



# Consumer Demand for Agricultural and On-Farm Nature Tourism

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Agricultural and on-farm nature tourism can be characterized as businesses conducted by farmers or ranchers on their *working* agricultural operations for the enjoyment and education of visitors. Agricultural and nature tourism present the potential to generate increased on-farm revenues, and, given strategic management, might increase farm profitability. Additionally, since the majority of the general population may have little or no contact with agriculture, on-farm tourism also is one mechanism by which nonfarmers can learn about agriculture and, in turn, support farm products by increased purchases made directly or indirectly from family farms.

In California, agricultural and on-farm nature tourism has increased in popularity, in both supply – farmers and ranchers – and demand – tourists and consumers of agricultural products and services. As agritourism becomes more mainstream, the ability of smaller operators to realize increased revenue through tourism will depend on several factors, including those pertaining to marketing of their agritourism operations. To maintain an equitable share of this market sector as it expands, smaller-scale agricultural tourism operators will need information to respond to consumer demand. To this end, we conducted a study focused on identifying demographic and psychographic characteristics of potential agritourism visitors in Northern California. We also examined consumer motivations for farm and ranch visits, as



well as prospects for increased on-farm revenue. The study was conducted between November 2004 and January 2005 in Sacramento and Yolo Counties.

## Methods

Utilizing a purchased mailing list, we surveyed a random sample of residents from Sacramento and Yolo Counties in California<sup>1</sup> to assess the level of participation in agricultural and nature tourism, identify consumer preferences for agritourism experiences, assess on-farm spending, and uncover consumer values and habits regarding food and the agricultural system. Questionnaires with cover letters were delivered to 1,919 residents in November 2004. A reminder postcard was mailed in December,

<sup>1</sup> Of note is the proximity of the Napa Valley wine region, which is within a two to three hour drive from most locations in Sacramento and Yolo Counties.

and a second questionnaire was mailed in January 2005. Survey questions were close-ended with spaces for respondents to write-in additional remarks. Responses from the two counties were entered into a database and aggregated for analysis using SPSS software. Information about past visits to agricultural and nature tourism sites, motivations to visit, and preferences at tourism sites, as well as food purchasing habits and values and on-farm spending, are included in this brief.

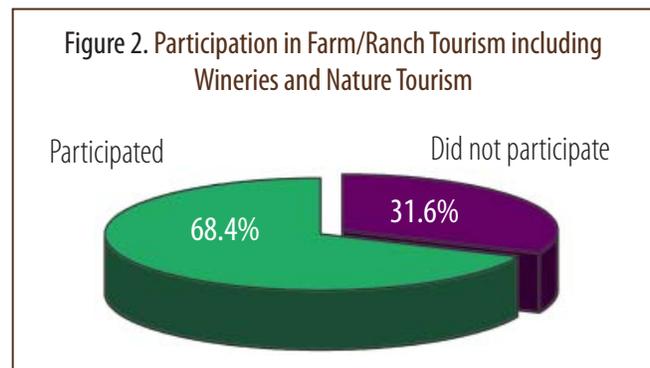
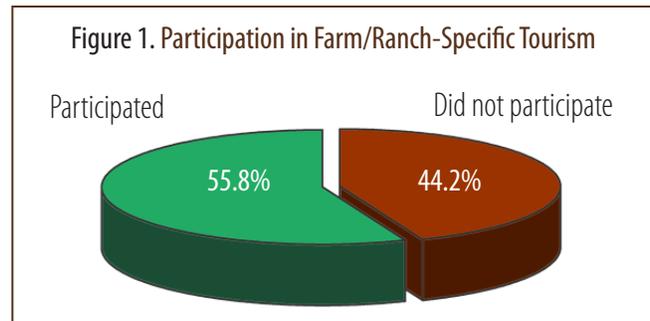
### Findings

The response rate was 15 percent. Though the rate was lower than expected, the demographic distribution of respondents allowed for analysis of questions important to assessing characteristics of potential visitors to agritourism operations. Of 294 respondents, 27 percent were 44 years of age or younger, 23 percent were between 45 and 54, 20 percent were between 55 and 64, and 30 percent were age 65 or greater. Forty-eight percent of the respondents were female and 56 percent were male. Upper-income (\$75,000 annually or more) and more educated (college and beyond) respondents were more highly represented (40 percent and 67 percent, respectively). Seventy-eight percent of respondents were of European descent, and diverse ethnic groups represented relatively equal proportions of the remaining responses, which totaled 22 percent. Seventy-nine percent of respondents were urban/suburban residents and 21 percent were small town/rural residents. The data, while not entirely representative of the population of Sacramento and Yolo Counties, were distributed sufficiently to allow for inferential analysis based on the sample size.

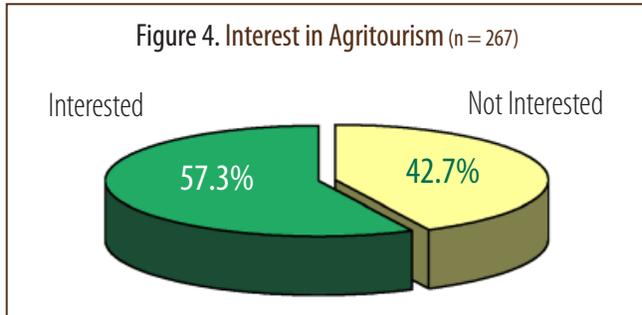
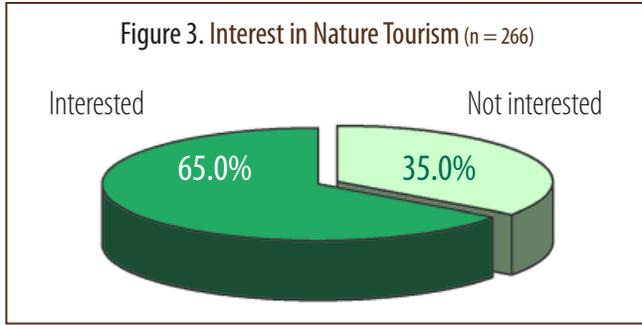
### Participation

Respondents' participation in agricultural and nature tourism was assessed by their recent experience with a list of operations and activities ranging from farmers markets to educational farm and ranch tours. Reported participation was high, so a response bias based on past participation is suspected (i.e., those with past experience may have been more likely to respond). Nonetheless, we believe that useful analytical inferences can be derived from the responses and we use statistical analyses to draw these inferences.

Figures 1 and 2 show participation rates at agritourism sites. Participation in tourism that was specific to farms and ranches<sup>2</sup> was reported by 55.8 percent of the respondents.



<sup>2</sup> Farm-related sites are those that offered select activities that were more exclusively on-farm activities: on-farm bed and breakfasts, on-farm camping, farm and ranch vacations, wagon and horseback rides, you-pick operations, on-farm craft and product purchases, and on-farm educational activities.



When wine and nature tourism sites, which could have occurred on or off the farm, were included, the rate of participation was 68.4 percent. For accuracy of analysis, the “Participant/Visitor” category reported in this brief includes only respondents who had participated in more exclusively on-farm activities.

**Interest in Agricultural and Nature Tourism**

Levels of interest in agritourism and on-farm nature tourism were assessed from all survey respondents. Sixty-five percent indicated that they were “very interested” or “interested” in nature tourism, while 57.3 percent indicated interest in agritourism (Figures 3 and 4).

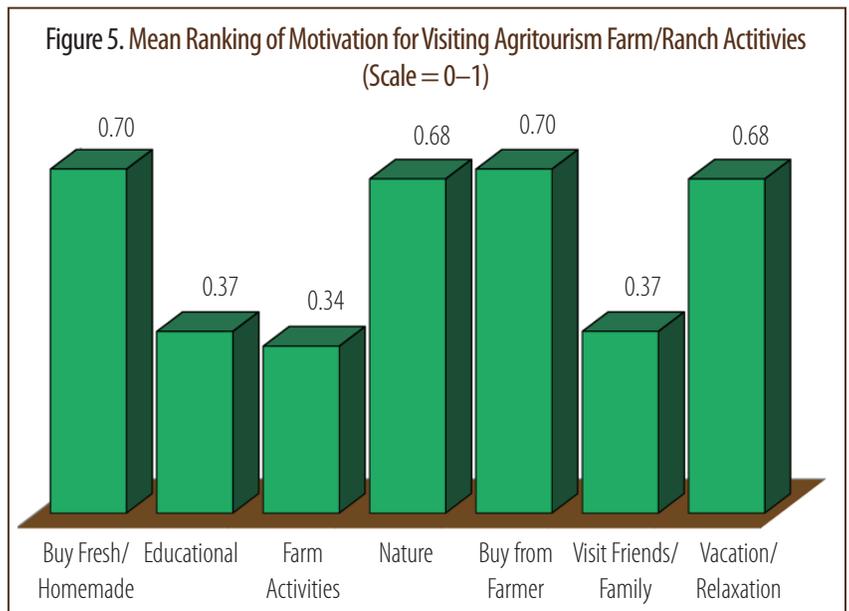
**Motivations for Agritourism Visits**

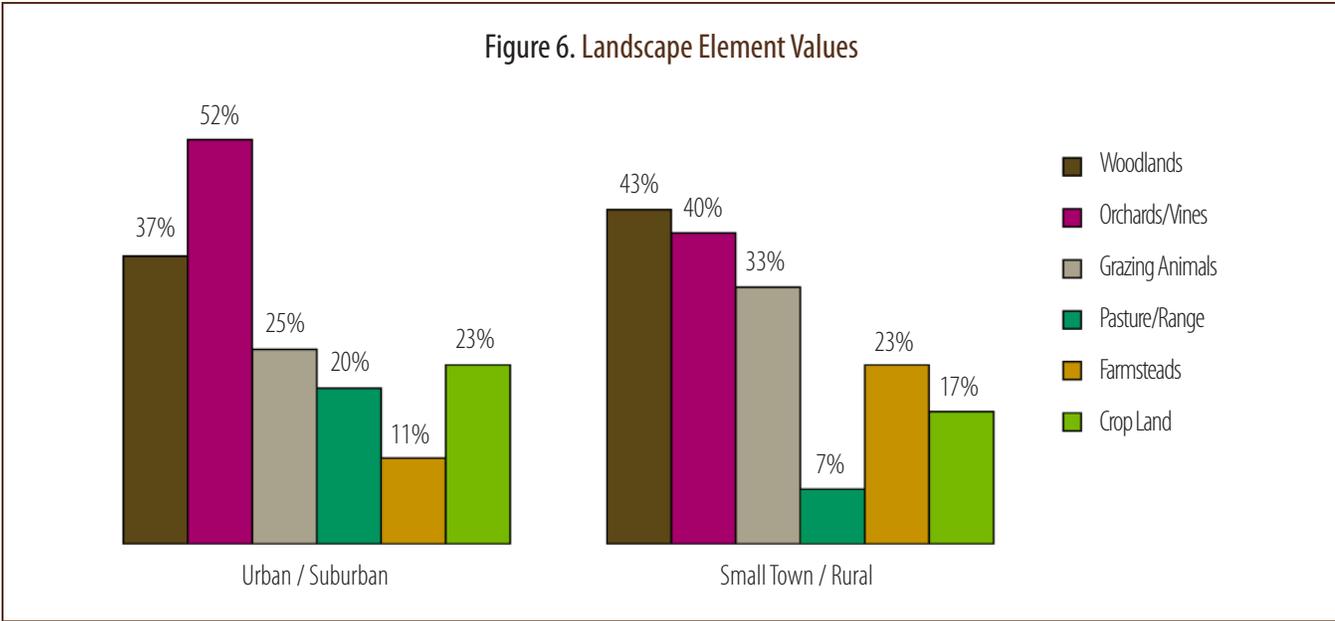
To assess the types of values and motivations that underlie interest and participation in agricultural

and nature tourism, we asked respondents why they had chosen to visit sites. Rankings of alternative motivations were obtained by comparing each respondent’s mean score across categories with that person’s score for each individual category (Figure 5). On a scale from zero to one, purchasing fresh/homemade products, purchasing directly from farmers, experiencing nature, and vacation/relaxation were the top-ranking motivations for consumers to visit agritourism and nature tourism sites. These motivating factors were followed by visiting friends and relatives, experiencing farm activities, and participating in educational farm visits.

**Landscape Amenities**

Agriculture and rural space are recognized as holding amenity values, particularly for urban residents who may not have frequent access to open space. Differences were seen between urban and rural visitors in terms of landscape elements that were important in enhancing the quality of their visits to agricultural tourism sites (Figure 6). Urban and suburban residents were more likely to place value on open space





than were rural or small town respondents. Urban/suburban residents valued land in orchards or vineyards most frequently (52 percent), followed by woodlands (37 percent). Cropland was rated as important twice as frequently (23 percent) as farmsteads (11 percent) in enhancing the quality of farm tourism experience by these visitors. The opposite was true for small town/rural respondents, 23 percent of whom indicated that farmsteads were important while 17 percent rated cropland and farmsteads as equally important.

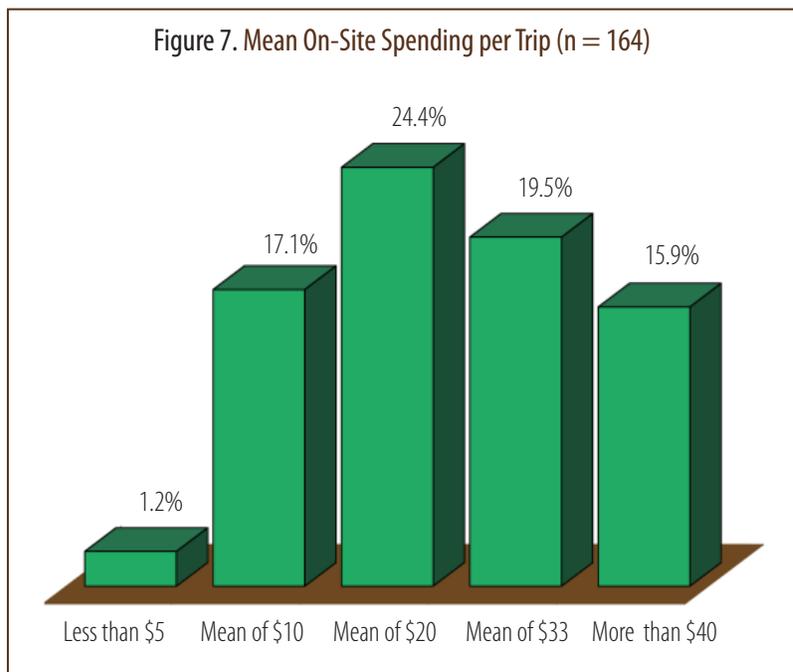
### Increasing On-Farm Revenue

The prospects for small-scale farmers to realize increased on-farm income through agricultural tourism clearly depend, in part, on the amount that visitors spend while at the farm. On-farm direct sales may increase the proportion of the consumer price that returns to the farm.

For respondents who had participated in farm-related tourism, spending on-site showed clear po-

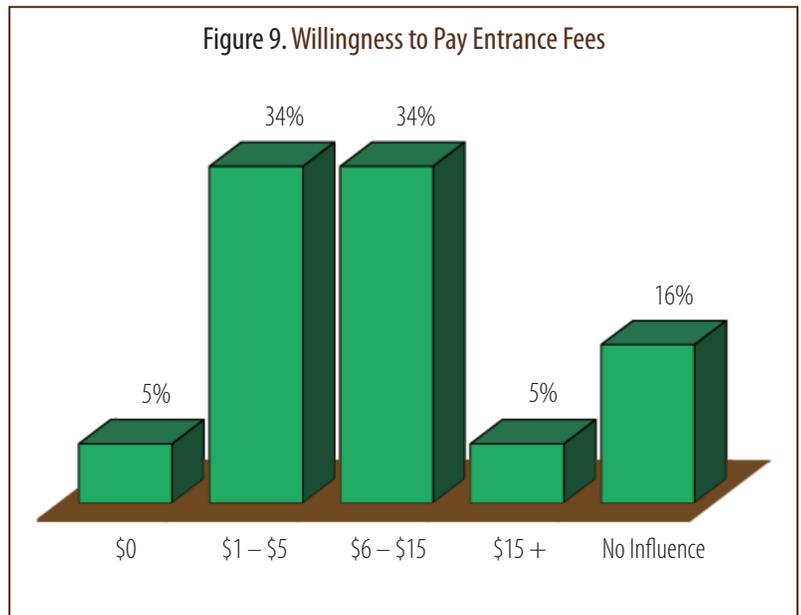
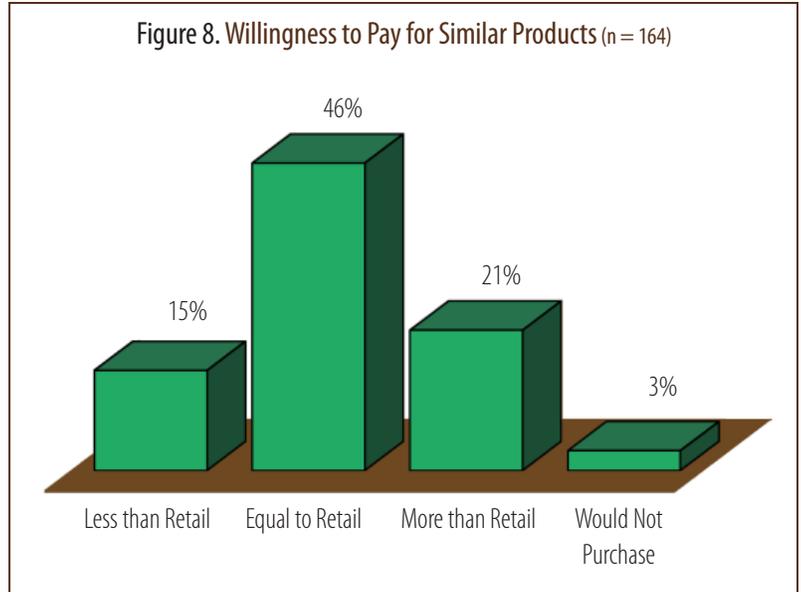
tential for increasing on-farm revenues. Sixty-one percent of respondents indicated that they had spent an average of between \$5 and \$40 on the farm during their visits with 16 percent having spent more than \$40 (Figure 7).

According to the data on spending per trip, visitors are indeed purchasing products



and services at agritourism operations. As a further indication that agritourism could increase on-farm revenue, 67 percent of the respondents who had purchased products at farm-related tourism sites indicated a willingness to pay a price equal to or more than what they would pay for the same or similar products in conventional outlets (e.g., supermarkets and groceries) to purchase these goods at the farm (Figure 8).

In addition to increasing farm-gate revenues through direct sales of *products*, agritourism operators also may realize greater revenue through entrance fees, thereby capturing some of the amenity value of agricultural landscapes. Sixty-eight percent of the respondents indicated that they were willing to pay between \$1 and \$15 while 5 percent were willing to pay more than \$15 (Figure 9). Sixteen percent indicated that entrance fees would not influence their decision to visit sites; only 5 percent of respondents indicated that they would *not* be willing to pay entrance fees.





whether potential visitors are interested in food, nature, or agriculture, individually or as a product package. The value differences for landscape amenities between agritourism patrons and nonpatrons as

### Discussion and Conclusions

Participation and interest in agricultural and nature tourism was high among the respondents in this study, which indicates good potential for farmers to increase on-farm revenue through visitors to their operations. Motivations for visiting various agritourism operations can be grouped into categories. For example, the top-ranking motivations for visits were (a) purchases and (b) vacation/relaxation (including experiencing nature). The lower-ranking motivations were related to agricultural education and awareness. As the literature on rural tourism has recognized (See Lane, 1995), focusing on scope rather than on scale in agritourism development may be more strategic for small farmers. Identification of motivations underlying participation is useful to this end.

Identification of market segments also may enable smaller operators to more efficiently target their marketing efforts, as well as distinguish

presented in this brief are one example of this. The relative importance of undeveloped land among urban/suburban participants and of farmsteads over cropland among small town/rural participants suggests that consumers in this region value the familiar (land for urbanites, farmsteads for rural inhabitants) as well as what is perceived to be scarce.

Though tourism should not be viewed as a panacea, the data collected in this study offer insight into the prospects for family farmers and ranchers to occupy a niche by offering a unique combination of agricultural products and rural amenities, as perceived by visitors.



## References

Lane, B. "Creating Niche Markets in a Growing Sector: Rural Tourism. [I]Niche Markets and Rural Development: Workshop Proceedings and Policy Recommendations.[I] Paris France: Organisation for Economic Co-operation and Development (OECD), 1995, pp. 81-97.



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