND AGRITOURISM OPERATIONS

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http://agritourism.rutgers.edu/training
On-Farm Direct Marketing
SWOT Analysis Team

Team Leaders:
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Brian Schilling
Bill Bamka
Stephen Komar
Jack Rabin (Retired)

For more information on this topic and for tools to help you with on-farm direct marketing, see our website at http://agritourism.rutgers.edu/training
Agritourism Statistics

2007

23,350 farms w/ Agri-tourism income

2016

- According to the U.S. Travel Association, travel and tourism is a $947 billion industry in the United States that has directly generated more than 8.1 million jobs.

Source: www.agcensus.usda.gov
Tourism & Agritourism in NJ

- More than 1/5 of NJ farms offer Agritourism
- 43% of NJ total farm land associated with Agritourism
- Income from Agritourism = $57.53 Million
  - Average agritourism income = $27,093
  - 36% earn 100% of total farm income from Agritourism
- Agritourism generates $90.82 Million in revenues for NJ

Brian J. Schilling, Kevin P. Sullivan, and Lucas J. Marxen
What is a SWOT Analysis?

- A SWOT analysis is a tool that helps you evaluate the Strengths, Weaknesses, Opportunities, and Threats (SWOT) involved in any business enterprise — including farms and ranches.
- A SWOT analysis can help you gain insights into the past and think of possible solutions to existing or potential problems — either for an existing business or new venture.
Strengths

Strengths are considered mainly internal:

1. What does the Farmer, their family members, and management team bring to the business?

2. If a farmer is planning to start a business, do they or an employee or family member may have previous experience in that industry.
Weaknesses

Weaknesses are also generally considered internal

1. Lack of experience

2. Family members do not completely support this venture.

3. There is a may lack qualified employees, or perhaps the business finances will not support full-time employees.
Opportunities

Opportunities are considered mostly external.

1. The farmer can possibly take advantage of low interest loan packages for start-ups or grants for feasibility studies.

2. There may be an idea that has not been tried in an area and there is a demand for the product the farmer plans to produce (example ethnic produce).
Threats are also considered mostly external.

- Threats from outside of a business will directly affect the success, but farmers may have very little control over some outside influences.

1. Local regulations that negatively impact the farm business.

2. Unforeseen competition

3. Adverse weather
### Example SWOT Analysis

<table>
<thead>
<tr>
<th>Strengths (Internal)</th>
<th>Weaknesses (Internal)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Family/Co-Owners commitment</td>
<td>• Lack of commitment</td>
</tr>
<tr>
<td>• Farming experience</td>
<td>• Lack of experience</td>
</tr>
<tr>
<td>• Knowledge and experience growing diverse crops</td>
<td>• Poor soils</td>
</tr>
<tr>
<td>• Marketing experience</td>
<td>• Labor shortage/untrained staff</td>
</tr>
<tr>
<td>• Land quality, suitability</td>
<td>• Differences of opinions with family/co-owners</td>
</tr>
<tr>
<td>• Financial stability</td>
<td>• Lack of goal setting</td>
</tr>
<tr>
<td>• Location</td>
<td>• Financial issues</td>
</tr>
<tr>
<td>• Communication skills</td>
<td>• Poor communication skills</td>
</tr>
<tr>
<td>• Staff/Labor</td>
<td></td>
</tr>
<tr>
<td>• Strong business plan and common goals set</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities (External)</th>
<th>Threats (External)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Excellent location for retail sales</td>
<td>• Neighbor conflicts</td>
</tr>
<tr>
<td>• High per capita income area</td>
<td>• Federal, state, local regulations</td>
</tr>
<tr>
<td>• Other businesses in the area that attract customers</td>
<td>• Law suits</td>
</tr>
<tr>
<td>• Healthy eating trends</td>
<td>• Poor economy</td>
</tr>
<tr>
<td>• Buy local movement</td>
<td>• Weather conditions</td>
</tr>
<tr>
<td>• People attracted to working on farms and learning about where food comes from</td>
<td>• New pest outbreak</td>
</tr>
<tr>
<td></td>
<td>• Road closures</td>
</tr>
</tbody>
</table>
Questions Our Team May Ask for SWOT Analysis:

- What activities and products does the farm offer?
- How many employees are hired and what are their duties?
- What type of training and contracts (if used) do you provide your workers?
- What are the roles for each family member on the farm?
- How many acres are under production and what areas are used for public access?
Questions Our Team May Ask for SWOT Analysis:

- Are you in good communication with your insurance company and are they aware of your public and production activities on the farm for adequate coverage?
- Do you offer ancillary items and activities?
- What are the concerns on the farm regarding public safety?
- Who on the farm is in charge of safety checks?
- How many people on a given day come through the farm for public sales/events?
Questions Our Team May Ask for SWOT Analysis:

- Do you feel you have enough employees to cover the amount of customers?
- Is traffic and parking handled properly and planned for during peak times?
- What is the plan for clean-up and sanitary conditions during and after hours?
- What is the farm’s relationship with the municipality/neighbors?
- What are the future short term and long term goals of the enterprise?
Items for discussion:

- Animal safety
- Emergency response and liability
- Employee management
- Food safety
- General farm safety
- Hayride safety
- Parking and traffic assessment
- Marketing assessments
- Handling and recording incidents
Animal Safety
Emergency Response and Liability

- Reviewed regularly
- Posted & shared with all employees
- Part of employee training
Insurance?
Food Safety

Keep Food Safe

WASH YOUR HANDS

Side effects of consuming food from contaminated or polluted sources or environments can be serious. It is important to wash hands properly before handling or eating food to prevent the spread of germs and illnesses.

- Use soap and water for at least 20 seconds.
- Wash hands after handling raw meat, poultry, and seafood.
- Wash hands before and after preparing food.
- Avoid cross-contamination by using separate cutting boards for raw meats and produce.

Washing hands properly is crucial for maintaining food safety. Handwashing is a simple yet effective way to protect yourself and your loved ones from foodborne illnesses.

Sources:
- Partnership for Food Safety Education: www.fightbac.org
- Food Safety and Inspection Service, USDA
General Farm Safety
Hayride Safety
Hayride Safety
Parking and Traffic Assessment

- Is driveway/entrance visible from either direction on road?

- Are parking spaces adequate for expected peak # of visitors?
  - Are there overflow parking areas?

- Are internal (farm) traffic lanes wide enough?

- Are there areas for drop-off/pick-up for buses (if needed)?

- Do you prevent guests from parking on public roads?

- Is there a separate entrance and exit?
Parking and Traffic Assessment

- Are parking areas firm, adequately drained, level, without obstructions, and (if applicable) mowed?

- Is there adequate lighting between dusk & dawn (if needed)?

- Is parking easily identifiable and safe for pedestrians?

- Do workers assist with directing traffic (as needed)?

- Are there contingencies in place in the event of rain/mud/snow?
Farmer Training:

Marketing Assessments

Is this your farm?
Farmer Training:

Or is this your farm?
Assess your personality

- Do you enjoy entertaining strangers?
- Do you like crowds?
- Will you enjoy these crowds visiting you on your farm?
- Are you willing to make your farm a “destination” for visitors?
- Create the “experience”
Handling and Recording Incidents

- Information to include:
  - Name, address, and contact information of the injured person
  - A detailed description of the incident
    - What happened?
    - Time and location of incident?
    - What type of injury/harm was incurred?
    - How/why did the incident occur?
    - Visitor’s status (e.g., employee, invited guest, trespasser, etc.)
    - Farm conditions (e.g., weather, number of visitors, etc.)
  - Describe any medical assistance provided, or offered
  - Names and contact information for witnesses to the incident
    - Record any accounts of what was witnessed
  - Name, address & contact information of person completing the report
Farm Record Keeping

• Safety & emergency response plans
  – Plan(s) of operation

• Employee training documents

• Log of farm inspections

• Documentation (photographic and/or video) of farm premises

• Maintain a file of all incident report forms
CONCLUSION:

Being prepared for accidents, excessive traffic, crowds, irate customers, inclement weather, neighbor conflicts, regulations, municipality relationships and the many other issues that can come along with on-farm direct marketing can help farmers be prepared to best handle situations that may arise.
Thank You For Your Attention

http://sare.rutgers.edu/agri_swot_project.html