

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

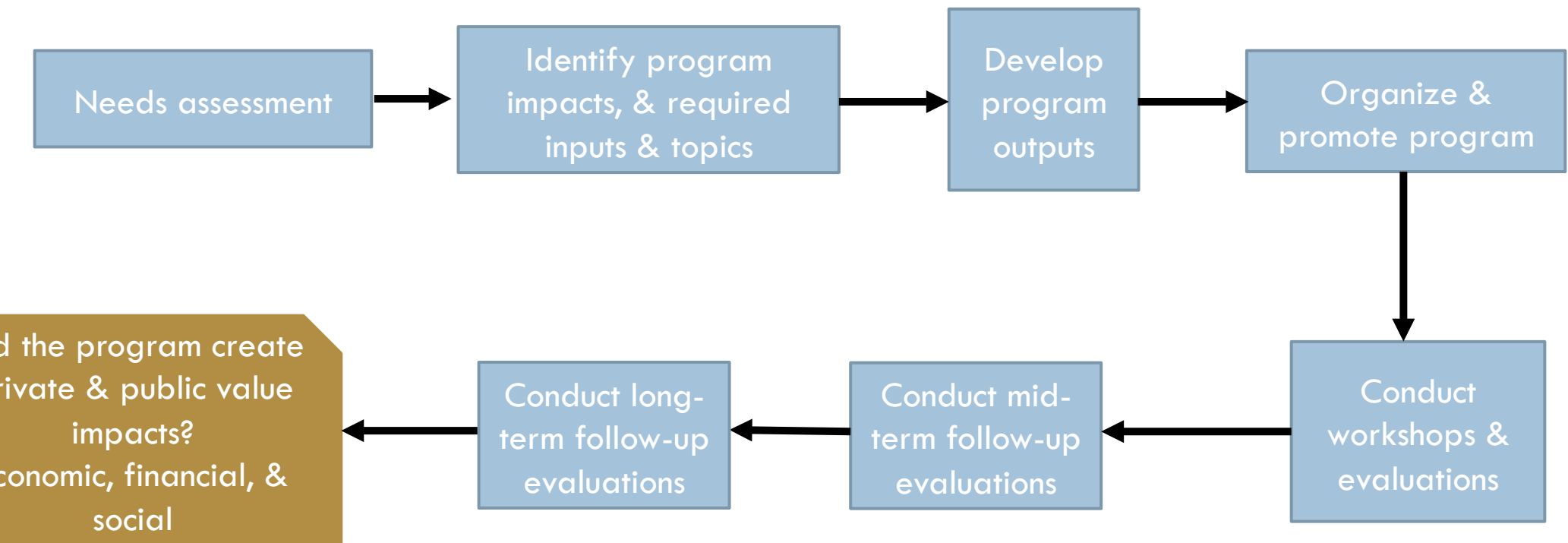


WHY FARM SHOPS?

- 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

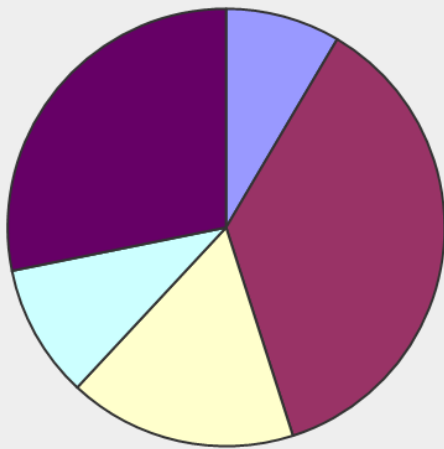


NEEDS ASSESSMENT

- 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

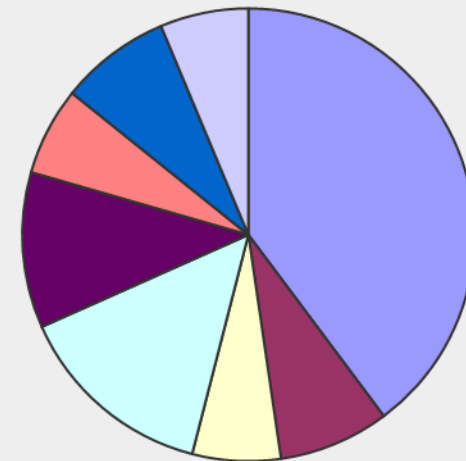
YEARS OF EXPERIENCE/VALUE OF PRODUCTS

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



- < 1 year
- 1-5 years
- 6-10 years
- 11-20 years
- > 20 years

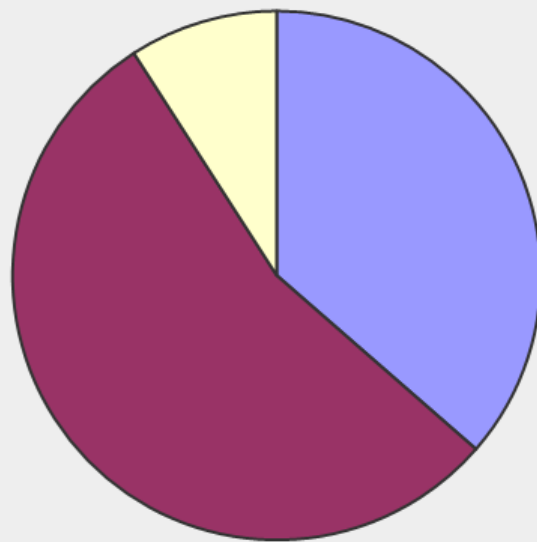
What was the 2013 value of all your products sold (gross revenue)?



- <\$2,500
- \$2,500-\$5,000
- \$5,000-\$10,000
- \$10,000-\$25,000
- \$25,000-\$50,000
- \$50,000-\$100,000
- \$100,000-\$250,000
- >\$500,000

TOPIC OF INTEREST

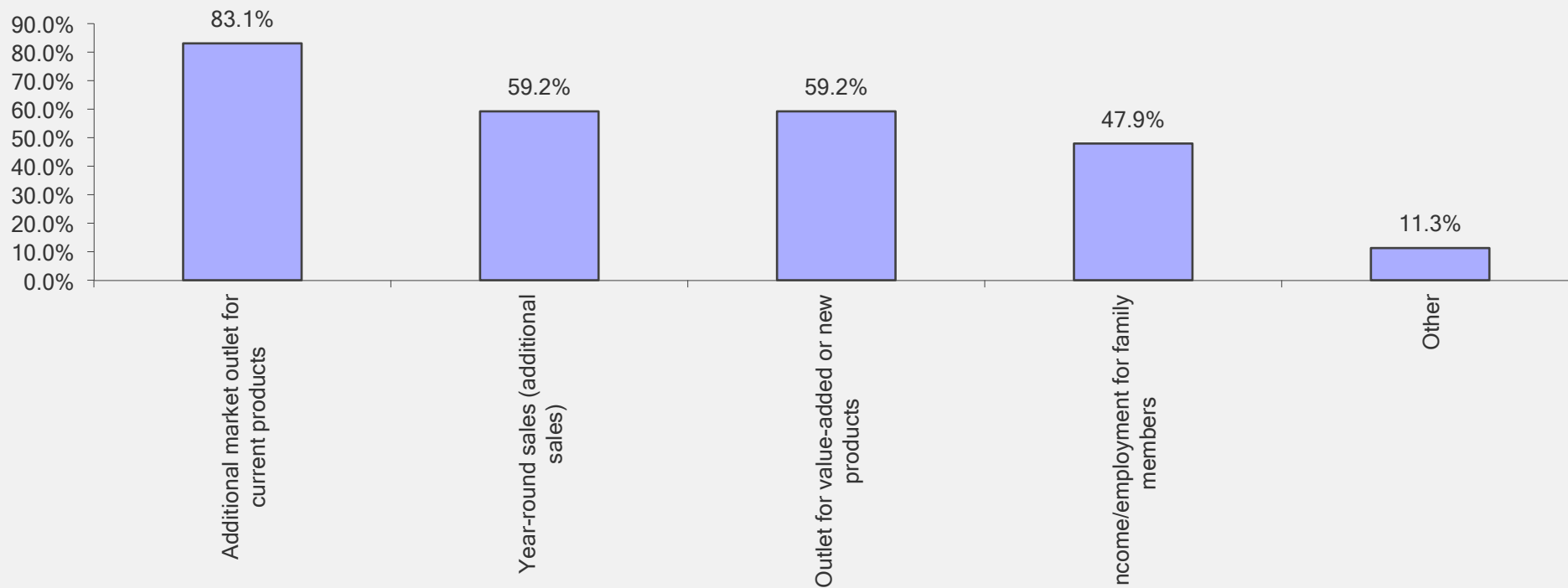
Have you considered opening a farm shop/store (either on-farm or in another location) to sell your operation's products in the future?



- Yes
- No
- I already have a shop

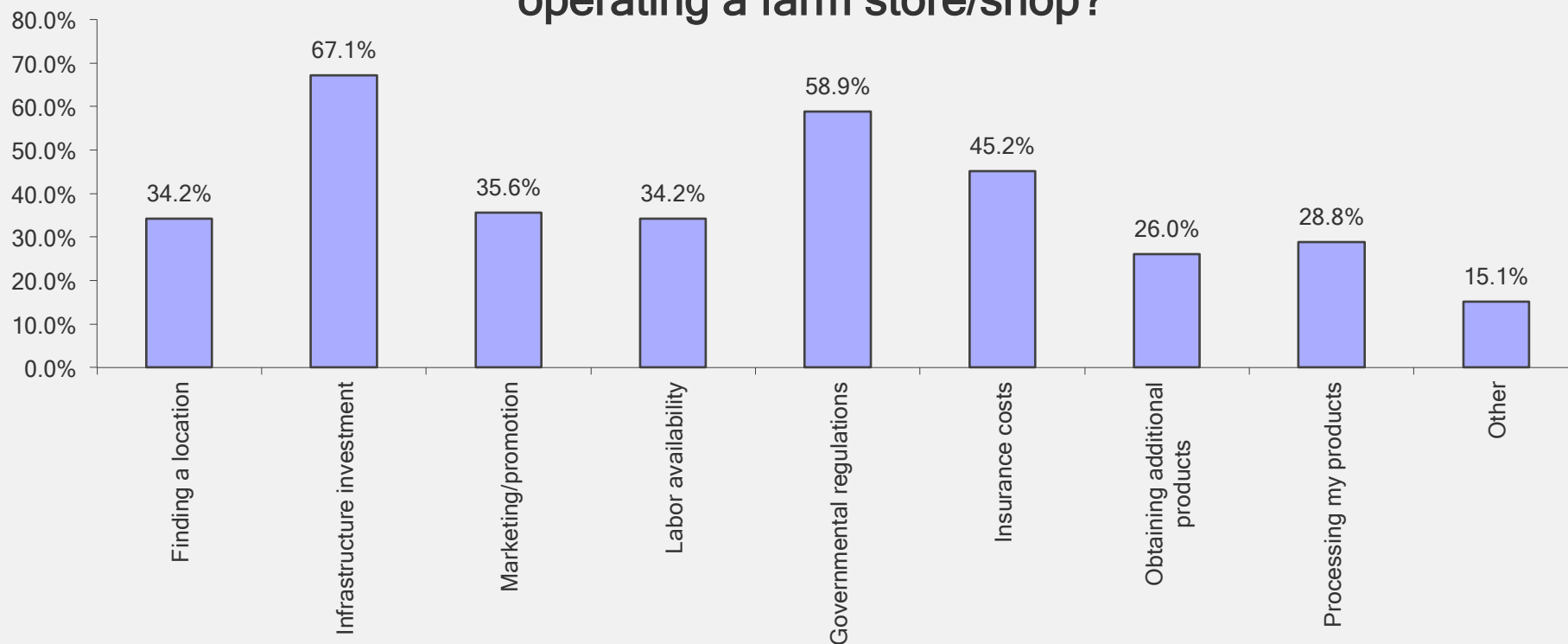
FARM SHOP BENEFITS

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

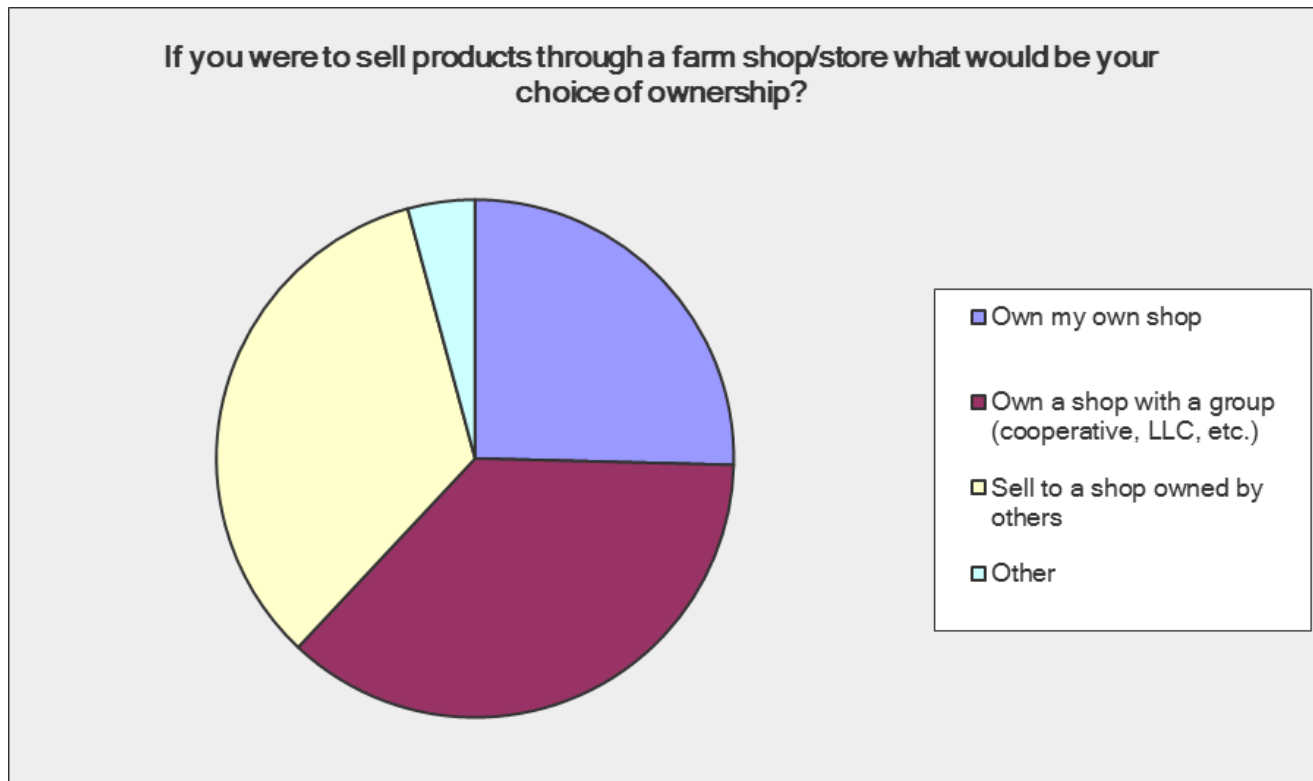


HURDLES

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!