

EXPANDING DIRECT MARKETING OPPORTUNITIES THROUGH FARM SHOPS IN WESTERN TOURISM DESTINATIONS

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OBJECTIVE

- Develop an Extension program on best practices for implementing and assessing the feasibility of farm stores/shops focusing on the tourism market in the Intermountain west
 - Target audience is small-scale growers and food producers, currently direct marketing their products
 - A farm shop/store, also called a roadside farm market, is a permanent or semi-permanent structure where farm products, both fresh and processed are offered for direct sale to consumers. These shops/specialty stores are normally open to the public year-round and often provide snacks or a lunch counter.

TOURISM MARKET

Western US a popular tourism destination

- ▣ 20+ national and state parks on the I-15 corridor in the Intermountain west

Prime area for tourism development

- ▣ Visitors spend 40% of their travel budget on food and beverages

Utah's 2011 tourism indicators

- ▣ 6.3 million national park visits
- ▣ 4.8 million state parks visits
- ▣ 3.8 million skier visits
- ▣ Total spending by travelers and tourists: \$6.9 billion
(State of Utah Economic Report, 2012)



REGION

Intermountain West

- Utah
- Nevada
- Idaho
- Montana
- Wyoming



Source: <http://oldweststories.net/wp-content/uploads/2011/>

WHY DIRECT MARKETING?

- Increasing consumer demand for local fresh and value-added food products, especially while traveling
 - The National Restaurant Association's 2013 Restaurant Industry Forecast reported that 7 of 10 consumers were more likely to visit a restaurant offering locally produced items
- Current literature finds that the success of small farms may be enhanced by...
 - Expansion of direct market outlets
 - Diversification into agritourism, and
 - Value-added products

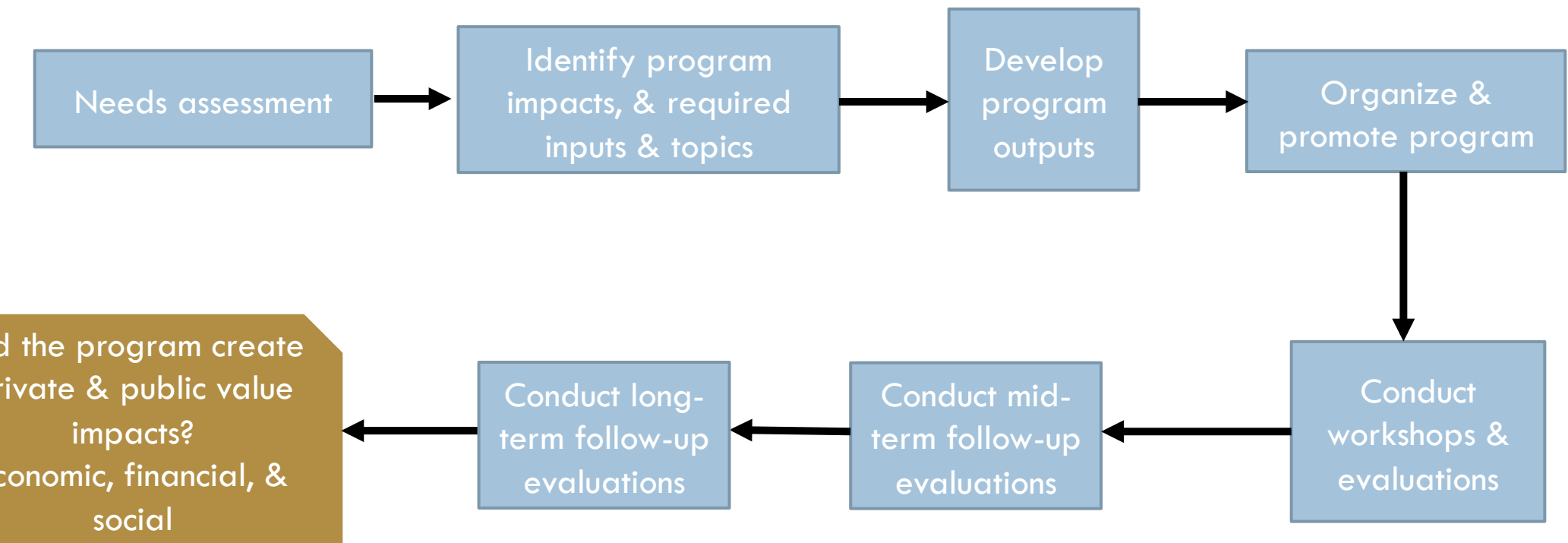


WHY FARM SHOPS?

- Additional market outlet for current products
- Reduced transportation/marketing costs
- Year-round sales (additional sales)
- Outlet for value-added products
- Income/employment for family members
- Currently few farm shops in the West, more common Southeastern US and UK
- Cottage food production laws now in several Western states



EXTENSION PROGRAM DEVELOPMENT

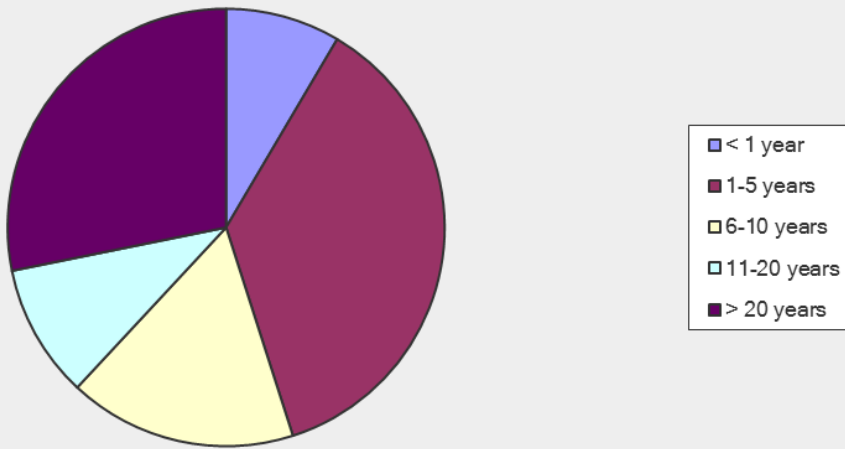


NEEDS ASSESSMENT

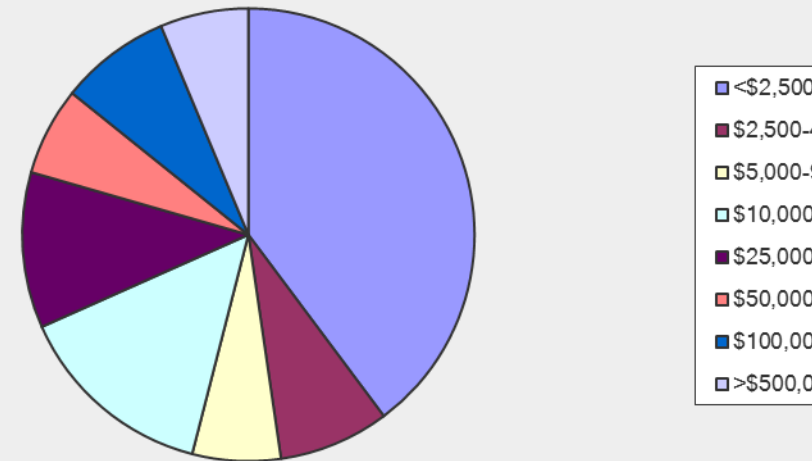
- Online survey of small-scale producers in Mountain States
- Recruited through email lists of Extension
- November 2013
- 96 respondents
 - 63% operation near a tourism destination or direct travel route between destinations
 - 62% produce vegetables and herbs
 - 75% using farmers' markets
 - 65% produce value added goods
 - 24% offer agritourism/food tourism now

YEARS OF EXPERIENCE/VALUE OF PRODUCTS

How many years of experience do you have in your current industry?

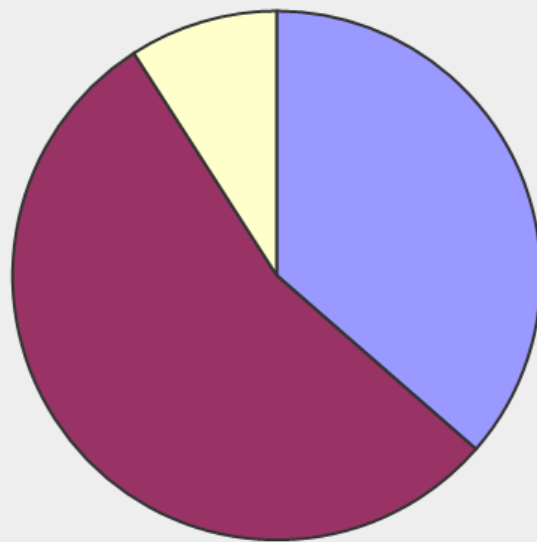


What was the 2013 value of all your products sold (gross revenue)?



TOPIC OF INTEREST

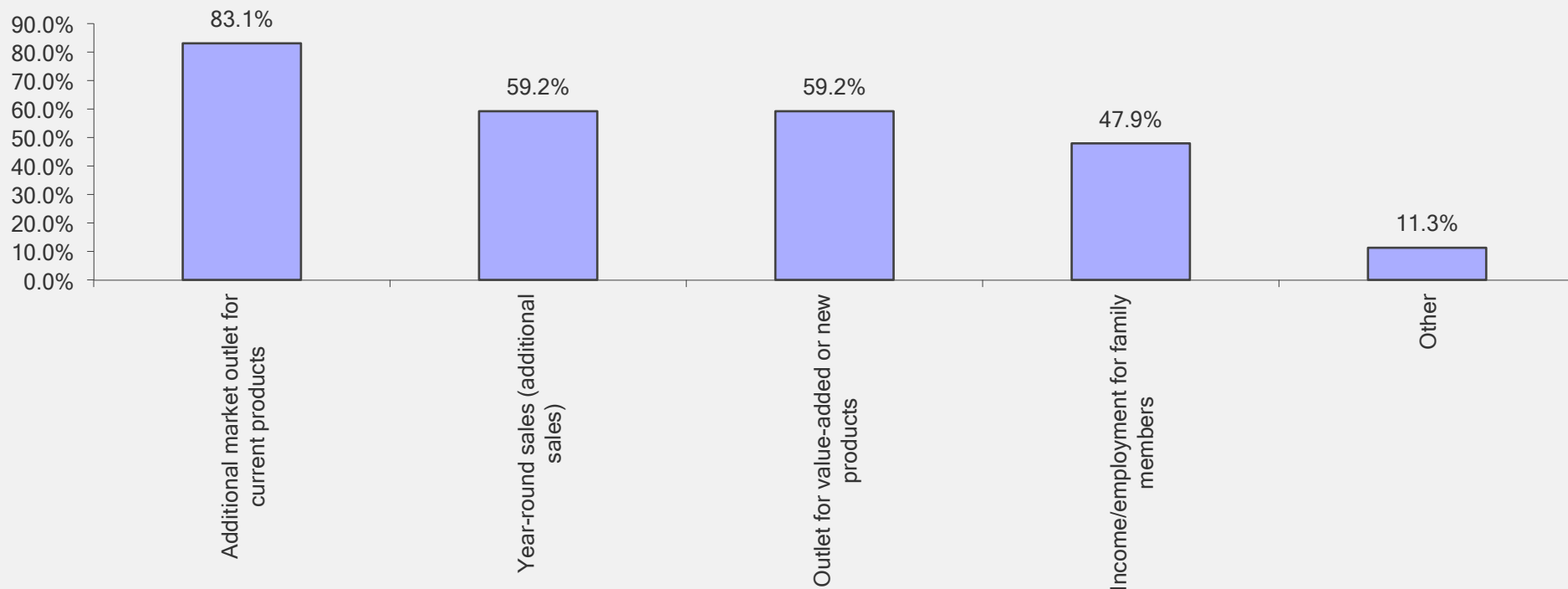
Have you considered opening a farm shop/store (either on-farm or in another location) to sell your operation's products in the future?



- Yes
- No
- I already have a shop

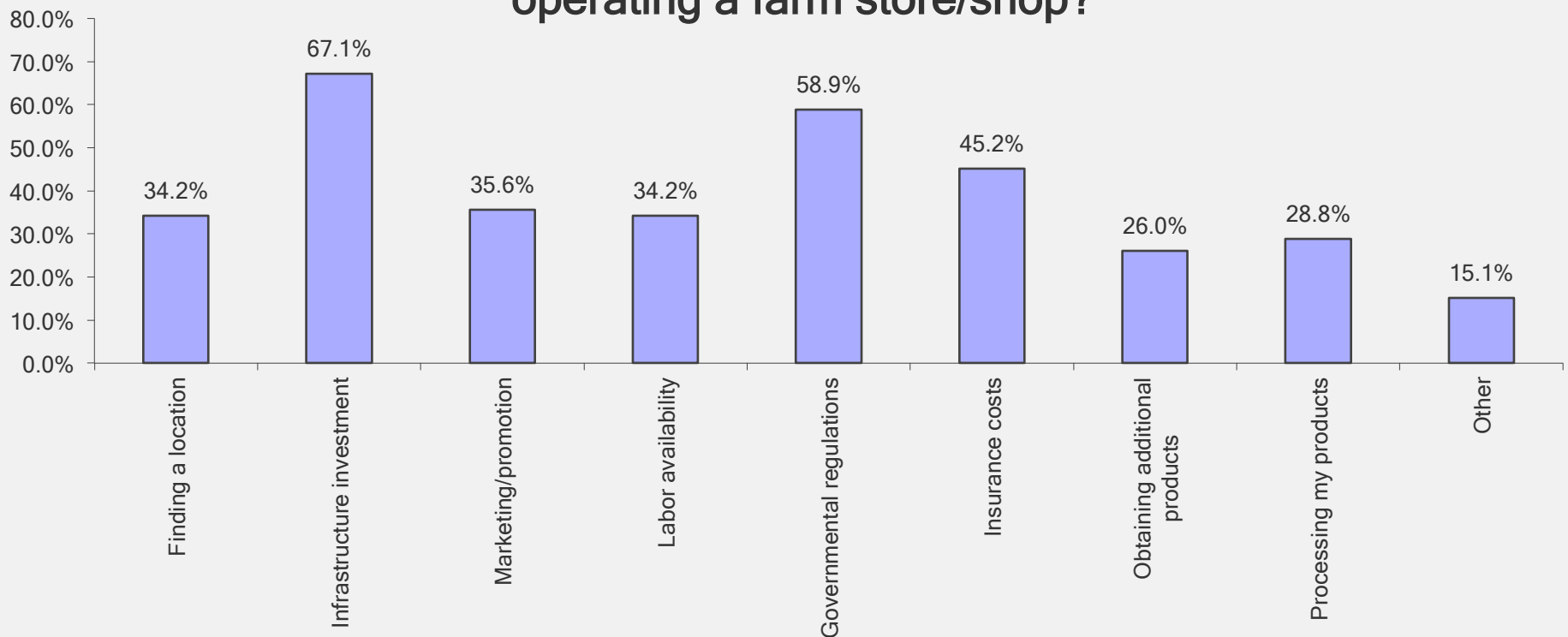
FARM SHOP BENEFITS

What would you consider to be the benefits of selling your products through a farm store/shop?

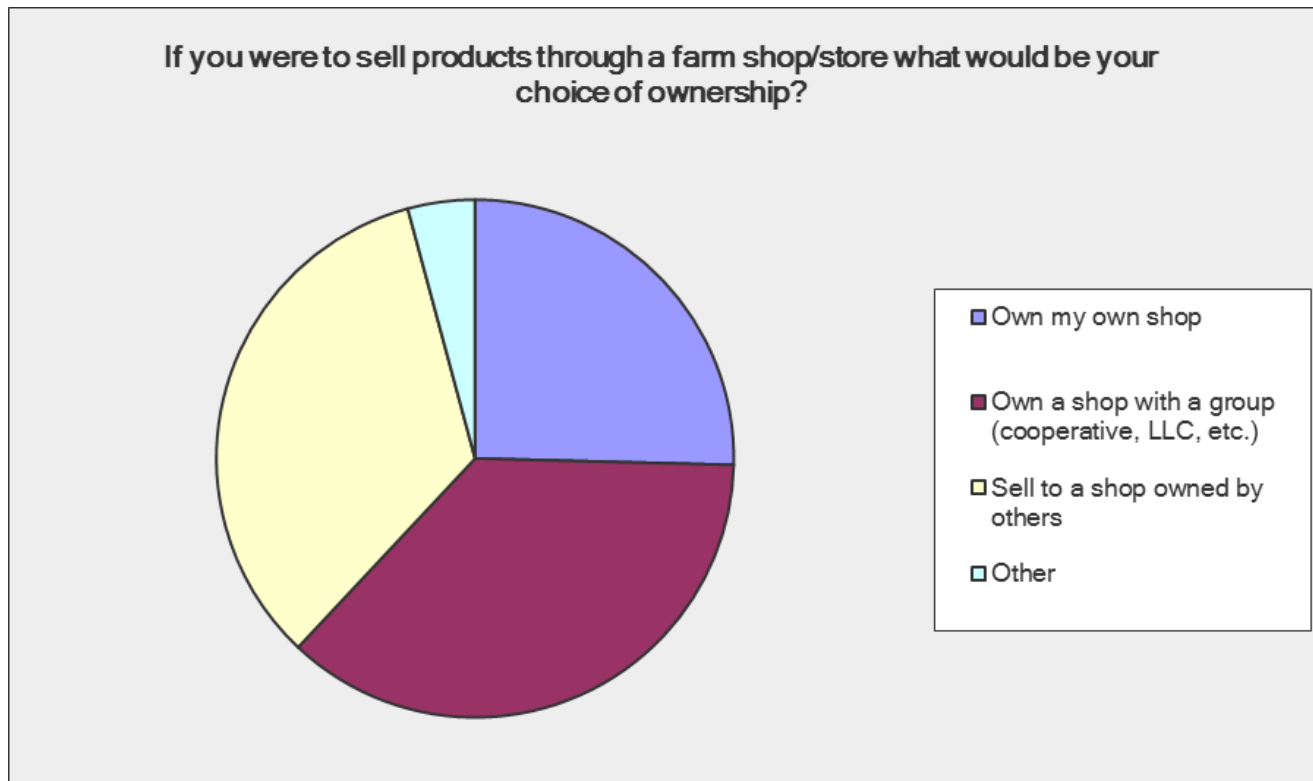


HURDLES

What would you consider to be the primary hurdles to opening and operating a farm store/shop?



OWNERSHIP CHOICE



MORE STATS

- Current cooperative member – 17%
- Interest in joining a marketing cooperative, such as a food hub or state-wide farm shop system? – 73%
- Would attend a workshop on farm shops – 79%

TOPICS OF INTEREST

If you were to attend a workshop/training on farm shop sales, what topics would you like to see covered? (Check all that apply)

Answer Options	Response Percent	Response Count
Financing	63.1%	41
Hiring and managing employees	35.4%	23
Marketing/promotion	75.4%	49
Ordering and inventory management	33.8%	22
Product placement and arrangement	40.0%	26
Processing/labeling value-added products	61.5%	40
Pricing products	66.2%	43
Contracting with store owners	52.3%	34
Other (please specify)	9.2%	6

PROGRAM GOALS - IMPACTS

■ Rural economic development

- Increase farm/ranch profitability and diversification
- Preserve farmland
- Generate additional jobs
- Increase local tourism expenditures
- Increase recreational activities

■ Increase awareness of region as a food tourism destination, cultural identity

OUTPUTS PLANNED

- Curriculum (fact sheets, worksheets, and tools)
- Workshops in five states
- Regional planning - State tourism depts, SSDs, tourism providers, growers, and small food processors
 - Distribution coop/food hub
 - Regional farm shop cooperative
 - Tourism marketing
- Food heritage trail, map to accompany current tourism destinations

DISCUSSION

- Definite need for programming, assistance with organization
- Interest in cooperative type of business
- Near tourism destinations or travel routes
- Infrastructure, marketing, and pricing largest need areas
- Next steps
 - Grant funding
 - Organizational meetings - producers and stakeholders
- Comments or questions?

THANK YOU!