



A Nuffield Farming Scholarships Trust

Report

Award sponsored by

**The Royal Highland Agricultural
Society of Scotland**



Selling the Farm Experience

Caroline Millar

January 2014

NUFFIELD UK

A Nuffield (UK) Farming Scholarships Trust Report



Date of report : January 2014

*"Leading positive change in agriculture.
Inspiring passion and potential in people".*

Title	Selling the Farm Experience
Scholar	Caroline Millar
Sponsor	The Royal Highland Agricultural Society of Scotland
Objectives of Study Tour	<ul style="list-style-type: none">• To look at diversified farm businesses in tourism and leisure• To see the impact such diversifications had on the farming family and the local economy.
Countries Visited	Tuscany, Italy Tasmania Victoria, Australia South Island, New Zealand
Findings	<ul style="list-style-type: none">• There is market demand for agritourism from the public, which is willing to pay for a chance to experience interaction with a real live farmer.• The public is willing to pay for a chance to learn about how food is produced, the natural environment, and life as a farmer.• Unlike Italy, in the UK this tourism product has not been developed in a significant way.• The successful key person in a tourism diversification was often not the farmer but a member of his family.• This person had particular attributes, most especially being a "people person".• Development of an agritourism business can provide an opportunity for another family member to join the family business and can help solve succession issues• If you don't like people, stick to sheep.



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1. Introduction – about me

I grew up on our family farm in Perthshire where, as well as being involved outside helping on the farm, I played an active role in helping with the farmhouse bed and breakfast business. My first venture into agritourism and business came at the age of 7 and involved giving farm tours to guests for £1 per tour, not a bad rate for 1981. Growing up with a farming family who enjoyed welcoming tourists from all over the world onto their farm - to experience farm life and to share knowledge about how crops are grown and livestock is reared - is an experience which has stayed with me.

Moving forward 24 years, my husband and I set up a tourism farm diversification on our family farm just north of the City of Dundee. This is now an established business running alongside the existing farming operation. Our tourism business has used less than 0.6 acres of land but is generating comparable turnover levels to the farming enterprise (excluding subsidy) and has had no impact on the output of that farming enterprise. Our small business plays a big part in the local economy with

thousands of pounds being spent by guests on local farm produce, transport, activities, and restaurants; and it is this interest in what diversified farm businesses can achieve for rural development which lay behind my wish to undertake a Nuffield Farming Scholarship.

We welcome hundreds of non-farmers onto our farm and all will leave with at least some new knowledge about where their food comes from, how it is grown, and how farmers care for the natural environment - even if this knowledge is learned by sitting in the hot tub watching the combine go by!

Outwith our tourism diversification, I run a rural consultancy business offering event management and business development services. I am proud to be an Angus Champion for our local county as well as a Scottish Enterprise Rural Leader. I sit on the regional advisory board for Scottish Enterprise and aim to play an active part in the development of rural Scotland.

I am married to Ross and have two children, Finlay who is eight and Sophie who is six.



Me, Caroline, in Tasmania on a farm visit



2. Defining “The Farm Experience”

Why is an on-farm experience an attractive offering for a consumer seeking a tourism or leisure experience?

As farmers, we view our farms as many things, including: our home, business, a place to enjoy the natural environment and life, a place at the heart of the rural community.

What does a farm, estate or croft offer a consumer? A recent survey with two hundred of our own guests revealed:

- Space
- Fresh air
- Starry skies
- The chance to escape the crowds, traffic, noise, to be alone
- Beautiful views, the natural environment, wildlife
- Chance to use wellies, experience mud
- Place to exercise, get fit
- Somewhere to help you feel better mentally
- The chance to meet a farmer for the first time
- The chance to see crops growing, see a farm animal up close, seeing a combine
- A place to hear about rural life and farming directly from a friendly host
- An authentic experience – not a standardised corporate experience
- New knowledge about where food comes, where crops go. e.g. wheat for gin

For tourism and leisure, viewing not only your farm but the on-farm experience from a consumer’s perspective is vital

- Access to the best produce. e.g. locally farmed/produced eggs, steaks, jam
- Local know-how about the best places to eat, walks, things to make a holiday special
- A farm tour, interested in geography, seasons, history, economics of farm

Understanding the needs of your market, whatever market you are in, is essential to succeed in business. For tourism and leisure, viewing not only your

farm but the on-farm experience from a consumer’s perspective is vital. Tourists view things we take for granted - such as fresh air, stars, hills, views, access to the best produce - as an experience they will pay for as they may not have access to this in their own world.

However, providing only fresh air for guests and not much else is not enough these days!

Many tourists are sophisticated, well-travelled, savvy about deals and the best experiences. Nearly everyone, I would argue, uses Trip Advisor to suss out a holiday, short break, day out or meal out, before they book. We live in a world dominated by social media and where the customer always being right means bad news travels faster than good news. The findings from my travels will discuss later in this report why not all farms and indeed not all farmers are cut out for tourism and leisure – those who are grateful that “sheep don’t use Trip Advisor.”



3. Setting the scene – the Agritourism Sector in the UK

My interest in diversification comes from being part of a farm that has diversified into the tourism and leisure market. Yet this type of diversification is often viewed within agriculture as “something nice the wife does.”

Our family farm of around 650 acres encompasses two units, a hill and a cereals unit, producing beef, lamb, malting barley, wheat and oil seed rape. We have a small tourism diversification taking up 0.6 acres which generates the same turnover as the farm does (before subsidy). We collaborate and cross-sell with a range of businesses in our local community and this accounts for around £5,000 per annum. This figure does not include additional products and services that guests buy during their stay. We are producing the same farm outputs as we did prior to the diversification.

I wanted to use my Nuffield Farming research to explore:

1. What is farm diversification?
2. What makes a successful diversification?
3. Cultural views on farm diversification
4. What are the impacts on the rural economy?
5. What is diversification into tourism and leisure?
6. Is this type of diversification for everyone?
7. Is the Scottish view on farm diversification holding back farming families?
8. Is the Scottish view on farm diversification holding back the rural economy?
9. What happens when diversified farm businesses work well with other rural businesses? What effect on them? What effect on the local community?

The diversification debate is important as significant public money has been invested in the UK, through the rural development programme, to assist farmers to diversify. Has this public money been used effectively?

3.1 The Tourism Sector in Scotland

Scotland’s tourism industry was worth around £11bn in 2011 (see http://www.visit-scotland.org/what_we_do/deliveringforscotland.aspx). The industry supports 200,000 jobs across 20,000 tourism-related businesses.

The “Tourism Scotland 2020” strategy aims to *“Make Scotland a destination of first choice for a high quality, value-for-money, and memorable customer experience, delivered by skilled and passionate people.”*

One of the main issues identified in the national tourism strategy as a fundamental problem which affects the industry is **quality**, with often markedly different experiences in quality between one tourism business and the next. The overall visitor experience is affected by poor delivery by some businesses: both from direct tourism-providers and also from those who are part of the overall tourism economy in the wider supply chain (for example shops, taxis).

There are no minimum standards set in tourism. Anyone can open a tourism business and run it and it doesn’t matter what type of facilities you are providing or what type of service you provide. I could open up my spare room tonight and call it a B&B, serving you a poor breakfast using no local ingredients, before sending you on your way tomorrow morning. The problem the industry has is that a poor experience affects the whole day out



or whole short break or whole holiday, and one weak link in the chain can mean tourists just don't come back to Scotland again. You aren't allowed to produce beef and lamb on a farm without being quality assessed and having minimum standards adhered to; so why should our vital tourism industry be different?

Despite quality being placed as one of the key issues in the National Tourism Strategy it is not viewed as priority for either the industry or the government to implement minimum standards in tourism nationally. "Let the free market rule."

I have been told that a push towards compulsory quality assurance is "not a vote winner."

What I have learned from countries like Italy is that compulsory tourism quality assurance has driven up the quality of the product - and Italy's tourism economy is larger than the UK's in terms of output. Tourism in Italy is a professional industry. In my opinion in Scotland and the UK we cannot claim this across the board.

Challenges going forward

Scotland is a mature tourism market. New competitor destinations worldwide are coming on stream all the time, and the trend for costs to increase means that, carrying on where tourism is just now, Scotland would see little or no growth in the coming decade. In many rural areas of Scotland, tourism is the mainstay of the local economy; it is the biggest employer and vital for keeping people in these remote areas.

3.2 Agritourism in Scotland

Many farmers, estate owners and crofters in Scotland are operating diversified businesses, adding value to the core agricultural production with on-farm tourism and leisure.

These include, amongst others: all types of accommodation, farm shops and cafes, activities and sports, children's farm parks. Like farming, a large number of small businesses, some of them micro businesses, make up this sector, spread across the whole of rural Scotland. Unlike farming, there are no records of how many businesses these are, what size the sector is and what is its economic impact. Again, like farming, some farm tourism businesses are run as lifestyle choices and others are run as businesses with a firm aim to increase profits and increase return on capital.

Farm-based tourism and leisure in Scotland does exist: it just blends into general rural tourism. Its economic impact is not measured and because a large number of micro and small businesses are scattered throughout Scotland it is a challenge for this sector to come together and to have a voice.

The Scottish Tourism Strategy has identified that visitors wish to have a more "rounded, added-value experience." The strategy identifies growth coming from various "assets" or key sectors:

Asset	Estimated Value	Identified Growth Potential
Activities and adventure	£759m	Extra £89m by 2015
Business tourism	£817m	Being prepared
Cruise	£32m	1.1million visitors by 2029
Golf	£220m	10% to 53% over 10 years
Mountain biking	£119m	Extra £36m by 2015
Sailing	£101m	Extra £44m by 2020



Agritourism as an entity is not identified as an asset although since undertaking my Nuffield Farming study there has been significant progress to measure the current sector and, more importantly, understand growth opportunities and how to achieve these.

The quality variation found in general tourism also exists in farm-based tourism. The quality is not just reflected in the facilities but in the whole customer experience from the provision of well branded websites and online booking systems through to the welcome and quality of food and drink on offer, and customer aftercare.

In recent years many farmers, estate owners and crofters have applied and been awarded a Scottish Regional Development Programme grant to assist with diversifying into tourism and leisure. No figures are available on how much specifically has been awarded for this type of business diversification and no figures are available on what the economic impact has been to date from this multi million pound investment.

Key issues here are

1. There is no requirement to have any natural attributes relevant to running a tourism or leisure business to obtain the grant
2. There is no requirement to have any business skills relevant to running a tourism or leisure business to obtain the grant
3. Easily obtainable information is not available in the public domain regarding demand and supply for the type of tourism or leisure development being proposed

The focus has been on delivering a quality facility. Some farmers have found themselves building four star accommodation and then achieving 30% occupancy. They either

haven't clearly identified their target market or don't have the skills in sales or marketing to fill their properties.

Others have commented that they didn't realise tourism was so much work and they didn't realise they had to be on call 24/7.

3.2.i Quality Assurance in Scottish Agritourism

A core section of the on-farm tourism and leisure sector is accommodation, with 'self-catering' making up a key part of this. Within the quality assurance grading for this type of accommodation, no requirement is made for any welcome from, or interaction with, the host. A business can achieve 5stars for farm accommodation but the visitor never meets anyone connected with the farm or the tourism business.

3.2.ii Go Rural

A group of rural leaders, undertaking the Scottish Enterprise Rural Leadership programme in 2011/12, came together to try to develop agri-leisure and agritourism in Scotland by running a pilot project for businesses within an hour's journey of Edinburgh.

This project demonstrated that:

- there is a number of quality, innovative farm and estate-based businesses with leisure and tourism diversifications
- there is consumer demand for all things to do with farming
- but there is no collective focal point for this sector, either in a business-to-business or business-to-consumer role.





	Scotland	England	Wales	N. Ireland	UK
Agriculture as % of Gross Value Added (GVA) at basic prices 2012	0.8%	0.6%	0.6%	1.4%	0.7%
No. in agriculture ('000) 2012	41	307	28	30	481
Total employed ('000) 2012	2,480	25,042	1,363	806	29,692
Percentage employed in agriculture	1.7%	1.1%	2.1%	3.7%	1.5%
Overall population numbers (million)	5.25	53.0	3.0	2.0	63.0

Source: Labour Force Survey, Third quarter, (July-September) 2012.

3.3 Agriculture in Scotland

3.3.i Agriculture in the Economy

In Scotland just over 98% of the employed workforce is employed in industry outwith agriculture: not much different to the overall position in the UK. In terms of the direct impact of agriculture as a sector, it accounts for less than 1% of the country's GVA. These facts are important in relation to the ability of consumers to have direct contact with farmers and to understand where food is produced, how it is produced, and to understand the contribution farmers make to the environment in the countryside. The majority of the population is in work which is not connected to agriculture, and the relatively small %age contribution of agriculture to the economy can be perceived by those with limited knowledge as not being a vital part of our country's output.

3.2.ii Food and Drink

Manufacturing in Scotland

The most recent figures

produced from Scotland Food and Drink show that the food and drink exports in Scotland during 2012 were £5.31bn, made up of £1.04bn in food and the balance - mainly supported by Scotch whisky - at £4.27bn. (See chart at foot of column)

The relevance of this sector to agriculture is the raw materials produced by Scottish agriculture (and aquaculture) which are required to allow Scotland to generate significant employment, output and exports from the food and drink manufacturing sector. Without Scottish agriculture this would not be possible. So the importance of the 1% contribution of Scottish agriculture to the economy is not the real picture.

	2008	2009	2010	As a % of Scottish manufacturing 2010
Employment ('000)	44.1	44.5	44.3	25%
Production (£ Billion)				
Total turnover	8.6	9.1	9.2	27%
Gross Value Added (at basic prices)	3.7	3.9	3.6	29%
Overseas exports (£ billion)				
Food products	0.5	0.5	0.6	4%
Beverages	2.8	3.1	3.4	25%



3.3.iii What is the relevance to tourism?

Food and drink are an integral part of the tourism and leisure experience in any country. Enjoying the typical dishes and typical drinks of that country or local area within a country is often the best part of a holiday. Whisky and Scotch beef are iconic Scottish products which are known around the world and which, along with a range of other food products associated with Scotland, have the potential to drive tourism to Scotland. The relevance for farming is that when the tourists get here, the farmer is the very start of the food and drink story.

Visit Scotland and Scotland Food and Drink have recently launched a new quality assurance scheme called “Taste our Best” to check the quality and provenance of Scottish food and drink on offer in tourism and leisure businesses. (see www.visitscotland.org.)

As well as being the provider of the raw materials for the food and drink sector, Scotland’s agricultural land, **which makes up 75% of all land in Scotland**, is the backdrop against which the Scottish Tourism industry is set. Scotland’s landscape would look entirely different without its farms and estates being managed in the way that they are. The natural environment is used as the key to welcome millions of tourists to Scotland each year.

The chart below refers to Scottish agricultural holdings

3.3.iv Importance of the LFA

The critical difference between Scotland and England is that, *as the table below shows*, almost 85% of Scotland’s agriculture holdings are classified as Less Favoured Areas. Much of Scotland’s agricultural land lies within fragile rural communities where farmers and tourism and leisure businesses are the mainstay of the local economy. *See chart below.*

3.3.v Farm Business Income

Farm Business Income represents the return on all unpaid labour and on the capital invested in the farm business. In Scotland in 2010/11 the average farm business income was £45,000, an increase from an average of £34,000 the previous year, due to in the main to an increase in output. This figure includes an average subsidy payment of £49,000, which means - on average - the income without subsidy is minus £4,000.

Around 7% of farms reported a negative farm business income, but this varies considerably by farm type with 23% of lowland cattle and sheep farms reporting a negative farm business income. The same statistics record average diversified income being around £8,000 per annum. However, many diversified businesses on the farm are run as a separate business from the farming enterprise for a variety of reasons and those would not be included in these quoted figures.

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Overseas exports (£ billion)				
Food products	0.5	0.5	0.6	4%
Beverages	2.8	3.1	3.4	25%



3.4 Summary – setting the scene

It is important to understand the unique features regarding Scotland's agriculture, tourism, and food and drink sector which relate to this study on agritourism and farm diversification.

Key points :

1. Our farmers play a critical role managing 75% of the land area of Scotland, on which our tourism industry relies for a £11bn income.
2. Our farmers play a critical role producing the raw materials for the food and drink sector which has a £9.2bn income.
3. Farms themselves generate very low returns on capital and labour employed with some farmers operating loss-making businesses after subsidy.
4. Obviously a variety of factors contribute to this position but poor business management skills clearly play a part in some struggling businesses.
5. Millions of pounds have been invested in rural Scotland via the Scottish Rural Development Programme in the last 5 years. Some of this investment has gone to help farmers diversify their farm businesses.
6. No information is available from SRDP on the size of investment made in farm diversification into tourism and leisure and no information is available on what impact this has made to these rural businesses and to the rural economy to date.

In Scotland in 2010/11 the average farm business income was £45,000, an increase from an average of £34,000 the previous year, due to in the main to an increase in output. This figure includes an average subsidy payment of £49,000, which means - on average - the income without subsidy is minus £4,000.



4. My Travels

4.1 July 2012 - Tuscany region of Italy

In July 2012 I spent just under three weeks in the Tuscany area of Italy. During that time I stayed almost entirely on “agriturismos” experiencing a range of different farm experiences that were on offer to the public. I met with representatives from tourist bodies, the council, and Colderitti, Italy’s largest farming union. I visited many farmers’ markets and farm shops and gained a real understanding of the scale and success of agritourism in Italy, the world leader in this area.

Key phrases from Tuscany

- Selling the farming culture
- Passionate communicative farmers
- Minimum quality standards
- Bold government policy makers
- Farmers markets and farm shops higher profile than supermarkets



Iconic picture of Tuscan Agritourism experience

continued on next page



4.2 November/December 2012 - Tasmania & Victoria, Australia, and South Island, New Zealand

In late November 2012 I left home and headed for Australia where I spent just over a week in Tasmania, just over a week in Victoria then just under three weeks in New Zealand. I visited a range of diversified farmers, not just in tourism but farmers who had diversified into a range of business services. I found the agritourism product in Australia and New Zealand more like the UK product - under-developed compared to Italy - but I was impressed by the way that Australian and New Zealand farmers approached the development of their businesses through diversification. *See picture below.*

4.3 February 2013 - England

I spent two weeks in England as part of my Nuffield Farming studies. I have learned a lot from other Nuffield Farming Scholars about how agriculture and the rural economy is different in a large part of England as

compared to Scotland, so I wanted to learn about what role diversification into tourism and leisure played in the English economy. I visited some really great businesses including farm shops, farm parks, and farm accommodation providers. I attended the Farma (Farm Diversification and Retail) UK Conference in Harrogate and visited ten farm shops in Yorkshire as part of a business tour in the region.

4.4 March 2013 - Canada CSC

In March I took part in the 2013 Nuffield Contemporary Scholars' Conference in Canada for a week along with 60 other international Scholars including 20 from the UK.

4.5 July 2014 - Belgium and France – Global Focus Tour

In July, being fortunate enough to join one of the Global Focus Tour groups for a week of their six week trip visiting the EU HQ, I held meetings in Brussels and then visited farms in Belgium and France.



Views from a farmhouse Bed and Breakfast north of Melbourne



5. Cultural views on farm diversification – what's a hard core farmer?

What is farm diversification?

Almost everyone I met had a different definition: the concept was interpreted differently by different farmers. My definition of a core farming business is one which produces agricultural commodities such as beef, lamb, potatoes, vegetables, cereals. I would argue that almost every farm has developed in some way further from this core, even in the most minor of ways, for example long term lets for redundant farm cottages, or using land to produce renewable energy. One farming family selling their produce directly to the public on a farm shop on the farm was adamant they did not have a diversified business; they were only adding value to their farm produce to get a better return.

The cultural differences in views on diversification interested me.

I found the UK farming community the most negative about doing something other than core farming activities. The negative views on diversification are :

1. You are no longer a real farmer if you do other things.
2. You will not be able to still produce the same output of crops, livestock on your farm.
3. You will take your eye off the ball.
4. You will end up inevitably not farming.
5. There are big implications for tax and VAT.

I found that in other cultures there is not such a great hang-up about using your farming asset to create wealth in areas other than just farming.

Which leads on to my next point: many

farmers in the UK are lifestyle farmers without having profit, or creating wealth, as their main objective. Are they lifestyle by choice or are they lifestyle because they don't have the skills to run their farm business effectively?

The fact is that most farming families in Scotland earn less than the minimum wage. Many farming businesses are loss-making, relying on subsidy to bring in a profit, and some are even loss making after a subsidy payment. Changes to CAP payments are going to further decrease income for some farming families.

As a nation we need a vibrant rural sector; we need farmers to produce food and the raw materials we require for our growing food and drink sector. We need people of all generations living in rural areas.

5.1 When to diversify – market opportunity versus up-against-it?

While this is not a scientific study by any means, in the businesses I visited there were different reasons behind their diversifications:

Positive reasons – pull factors

- New market opportunity created/market opportunity identified
- New member of the family/change in life circumstances e.g. daughter in law/son in law or daughter/son “comes home” with a new skill/talent/interest/knowledge about a market

Negative reasons – push factors (see over)

- Farm was making loss/not enough cash in farm business



- To “get a grant”

As well as meeting “success stories” I have met a lot of farmers for whom diversification into tourism and leisure has not been a success, or the level of success not what they had hoped for. A fair number of the people in the UK I met, who had gone into agritourism but for whom it hadn’t been going as well as expected, had applied for a grant such as that from the regional development programme, as they had the other 50% of the capital required and thought they would try something new. In some cases those who had received a significant capital grant were not in the correct location for the market identified, or there was not a market for what they were trying to do, or over-supply in the market. In other cases, there was the perfect location and a market available to them but they did not have the correct attributes, skills and passion to be in the tourism and leisure

market. They had thought it was going to be easier than it is. For some, it was apparent that their business management skills in running both the farm business and the diversification were lacking and so one business underperforming from poor management had gone on to be two businesses underperforming with poor management.

This is an important element in tourism and leisure diversification in relation to two key aspects:

1. What a poor offering does to the overall tourism offering in an area – the quality of the experience.
2. The use of grants going to the wrong business owners who are not giving the required rate of return back to the economy from this grant investment.

The fact is that most farming families in Scotland earn less than the minimum wage. Many farming businesses are loss-making, relying on subsidy to bring in a profit, and some are even loss making after a subsidy payment.



6. Italy – the most successful country in the world for Agritourism: vision, leadership, bold policy and strict quality assurance

6.1 Agritourism Background

Italian Agritourism leads the world in this market sector and was originally developed in the 1980s as a government policy to reverse rural depopulation. Some fragile rural areas were virtually ghost towns with young people in particular leaving rural areas for city life.

The policy, which today still includes tax breaks for agritourism (66,000 euros in 2012), developed into a key food export strategy for Italy, using a holiday food and drink experience in rural Italy to build brand loyalty for Italian products on supermarket shelves the world over.

Background key points:

1. Agritourism has been recognised in formal legislation since 1985.
2. Italy is the only country in the EU with specific laws regulating agritourism.
3. In Italy, agritourism is classified as an agricultural activity.
4. It is accompanied by regional laws and each region has a particular angle on how it develops and regulates agritourism.
5. Builds on the concept of farm hospitality back through the centuries in Italy when travellers and pilgrims asked for shelter and food along routes.
6. In last 30 years agritourism (not to be confused with rural tourism) has become a mass phenomenon, involving thousands of farms and millions of tourists.
7. 30% of visitors to Tuscany as a whole stayed in agriturismos.
8. The average length of stay in farm accommodation is around 4.5 days; 3.59 for Italians and 6.96 for foreigners.
9. For the home market, there is fierce brand loyalty for Italian home grown food and drink, high use of daily food markets;

an appreciation in towns and cities of the role of rural Italy to provide food and drink; limited evidence of a City v Rural culture

10. Rural businesses come to town to sell their food and drink, bringing high volumes of produce direct to consumer
11. Supermarkets have a much lower profile in towns than they do in Scotland, are lower in numbers, and do not have the same prime location or promotion in town centres

Year	Number of Farms registered as agriturismos	Number of beds	Turnover '000 euros
1998	8,905	68,754	
1999	8,758	100,000	400
2000	9,314	110,000	500
2001	10,662	111,000	620
2002	11,487	118,000	710
2003	12,603	129,000	780
2004	14,719	152,700	797
2005	15,327		
2006	16,765	167,087	880
2007	17,720		1000
2008	18,480	189,013	1100
2009	19,019	193,480	1000
2010	19,973		1025
2011			1230

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6.2 Size of Italian market

So, in direct on-farm tourism, accommodation alone in the registered agriturismos was worth over £1bn euros in 2011. This



Hams curing for 3 years in an Agritourism Farmhouse

does not include income from agritourism and leisure in farm shops, on-farm activities/sports, tours or any other either farm activities or tourism impact from these guests in the wider economy.



Wild boar is a popular dish to eat. This boar is stuffed and part of a farm shop display.

There were 806,809 registered farm businesses in Italy in 2009, so the 19,019 registered agritourism farms accounted for 2.4% of all farms. The highest concentrations

of agritourism farms are to be found in South Tirol (11% of farms), Tuscany (10% where I based my research), then Umbria (5.8%).

One of the starkest findings I had from Italy, which should be a warning to farmers in the UK, is that the sector is under some threat from non-farming businesses, keen to cash in on demand from consumers for a rural and farm experience. City folk are moving to the countryside, buying land and setting up as farmers to operate a tourism business, with a few animals and a few hectares of crops to sell the farm tourism experience – but without the knowledge, history and culture of the farming sector. Demand from consumers is rising for agritourism in the UK and if the farming sector is not quick to meet this demand, other non-farming tourism operators will come in and do the same as is happening in Italy, and agriculture and the farming sector will have had a missed opportunity. At least in Italy strict quality assurance is in place plus specific laws to protect the sector, but this is not the case in the UK where the sector is neither defined nor protected.

6.3 Quality Assurance

Quality is one of the biggest issues facing tourism in the UK. If tourists have one bad experience on their trip, albeit as part of an



overall visit to an area, then this poor experience - either in accommodation, from an activity provider, or in a restaurant – can spoil the entire holiday or day out.

Italy has a bold stance with regards to ensuring its hospitality industry is as professional as it can be.

Key points on quality assurance from my research :

1. All tourism and leisure businesses in Italy must be registered in order to operate; this is to maintain minimum standards of quality in products and services – compulsory quality assurance.
2. The Italians could not believe that in Scotland anyone can open a B&B, serve food, or operate a second home as self-catering without a warm welcome/good customer service or a link-up between that accommodation experience and local food and drink.
3. The focus in Scotland and the UK is much more on facilities: in Italy it is more on the customer experience, service, hospitality, together with the facilities.
4. 'Agriturismo' are defined and regulated in law. In Italy an agriturismo is high quality accommodation based on a farm
 - i. there is compulsory registration and another form of specific quality assurance and 'mystery shopping'
 - ii. the overall experience of the farmer explaining the source and provenance of his food, plus local food, is as much a part of the product as the accommodation
 - iii. the top quality assurance grading for agriturismo can only be given to the business owner if they have a professional qualification in agriculture, horticulture or food and drink
 - iv. a set high %age of both home produced and local food and drink (definition: within 5 miles) must be used when serving guests

5. Although agriturismo is defined as farm accommodation and an 'on-farm' experience, the whole rural tourism experience is based around food and drink and the 'selling' of the Italian culture and an authentic experience with rural Italians.
6. I found the level of professionalism overall in the tourism industry in Italy much higher than in the UK.
7. 30% of visitors to Tuscany as a whole stayed in agriturismos.

6.4 How does the sector represent, organise and market itself?

Lobbying by the sector, plus the ability of farmers to organise themselves and campaign for the development of agritourism, has been at the heart of the success of this phenomenon. It was lobbying by the sector which led to a law being passed regarding agritourism in 1985.

In 1965 Agritourist (www.agritourist.it) was started by farmers, mainly based in Tuscany, to lobby at local and national level. In 1973, Coldiretti, the largest farmers' union, started its own movement called Terranostra (www.terranostira.it). The national Ministry of Agriculture and Agritourist started the first training courses for farmers and government officers in 1978. A green tourism movement called Turismo Verde was set up in 1980 by another union. However, collaboration has been successful and the three initiatives have a central organisation called Anagritur.

When I was in Tuscany, the farmers' markets and many of the farm shops were run by Coldiretti. This union not only represented members who have agritourism businesses but marketed these businesses too.

Local authorities identified that agritourism was a key growth market to attract international tourists and, particularly in places such as Tuscany and South Tirol, the local authorities have been very successful setting up food trails and have also set up a range of events to tie in with harvest and



other key points in the farm calendar. **Critically, in Italy, agritourism is not seen as some sort of marginal sector as it is in the UK; it is mainstream and viewed as a key driver in bringing tourists to the country.**

The Italian farmers I met spoke of the support they had from local and national authorities, both financially from the tax breaks and also in securing regional development programme money for investing in this sector. This was in the form not only of capital on the farm, but also in feasibility studies, economic impact studies, benchmarking, business groups, and the setting up of local rural museums.

6.5 Measuring performance

One thing that struck me about Italy's agritourism industry is that because everyone has to be registered, and all guests recorded - including their nationalities, length of stay, the cost of their stay (for tax break purposes) - then there is an excellent record of the performance of this sector (e.g. number of operators, occupancy, spend). In Scotland we have virtually no information on the agritourism sector, where guests are coming from, economic impact etc., so it makes it very difficult to measure the current impact of the sector and assess the potential growth.

Reasons for staying on an agriturismo (% of tourists interviewed mentioning this reason) – see chart below

Reason	Italians	Foreigners
Relaxation	46.7	44.0
Natural beauty of the farm	44.8	49.9
Sports	30.7	15.0
Exclusive location	18.1	6.6
Pricing	16.6	17.6
Experiencing something new	15.0	13.3
Food and wine	8.3	14.1
On farm experiences	7.7	7.9
Cultural heritage nearby	6.3	15.2

Further research will have to be undertaken into why tourists come to Italy, although obviously the good weather and culture of food and wine would be a major draw.

However, looking at the main factors above, with the exception of wine, UK farms can offer all of this. In addition, in Scotland there is whisky, in areas such as Somerset there is cider.

In Tuscany I did find that the tourism experience was much, much more developed on farms offering accommodation that it was in the UK. For example, in the UK there is lot of on-farm accommodation but it does not necessarily go hand in hand with the same farm having farm retail, or a range of activities for guests, or even a warm welcome from the farmer (still a lot of self-catering where you find the key for yourself and you never see anyone).

On-farm experiences in Italy provided by the farmer included:

1. Talks and tours by the farmer including full explanation of what you were eating for breakfast or dinner and explanation of how it was grown, cooked
2. Food tastings, wine tastings – both from the farm and the local area
3. Promoted farm paths, including paths with access for wheelchairs and prams
4. Cookery classes
5. Over 2000 farms with a specific licence to operate as a “didactic farm” taking kids out of urban areas and allowing them to experience rural life and teach them about farming and where their food comes from
6. Historical experiences, cultural experiences using local experts brought onto the farm to talk to guests
7. Sports, including horse riding which was very common
8. Crafts

As well as on-farm activities, there was in Tuscany an excellent connection between farm accommodation provider and other local



attractions and experiences. For example, with many of the farmers supplying their meat and other produce to local restaurants in town, the farmers I met knew where their produce was going and were then recommending guests to go to eat at that particular restaurant. There were very short supply chains with much of the local farming produce going into the tourism industry, and very good examples of restaurants being able to not only tell you which farm had produced their produce but also they could tell you stories of the farmer, and give information on that farm. I was really impressed by the number of times that could happen. Could you imagine this happening as commonplace in the UK?

6.6 Wellbeing of farmers

Some interesting research I read was that a study had shown that the on-farm facilities provided by guests and used by farmers too (e.g. a gym) contributed to better physical and mental wellbeing of farmers. Also the interaction with guests could for many overcome the loneliness of being a farmer and, having a meal with guests every night could become an enjoyable social activity.

“Agritourism operators normally show a higher level of self and job-satisfaction, when compared with normal farmers, because they feel more appreciated and better understood by society at large. It is not only a matter of higher income (which is normally the rule), but a sum of different factors; the higher quality of their houses and surroundings, the appreciation of the clients, and the fact that many visitors express their positive judgment in the international websites.”¹

¹ Agritourism for Rural Development in Italy, British Journal of Economics, Management and Trade 3(3) 2013 page 195



7. Educating consumers and educating farmers

Less than 1% of the population in the UK is employed in agriculture.

So 99% don't have much direct interaction with farming life and food production. One of the outcomes of my Nuffield Farming study is to ask: why should they?

Some fantastic work is taking place in the UK by organisations such as LEAF and RHET to educate the public about farming, where their food comes from. It's a big nut to crack though.

Why is it important for the agriculture sector that the general public have a knowledge and respect for farming? Obviously, to drive demand and loyalty in your home country for home produce.

What can farm tourism and leisure businesses deliver?

The consumers I met during my travels enjoying an Agritourism experience all said that they had not come to learn about farming, or only to experience a farm, the natural environment and enjoy great food, but had in addition - by way of speaking to the farming family during their visit or stay - gone home having:

- learned about where their food comes from
- learned how food was produced
- understood some of the growing challenges that a farmer faces
- gained some insight - in their words - to "what a wonderful life in nature" a farmer can enjoy"
- understood market conditions
- learned why they should buy from farmers and buy locally
- learned about what foods are available in what season
- built trust with farmers

I believe that Agritourism presents the biggest opportunity for the agricultural sector in the UK to engage with consumers, more so than any other form of engagement. The most important comment in the list above is building trust with farmers. This can only really be achieved face to face. I had one comment from an English consumer that "Agritourism allows you to speak to farmers in a way you couldn't normally do. It is like having the chance to attend Open Farm Sunday any day of the year."



8. Case Studies from my study tour

8.1 Italy : Case Study 1 - Agriturismo Marciano

Agriturismo Marciano was one of the best agritourism experiences I encountered, both in Italy and in my travels as a whole. This was an “educational” experience about Italian culture, family, life, farming, food, history **without** in any way this *feeling* like an educational experience. You did not feel you were there to learn, only to have an amazing time, but you couldn’t help going away with new knowledge about Italian agriculture and Italy in general. For me it wasn’t just knowledge, it was a love affair with all things Italian, and I can’t wait to go back there. This subtle approach to consumer education, selling and brand development and brand engagement (with Italian produce) is something UK farmers could learn from.

Farmers in the UK could learn a lot from Italian farmers about product development in agritourism, marketing and sales. This description from Marciano’s marketing materials sums up that this is not simply about staying on a farm, it is not just about accommodation, you are buying into a unique experience that only a farmer can deliver.

*“Our farming culture is an expression of a simple and genuine lifestyle which constantly comes out in the attention to detail at the Agriturismo Marciano. Honesty, serenity, discretion, kindness, and helpfulness are the basic elements to start a relationship with our guests. The **friendly atmosphere** of our evenings spent around the table, a delighting experience for spirit and palate, a unique occasion to taste our home-made food mainly*

prepared with fresh products coming from our organic kitchen garden, perfect foil with our elegant, mineral, sapid wines.”

The actual process of learning about how food is grown and where food and drink comes from is subtle. The interaction with genuine rural folk, and the chance to experience farming culture, goes hand in hand with very, very high levels of skills, attributes and natural flair you would normally only expect at the highest end of the hospitality sector. Being able to enjoy a meal around a communal table with fellow human beings gathered from

this is not simply about staying on a farm, it is not just about accommodation, you are buying into a unique experience that only a farmer can deliver.

around the world, eating produce from a farmhouse garden or farm (or at least grown on other farms within twenty five miles) is the most amazing experience for a

tourist. Education is therefore taking place, but entirely pleasurably.

The sales proposition also included being part of the farming family for your stay and a chance to be a farmer.

Other key points from this business are :

1. Location was part of its success, being 2km from the city walls of Sienna and so being able to offer not only a city but also rural and farming experience.
2. Safe and beautiful path took you into town in 45 minutes if you were walking.
3. Much of what was being sold was the culture and history, both of farming, Italy, the local area and rural life. The hosts were extremely knowledgeable **and**



excellent communicators. This made the experience.

4. The City of Sienna promoted small agriturismos in a big way. Brown tourism signs promoting the smallest of businesses were on every roundabout. Signage in general to the most remote and difficult places was excellent. Brown signs did not cost the tourism business any money at all, unlike in Scotland where having a brown sign to promote your tourism business can cost £20,000. As well as the cost in Scotland you would have thought you had asked for a new road to be built - such is the attitude of some councils when you ask for a brown sign to be put up!
5. Size does not matter in Italy. The best micro businesses, some of the best agritourism businesses, were heavily promoted by tourism authorities as they realised the size of the sector overall. This is something else we can learn in the UK where sometimes only if you are big can you be viewed as contributing to the economy. Collectively these thousands of micro businesses contributed in a very significant way.
6. The farm conducted farm tours, had a farm shop which sold farm as well as local produce, promoted the wildlife, flora and fauna, offered (*contd top of next column*)

cooking lessons, and promoted heavily the psychological benefits from experiencing life on an agriturismo. Identifying health benefits to staying on a farm, both physical and mental, is something which was strongly promoted in Italy in general.

7. This farm was 3-star for an agriturismo, so they have passed the highest level of star grading in Tuscany for agritourism. This had been given for various factors, but having an official qualification in agriculture was certainly one of the reasons that the farmer managed to obtain this grading.
8. The experience, including the quality of the customer journey from initial call through to post-stay follow up, was assessed by independent mystery shoppers at different points in the year. Customer experiences, friendliness, knowledge and service were rated more highly than facilities, although the facilities in this business were excellent. At present in Scotland, self-catering - which is an accommodation type found on many farms - does not require you to have any level of customer service; the focus is very much on facilities and ticking a lot of boxes to meet standards. What type of bath you have is more important than what type of welcome you get.

8.2 Case Study 2 : Tasmania Tim and Jane Parsons, Currunga Farm Tours

Tim and Jane Parsons were two of the most outstanding farm tourism hosts I met during my whole Nuffield Farming experience. This business could be used in any of the sections of this report to demonstrate best practice.

The 750 acre farm, located one hour west of Hobart in Tasmania, produces a range of vegetables, poppies for the pharmaceutical industry, and 1000 breeding ewes. The farm

diversified into tourism years ago, building on Tim's previous skills and experience as a tour guide in ecology. Both Tim and Jane are natural communicators and Jane has a love of baking, cooking and all things relating to food which she also puts to best use in the business. Today the farm welcomes thousands of tourists each year to take a farm tour and learn not only about best practice farm techniques and where their food comes



from, but also the natural environment, conservation and local wildlife. The farm also offers on-farm accommodation, BBQs, local food, and water skiing on the river which runs through the property.

Almost 80% of the tourists come from Asia, mostly Hong Kong and China, and the Parsons proactively market, getting on a plane and going to promote their business in these countries up to four times a year.

In terms of educating consumers and educating farmers, a few things stand out for me with this business:

1. Education is not a one way street. Tim and Jane were as keen to be educated about other people's lives, their needs for food, and their understanding of farm life as the tourists were to learn about life on an Australian sheep and crop farm
2. They understood their market and the market needs very well, also the living conditions of those people coming to visit. For example Tim told everyone that Hong Kong could fit into the size of their farm, giving perspective
3. Tim had made the effort to learn several languages and speak to people in their own language which brought the experience to life
4. The education element was much wider than just about farming – it included an explanation of where the raw materials were produced, what they were used for, how much is exported to the countries where the tourists were from; the education was also about the natural environment and wildlife
5. As a farmer making money from tourism, Tim managed with ease to turn a rough piece of woodland on the edge of the farm into a wildlife

habitat, full of Australia's best known wildlife – the only problem was the tourists saw this in daytime and the wildlife is nocturnal. This was no problem as Tim, with his natural ability as a tour guide, could bring this to life by showing people the poo of the sleeping wild animals. Half an hour was spent photographing the poo of a wombat, kangaroo, possum and other creatures. The tourists loved it. *See picture on next page.*

6. Education was about Tasmania as a whole, as a country, and Australia. Tim and Jane had a vast knowledge of this and so were in effect selling their country and its exports through talking up local produce and what it is famous for.
7. Demonstrating to tourists about how pure and natural Tasmania is came in the form of a water sampling demonstration (*as pictured*) where Tim took a sample of water from the river and gave it to people to drink. This is not something you would get away with in the UK with all the red tape connected with environmental health, neither something you would want to undertake in Asia, so for the folks on the tour from China this was amazing
8. The best bit of the day was seeing people who live in cities with some of the highest population densities in the world, over the moon to see a real live sheep and a real live sheepdog. This tour to them was the equivalent of Disneyland or Universal Studios. We need to see our farming way of life from a consumer's perspective.

From an output perspective, the tourism business on the farm had not had any adverse effect on the core farming business. Tim and



Photographing the poo of nocturnal wild animals was a highlight of the tour.

Jane made me realise that if you take one sheep, then this sheep - say - produces two lambs once a year which you sell; you also shear it once a year and sell the wool. You sell the sheep itself at the end of its productive life. What their business demonstrated was you take this sheep which isn't doing much else most of the time other than eating grass in a field, and every day you ask that sheep to run in a flock, be rounded up by the dog, pose for photographs, and one ewe is selected to take part in a sheering demonstration. Now that's adding value to sheep production!

Tim and Jane's tour business was a success, entirely down to their natural attributes and their savvy business nature. They knew their business performance inside out, their markets inside out, they measured what each element of the business made, and used the tourism business to add value to each part of the core farming business.

My visit here was, as I said at the start, one of the highlights of my Nuffield Farming study tour. I hope to return. The tour was on a par with the level you would expect from

undertaking a ghost tour around Edinburgh. Nothing exists like this in Scotland at present, but a particular type of farmer is required to deliver it and make it a success.



Meeting a sheep for the first time is a big deal if you live in Hong Kong

8.3 Case Study 3 : England - Cotswold Farm Park

I was fortunate to spend time with Duncan Andrews at Cotswold Farm Park. Duncan and Adam Henson are business partners. Cotswold Farm Park, the diversified element of the farming business, is obviously well known through Adam Henson's high media profile. I was interested in how this business had started and the role that both the business and Adam Henson himself play in helping to engage consumers with farming and food production.

Like Tim and Jane Parsons in Tasmania with their interest and knowledge in ecology, Adam's father's passion for helping rare breeds of farm animals to survive saw the original farm park established in 1971, one of the first farm parks in the UK. Behind the high-profile media work by Adam Henson and the farm park is a successful 655-hectare



farming business. In terms of educating consumers and educating farmers, a few things stand out for me with this business:

1. People think that farm parks are for children, but the different element in this farm park is that most visitors are adults
2. Education and allowing visitors to understand where their food comes from, how livestock is reared, how important rare breeds are, and the natural environment are at the heart of the experience; this is not just a place for kids to play
3. The interaction of consumers with knowledgeable staff, seasonal displays involving farm animals, a “touch barn”, high quality facilities, strong branding, and a focus on a quality experience for leisure and tourist visitors, make this one of the best farm parks I have visited in the UK
4. Adam Henson is now a household name and I would argue that he has probably done more than anyone in the UK, not only to educate consumers about farming but also to show that farmers can be approachable, friendly and interested in communicating to the public.

8.4 Case Study 4 : Clive’s Fruit Farm and Little Blossom Nursery

Jane and Charlie’s family have run Clive’s Fruit Farm since 1917! The business is a great example of farmers who wish to connect directly with consumers (i.e. their customers in the marketplace) to generate sales plus be the hub for a range of diversified enterprises.

At the heart of the enterprise is allowing consumers to experience farming, food production and the natural environment directly, for themselves.

Together with the core farming business which produces strawberries, raspberries, cherries, redcurrants, plums, apples and pears

for the supermarkets, there is a pick-your-own fruit business which was one of the first PYO experiences in the UK, established in the 1960s. A thriving farm shop has a butchery counter, a juicing business, a “press your own fruit” service for consumers and the production and sale of “Wobble Juice”, a delicious cider which indeed, as I can testify, does what it says on the tin.

In another part of the farm is a children’s day nursery which accepts children from a few months old to school age. The nursery business sells the experience, basing it on both the farm and food environment, and the natural environment. Demand outweighs supply for nursery places as much of the learning takes place outdoors in a wood on the farm where education and play in the outdoors makes for an experience both parents and children rate highly.

The key aspects of this business for me were:

1. In terms of educating consumers, the on-farm nursery delivered information, knowledge and consumer engagement not only from the children who attended but also their parents and families
2. This business has been welcoming the public to come on to the farm since 1917. The farm plays a pivotal role within the local community
3. A lot of added value activities were taking place on site e.g. apple juice, cider
4. The farm shop was rustic, not corporate and polished
5. Jane and Charlie were very welcoming and friendly, had fantastic people skills and the natural attributes required to run a public facing business
6. Consumers could engage directly with the farm owners, and the staff in the shop were very knowledgeable about all aspects of the farm, the food and how it is produced.



9. Sweating all your family's assets – increasing ROI on all your capital

Having time on my own allowed me to reflect on the fact that, more powerful and valuable assets than farm land are the talents, skills and natural attributes of not only the farmer as a single person, but the entire farming family.

Sometimes one person in the family, at other times multiple people in a farming family contribute such assets.

On-farm assets which are particularly relevant for tourism and leisure include:

1. Value of overall assets owned by farming business provides a lever to secure loan from bank and other sources for developing the business
2. Land (attributes of the land for tourism – natural environment, hills, views, location)
3. Buildings and machinery
4. Stock and farm crops (farm animals and crops providing either part of the experience e.g. feeding lambs, looking at Highland cows: or stock and crops providing food for on-farm meals or food that guests can take home with them e.g. eggs, meat, fresh fruit)
5. Natural attributes of a family member (e.g. personality, being a character, communicator, people person, friendly)
6. Skills of a family member (e.g. cookery, marketing & PR, business management)

Given the income statistics I set out for the average family farm in Scotland, and the fact that a combination of lack of income and lack of ability to change, plus lack of access to land for the next generation, mean it is difficult for multiple generations to have an income from

one farming unit. Partners, kids, multiple siblings all wanting to live in a rural area and be connected to the farming enterprise and location can put pressure on families. Succession is the big “elephant in the room” in most family businesses, but farms have a bigger elephant than most.

All parties in a family want to play an active part in the business, have a decent income for their work, have the opportunity to manage and be in control of their area, feel pride, and hold their heads up high. When the average farm in Scotland is loss-making before subsidy and drawings by any family member, there is not much hope for multiple generations living and working in harmony.

I came across some inspirational people on my travels, who actively encouraged new enterprises based from their farming asset to allow multiple generations to have a decent level of income from the business, plus self esteem etc. See the following case studies.

9.1 Case Study 5: New Zealand - Lake Heron Station, South Island

Lake Heron Station is located in the Southern Alps of New Zealand, midway between east and west in the South Island, a two-hour drive south west of Christchurch and one hour inland from the nearest town of Ashburton.

The drive to the property involves almost one hour of driving along a shingle road amid dramatic scenery but passing only a handful of population or houses. The station is remote but the situation of the farm and farmhouse



in the foothills and Alps, “classic New Zealand”, is breathtaking.

The Todhunter family have owned this station for four generations, with current owners Philip and Anne Todhunter coming to take over the business after Philip had a successful career as a commercial pilot and with Anne having had a successful career as first a lawyer then a professional hiking and skiing guide.

Sheep farming alone could not have given a return on capital or even a satisfactory standard of living from this 19,600 hectare property. The business is successful for a number of reasons, but the experience is very pitched as a unique experience you would not get anywhere else in the world, or even in New Zealand.

The tourism business on the station consists of:

1. Accommodation, including boutique accommodation and mountain huts (with amazing wifi/broadband in the middle of nowhere) including the use of a boat and life jackets and 4WD track guide to explore the land.
2. The opportunity to enjoy a meal with the family, eat farm produce and get to know the family.
3. Hiking on the estate including a guided 3 day hike staying in basic huts, on routes with no paths and signs and including home produced food for \$1635 per person.
4. Heli Hiking and Heli Skiing using a helicopter flown by Philip the owner, and run as a separate collaborative business with two other business owners.
5. Guided hunting for deer and wild boar.
6. Cycling holidays along a 180km track called “The Nowhere Trail.”

This is a world-class tourism experience, using the history and authentic culture of “high

country hospitality” engrained through the generations, combined with the skills and talents of the current owners, some of which they have gained outwith the family farming business.

Anne and Philip were fantastic examples of people I met who had a profession outwith farming where they had particular skills, qualifications and experience which they were now using in the farming business.

Family, farming and rural attributes and skills :

1. Home cooking
2. Rearing produce for the pot
3. Hunting
4. Managing the environment
5. Off road driving
6. Operations and maintenance

Skills learned outwith the business

1. Philip’s aviation skills as a commercial pilot
2. Anne’s skills as a fully trained mountain guide
3. Business management skills
4. Anne’s legal background

Overall, Anne and Philip had created a destination with a feel of exclusivity, a once-in-a-lifetime experience, and they were very skilled at both creating a product/service and marketing this. What they are selling is:

1. Local knowledge – we will take you to the best part of these mountains either on foot, on a bike or by helicopter (you would never find the best spots otherwise)
2. Wide open skies, clear streams, clean air, views (all things we have in the UK on our farms too)
3. A way of life that tourists do not have themselves and this is their chance to buy



into another way of life for a few days or longer.

The marketing and PR skills of the family were evident as, on the day I visited, a senior travel reporter from the Financial Times in London had come from the UK to do a review of this business.

Philip and Anne were a great example of a couple making the best of all their assets: both their own personal assets and combining these with the farming business and the farming assets that had been in their family for over 100 years.

9.2 Case Study 6 : Australia - Simon & Philippa Noble, Rutherglen, Victoria

Simon and Philippa Noble farm 147 hectares in Northern Victoria near to Rutherglen.

They were a very inspirational couple due to the way they ran their farm business. They used every single square metre, were constantly trying to increase the return on capital from every square metre and every aspect of the farming enterprise, but at the same time committed to the natural environment and farming with conservation in mind.

Enterprises included :

1. Lamb and beef – the lamb was sold through a premium box scheme in nearby Rutherglen.
2. Crops including linseed, field peas and triticale grain.
3. Aquaculture – using a modified shed with the correct humidity and conditions producing Murray cod in tanks, destined for restaurants in Melbourne.
4. Shitake mushrooms, growing from logs around the edge of the shed, were utilising the humid conditions required by the Murray cod.
5. Agroforestry with the thinnings being used to heat the wood burner which heated the shed where the Murray cod were reared.
6. Tourism – guests housed on houseboats on the Murray River, permanently moored to the River bank
7. Farm conservation areas for wildlife

Benchmarking, measuring **and acting on** key performance indicators throughout the business, together with close associations and links with university-based experts, assisted Simon and Philippa to drive as much return as possible from this fixed land base.

I loved spending the day with them on their farm and we were delighted when they came to visit our farm in Scotland in May 2013.

As was common in Australia and New Zealand, farmers understood their markets and the end consumer well. An example was Simon doing detailed research before entering a new market and constantly updating himself on changes in these markets and maintaining close links to customers. The Murray cod he was producing for Melbourne restaurants demonstrated having relationships with chefs and understanding the needs of those chefs to ensure the final end consumer had a fantastic product.



Simon with one of his Murray cod farmed in tanks for the Melbourne restaurant market

See another picture of Simon overleaf.



Simon and me on a houseboat – self catering on the Murray River on his farm

9.3: Case Study 7 : New Zealand - The Smith Family, Oamaru, Otago, NZ

I met with Dot Smith at Riverstone Kitchen, part of the family farm diversification recently voted “Restaurant of the Year” for the whole of New Zealand - quite an accolade for a rural farming business.

Dot is quite a character, a trait I found in all successful people running successful diversifications. The Smith family started out with a dairy farm close to Oamaru. The family has worked extremely hard in their farming business over the years, through good and difficult times. Dot undertook bed and breakfast on the farm, using her character and love of good food to make an income from tourism to assist the farm business. With a location next to the main highway running north to south on the South Island of New Zealand, the next step was to use Dot’s

natural talents as a gardener to open a garden centre, then a gift shop.

This particular business demonstrates some key points in my study:

1. Hard working, resourceful, dedicated farming families making the best of their assets to create a living.
2. Rural characters – alive and well in NZ as well as in the UK – I could have spent a week in Dot’s company, not an asset everyone in a diversification has, but if you have one it helps.
3. The previous generation demonstrating to their children the benefits of hard work and the value of their natural larder and farming experience.
4. The step change in a family business when a family member leaves, trains professionally and comes back into the business.



5. The profile and value that NZ puts on rustic rural businesses and farming businesses – a country where rural has equal or higher value to city, and where farming and rural is a key aspect to drawing millions of international visitors to the country.

Illustrating point 4, Bevan Smith left the family farm and trained as a professional chef, working in a range of top restaurants including in Brisbane, Australia. Bevan and his wife Monique then “came home” to the family farm and garden centre and developed and then opened up Riverstone Kitchen.

Bevan and Monique have brought a new dimension to an existing family business, ramping up turnover and profitability and using the core natural raw materials and

produce from the farm and the local area to have developed a “must experience” restaurant for NZ residents and international tourists alike. A range of cookery books has been developed and Bevan has developed into a NZ celebrity chef, driving business to their door and ensuring marketing spend can be kept at a minimum.

What I loved about this business is that multiple generations were working together in the business, each person had their own area of management responsibility but all the elements came together to create overall success. An example of this is Dot producing all the vegetables and herbs in the “kitchen garden” for Bevan to use in the restaurant.



10. Management of succession and happy families

Successful succession in a family business can be a challenge. A focus on much “succession planning” by lawyers and accountants is what will happen to the farm when the owner representing the older generation dies.

Having had experience of discussing succession in our own farming business I have never understood the focus on this. When speaking to others the main issues are not around ownership of capital but instead are often around being allowed to take control of your own destiny, having the ability to manage either the whole business or some part of the business, and having access to cash to live on, either for yourself or to support a young family.

The cost of land, high demand for land and the disparity between cost of land and return on land from agriculture means that for the next generation to simply go off and buy another farm is not often an option. It is important from a rural population perspective that the rural economy is full of skilled, motivated people covering all age cohorts. But how do multiple generations work alongside each other in harmony? How do multiple generations create enough income from a fixed land base of one farm?

I met with some really fantastic families who had forward looking members in the previous generation who identified that diversification is a key way to allow multiple generations to live alongside each other in a business.

10.1 Case Study 8 : New Zealand - The Carr Family, Ashburton

My Nuffield Farming study allowed me to return to meet with a family that I worked for

in New Zealand in 1997 when I drove a rake truck in their contracting business.

Greg and Glyns Carr have played a big part in my life. Whether they know that or not, I am not sure, but they have been an inspiration since I got to know them when working aged 22 on my overseas adventure with my then boyfriend, now husband, Ross.

Greg is the youngest of a large family and when he came home after school there were limited opportunities left for him on the farm, with siblings already involved. Greg went looking for work and found it as an agricultural mechanic in a garage in the nearby town of Ashburton. Greg met Glyns and they soon became a formidable double act, as they still are today.

They bought a tractor and baler and went out contracting in the evenings, then added on more tractors, then staff, and their contracting business was born. When I worked for Carr Contracting in 1997, the business had been established for a number of years. Greg and Glyns had identified a number of opportunities opening up in new markets and market segments and, as well as the contracting business by that time one of the largest contracting businesses in the South Island of New Zealand, there was also a haulage business, a machinery dealership selling new and second hand machinery plus offering repairs and maintenance, a farming business and a seed cleaning business. Greg and Glyns have four children, Craig, Ryan, James and Stacy. In 1997 Craig, their eldest son, had recently left school and had bought his own house in town and we flatbedded with him, along with some other international staff. Good times.



At that time, I was impressed by the fact that the four teenage children were actively involved in the business, worked hard within the business in different areas, had learned a high level of business management skills and knowledge from their parents and, despite having parents by that time with a good level of success, very much had to make their own way in terms of finances and getting on the housing ladder.

All four children sat on a family business board which included outside non executives. Having a family board and having appointed external experts as non execs onto that board is commonplace in Australia and New Zealand and I encountered many farming businesses doing this, but not many involved teenage children in decision processes like the Carr family.

Greg and Glyns Carr are the best examples of farming entrepreneurs I met on my Scholarship, but many farmers in NZ and Australia displayed similar characteristics –

1. Seeking new market opportunities
2. Understanding markets, undertaking research, knowledgeable about new and existing markets.
3. Firm focus on the customer.
4. Risk takers, bold, taking a punt, leading in the sector.
5. Hard working, determined, high work ethic.
6. Bringing in outside expertise, recognising you need to work with people better than yourself.
7. Financial focus on return-on-investment, benchmarking and measuring key performance indicators and acting on them (better to measure three things and act, than to measure ten and do nothing).
8. Celebrating success and involving staff and customers in these celebrations.

When I visited in December 2012, fifteen years on from working for the Carr Group, the business had grown with a multi-million dollar turnover, operating globally and with each sibling still involved in the business and managing and running a different area of it alongside Greg and Glyns.

Greg and Glyns and the business management skills they have shared with their family, together with a natural talent for seeing opportunities, dealing with people and doing a deal, mean that in terms of succession, this family have “grown the pie” to make more than enough room for each family member. The discipline of a family board structure which has been running for many years with external expertise has allowed this family business to be run in a professional way.

Overall, though, it is the way that Greg and Glyns have had the foresight to plan for and to support successful family integration into the business which is something that is not often found in farming businesses in the UK.

I continue to be inspired by this great family.

10.2 Case Study 9 : New Zealand - The Webster Family, Topflite Ltd, Oamaru

I was fortunate to meet with another fantastic farming family in New Zealand, the Webster Family at Oamaru. The core Webster family has demonstrated the success which can be achieved by strategically collaborating with another business which complements your own business. In 1972, the Websters joined forces with another farming family, the Mitchells, and collectively since then they have farmed 1,380 hectares of arable land in North Otago. Today Jock Webster, son Nick plus Peter Mitchell run The Mitchell Webster Group.



The farming business produces crops including wheat, barley, ryegrass, potatoes, lucerne and grass silage. With Nick coming home to the family business, Jock looked towards the future and diversified the business, starting to make birdseed on a very small scale. Today Topflite, the diversified business, not only supplies much of NZ domestic birdseed market, but exports to Australia.

Jock, Peter and Nick are directors of both the farming business and the diversified business,

with Jock looking after Topflite on a day to day basis and with Peter and Nick running the farming company. Both business boards have outside experts sitting on them and there are clear lines of responsibility within the boards and in the businesses. The business structure and excellent business management has facilitated not only a successful collaboration between two different family farming businesses but has also helped promote good relations within the family business.



The Webster family, Topflite Ltd., Omaru, New Zealand



11. Sheep Don't Use Trip Advisor

My findings showed that not all farmers are equal. I knew that before I started but the people I met, the inspirational people running amazing farming enterprises alongside amazing rural businesses, had some key characteristics. This has made me conclude that not every farmer is cut out for diversification, particularly into tourism and leisure.

The characteristics and attributes of those I found who were running successful tourism diversifications were :

- People lovers
- Communicators
- Full of personality
- Fact find, understand markets, inquisitive
- Entrepreneurial
- Lateral thinkers
- Bold
- Have a story, are real rural characters
- Passion and a natural fit with the market they are moving in to

11.1 Attributes and skills are two different things

People have asked me: can the skills required for tourism and leisure be learned?

I would say some of the **skills** required for tourism can either be learned or you can use external people with the skills required by your business - either as staff or as hired-in consultants.

However, from my travels I do believe that **attributes** are different and they are part of who you are, and some are definitely required for running a tourism, leisure or any public-facing business. I have met farming families who are not “people-people”, not involved in

their tourism business but using paid staff to both manage and run the whole venture. Taking a sample of those who took a back seat from the main running of the business showed that, on the whole, business owners tuned in to tourism and leisure were outperforming those who weren't suited. This is probably because of a lack of awareness in certain farming families about the management decisions and investment required to satisfy customers.

If sheep could use Trip Advisor this is what they might say about some farms:

“The accommodation was nothing like it said online. Quality of the grass was poor in a field full of weeds, but the low, poorly maintained fences gave good opportunity for crossing into this year's barley which was delicious. Customer care was non-existent, the owner was foul mouthed and grumpy. The property looked under-staffed and what help there was ran around in different directions not listening to the owner. I hope we will not be back here again soon.”

11.2 Growing the tourism economy – what type of people and businesses will drive this?

As I have already said, by 2020 Scotland aims to add £1bn of income per annum annually to its current tourism economy. I believe that new emerging markets such as agritourism have the ability to help achieve this. However, real growth has been relatively flat compared to growth in other emerging tourist economies and competition globally is increasing all the time with new destinations and experiences emerging. To achieve growth, let alone maintain the existing



tourism economy the industry will have to be much more strategic in terms of how it focuses resource.

Tourism ventures could be divided as follows:

BUSINESS VENTURE

A profitable business, in demand, wants to expand further.

High levels of customer service, quality customer experience, very competent business management skills. Awareness of bigger picture.

BUSINESS VENTURE

Business not performing as well as it should be but want to expand further – not sure where going wrong – wrong attributes/lacking skills.

No customer focus, customer experience poor. Not tuned into bigger picture, inward looking.

LIFESTYLE VENTURE

Could be more profitable, no ambitions to grow.

Run a good business 1 or 2 Full Time Equivalents

High levels of customer service, quality customer experience.

LIFESTYLE VENTURE

No growth prospects.

Poor levels of customer service, poor facilities, customer service terrible.

Bright Green - those businesses which will drive growth in tourism and leisure. Scottish

Tourism Alliance, Scottish Enterprise, SRDP and Visit Scotland should be focusing their investment, resource and efforts on these businesses.

Yellow - business venture – won't drive growth in the same way as green but, for those willing to learn new skills including business management, customer service, and marketing, then business performance can improve as can customer experience.

Olive Green - no ambitions to grow so will not drive growth for the sector so shouldn't be given support or resources. However should still be recognised as delivering a good customer experience and supporting the rural economy, enhancing the tourism product.

Red - bringing the whole industry down and affecting the entire rural economy. Should not be allowed to operate a tourism business and will never, however much resource you put in to these businesses, make a difference. Compulsory licensing would remove them from the industry altogether and improve the tourism performance across the board. Money would no longer be wasted marketing Scotland internationally, and then a visitor never returning due to experiencing this type of business.

11.3. Collaboration – all talk and no action

Collaboration is the 'in' word in the UK.

Everyone is encouraged to collaborate. Government policy documents use the word excessively throughout documents and across sectors. Grants are targeted towards groups who are working together. However, I find myself despairing of the way that we collaborate in Scotland. We wait on everyone to get involved including the "yellows", "olive greens" and even possibly a few "reds" – see the diagram in the column opposite. We form a committee. We apply for a grant. The project has to be skewed towards the grant and not always necessarily towards the needs



of the project. It takes forever. Meanwhile the opportunity is passing us by and the negative, slow participants are holding the whole process back.

Consumers rarely go for a day out and visit only **one** business. They might take the kids to a farm park, visit a restaurant at lunch time, and stop for petrol. Similarly people taking short breaks or holidays will not just arrive, stay at their accommodation and never leave for the whole time they are there. They may have bought food and drink ahead of their stay, visit attractions, go shopping, undertake sports, go to the theatre etc. etc.

Given that our own farm tourism business cannot operate in isolation I was interested as part of my Nuffield Farming Scholarship to look at how businesses collaborate effectively with others to benefit both, plus the wider economy, without getting caught up in the unwieldy and unsuccessful system I outlined above.

11.4 Jane Bennett – Nuffield Farming Scholar, Ashvale Cheese Company, Tasmania

I met with Jane Bennett, a 2009 Australian Nuffield Farming Scholar and someone at the forefront of effective collaboration experience, through her family business, the Ashvale Cheese Company, and through her work at Brand Tasmania.

Jane told me about a project where she wanted to design and set up a food trail out of Launceston to encourage visitors to come to their on-farm cheese shop. She did not perceive many of the businesses between Launceston and her farm shop as necessarily offering the best product or service. So she got together instead with two other businesses which she wanted to work with and set up a three-business food trail out of

the town. Because she was working with businesses she perceived to be adding value to her brand, that had the skills and commitment to make the initiative a success plus there was an end goal, the food trail was a success. In the end it did not only drive day trippers from out of town and attracted tourists to the area, but the businesses that Jane had not wished to work with had also picked up new trade as a result of having more footfall in the area and people just finding them. The “good” businesses just got on with getting things set up and in place. The “poor” businesses did nothing, invested nothing and got new business anyway.

I really enjoyed my time with Jane and her insights into working with others. I have already started using some of her tips in both my business and in wider tourism and rural initiatives I am involved with.

- Only work with people better than you are/businesses better than yours
- Always protect your brand
- Have a start and finish point, evaluate outcomes

If you want to be successful you have to be strategic.

Businesses have to be strategic, but also public agencies and organisations have to be strategic. Coming back to Scotland to discuss my findings with leaders in public organisations, it is apparent that they are either not permitted to be strategic (I was told due to some European law that means we have to involve everyone – except that the French and Italians I met seem to be unaware of this) or permitted to work only with those businesses that will drive growth as everyone should be promoted.

Relating to collaboration are the rules on local food and drink. In France, Belgium and Italy,



there are strict rules on the use of local food by the hospitality industry. Farmers' markets can only sell food and drink produced within a certain area. Farm accommodation in Italy can only, by law, provide home grown, local or Italian produce to guests. I asked about this on my return to Scotland and was told that, again due to a European law, we are not allowed to do this in Scotland. Do we just play everything safe, look for laws to abide by and never do what is for the best?

11.5 The Victorians were bold and had vision

Having spent so many weeks away from home, I had time to reflect on many things. In

relation to our culture – there are so many great things about being from Scotland and from the UK. However, the experiences I have outlined and the discussions I have had since I got home, together with feedback on our country from the people I met abroad, made me think – how come the Victorians managed to achieve so much, build so much, invest so much? How come, as I have outlined, people in other countries just seem to be bold and crack on with things while we seem to be finding reasons to stick to the rules, be cautious and blame European rules for holding us back?



12. Discussion – How can I help, use my Scholarship to good effect?

How can I help Scottish farmers and the rural economy benefit from agritourism?

My Nuffield journey over the past almost two years has been the most challenging and enjoyable life experience to date. I was incredibly passionate about the agritourism sector in Scotland before I started and the knowledge, contacts and understanding I have gained from the people I have met on my travels and from my fellow Scholars has only fuelled my ambition to see agritourism recognised as a key sector for growth in Scottish tourism, and developed as such. Following the Scottish Enterprise Rural Leadership Programme which I undertook in 2011/12 I helped to set up a pilot consumer campaign called Go Rural! to encourage consumers to visit farms, estates, crofts and rural businesses. This has engaged consumers and brought together a range of diversified farm businesses within the pilot area.

A study by Scottish Natural Heritage in 2012 estimated the direct value of farm-based tourism and leisure in Scotland at £48 million. Despite this, agritourism does not appear in the National Tourism Strategy as a key asset for development, despite other 'assets' - such as cruise tourism being valued at £30 million – being included in the strategy.

The fact that Agritourism, a sector worth £1bn in Italy is not in Scotland's tourism strategy is in part down to the fact the sector has not organised itself in Scotland to have representation and to have a voice. Since completing my Scholarship I have worked to evaluate the pilot of Go

Rural which took place around Edinburgh in 2012, build on international research and look at the Scottish market. Go Rural, Scotland's Agritourism brand, launched its national consumer offering and national membership offering in Spring 2014.

At the moment agritourism is under the radar; it is viewed, I believe, as a marginal element of rural tourism and farm activity. The Scottish Tourism Strategy identified that if Scotland PLC continues as it is, then real value in tourism spend from foreign tourists will fall between now and 2020. However, the strategy aims to deliver an additional £1 billion of economic impact to Scotland by 2020. Radical action, thinking outside the box, being bold, doing something different, I believe, are all prerequisites to this target being realised. To get anywhere near this Scotland must identify and grow key sectors within tourism and leisure.

I believe that agritourism has the opportunity to deliver ten times the current economic impact to Scotland and is one of the main markets which can deliver the £1bn economic impact national tourism target.

In order to deliver change for the sector, using what I learned about working with the best and most engaged, I set up a Farm and Estate Diversification Group (FED Group) in early 2014. This group



chaired by Alan Laidlaw of the Crown Estates and consisting of organisations

- Scottish Association of Young Farmers Clubs
- FARMA
- Farmstay
- Scottish Association of Farmers Markets
- Scottish Land and Estates

And public bodies

- Visit Scotland
- Scottish Enterprise
- Highlands and Islands Enterprise
- Skills Development Scotland

The group is currently working on developing a national strategy for Agritourism growth and putting in place plans to maximise benefit for Agritourism businesses from 2015 the National Year of Food and Drink in Scotland.

Despite everything I have undertaken using my Nuffield Farming research and experience to good effect, there is a long way still to go with developing this sector. From discussions, many “hard core” farmers still consider Agritourism as some sort of soft option you undertake when you are no longer a real farmer.

With recent announcements on subsidies being cut by up to 50% for some farms over the next five years the impact of farms already not making any or much profit is still to be realised.

Financial analysis of many Agritourism businesses has demonstrated that the farm could not exist in business at all even with existing subsidy if it only had the

farming enterprise and that it is the Agritourism business which is delivering income for multiple family members, who would not be living in the rural community if it wasn't for Agritourism.

Unfortunately the new round of SRDP (Scottish Regional Development Programme) recently announced in the CAP reform will not provide any opportunity for businesses to diversify into Agritourism. In the last five year round many farm businesses secured funds to allow them to either diversify or develop their Agritourism business. Many including our own Hideaway Experience would not have been able to develop as we could not secure funding from the bank as the bank viewed a tourism business as not having the same low risk levels as borrowing to buy land for agriculture (despite driving larger returns in many cases).

Many businesses such as farm shops, and accommodation providers in agritourism secured SRDP grants in the region of £150k to £500k to allow them to take a real shift up in their business. In the next five year round the farm diversification budget has been slashed to a £10 million budget and will also include not only farms wishing to diversify into Agritourism but any rural business wishing to set up. So in effect any region of Scotland will have around £100,000 per annum to give out to businesses and, with a £30,000 cap on grant levels, at this level of budget only around three to four businesses per annum per region of Scotland will receive assistance. For those with great ideas, skills and drive but without access to bank



or other funding, they will not be able to develop Agritourism businesses. There is the potential with the government's decision to open this up to any rural business that farmers won't get any of this funding at all.

The £70 million allocation for Food and Drink businesses, I hope will be open to farmers wishing to develop or start a food-related business including on-farm restaurants, day and overnight visits which have a food and drink and farming story experience at their heart.

The Scottish Tourism Strategy aims to deliver an additional £1 billion of economic impact to Scotland by 2020. Radical action, thinking outside the box, being bold, doing something different, I believe, are all prerequisites to this target being realised. To get anywhere near this, Scotland must identify and grow key sectors within tourism and leisure.



13. Conclusions

1. There is a market demand for agritourism from the public, which is willing to pay for a chance to experience interaction with a real live farmer.
2. The public is willing to pay for a chance to learn about how food is produced, the natural environment, and life as a farmer.
3. Unlike Italy, in the UK this tourism product has not been developed in a significant way.
4. The successful key person in a tourism diversification was often not the farmer but a member of his family.
5. This person had particular attributes, most especially being a “people person”.
6. If you don’t like people, stick to sheep.
7. In terms of the impact on the farming family, successful farm diversifications:
 - used all forms of physical and human capital within the family to drive the maximum return on investment from their farming business
 - allowed multiple generations in a family business to live and work from the same fixed land asset
 - facilitated management succession in the farming business
 - generated increased economic impact in their rural economies via their diversified business and the positive effect this had on tourism and food and drink supply chains.
 - collaborated with other businesses in a strategic way.
8. Farm tourism and leisure present a significant opportunity for farmers to connect with consumers, to drive demand for home grown produce for local markets and international markets, and to make vital income for farm businesses, particularly in marginal rural areas.



14. Recommendations

I have made my recommendations in a Scottish context, given my sponsors are the Royal Highland Agricultural Society of Scotland, but these recommendations can be applied universally.

1. **That agritourism is defined and identified as a key sector for growth** in rural Scotland, with the ability not only to deliver direct economic benefit to rural communities but to contribute to wider national objectives such as demand for Scottish food and drink, improvements in mental and physical health, improving relationships and understanding between farmers and consumers.
2. The agritourism sector is positioned to include all on-farm, on-estate and on-croft tourism and leisure experiences including day activities such as farm restaurants and cafes, farm shops, farm tours, farm sports but also overnight stays in all forms of accommodation. In addition that farming “events” including agricultural shows and farmers markets are also included in this positioning and marketing to consumers.
3. The tourism “product” of agritourism requires to be developed as a “tourism and leisure experience.”
4. Case studies are developed and shared to demonstrate the impact of Agritourism on a farming business and the local community.
5. That best practice internationally, particularly from Italy is replicated in Scotland and we are not “too proud” to learn from others.
6. We learn from Italy and develop Agritourism as a food export strategy, integrated into our national food and drink strategy. International visitors stay on Scottish farms, understand our food and demand it in their own countries on return. Italy has achieved this, we can too.
7. The government considers Agritourism to be critical to tell the story of Scottish Food and Drink and that Agritourism businesses achieving this can be supported with food and drink public funding.
8. Consideration of benefits of Agritourism being defined as an agricultural activity as it is in Italy.
9. The government introduces tax breaks for new agritourism businesses meeting quality standards.



10. Compulsory tourism quality assurance is introduced in Scotland to increase the quality of the visitor experience with agritourism being used as the pilot for this, evaluating outcomes, prior to being introduced nationally.
11. Agritourism, is defined, as you find in Italy, where consumers are guaranteed that a stay or a visit to a farm is one which delivers the highest customer service levels, interaction takes place with a member of a farming family or a knowledgeable representative of the business and that locally produced food and drink and the story of this food and drink are an integral part of the experience (with strict checks and balances including mystery shoppers).
12. Any investment in public funds including SRDP and other grants are targeted only at farming businesses which can demonstrate that the family member running the diversified business has the **natural attributes** required for tourism and leisure e.g. communication skills, natural love of people.
13. Any investment in public funds including SRDP is targeted only at farming businesses which can demonstrate that the family member running the diversified business has the **skills** required to run a tourism business which differ from those required to run a farm e.g. marketing, sales, customer service.
14. National demand and supply data for different types of tourism and leisure experiences requires to be collated and shared. This, together with published benchmarking data on return on capital experienced from different forms of farm diversification in tourism and leisure will assist farmers considering diversifying to make an informed choice about expected outcomes. This information would also assist planning officials and public agencies dealing with applications for funding.
15. Policies are developed nationally and locally which encourage collaboration not only between agritourism businesses and other rural businesses, but between city based and agritourism businesses.
16. Visit Scotland markets Scotland internationally as a destination for agritourism.
17. Skills development in areas where farmers have no traditional skill base is a critical issue for the success of diversifying businesses. Skills Development Scotland requires to become involved with the sector to identify skill gaps and to work to increase levels of skills.



18. A toolkit for farm diversification into tourism and leisure should be developed as well as an advanced toolkit for those established businesses wishing to improve performance. (*Go Rural is now developing this toolkit*).
19. Development of CPD programmes for continued business management, communications and hospitality skills within the Agritourism sector.
20. There is an opportunity for organisations such as The Royal Highland Educational Trust to become involved in agritourism to deliver information to consumers through generic branded information in diversified farm businesses.

Opportunities for farms, estates and crofts in Scotland

21. The on-farm restaurant is one of the biggest opportunities for farms, estates and crofts. Most farm shops have coffee shops or cafes, some have restaurant style food but hardly any are open in the evening and have a 5-course locally farmed produce tasting menu for example, incorporating a knowledgeable explanation about the food you are about to eat. The evening restaurant sector is considerable in Italy (the highest levels of hospitality required).
22. On farm (paid) tours is an offering not developed in Scotland and offers a potential income earner for farmers who can tell their story in an engaging and entertaining way. Only the best story tellers can pull this off as a paid experience, but for those with the skills and flair, is a real money making opportunity. Consumers are willing to pay for a high quality experience offering good value.
23. Developing a tour or story telling/educational element to farm shop visits and farm accommodation either as a related potential new income stream or to stand out from competitors and give a business a USP and another reason to visit.
24. Local cross-selling and integrating between existing farm shops and existing farm accommodation and working together in a much more strategic way for two-way commercial gain is another opportunity which is not currently developed in Scotland.
25. The development of the most intensive “agritourism” experience integrating food from the farm, storytelling, education, accommodation and retail is an opportunity for those in the right location and those with the right skills and attributes.



- 26.** There are opportunities for income generation from on-farm events relating to telling the food and drink production story and these not being viewed as something for free.
- 27.** There are opportunities for existing agricultural shows including the Royal Highland Show to increase visitor numbers by being promoted throughout the year to consumers visiting and staying on farms. In addition there are opportunities for farmers' markets to be promoted by on farm tourism and leisure businesses. *(Another action to be implemented by Go Rural on www.qoruralscotland.com).*

The Agritourism Sector

- 28.** Agritourism would currently be included in the National Tourism Strategy had the sector managed to come together to articulate its size, importance and potential for growth. Unfortunately this did not happen.
- 29.** The sector needs to identify itself as not core farming nor core tourism, and come together and organise itself to provide a collective voice. *(Go Rural recently launched nationally with representation and lobbying as part of its core function to address 23. and 24).*
- 30.** The private sector needs to learn from countries like Australia and New Zealand where strong rural leaders take the lead and drive sectors and the agritourism industry, with the public sector being lobbied, led and advised by the needs of the collective business sector.
- 31.** The sector should recognise that farmers developing Agritourism businesses have entered the hospitality sector and need to have the highest levels of hospitality skills to be successful. Investment in hospitality management would bring the level of offering in the sector up to that demanded by consumers.



15. My Nuffield journey is just beginning

I have already used much of what I have learned during my Nuffield journey to make improvements and grow my own businesses as well as helping to develop the wider rural economy in Scotland.

For me, it has not just been a market research exercise. The inspiration from the people I met along the way, and the way that different cultures in different countries tackle the same issues and address opportunities' are the things which I most wish to hold on to.

15a. The Hideaway Experience (my own business)

I have carried the same notebook with me since I went travelling when I was 20. It lists all the best elements about staying somewhere or doing something, together with all the bad bits. These notes formed the starting point for our own market research when setting up the original Hideaways in our business.

The advice I have been given, not just about farm tourism but farming in general or just running a business in general, has all been recorded and I am implementing this in my business.

The Nuffield Farming experience has given me more knowledge and confidence to grow our business and we are currently looking at other sites in the UK. We have interest from a range of business owners regarding a joint venture in the business in other sites not only in the UK but in Italy, Tasmania and New Zealand. I hope to use the connections made during my Nuffield journey to grow our Hideaway business and brand both nationally and internationally.

I am in the design phase of planning Scotland's first agriturismo, a truly integrated and unique farming and food and drink experience.

15b. Go Rural

Agritourism has been a passion of mine for a number of years and my Nuffield Farming Scholarship has allowed me to undertake what I think would benefit everyone involved in business in their own country: the chance to see how other cultures and other countries do things better (and sometimes not so well) than we do. The world is a very small place when you start travelling and building up connections around the globe.

In January 2013 I was fortunate to be able to talk at the Scottish Parliament about my Nuffield experiences in Italy at an event organised by Go Rural to highlight agritourism in Scotland. Richard Lochhead, Cabinet Secretary for Rural Affairs, together with around twenty MSPs joined forty businesses to hear about the Italian experience and how a bold and daring policy by the Italian government has paid dividends.

I have organised a series of business suppers in November and December 2013 in various farm shop restaurants in Scotland to talk about my Nuffield findings and to bring together those involved in the agritourism sector to try to start to give the sector a collective voice.

On 7th January 2014 on my fortieth birthday I had the privilege of speaking at the Oxford Farming Conference on my Nuffield research and on agritourism with HRH Princess Anne in the audience in front of me.



In February 2014, I organised the first Agritourism industry conference held at Loch Leven's Larder. Richard Lochhead, Cabinet Secretary for Rural Affairs and Fergus Ewing, Minister for Tourism, both came to speak at the event to around one hundred of Scotland's leading Agritourism businesses.

I have also enlisted the help of the best rural leaders I know representing agritourism businesses to form a strategic group to lead the development of the strategy for the sector in Scotland and to help to develop local networks. This group is the Farm and Estate Diversification Group (FED).

After the pilot of Go Rural in 2012/2013 and a period of evaluation, research with the market and review, Go Rural launched nationally in Spring 2014 focusing on representation, business-to-business support to the sector to develop the Scottish Agritourism experience, and business-to-consumer marketing via social media and www.goruralscotland.com.

The FED Group and Go Rural members are in the process of developing a national Agritourism strategy for Scotland which will include an evaluation of what the market is currently worth and what it could be worth to the Scottish economy and a plan for how to get there.

In September 2014 I will travel back to Tuscany with ten Go Rural Agritourism businesses to meet again with economic development, farming and tourism representatives to share best practice and bring ideas and innovation back to Scotland. Nuffield Farming has allowed me the chance to develop these international networks. Providing International Learning Journeys to Go Rural members is a key part of our activity going forward. Nuffield has shown me the value of looking outwith your own backyard

for new ideas and best practice, and not looking inwardly as a country or business.

I recognise I cannot do everything myself but I will work with others to influence those policy makers and public agencies to implement national policies which can have a real impact on the rural economy.

Nuffield and me personally

I have enlisted the help of the best rural leaders I know, representing agritourism businesses, to form a strategic group to lead the sector in Scotland and to help to develop local networks. This, I hope, will develop business-to-business collaboration as well as using the Go Rural! brand to market agritourism to consumers.

I recognise I cannot do everything myself but will work to influence policy makers and public agencies to implement national policies which can have a real impact on the rural economy.

15c. Nuffield and me personally

If you are reading this and you are in the position where you have applied for a Nuffield Farming Scholarship and have been unsuccessful, then I would urge you if you believe you have something to offer and you are passionate about your topic, to apply again.

I applied the first time and was unsuccessful. One of the main things Nuffield has taught me is that not everyone exists in your own world and you have to understand where someone else is coming from what makes them tick and to communicate clearly why your interest can make an impact on their world. Turning up for an interview the second year in a row at least demonstrates you mean business if nothing else!



I went into this experience with the view I was undertaking a research project. Although my findings and research have been a big part of what I have undertaken, the bigger Nuffield picture has made such an impact on my life. An international network of challenging, controversial, unique, interesting, smart, friendly, fun people who will remain a live network for me and the source of fantastic friendships for life, I hope. Night after night the format for staying with a Nuffield Farming Scholar was the same. Arrive at the home of a stranger, with a partner who clearly didn't know you were coming until fifteen minutes

before you arrived. Armed with a bottle of wine, the first hour you learned about their family, their business, their local area. Over dinner and wine you talked about the challenges in your respective lives and the opportunities, your topic, your businesses. Two bottles of wine later and a glass of port – and the elephant in the room was being openly discussed. How refreshing for people who are strangers to open up and tell you things they wouldn't tell their neighbour.

I truly hope that for me my Nuffield experience is just beginning. It has been one of the best experiences of my life to date.

One of the main things Nuffield has taught me is that not everyone exists in your own world and you have to understand where someone else is coming from, what makes them tick and to communicate clearly why your interest can make an impact on their world.



16. Acknowledgments and Thank yous

- I would like to thank the **Nuffield Farming Scholarships Trust** for providing me with the opportunity to challenge myself beyond any capacity I thought possible.
- To **The Royal Highland Agricultural Society of Scotland**, for investing in my development and allowing me to undertake international research. I hope I have been good investment for RHASS, its members and the wider Scottish rural sector.
- To **Mike Vacher** and **Stephen Watkins** for encouraging me to keep going to complete my Nuffield studies during a difficult time for me and my family.
- To **Julian Pace** and **Julia Latto** at **Scottish Enterprise** and to **Riddell Graham** at **Visit Scotland**. Thank you for keen interest in my studies and your support to help me use my findings to make a change.
- To my husband **Ross** for looking after the farm, the tourism business, the kids and everything else. To our children **Finlay** and **Sophie**, who have loved meeting Nuffield visitors at Balkello but who told the teachers at school that “Mummy had gone away and we’re not sure when she’ll be back.”
- To my wonderful **parents, Jim** and **Agnes** who gave me these genes which mean I can’t stop taking up challenges like Nuffield, and for your encouragement - not just through Nuffield but through my whole life - showing me that if you work hard you will get places. To my sister **Claire**, brother **Jim** and my friends especially **Linda** and **Jane**, for giving me a lot of encouragement.
- To the **2012** and **2013 Nuffield Farming Scholars**. Having missed the 2012 CSC due to the very sad and untimely death of my father-in-law, I was adopted by the 2013 UK and International Scholars as part of their CSC in March 2013. What a hugely talented, challenging and entertaining bunch! I am so fortunate to have met you and to have made life-long friends. Thanks to those of you and to the 2012 team who have supported me to complete my Nuffield Farming studies during a very sad and difficult time as my darling Dad faced the challenge of a cancerous brain tumour. It’s been the most amazing yet the most difficult two years, but a Nuffield Farming Scholarship is all about realising life is short, precious, and you have to get on, challenge the norms, and make your mark on the world.



Special thanks to my hosts on my travels:

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Milawa Cheese Company Milawa, Victoria www.milawacheese.com.au	Andrew & Jenni Jannoway NSch Upper Norton Farm Winchester, Hampshire (and Riverford Organics Distribution)
Ashley and Pamela Fraser NSch Baker Seed Company Rutherglen VIC 3685 www.bakerseedco.com	Duncan Andrews Cotswold Farm Park Cheltenham, Gloucester
Simon and Phillipa Noble Briminlodge Rutherglen VIC www.briminlodge.com.au	Oliver Surman NSch Upton on Severn, Worcester
The Buckland Retreat Buckland Valley, Near Bright, VIC www.buckland.com.au	Jane and Charlie Clive's Fruit Farm



17. Executive Summary

My first venture into agritourism and business came at the age of 7, giving farm tours to B&B guests for £1 per hour, not a bad rate for 1981. Moving forward 24 years, my husband and I set up a tourism farm diversification on our family farm - just north of the city of Dundee - which is now an established business running alongside the existing farming operation.

Our tourism business has used less than 0.75 acres of land but is generating comparable profit levels to the farming enterprise, and has had no impact on the output of the farming enterprise.

My study set out to look at diversified farm businesses in tourism and leisure and the impact that this diversification had on the farming family and the local economy.

The main finding I have identified from my research is that there is a market demand from the public who are willing to pay for a chance to experience interaction with a real live farmer.

Demand has come from a public willing to pay for the opportunity to learn how food is produced, the natural environment, and life as a farmer, has never been higher.

In Italy this intense form of agritourism is what international tourists are flocking to experience. This is a “tourism product” not developed at all in the UK in any significant way. It involves top quality accommodation (a minimum standard would exclude poor performers from the industry), the delivery of (only) home produced food, and a knowledgeable member of the farming family communicating and explaining to guests the

story of how the food is produced, how it was harvested, and how it was cooked. It involves farmers entertaining consumers with knowledge, wit, passion and selling their rural culture. It is no wonder that 30% of visitors to the Tuscany region stay on a farm and Italy uses agritourism as a key food export strategy.

You come, you learn, you experience the food, you go home and buy Italian produce in your supermarket.

The successful key person in the tourism diversification was not always “the farmer” but often a wife, husband, daughter, son, daughter-in-law, or son-in-law. The successful “key person” in the business, whom I met throughout my travels, had particular attributes: keen to embrace change, bold, “rural characters”, full of personality, inquisitive, understanding of market sectors, went after markets and customers, people lovers, effective communicators. Not all people involved in farming businesses necessarily have these essential natural attributes or learned skills to run a successful tourism diversification. If you are a grumpy old sod and don’t like people, don’t invest in tourism, stick to sheep.

In terms of the impact on the farming family, successful farm diversifications:

- Used all forms of physical and human capital within the family to drive the maximum return on investment from their farming business.
- Allowed multiple generations in a family business to live and work from the same fixed land asset



- Facilitated management succession in the farming business
- Generated increased economic impact in their rural economies via their diversified business and the positive effect this had on tourism and food and drink supply chains
- Collaborated with other businesses in a strategic way.

Farm tourism and leisure present a significant opportunity for farmers to connect with consumers, to drive demand for home grown produce for local markets and international markets, and to make vital income for farm businesses, particularly in marginal rural areas.

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