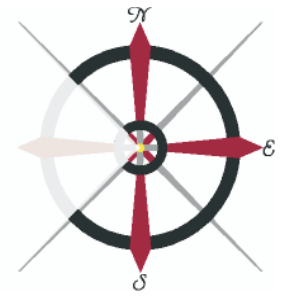




Western Center

FOR RISK MANAGEMENT EDUCATION



NEWSLETTER FOR WESTERN AGRICULTURAL EDUCATORS DECEMBER 2006

Reducing Price Risks through Ag-tourism

Over 80% of Hawaii's approximately 5,000 farms have less than 20 acres in actual production. These farms provide a rich variety of food and flowers, some of which are not grown in other parts of the United States; however they are competing in a market as "price takers", usually selling at a price below their cost of production. This project helped many of these small farmers make fundamental and innovative changes by exploring the full range of ag-tourism possibilities that led them to develop appropriate individual marketing strategies.

Marketing directly to the visitor industry to reduce price and market risk for Hawaii's small farmers was the central topic for three regional one-day conferences on Oahu, Maui and the Big Island of Hawaii. Over 300 conference participants gained knowledge of Hawaii's ag-tourism marketing opportunities to help reduce price risk, including farm visits, bed and breakfast operations and selling directly to chefs. They also learned about the skills necessary to implement ag-tourism strategies.

Sixty of these farmers participated in three follow-up workshops where they learned how to assess their existing resources and to evaluate the economic benefits and the risks associated with implementing any ag-tourism strategy. Participants then designed and implemented an ag-tourism strategy appropriate to their particular farming situation and level of managerial skill. Seven workshop attendees went on to create a comprehensive business plan for a new or modified ag-tourism enterprise, receiving intensive one-on-one help from extension economists, agents and successful ag-tourism farmers.

Keys to success, for the participants, were the one-on-one and highly interactive workshops that allowed effective discussion and instruction on direct-marketing, zoning and liability issues and problems related to implementing an ag-tourism strategy to reduce price and market risk.



This month's successful project focuses on ag-tourism in Hawaii. The project used a workshop format followed by intensive one-on-one help from expert collaborators to help farmers create and implement ag-tourism strategies.

Well qualified collaborators are an important ingredient in our results based risk management education process. Collaborators can contribute to a project in two ways. In this case, the collaborators offered expertise that participants could use to develop their individual ag-tourism strategies. Another way that collaborators can strengthen your project is by providing access to a targeted group of participants. For example, a project would likely be more successful in attracting participants if a person that is well known in their industry is included as a collaborator.

For more information on our process visit www.westrme.wsu.edu.

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