

# PROPOSAL TO DEVELOP AGRITOURISM IN AUSTRALIA

## Synopsis

Traditionally thought of as being simply farm stays and winery visits, the term agritourism now encompasses a wide variety of activities where agriculture and tourism intersect. Essentially it is the act of going to a region to visit a farm or food-related business (including restaurants, markets, produce outlets and natural attractions) for enjoyment, education, or to participate in activities and events.

Approximately 1.8 million domestic and international tourists visit Australian farms in 2015-16, and this has been growing by approximately 9% each year. The sector is currently worth approximately \$9.4 billion per annum. This economic benefit is particularly relevant to Australia because it occurs in regions that really need it.

There is no National Policy or strategy on agritourism in Australia. A strategy would help to gain agreement on what it is, what opportunities it offers and what could be done to make more in this area.

There are constraints to growing agritourism in Australia. Some of these constraints relate to local government not having guidelines on how to facilitate agritourism. Some local governments have overcome these constraints with innovative policy, but these innovations have not been shared.

Farmers interested in agritourism are unaware of what types of products and experiences they could create, and how they could adapt their farm to provide an authentic and competitive opportunity for agritourism.

Australian Regional Tourism is proposing to partner with relevant national organisations, such as the National Farmers Federation, the Australian Local Government Association and Regional Australia Institute to deliver:

1. A National Strategy & Policy on agritourism
2. Definition of key barriers to growing agritourism, and solutions on how to address these
3. A toolkit for Australian farmers to develop their own agritourism
4. A central contact point and network of expertise to help Australian farmers implement and refine their agritourism products

The following proposal is designed to provide a scope for this project, gather support from key national organisations, develop a budget and seek funding for implementation.

Australian Regional Tourism offers to be the lead organisation to undertake the project, in partnership with

- Austrade
- National Farmer Federation [NFF]
- Australian Local Government Association [ALGA]
- Regional Australia Institute
- An Agritourism Reference Group

## What is Agritourism?

Agritourism is a subset of rural tourism as a broader concept (Clarke, 1999; Nilsson, 2002). Traditionally thought of as being simply farm stays and winery visits, the term agritourism now encompasses a wide variety of activities where agriculture and tourism intersect. Essentially it is the act of going to a region to visit a farm or food-related business (including restaurants, markets/events, produce outlets and natural attractions) for enjoyment, education, or to participate in activities and events.



Figure 1 Images depicting various agritourism experiences

[Click here](#) to view a presentation highlighting some existing agritourism products and experiences in regional Australia.

## Why is agritourism important?

Agritourism has an important role in creating a more direct connection between the primary producers and the end consumer. For primary producers, it provides an opportunity to supplement their income and market their produce through alternative channels, often attracting a premium price, or capturing margin that would otherwise be captured elsewhere in the food value chain, whilst gathering valuable direct feedback from end consumers about their produce and emerging consumer preferences.

1. Generate a supplementary revenue stream or product for farmers.
2. Reconnect people with farming and the land – reignite the connection between city and country.
3. Contribute to local economies.
4. Provide the opportunity for additional employment opportunities in rural and regional communities.

More broadly, agritourism also allows regional economies to showcase what's good about the region, its unique growing conditions and natural resources (pristine air, water and soils) and provides a visitor drawcard from which other regional tourism businesses and experiences can benefit.

Over the last five years the number of agritourists visiting farms or wineries in Australia has grown significantly. Tourism Research Australia found that:

- the number of domestic tourists who visited a farm on their trip increased by 9% per annum on average, while the comparable number of international tourists increased by 11% per annum; and
- the number of domestic tourists visiting wineries grew by 13% per annum on average, while the number of comparable international visitors increased by 8% per annum (International Visitor Survey and National Visitor Survey 2010-11 and 2015-16).

Combining domestic and international visitors, this represents an additional 1.8 million tourists visiting farms each year, and an additional 3.7 million tourists visiting wineries.


While the number of international visitors to Australia has had significant uplift over this period, farm and winery visit growth rates are slightly above this trend, and are significantly above trend for growth in total domestic overnight and daytrip visitation.

For some regional economies, the expenditure by agritourists can be a major driver of economic activity. In some regions, the economic value of agritourism is likely to be bigger than the value of the primary produce. If visitation growth continues to increase like it has over the past five years, agritourism could become an important sector.

## What is agritourism worth to the Australian economy?

As agritourism spans a variety of sectors (agriculture, wholesale trade, retail trade, accommodation and food services and recreation) it is difficult to get a precise number of its contribution to the Australian economy. Further, agritourist data has traditionally been limited to capturing farm or winery visits. However, from 2016 Tourism Research Australia is collating data on a broader set of agritourism activities including breweries and markets.

Looking at total trip expenditure for visitors that went to farms and wineries (for the whole of 2015-16) and breweries/distilleries, farm-gates or food markets (from January to June 2016) we begin to get an idea of the sector's contribution to the economy - both directly (expenditure on these activities) and indirectly (expenditure on other trip activities such as accommodation and transport).



In 2015-16, visitors who participated in agritourism activities spent \$9.4 billion on their total trip. This includes expenditure of domestic daytrip visitors (\$600 million), domestic overnight visitors (\$4.1 billion) and international visitors (\$4.7 billion). It is important to note that these estimates reflect expenditure on the total trip, not just expenditure on food and wine activities.

## What's the problem?

Regional and rural communities across Australia face many complex challenges, including downturn in traditional industries such as agriculture and mining, drought, floods and environmental disasters, and flow on issues such as declining populations, isolation and social hardship.

To address these issues and become more resilient and sustainable, these communities require economic diversification. Agritourism is one potential for this diversification.

However, the potential of agritourism is currently limited because with the exception of a few regions in Australia such as Margaret River, the Byron, Gold Coast and Sunshine Coast Hinterland, it is largely isolated and dispersed, and lacks clusters critical to generate an economy of scale. Even for a talented farmer and small businessman, there are significant barriers to starting an agritourism business, and although some of these barriers have been solved in some regions this intelligence is not shared. There are no capacity building programs or tools to assist farmers to develop successful and sustainable agritourism businesses.

## Project aim and objectives

The aim of this project is to:

Reinvigorate regional and rural communities through the sustainable and holistic development of agritourism product and experiences that encourage greater visitor dispersal.

The objectives of the project are to:

1. Develop a national strategy for agritourism in Australia that:
  - Summarises the directions needed to sustainably grow the sector.
  - Define the barriers constraining farmers and regions from developing agritourism
  - Identify and share practical solutions where barriers have been overcome.
  - Defines the product gaps in the market
2. Design and build capacity building tools to inspire farmers, help them determine their involvement in agritourism and assist them to develop competitive and sustainable agritourism product by:
  - Developing case studies demonstrating the diversity and innovation of agritourism.
  - Developing guidelines.
  - Developing monitoring tools
  - Providing a central point of contact for ongoing advice.
3. Raise the profile of agritourism among target markets through communications and marketing

## Target markets for the Project

It's not possible to reach every farmer and every region that is interested in agritourism. A more realistic target market would be regions with emerging agritourism development, roughly positioned half way between regions with minimal agritourism developed and regions that have maturing agritourism product.

Within this context, the core target markets for this project are proposed to be:

- Australian farmers/primary producers interested in agritourism or diversification, but unsure how to proceed.
- Australia's local governments that are interested in developing agritourism.
- Australia's regional tourism organisations that are interested in developing agritourism and have a competitive opportunity.

## Proposed Three Phased Approach

It is proposed to implement a three-phased approach, with each phase building on the previous one.

- Phase 1 – Situation analysis and National Strategy
- Phase 2 – Product development tools
- Phase 3 – Product development and Marketing

Funding could be structured for individual phases or combined phases.

### Phase 1 – Situational analysis and National Strategy

Research and consultation would be used to undertake **Australia's first** nationally based analysis of agritourism, and generate Australia's first National Strategy on agritourism. The following tasks are proposed:


- a) Consultation with key stakeholders
- b) Development of a project specific stakeholder database and target regions.
- c) Design and implementation of a high level online survey
- d) Research and benchmark case studies
- e) Prepare draft strategy
- f) Release draft strategy to reference group and key stakeholder groups.
- g) Host a forum/s to gather feedback on the draft strategy from key stakeholders and target markets.
- h) Finalise the strategy for publication.
- i) Ministerial launch of Australia's Agritourism Strategy

The outputs of Phase One would be:

1. Situation Analysis Report
2. National Strategy on Agritourism
3. Supporting National Policy

### Phase 2 – Product development tools

Phase Two uses the findings from the Situation Analysis to develop a suite of online tools to assist farmers to develop agritourism product, experiences and businesses. This would be achieved through the



development of self-help capacity building resources, designed for farmers in language and imagery that generally reflects the industry.

The outputs of Phase Two would be:

- Digital content presenting the types and categories of agritourism opportunities
- Video case studies of existing successful agritourism operators in regional and rural Australia, with a focus on ‘how to develop’ and how to overcome barriers
- Guideline process on how regions and rural communities/councils can develop a holistic, sustainable model with agriculture and tourism integrated
- Guideline process on how farmers can determine whether agritourism could suit them, determine what type of agritourism suits them, and then develop product accordingly
- Monitoring tools with benchmarks to assist farmers collect data that help them strengthen their agritourism business

### Phase 3 – Product development and marketing

With the capacity building resources placed online, we anticipate that some stakeholders will still benefit from a contact point to discuss their needs, ideas and approach, so that these can be refined. Phase Three therefore focusses on communications that reach out to stakeholders and communications that respond to stakeholder needs.

The two main outputs of Phase Three would be:

1. A central point of contact for farmers and agritourism queries, including:
  - a telephone help line, backed up with an out of hours online live chat platform, for farmers to make an enquiry and discuss issues and guidance;
  - a sharing and learning body that allows farmers and agritourism operators to share information and knowledge [<https://ask.extension.org/>]; and
  - a database of relevant agritourism resources and expertise.
2. A communications and distribution plan that:
  - ensures industry, farmers and tourism stakeholders are aware of the resources and equipped to share and leverage;
  - builds greater recognition of agritourism as a hero tourism experience for Australia – how can we link agritourism in with the Restaurant Aust campaign [consumer marketing];
  - presents agritourism at industry events such as NFF, ART, ALGA conventions, farm expos, etc; and
  - identifies opportunities to take the resources and tools into regional and rural Australia [farmer to farmer].



## Phase 3 – Proposed Project Timeline

It is proposed to achieve project activation in December 2017, run the development Phases 1 and 2 over an 11 month period over 2017 /18 and then the Phase Three implementation over two years 2018 – 2020.

TASKS TO REACH PROJECT ACTIVATION	July	August	September	October	November
Finalise scope between project partners					
Project partners to present scope to relevant funding bodies					
Funding bodies consider proposal and determine result					
Ministerial announcement of project and funding at ART Convention				24 – 26	
Formulate a project reference group					
Prepare phase 1 consultant briefs and recruit					

PHASE 1 [December 2017 – May 2018]	Dec	Jan	Feb	March	April	May
a) Consultation with key stakeholders						
b) Development of a project specific stakeholder database and target regions.						
c) Design and implementation of a high level online survey						
d) Research and benchmark case studies						
e) Prepare draft strategy						
f) Release draft strategy to reference group and key stakeholder groups.						
g) Host a forum/s to gather feedback on the draft strategy from key stakeholders and target markets.						
h) Finalise the strategy for publication						
i) Ministerial launch of Australia's Agritourism Strategy						

PHASE 2 [June 2018 – September 2018]	June	July	Aug	Sept	Oct
a) Guideline process for regions and rural communities/councils [Toolkit] developed					
b) Guideline process for farmers [Toolkit] developed					
c) Monitoring tools developed					
d) Video Case Studies produced					
e) Digital content created using the above and loaded to the website/platform					
f) Ministerial launch of capacity building tools and content					Convention

PHASE 3 (Oct 2017 - 2020)	Oct	Nov	Dec	2019	2020
a) Communications Plan drafted, reviewed and finalised.					
b) Communications Plan implementation					
c) Central point of contact for farmers and agritourism queries activated					
d) Ministerial launch of new agritourism products resulting from project, at the annual ART Convention.				Oct	Oct

## Strategic Project Partners

This project will be delivered via several strategic partnerships, drawing on their expertise and networks to maximise the success of the Project. The following strategic partners will form a project working group and provide input and advice to ART on the project scoping, delivery and reporting.

### Australian Regional Tourism [ART]

Australian Regional Tourism will be the Project Manager, managing a Project Working Group (essentially the project partners), managing a Reference Group, overseeing the scoping, delivery and reporting of the project, project budget management, reporting and administration support.

### Austrade

Drawing on their existing agri and tourism team members, Austrade will provide export and trade intelligence to support the project and ensure that it does not duplicate existing work. The project will leverage existing efforts by Austrade and will ensure the Project utilises existing Government policy relating to trade, tourism and investment. Austrade will be the connection to international trade and investment and ensure that tourism and agriculture are closely aligned to drive international export and visitation growth.

### National Farmers Federation [NFF]

NFF have strong connections in the farming sector and will provide insights and market intelligence into farmers and the farming sector, to ensure that the Project remains relevant and appropriate for this target market. Furthermore, discussions will be had around NFF hosting the digital platform [Australian Farmers] that houses the tools and resources, and provide the ongoing implementation capability for Phase Three of the project.

### Australian Local Government Association [ALGA]

ALGA will provide the first connection into the local government network, via their State Local Government Associations. They will provide advice and insights into the Identification of local government constraints and potential solutions to these constraints.





## Regional Australia Institute

Drawing on their significant research capability for regions, RAI will concentrate their involvement in the project in phase one, through the detailed design of the project approach for this phase. Integration of existing regional data relating to agritourism and the implementation of the research and analysis components in phase one will be a priority for RAI.

## Reference Group

It is also proposed to establish a Project Reference Group, sourcing individuals with recent relevant experience and knowledge in researching, developing and marketing agritourism. This Reference Group would be coordinated by ART.



## Attachment A – ART

### Why is Australian Regional Tourism interested?

Australian Regional Tourism (ART) wants to support and encourage further development and marketing of agritourism product and experiences throughout regional and rural Australia.

We want to understand the barriers and challenges to the development and marketing of agritourism product and experiences throughout regional and rural Australia.

Then we want to create solutions to overcome these barriers, so that agritourism becomes a major opportunity for parts of regional Australian economies and communities.

**This initiative is one of the top five priorities within the ART Strategic Plan (see Attachment A).**

### ART policy of agritourism

ART already has the following Policy Statement on Agritourism.

ART supports the further development of agritourism, which:

- Provides another dimension to authenticity in regional and rural destinations, via regional product development;
- Strengthens a regional economy via diversification and increased employment opportunities;
- Connects farming communities with their city neighbours;
- Educates consumers;
- Encourages greater regional and rural visitor dispersal and yield;
- Assists in holding youth in regional and rural communities;
- Creates a social fabric that supports regional and rural families and communities.

ART will commit to agritourism by:

- Developing strategic national partnerships with relevant organisations such as National Farmers Federation (NFF) and Australian Local Government Association (ALGA);
- Creating continual networking opportunities between the agriculture and tourism sectors;
- Document the types and categories of agritourism opportunities available to farmers and regional communities;
- Empower farmers to make informed decisions on the opportunity to diversify into tourism;
- Identifying the barriers to this opportunity and provide solutions to overcoming them.

### ART mission

**Develop regional Australia through building competitive tourism**

### ART core business

- Inspire and enable the development of product and experiences
- Create and transfer market intelligence and capacity
- Create and promote empowering policy and programs

## Our activities

Activities directed through our manifesto	The core business that our activities deliver on		
	Inspire and enable the development of product and experiences	Create and transfer market intelligence and capacity	Create and promote empowering policy and programs
Undertake research on local government involvement and spend on tourism			
Link destination management planning with local government planning through a partnership with ALGA			
Develop and promote a National Strategy on agri-tourism and a program to grow agritourism in regional Australia			
Develop and run an annual Young Professional Regional Tourism Program			
Day to day activities	Inspire and enable the development of product and experiences	Create and transfer market intelligence and capacity	Create and promote empowering policy and programs
Deliver a National Convention addressing the priority issues and opportunities that face regional tourism			
Raise the profile of regional tourism and its issues and opportunities at relevant industry forums			
Provide communications to members on matters relating to regional tourism (website, newsletter, social media, surveys, forums and webinars)			
Run advisory groups for State Tourism and Regional Tourism organisations			
Process enquiries regarding regional tourism			
Provide input into the development of policy, plans and programs that impact on regional tourism			

-END-