Rural Opportunities: Local Marketing and Agritourism

Shermain Hardesty, Ph.D. - UC Davis-Ag & Resource Economics/ UC Small Farm Program
Penny Leff - UC Small Farm Program

California State Board of Food and Agriculture

September 6, 2016

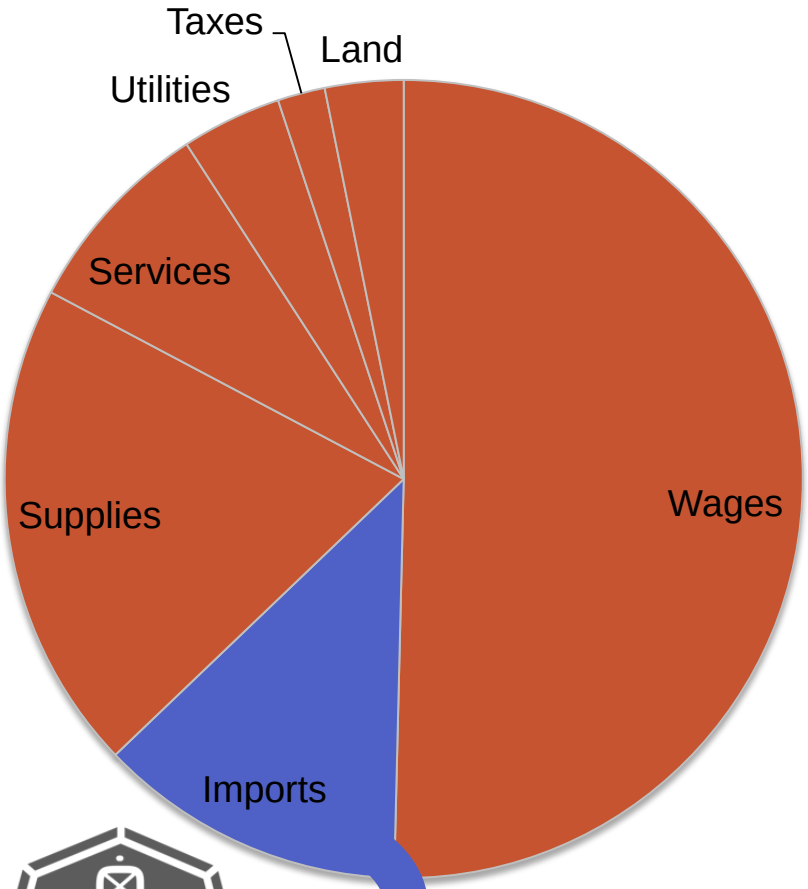
University of California
Agriculture and Natural Resources

Economic Impact of Local Food Producers in Sacramento Region

- Interviewed 110 farmers and ranchers in El Dorado, Placer, Sacramento, and Yolo counties. They sold at least $1,000 direct to consumers in 2013—at farmers markets, CSAs, farm stands
- Collected data regarding their costs and sales, including the type and location
- Input customized data into IMPLAN, an economic impact modeling program, to generate multipliers
  - Multipliers measure how much output in one specific industry (i.e. farming, hotels, construction) impact a region's total production value and wages

DIRECT MARKET FARMS SPEND $100

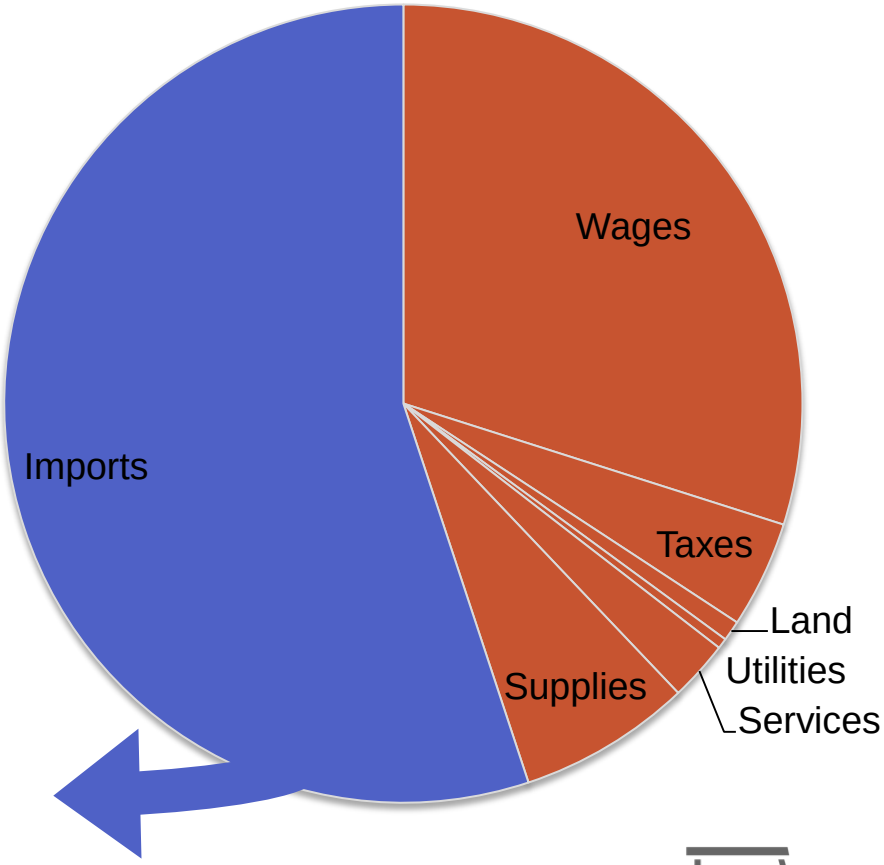
$89 STAYS IN THE REGION



$11 LEAVES THE REGION

NON-DIRECT MARKET FARMS SPEND $100

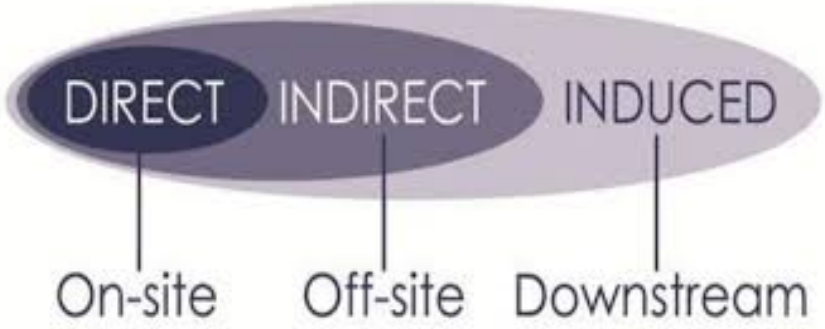
$45 STAYS IN THE REGION



$55 LEAVES THE REGION

Sacramento Region Multipliers

Industry	Multiplier
Direct market agriculture	**1.86**
Non-direct market agriculture	**1.42**
Retail-building materials	1.77
Retail-general merchandise	1.75
Construction- single family home	1.71
Construction-various non-residential	1.50-1.66
Hotels and motels	1.69



Scenario

- Region's grocers **shift** their purchasing practices to buy $1 million more produce grown by direct marketers in the Sacramento Region
- Generates $1.3 million of additional sales (ripple effects) and 22 additional jobs in the Sacramento Region

Conclusions

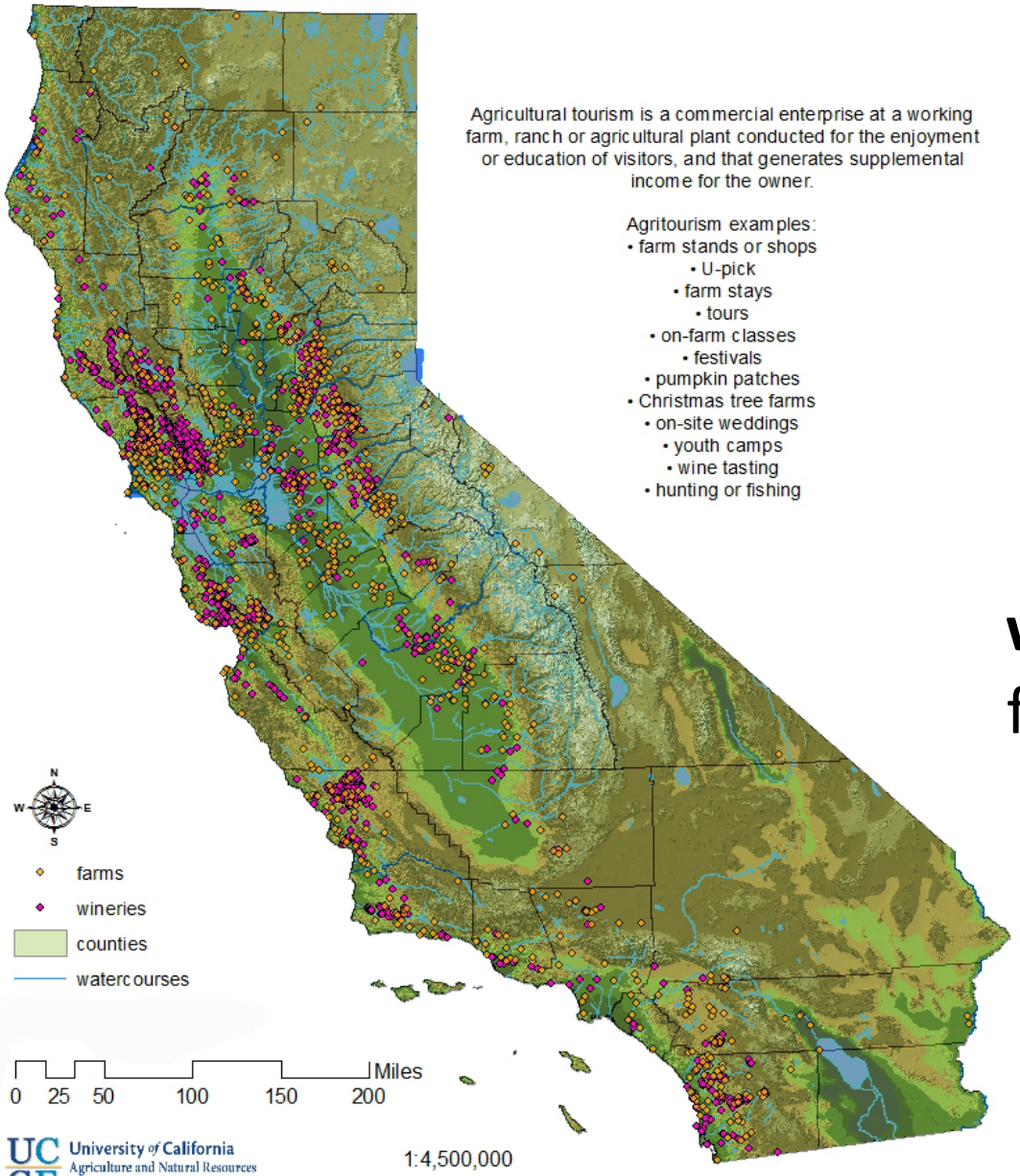
Buying local grows the local economy!

- Direct market producers only account for 19% of Sac Region's farms and 4% of its farmgate production

- But for every dollar of product they sell, direct marketers generate double the impact on the Sacramento Region's economy when compared to the nondirect marketers

- Direct marketers generate economic benefits for the Sacramento Region, and warrant policymakers' support to nurture their growth
  - Strengthen farmland preservation
  - Promote local food buying
  - Invest in smaller-scale ag infrastructure

California Agritourism and Winery Operations



UC CE University of California Agriculture and Natural Resources Small Farm Program

California Agritourism

Any income-generating activity conducted on a **working** farm or ranch for the enjoyment and education of visitors.

University of California
Agriculture and Natural Resources

Agritourism Benefits

For Farmers and Ranchers:

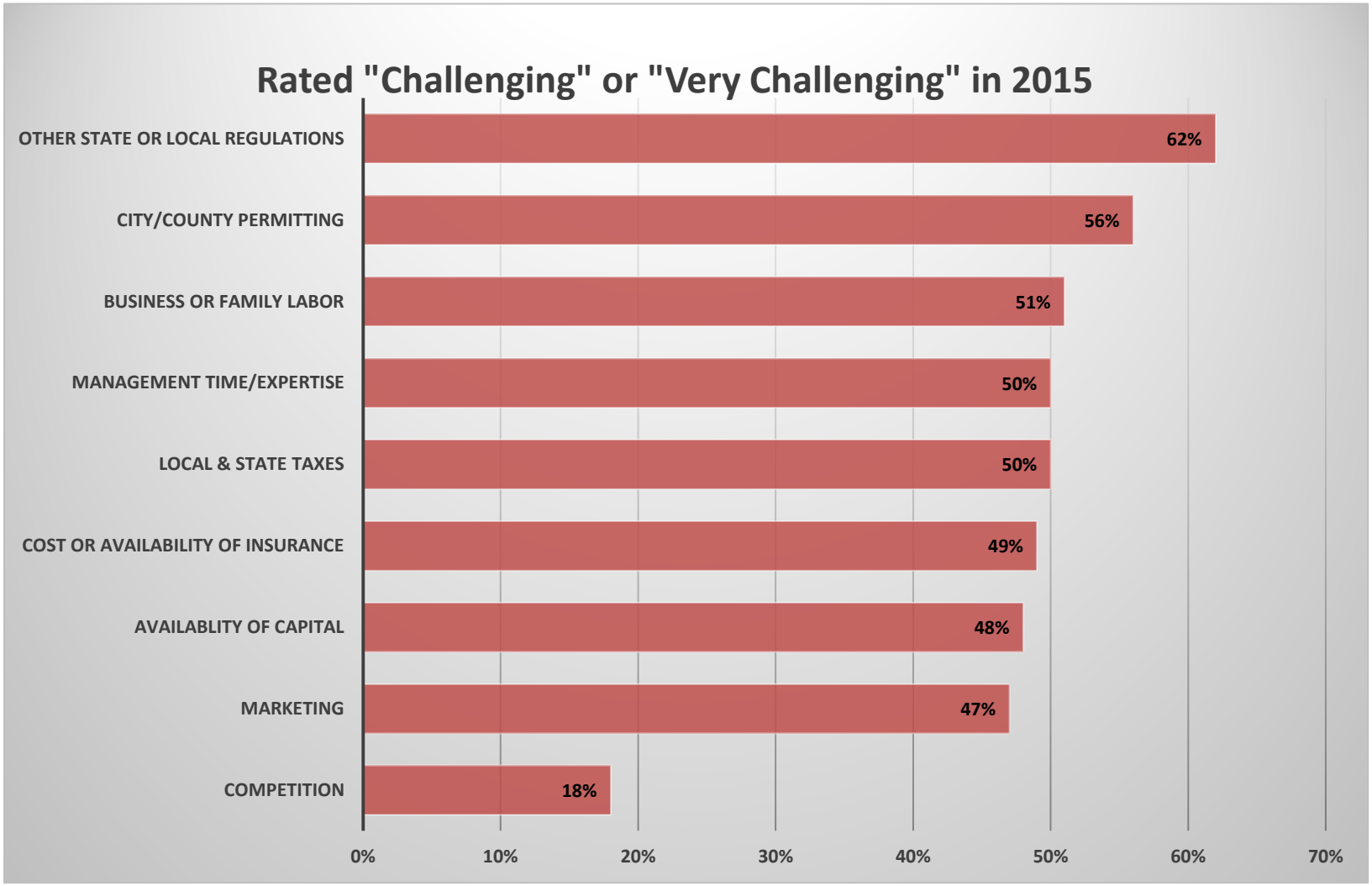
- Additional income
- Promotion of agricultural products
- Community connection & education

For rural communities and the public:

- Enjoyment & understanding of agriculture
- Economic development
- Preservation of farmland

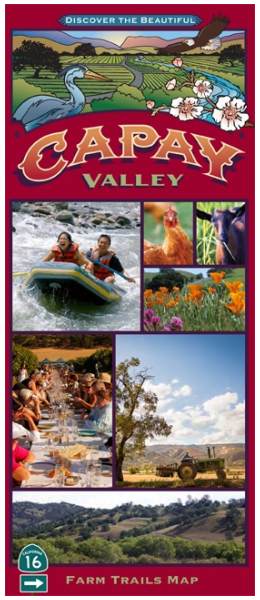
University *of* California
Agriculture and Natural Resources

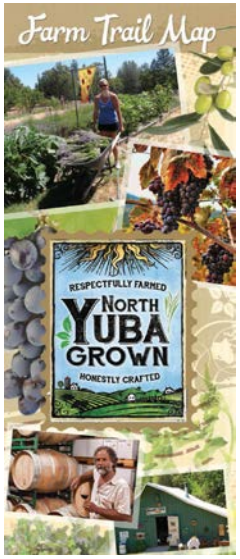
Challenges (2015 UC SFP Survey of California's Agritourism Operations)



California Farm & Wine Trails and Agritourism Associations

FARM TRAILS®





SIERRA ORO PASSPORT WEEKEND 10th annual

BRENTWOOD HARVEST TIME

University of California
Agriculture and Natural Resources