

OPPORTUNITIES FOR ADDING VALUE TO YOUR PRODUCTS

by Douglas Dunn¹

It is projected that roughly three-fourths of the retail value of food, fiber and forestry products will be represented by processing, marketing and distribution activities by the beginning of the 21st century. This beyond-the-farm-gate sector of the U.S. economy generates employment and wealth in other localities that could be retained in our rural communities. Rural entrepreneurs look for opportunities to "add value" to the products they sell and thus increase their profit potential. Value can be added through processing, e.g. converting fruit into jams, pies, fruit leather, cider and various bakery goods. Value can also be added by providing various services or experiences with the product, e.g. chuckwagon barbecue, pick your own, pumpkin festival, homemade food, a trail ride, a farm animal petting zoo. Profit potential is increased when an indistinctive raw commodity is converted into a unique product or experience, e.g. apple cured hams, an Old McDonald's farm tour, Willcox apple pie mixes, Dorothy Lynch's salad dressing, gourmet sweet corn, pistachio gift boxes, chile wreaths, prickly pear concentrate, Mama's Menudo, historic bean varieties, apple/chili chutney, special herb mixes and organic bird seed. This involves recognizing and then capitalizing on the unique ideas, skills and homemade products of local residents. Customers are generally willing to pay more for uniquely packaged, high quality, locally-grown products. Experience also indicates that farms which cater to the

produce varieties and food products sought by different ethnic groups have been well rewarded. Another money making opportunity is to expand your product line to include other complementary items or activities, e.g. on-farm camping, bed and breakfast, guided tours, nursery plants, honey, poultry products, local crafts, coffee and other refreshments, a place to eat and "your farm" t-shirts. Particularly good are those goods and services that help the consumer use the products you produce, e.g. canning supplies, local recipes and cook books, special seasonings, demonstrations and displays, ice and cloth bags (with your name and logo on it).

Enhance and Promote the Rural/Farm Experience

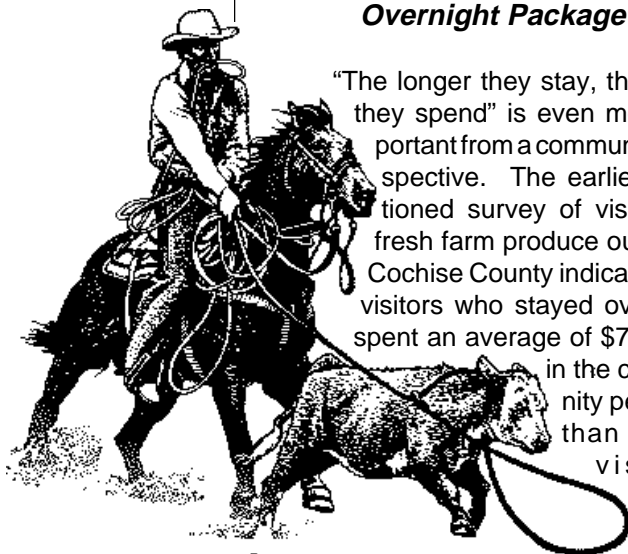
Direct farm marketers need to continually focus on the fact that their customers are coming for an experience as well as a quality product. It is sometimes difficult for people raised on a farm or in a small town to see agriculture as a potential tourist attraction. Urban residents seek opportunities to get out of the hustle-bustle of city life and to leave their workday stresses behind for a relaxing, wholesome, fresh-air experience and respite to the outdoors. They fantasize about what it would be like to live on a farm or in a small town, and to reestablish their roots with the soil. In a recently completed survey of visitors to the fresh farm produce outlets in Cochise County, when visitors were asked what they most like about their visit, 45% indicated "the farm experience." Twenty-nine percent indicated "freshness of the product," 15% said "quality of the produce," and 10% indicated "the drive out here."¹

¹ "Agricultural Tourism in Cochise County, Arizona" by Leones, Dunn, Worden and Call, Arizona Cooperative Extension.

The same study showed that 44% of the visitor parties included children. A strong motivator among those visitors was the opportunity for their children to experience farm life and to learn where food comes from.

Segmentation of the tourist market shows that 30% of all travelers are "knowledge seekers" who want to learn on a vacation. Such visitors want to talk with the farmer about how the crop is grown, and develop a personal relationship. Today's "baby boomers" are increasingly seekers of "immersion experiences," and are willing to pay for quality.² They prefer natural experiences over contrived activities. Also, trends indicate that people today are taking shorter, more frequent vacations and are looking for weekend get-aways. For most direct farm marketers, the quality of the experience they provide will be their strongest marketing tool and determinant of success. Care should be taken, however, to insure that the experiences and services provided are cost-effective in increasing sales and profit. The importance of providing visitors with opportunities to experience farm life is simply summarized by one direct farm marketer, "the longer they stay, the more they spend." Today's tourists are willing to pay for these experiences; don't feel you must give them away free.

Develop and Promote an Overnight Package



"The longer they stay, the more they spend" is even more important from a community perspective. The earlier mentioned survey of visitors to fresh farm produce outlets in Cochise County indicates that visitors who stayed overnight spent an average of \$76 more in the community per party than those visitors who stayed

only for the day.³ A study of nature-based tourism in the Sierra Vista area of Cochise County showed similar results, with \$7 per person being spent by the average day-trip visitor and \$51 per person being spent by the average overnight visitor.⁴ The banding together of direct farm marketers with other businesses in the community to develop and promote an overnight get-away package is one of the greatest opportunities they have for expanding their business and its economic impact on the community. The goal of cooperative promotion is to exchange customers. A summary of the recommendations coming out of the Cochise County study follows:

- a. Identify and promote other (already existing) complementary activities as part of the farm/rural experience. Examples might include:
 - Rex Allen Museum
 - ball games
 - swimming/city park/ramada
 - Saturday night western dances
 - livestock auction
 - historic walking tour
 - calf roping
 - buy cowboy/farmer duds

2 "Agri-Tourism in New York State: Opportunities and Challenges in Farm-Based Recreation and Hospitality," by Duncan Hilchey, Department of Rural Sociology, Cornell University.

3 Overnight visitors spent an average of \$130 per party compared to \$54 spent by the average day tripper.

4 "Nature-Based Tourism and the Economy of Southeastern Arizona," by Crandall, Leones and Colby, Department of Agricultural and Resource Economics, The University of Arizona.

b. Identify opportunities for local entrepreneurs to develop other money making activities to be offered as part of the farm/rural experience. Examples might include:

- outdoor BBQ/steak fry/chuckwagon
- farm/ranch guided tour
- horse/hay rides
- story teller
- bed and breakfast
- vacation on a working farm
- on-farm camping
- ostrich weekend
- working cowboys rodeo

c. Market as a “fresh air” activity. Encourage visitors to stay overnight to experience the peaceful solitude of early morning (or early evening) on a farm. Pick in the cool of the morning. Hear the rooster crow and other early morning sounds of the farm. Breathe fresh air at its finest. Have a country breakfast.

d. Provide for overnight cooling and storage of produce.

e. Provide visitors with a weekend calendar of events. Plan evening activities. Plan for the special interests and needs of (1) families with children, (2) retirees, (3) group tours. Be open.

f. Restaurants serve dishes made from local farm fresh produce, e.g., okra, black-eyed peas, apple burgers, desserts.

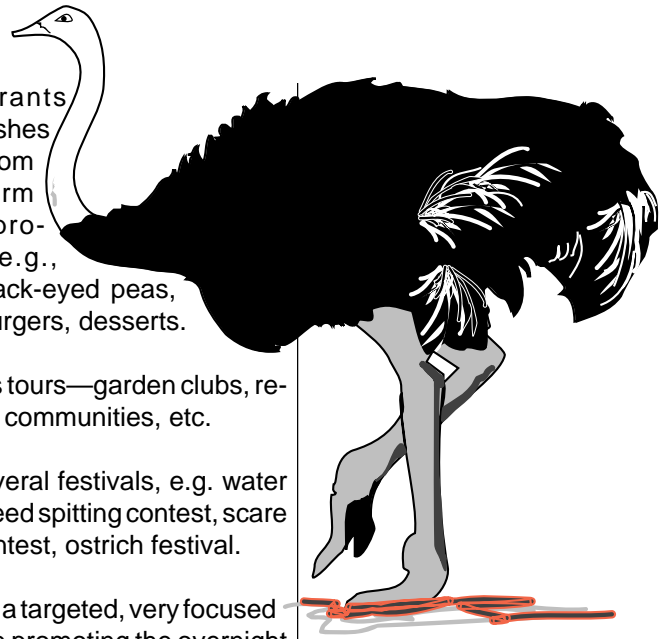
g. Host bus tours—garden clubs, retirement communities, etc.

h. Host several festivals, e.g. water melon seed spitting contest, scare crow contest, ostrich festival.

i. Develop a targeted, very focused brochure promoting the overnight package, with a clear sequence of activities. People will have trouble getting around unless you make it easy for them.

j. Find out who your customers are; work at getting them back. Develop the reputation as a tourist-friendly community.

k. Be willing to also promote the rest of Cochise County.



Stand Out From the Crowd

You can't be all things to all people. Direct farm marketing is often a day-break to dusk activity. Serving the public is often a challenge. Start small. Find your niche and do it well. Differentiate yourself from other food and recreation establishments.

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1 5 0 I D E A S

FOR ADDING ADDITIONAL VALUE TO YOUR PRODUCT AND EXPANDING YOUR BUSINESS

Add to the visitor's experience

- On-farm walking trails
- Wagon rides
- Field tours
- Special events
- Contests
- Seasonal festivals
- Bed & breakfast
- On-farm camping
- Farm/ranch tour
- Craft demonstrations
- Farm museum
- Old tools and equipment
- Working farm vacation
- Hay ride
- Horseback riding
- Horse-power farming
- Nature study
- Farm animal petting zoo
- Religious services on the farm
- Weddings
- Pick in the early morning
- Educational exhibits
- Bus tours
- Fishing
- Swimming
- Learn more about farming
- Observe harvesting techniques
- Bird-watching
- Cattle drive
- Bridle paths
- Cut your own Christmas tree
- Things for kids to do
- Pedal tractor rides
- Pony rides
- Train employees
- Menudo cook-off
- Pie baking contest/displays
- Sweet corn roast
- Celebrity tomato pitch



- Pumpkin carving contest/display
- Drawings
- Musicians
- Chuckwagon barbecue
- Pick your own

Add value to the product

- Desserts
- Pies
- Cider/juice
- Apple bread
- Home-made products
- Steamed corn to eat
- Gift baskets
- Bakery goods
- Jams and jellies
- Cured/smoked meats
- Custom slaughter
- Gourmet hog dogs
- Pesticide-free produce
- Syrups
- Dried fruit
- Special seasonings
- Menudo mix
- Apple pie mix
- Salsa
- Chile wreaths

Offer other services

- Picnic facilities
- Newsletter
- Customer mailings
- Calendar of events
- Friendly employees

Offer other products

- Rent-a-tree
- Lunch/farm restaurant
- "Your Farm" T-shirts
- Bird seed

- Mulch
- Pleasant surroundings
- Drinking water
- Produce washing area
- Educational exhibits
- Recipes
- Compost
- Canning supplies
- Flea market
- Antiques
- Crafts
- Gift certificates
- Clean restrooms
- Picking instructions
- Canning demonstrations
- Drying instructions
- Cookbooks
- Snack shop/coffee
- Nursery stock
- Flowers
- Ethnic foods/varieties
- Child care
- Things for kids
- Water fountain
- Mail order
- A place to sit and rest
- Coolers
- Ice machine
- Organic produce
- Farm fresh eggs
- Gourmet vegetables
- More parking
- Provide seasonality information
- U-Pick memberships
- Accept credit cards
- Wheeled carts for produce
- Honey
- Herbs
- Ostrich meat
- Salsa
- Dried fruit
- Bulletin board
- Suggestion box
- Play area for kids
- Provide a receipt
- Wheelchair accessible
- Mushrooms
- Wine
- Fresh meats
- Indian corn
- Sugar cane
- Pay telephone
- Fire wood
- Historic varieties
- Fee fishing
- Dairy products
- Grains



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FROM:

Direct Farm Marketing and Tourism Handbook.

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