

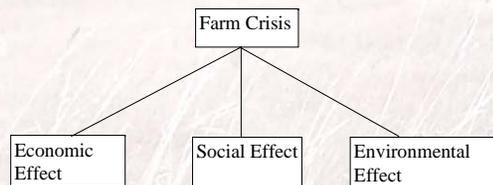
Diversification into Farm Tourism

Oredegbe A. Abayomi, Rural Development Institute,
Brandon University, Brandon, Manitoba.

Overview:

The agricultural sector is undergoing series of continuous change due to changes in “global and local economy”, and technological innovation (e.g. “mechanization” and “chemicalization” of farms). This reality causes decline in commodity prices and represent the source of farm crisis (Keeney and Kemp, 2002, p. 4)
If farming is to be sustained, farmers must respond by diversifying the use of farm assets. But according to Mathews (2004, p. 6) factors like insufficient capital, lack of knowledge, age of farmer, and risk tolerance level are major barriers to farm diversification. Other factors identified by Centre for Rural Research (2003, p. 10) include farm size and type, indebtedness, household type, culture and education.

Effect of Farm Crisis:



Coping Strategies:

In the face of agricultural restructuring, for farmers to be less dependent on revenues from agricultural commodities that is not guaranteed, they would have to explore “alternative farm enterprise” (Mathews, 2004, p. 5; Pascotto, 2006, p. 3)

Diversification:

- i. crop mix
- ii. pluriactivity (on-farm and off-farm)

Increase Production:

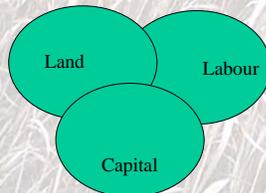
- i. Extensification
- ii. Intensification

Why Farm Tourism?

Farm operators are subject to national economic and social policies that necessitate adjustments. Because of concern for risk and continuous depress of commodity price, farmers are increasingly adopting diversification. One particular area being diversified into is farm tourism, which serves as a viable alternative for survival and opportunity to stabilize farm income and/or increase it.

Inquiry: This poster present information on what is needed to successfully diversify into farm tourism

Farm Resource Diversification:



What does a successful diversification program entails

- ❖ an understanding of the market and customer psychographics.
- ❖ design appropriate marketing strategies.
- ❖ appropriate use of farm resources (e.g. land, labor, and capital)
- ❖ farm resource upgrade and preservation.
- ❖ accessibility.
- ❖ Encourage tourist to participate and truly experience farm life.

Benefits of Farm Tourism:

According to Maetzold (1999) and Gannon (1994) farm tourism benefits are:

- It preserves and sustains family farms and rural communities.
- It provides additional or supplemental income to farmers.
- It also serves as a way to “add value” to farm products.
- It provides tourists the opportunity to enjoy direct contact with agriculture and rural landscape.
- It contribute to the preservation and conservation of natural/historical capital.

Key points to consider when planning to diversify:

According to Missouri Alternative Centre (1996), the following are important:-

- ✓ Set goals and objectives
- ✓ Take Inventory of resources (e.g. internal and external resources)
- ✓ Do a feasibility study and market research
- ✓ Prepare a business plan
- ✓ Prepare a marketing strategy
- ✓ Legal considerations e.g. building permits and legal encumbrance and liabilities

How the Government can help:

- According to Reardon (2001, pp. 405-406), it is essential for government to
- ❖ Provide incentives that stimulates farm households to diversify into farm tourism.
 - ❖ Increasing the capacity of farm households to respond to such incentives.
 - ❖ Invest in rural infrastructures (e.g. roads, telecommunications etc)
 - ❖ Review land use policies, planning and development policies, tax policies.

