Why sustainable agri-tourism is a market opportunity for the organic sector

July 2011
Tourism is a competitive business and this guide has been produced for farmers and other businesses considering or running an agri-tourism venture. It provides an overview of the current organic agri-tourism sector, looks at the market place, gives guidance on setting up and improving agri-tourism enterprises and explores wider issues around food tourism and sustainability.

Consumer demand for ‘greener’ tourism is clearly increasing and organic farms already score highly on environmental credentials, so developing an agri-tourism enterprise can strengthen the overall farm business as well as providing a market opportunity for organic farm produce.

This guide provides a starting point for those considering such an option with details of elements required for a comprehensive business plan. Existing agri-tourism operators will find practical advice on measures to further reduce carbon emissions, save energy and promote their destination as a ‘green choice’. In view of the competitive nature of the market, the advantages of certifying as a ‘green’ or sustainable agri-tourism business are also discussed.

With the emphasis on a holistic view, the guide explores how the wider agri-tourism sector can both provide a market opportunity for organic food and increase their own ‘green’ credentials by offering organic food.

As more and more issues around sustainability, local flavour and authentic experiences combine, organic agri-tourism is a market sector ripe for further development.

Sue Fowler
Director
Organic Centre Wales
Summary

Tourism is a competitive business
A new organic agri-tourism venture needs to research the market carefully.

Many visitors are looking for environmentally friendly accommodation
Welsh food is also important to staying visitors in choosing a holiday destination.

Welsh agri-tourism is a market opportunity for organic food producers
It is an important market for organic and Welsh-locality food – and one with a great potential. Organic produce is now available from a wide range of suppliers for all hospitality providers in Wales.

Organic agri-tourism businesses can provide additional income
Make use of existing buildings, develop new market outlets for farm produce and create more employment.

Already, Welsh organic agri-tourism providers are adopting environmental conservation and sustainability measures
Each enterprise needs to target visitors who are sympathetic towards green and sustainable views.

Every agri-tourism business can improve its green credentials –
by providing organic, local and seasonal food; following the three R’s of Reduce, Reuse and Recycle; and using renewable energy and good waste management.

Join up to a green tourism accreditation scheme
It shows that the business is committed to sustainable tourism. It makes sure that the business operates to environmental regulations. It shows good sustainable development standards.

Make a business plan
Do this before embarking on a new venture. It should show where the business is now, where it wants to go and how it is going to get there.
Introduction

Although the link between tourism and food has not been widely researched, its importance can hardly be over-estimated. Holidays are often closely associated with food and drink and tourism has been very influential in forming our modern eating and drinking tastes.

There are new forces in tourism however, driven by visitors’ interest in the environment and in organic food. One response to this in Europe has been the Bio-Hotel movement, which was founded in 2001 in Austria. The Bio-Hotels Association now has members in seven countries. The “Bio-Hotel” logo guarantees that practically everything the guests receive will be organic. Many Bio-Hotels have installed renewable energy systems, are collecting and utilising rain water, have insulation made from natural materials and use only natural paints. Some have beds with no metal parts, sheets and towels made from natural textiles and offer rooms free of electro-smog.

Making the connection between good food, good farming practices and good holidays

Bio-Hotels are part of the wider interest in agri-tourism and food tourism. Organic agri-tourism brings these ideas together. It’s where farm-based tourism combines with the appreciation and consumption of organic produce and where the accommodation provider recycles wastes, uses renewable energy and applies methods of carbon reduction. Organic agri-tourism links tourism, food production and the environment. It can create new markets for organic food and it has the potential to change people’s dietary choice towards fresh organic food.

What you need to consider when setting up an agri-tourism business

However, tourism is a competitive market, and any organic producer seeking to start up a new business needs to plan the enterprise very carefully. This guide offers some help in taking the first steps.

Find more free agri-tourism resources online

The guide has been produced as part of a project to support the development of organic food tourism initiatives: Better Organic Business Links (BOBL). Three reports have been produced to date:

- A review of the literature (January 2010)
- Developing the markets for organic food in the Welsh hospitality and tourism sector – Survey Report (July 2010)
- Organic hospitality and food tourism businesses – six case studies (October 2010)

All the reports will be published on the Organic Centre Wales website, www.organiccentrewales.org.uk
**Understanding the market for organic agri-tourism**

**Create a point of difference**

The tourism market in Wales is becoming increasingly competitive with visitors expecting ever higher standards. To succeed, agri-tourism businesses need to be distinctively different in order to attract visitors. As the Welsh Food Tourism Action Plan states:

“In an increasingly competitive tourism market place, destinations are becoming more aware of the need to compete through promoting and developing what makes them distinctive and different from other destinations.”

**Do your research**

In this competitive market, as with any other new business, new organic agri-tourism providers need to do their research.

It is important to define the businesses’ target market and to gain as much information as possible about its size and potential.

For information on tourism to Wales, the best place to start is with the Visit Wales Visitor Survey. Reports of the annual survey can be found on the Welsh Government website, along with other information on tourism trends and reports of the tourism business survey.

The overall aim of the Visitor Survey is to investigate visitor satisfaction and to understand the motivation, needs and behaviour of visitors to Wales. In the most recent 2009 survey 3,477 visitors were interviewed, with 563 interviewed in greater depth. For those providing, or planning to provide organic farm holidays, some of the key findings indicate that nature attractions are high on visitors’ wish lists; that Welsh food attracts visitors into restaurants and that environmental factors were rated as important in choosing a holiday destination. Many visitors, especially those from overseas actively looked for environmentally friendly accommodation.

**Table 1: Importance of environmental factors for staying visitors to Wales, % rating for each factor**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very important</th>
<th>Quite important</th>
<th>Not very important</th>
<th>Not at all important</th>
<th>Don’t know/Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preserves its culture and heritage</td>
<td>72</td>
<td>26</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actively reduces pollution, waste and litter</td>
<td>68</td>
<td>26</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Conserves its wildlife and plants</td>
<td>58</td>
<td>36</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Is Fair Trade</td>
<td>45</td>
<td>42</td>
<td>11</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Manages its carbon emissions</td>
<td>33</td>
<td>42</td>
<td>17</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Wales, a popular tourist destination**

Overall, most tourists to Wales are UK domestic visitors, plus higher spending overseas visitors. In 2006, excluding day visits, there were 9.6 million domestic tourist trips spending £1,633 million with an average spend of £170 per trip. There were 1.1 million overseas tourist trips spending £361 million, with an average spend of £318 per trip.

The seasonal pattern of tourism to Wales reflects the importance of the school holiday periods and the seasonal influence of the weather. The regional breakdown in 2006 shows that North Wales had the most visitors with 3.2 million; South East Wales came next with 2.4 million; Mid Wales had 2.0 million and in South West Wales, 2.0 million. Although South East Wales which includes Cardiff has less variation, the other three regions show a definite seasonal pattern with a distinct July-August peak. The overall pattern is shown below.

**Figure 1: Visitors to Wales – Seasonal pattern of domestic tourism, 2006, by month**

![Graph showing the number of visitors to Wales by month in 2006.](source: UK Tourism Omnibus Survey, 2006)
Organic food: a point of difference for agri-tourism operators

Organic agri-tourism in Wales, a specialist sector ripe for development

The range of organic agri-tourism enterprises in Wales is developing and there are now approximately 100 organic producers throughout Wales offering tourism facilities.

Food, and organic food in particular, makes Welsh organic agri-tourism distinctive and different. There are opportunities both for individual businesses and for the organic sector as a whole to promote Welsh organic agri-tourism as a specialist provider of organic and local food.

Table 2: Accommodation provided by organic agri-tourism businesses in Wales

<table>
<thead>
<tr>
<th>Type of accommodation</th>
<th>Units</th>
<th>Bed spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-catering</td>
<td>62</td>
<td>295</td>
</tr>
<tr>
<td>B&amp;B</td>
<td>8</td>
<td>36</td>
</tr>
<tr>
<td>Group accommodation</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Camping/yurts/caravans</td>
<td>29</td>
<td>95</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>427</td>
</tr>
</tbody>
</table>

Source: OCW BOBL Tourism survey

Figure 2: Food provided by respondents to agri-tourism guests

In the OCW BOBL Tourism survey, more than two thirds of the organic farm respondents offered food to their guests in some form and more than one third offered breakfast and/or evening meals. Some offered special food services such as meals on arrival and packed lunches for trips.

Table 3: Food offers to guests at agri-tourism businesses in Wales

<table>
<thead>
<tr>
<th>Type of meal</th>
<th>No of businesses</th>
<th>% of businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast only</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Evening meals</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Welcome pack</td>
<td>9</td>
<td>18</td>
</tr>
<tr>
<td>Ready meals purchased from farm</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Meat or produce from freezer/farm shop to eat on holiday or take home</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: OCW BOBL Tourism survey

Of the 29 farm businesses that offered food, over half offered produce from their own farm and 18% offered food from other local producers. Most businesses thought that organic food was an important part of the overall package they were providing. Three quarters rated it ‘important’ or ‘quite important’.
Over 50% of farms surveyed derived more than 25% of farm income from agri-tourism

Additional income from an organic agri-tourism business in Wales

The OCW BOBL survey found that the main reason for starting an agri-tourism enterprise is financial. These businesses can provide additional income and make use of existing facilities. They can develop new market outlets for farm produce especially when combined with on-farm processing or farm shop enterprises and they provide additional employment for farming families.

### Table 4: Main reason for starting an agri-tourism enterprise

<table>
<thead>
<tr>
<th>%</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To supplement farm income</td>
<td>35</td>
</tr>
<tr>
<td>Making better use of existing facilities</td>
<td>18</td>
</tr>
<tr>
<td>To develop a new business enterprise</td>
<td>16</td>
</tr>
<tr>
<td>Reduction in government support for farming</td>
<td>15</td>
</tr>
<tr>
<td>Social benefits of meeting new people</td>
<td>6</td>
</tr>
<tr>
<td>Develop employment opportunities for family</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: OCW BOBL Tourism survey

In some cases the agri-tourism business surveyed had become the main source of business income. For more than half of the farms it brought in more than a quarter of business income.

However, financial motivation should not obscure other benefits of on-farm organic agri-tourism. These include making social contacts and providing an educational experience for visitors with little or no prior knowledge of agriculture, whether conventional or organic.

A market opportunity for local organic food producers

Agri-tourism can also benefit organic producers by providing markets in rural areas where the population is sparse and consumer demand is low. Selling farm produce is an important way of ensuring that a larger proportion of the holdings’ financial return is kept by farmers rather than being siphoned off in long food chains leading to multiple retailers, processors and wholesalers. This short food supply chain offers the possibility of bringing producers and suppliers closer together, enhancing the image of producers and areas of production, clearly signalling origin of produce and matching new types of supply and demand.

In the OCW BOBL survey, more than two thirds of the farmers offered food to their guests in some form and more than one third offered breakfast and/or evening meals. Some offered special food services such as the provision of food hampers.

By combining the provision of organic food – often from the home-farm – with sustainable and environmental practices, these providers can continue to appeal to a wide range of green and ethical tourists. Each organic agri-tourism enterprise needs to target visitors who are sympathetic towards green and sustainable views.

### Figure 3: Percentage of business income from agri-tourism

- Less than 25%
- 26% – 49%
- 50% – 75%
- Over 75%

Source: OCW BOBL Tourism survey
Sourcing and using organic food

Encouraging hospitality providers to use local food and drink has been at the heart of promotional campaigns in Wales for a decade or more. But we have come a long way since 2004, when the Wales Tourist Board produced ‘Developing a successful tourism business toolkit’ and where the provision of food and drink got barely two pages, and that was mainly on rules, training and regulation.

However, in 2005 a series of booklets entitled ‘Food for Thought’ was published by True Taste in conjunction with Visit Wales. These excellent and practical guides were beautifully produced, and offered the providers almost all they needed to know about why and how to serve local food. Although there were a few references to organic products, since then the quantity and quality of Welsh organic produce has grown and has become increasingly available directly from farmers and vegetable producers throughout the country.

It is generally agreed that food, and organic food in particular, can help Welsh organic agri-tourism providers promote themselves as distinctive and different, whilst seeing organic food as an important part of the overall package. This, in turn, could contribute to the overall aim of the Welsh Food Tourism Action Plan to “support the competitiveness of Welsh Tourism, hospitality, food and drink businesses in a way that is economically, socially and environmentally sustainable”

Linda Moss’s book, Organic Places to Stay, is a testament to the growth and diversity of organic producers in Wales and the UK who have diversified into the hospitality business. In the most recent edition (2009) there are a total of 88 premises offered throughout Wales, with the majority of those providers offering meals or welcome packs with all or a significant proportion of organic produce. Whilst this book includes a number of conventional hospitality providers, it is an acknowledgement of the increasing importance of organic produce to their visitors.

Using organic food to raise awareness about food, farming and sustainability

The experience of organic agri-tourism also underscores the wider need to promote understanding of the nature of organic food and farming. As one respondent in the BOBL Tourism survey noted, “We are disheartened with the way that visitors leave the place. They don’t seem to be very interested in embracing the organic/sustainable ethics, even if they come via Linda Moss. We offer the phone number of an organic food distribution service, but uptake is disappointing”. Despite being disheartened however, this respondent was planning to expand: “We also now have an empty house we could utilise.”

Another respondent reported on efforts to promote understanding of the organic message, “Many of our guests are ‘gob-smacked’ at being on a farm. Whether it is organic or not is a detail in the scale of their understanding. We willingly explain when asked.”

Indeed, from the visitors’ point of view, one of the key experiences of a successful holiday or short break includes good hospitality and good food and just about all visitors appreciate being offered locally and organically produced food. Some businesses offer food hampers containing local and organic food to self catering cottages in the area, which visitors can pre-order either on arrival or to take home as a memory of their stay. In Wales we have a reputation for a clean and green environment and we are fortunate to be able to offer visitors a wide selection of organic, local and quality produce.

A good example of a small bed and breakfast provider making good use of organic produce from their own farm, buying additional produce from neighbours and selling to visitors states on their website.
Sources of organic produce

Currently in Wales, there are about 1000 organic farmers and growers around the country, some of them selling from the farm gate or at farmers’ markets, others selling their meat or vegetables via box schemes, others by post or by local delivery. Whether a hospitality provider offers food with accommodation or just self-catering, organic produce can now be an option that is reasonably available from a wide range of sources. OCW records from work done in 2008 show that there are over 120 outlets offering organic produce in Wales including producers who sell from farm shops, farmers who sell meat boxes, shops that offer a wide range of organic produce and, of course, farmers markets throughout the country. The OCW Where to Stay and Where to Eat Guides also showed a wide range of organic farms where visitors are welcome, together with restaurants and cafes specialising in local and organic produce.

Provide information about local and organic food

Farmers’ markets throughout Wales are a valuable resource for hospitality providers and visitors alike. But local and organic produce is, of course, seasonal despite the producers’ best efforts to grow protected crops. So growers and farmers who spend hours in the cold and rain selling their produce really appreciate their regular customers who turn up despite the weather! A list of the 48 farmers’ markets throughout Wales can also be viewed on the True Taste website.

Keep up to date with local and organic food news and add links to your website

Finally, if you want to keep up to date with what is going on the food world in Wales and beyond, Food Bytes, produced by True Taste offers a very quick guide to doing your own research on the web. There are a number of web sites and electronic newsletters helping to keep you up-to-date with trends in the food and drink sectors.

Get award winning organic food on your menu

The Welsh Government (WG) supports organic farming through agri-environment schemes and also through its support for Organic Centre Wales. The Food, Fisheries and Market Development Division also offers a range of services to small and large food and drink companies, a significant number of which are organic. The annual True Taste Awards competition rewards excellence and innovation amongst producers, and organic producers have often walked away with the top prizes. The most recent directory from WG to include producers and distributors in Wales, including many organic ones, was launched in November 2010, and is available on CD-ROM and also published on www.walesthetruetaste.co.uk/publications.

In the 2010 True Taste Awards, organic producers won 13 of the 80 awards, including 8 gols.
The ecotourism market is growing three times faster than the rest of the tourism industry.

Improving your green credentials

When it comes to improving your green credentials, running an organic enterprise already gives you a head start. The four Principles of Organic Agriculture published by IFOAM (The International Federation of Organic Agricultural Movements) is based on four principles; Health, Ecology, Fairness and Care. The Principle of Care states that: “Organic agriculture should be managed in a precautionary and responsible manner to protect the health and well-being of current and future generations and the environment.”

The demand for greener, more ethical tourism is growing at a rapid rate; in fact the ecotourism market is growing three times faster than the rest of the tourism industry. Every business is different but whatever its size and goal, it can improve its green credentials through a variety of ways both simple and more complex.

A major appeal of organic farming for visitors is its green credentials, and increasingly they want to have the option of minimising their carbon footprint whilst on holiday. The figure below shows that Welsh organic agri-tourism providers are committed to environmental conservation with many of them adopting sustainable measures.

Figure 4: Interest in and measures taken by providers in environmental sustainability

Making the connection between organic food and ‘green’ principles

One of the obvious starting points is the provision of organic, local, seasonal or Fair Trade food. But strongly linked to food production is the importance of reducing packaging and recycling and composting wherever possible. It is easy to transform the ethos of your business using the three R’s of Reduce, Reuse and Recycle.

Just about everything can be recycled with careful research, planning and sourcing and good waste management is also an excellent way of cutting costs.

The importance of composting as a form of waste disposal is of key importance and a well-managed compost heap can often help as an educational talking point! Most guests are increasingly aware of sustainability issues and appreciate the need to use the recycling and composting facilities. [www.wakeuptowaste.org](http://www.wakeuptowaste.org)

Energy efficiency begins with monitoring and reduction of energy use

There are currently many enticing offers for a variety of renewable energy systems available to householders, but the first and most important step is to ensure that your current systems are working efficiently. Monitoring energy use is an excellent way to cut fuel bills, and reading your meter on a weekly basis – ideally at the same time each week – can be a useful exercise.

Next, carry out a walk-round survey of your business premises. You don’t need to be an expert – its mostly common sense; however a checklist can help; download ‘Walk around checklist – Hospitality (CTL047)’ from the Carbon Trust.

Use the information generated by your walk-round survey and energy monitoring to categorise the required issues or actions with a timescale for implementation, together with any investment, required and the environmental and financial paybacks and knowledge required for further action. A useful website is [www.cus.net](http://www.cus.net)

Hospitality sector walk around checklist

Use this walk around checklist to help identify key low or no cost energy saving opportunities within your organisation. Conducting regular housekeeping walk arounds will help form the basis of an action plan to reduce your energy use and carbon footprint.

This checklist should be read in conjunction with the [Hospitality Sector Overview](http://www.iff.org.uk) downloadable from the website, which provides further detail on most of the topics outlined below.

<table>
<thead>
<tr>
<th>Heating, ventilation and air conditioning (HVAC)</th>
<th>Complete</th>
<th>Actions/comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have boilers been checked in the last 12 months?</td>
<td>A regularly serviced boiler can save up to 10% on heating costs.</td>
<td></td>
</tr>
<tr>
<td>Check that air ducts, heaters and radiators are not obstructed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check timer settings. Heating may not be required all day and could be switched off or turned down outside peak hours.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: OCW BOBL Tourism survey
Ways to cut carbon emissions, save energy and harness low carbon technologies

Below are some other examples of how agri-tourism businesses can improve their green credentials starting with the simplest.

Light bulbs

Light bulbs account for around 12-20% of domestic electricity usage, and around 95% of the energy used in traditional incandescent bulbs is lost in heat. Energy-efficient compact fluorescent lamps reduce energy waste by more than 75%, and last almost ten times as long. Halogen bulbs are now being made with standard household fittings. These work in the same way as incandescent light bulbs and are around 30% more energy efficient although they are more expensive. However, switching off the lights is even more important, and one provider installed occupancy sensors in one of the toilets in a public area, thereby ensuring that the lights went out when unoccupied.

Bring sunlight into dark areas by the use of sun pipes

Whether you are building from scratch or greening an existing building, there will always be black spots somewhere, where natural light cannot access, such as basements, cellars, dark hallways or walk-in cupboards. One way around this is by installing a sun pipe. See www.sunpipe.co.uk for details.

Insulation

Re-assess all roof and cavity insulation, as well as boiler, water tank and pipe lagging. Regular servicing of boilers and hot water tanks and digital monitoring of correct water temperatures are all excellent energy management actions. Consider the use of natural insulation with hemp or wool, products of the agricultural sectors, and even consider local manufacturers, see www.blackmountaininsulation.com or www.lime.org.uk

Install Smart Meters

Smart meters tell you just how much carbon you are emitting every day. This is an excellent way of monitoring energy usage and patterns and is easy to install. See www.electrisave.co.uk or www.myecostore.co.uk

Turn down radiators

One degree down on the radiator represents at least 100kg less CO₂ emissions. It is worth putting valves on radiators, as well as thermometers and thermostats on water heaters. Water temperatures should be between 55-65°C and room temperatures should never need to exceed 24°C, with a minimum of around 16-18°C for comfort. Electric heaters, including storage heaters, produce almost twice as much CO₂ as gas systems.

Switch off not stand by

Inform guests and staff about the carbon impacts of leaving televisions on or even on standby. These consume significant energy, so they should be switched off whenever possible. Another option might be to offer solar chargers for laptops, mobile phones and iPods to visitors. One possibility is to make a positive feature of your commitment to energy reduction and provide no television at all, but offer interesting and up to date board and card games as an alternative.

Sustainable building practices and materials

Green policies frequently start with the construction of premises, and many architects provide excellent information on sustainable building practices. For further information on green building practices, workshops and courses, contact the Centre for Alternative Technology in Machynlleth www.cat.org.uk. This approach can be carried through to decoration – for example by the use of non-toxic paints and to furnishings by providing bed covers and duvets made from organic textiles. There are also businesses in Wales that specialise in the use of sustainable products and ‘green’ or eco-paints. Suppliers of these eco-products regularly advertise in magazines such as Organic Farming and Living Earth (both available from the Soil Association, www.soilassociation.org); but to get a real understanding of the full range of products available, visit BioFach, the World Trade Fair for organic and environmental goods which is held each year in Nuremberg, Germany www.biofach.de
Consider renewable energy resources such as the sun, wind, water, ground source heat pump and biomass from wood, waste and energy crops. Whilst the costs of changing to a new system can be expensive, they offer natural, cleaner and more sustainable alternatives to fossil fuels. Advice and consultancy about the installation of renewable energy for farm businesses, the Agricultural Carbon Reduction and Efficiency Scheme (ACRES which is a source of funding through the Glastir Scheme) and the Feed-in Tariff (FIT) is available through Farming Connect. Canolfan Hinsawdd Cymru, the Welsh Climate Change Centre has factsheets on sources of renewable energy and on energy use and efficiency at www.climate-wales.org.uk

Some organic providers in Wales are already using renewable energy systems; for example, one has a micro-hydro-electric system serving both the farmhouse and holiday cottages, with surplus electricity being sold to the national grid. Another has solar panels providing most of the hot water and a wood pellet biomass system to heat the holiday cottages. A yurt farm provider is “off grid”, so wind turbines and solar panels create hot water.

The provision of these products is essential for any green business, as the petrochemicals used in many cleaning products are toxic. Although they may break down the grease, they are slow to break down in the ground water and waste water systems, and many also contain phosphates. Eco-friendly products use plant extracts as their main cleaning agents, and also pump-action sprays instead of aerosols. Eco balls can also be used in washing machines. All of the providers in our case studies encouraged the use of eco friendly cleaning products to avoid the use of potentially damaging bleach running into watercourses.

Many water saving devices are now readily available with quick flush buttons, tap inserts to reduce water flow to a spray or the insertion of 500ml water bottles in cisterns. Plumbing in a grey water system which re-uses water from the bath, washing machine and sink for toilet flushing and rainwater collected in child-safe water butts can be used to water the garden. The provision of small kettles in visitor rooms not only saves energy, but also restricts the amount of water wasted. A variety of ideas for reducing water use are available from www.waterwise.org.uk

A significantly bigger investment would be a complete rainwater harvesting system, saving around 50% on water consumption. Also, the construction of a reed bed or wetland system would need to be expertly planned in conjunction with a professional consultant. Two of the BOBL tourism case study examples have already established reed bed systems to deal with all foul water, and one has two green oak composting toilets, both of which flow into this system.

In many rural areas, visitors understand that public transport can often be infrequent and inconvenient. However, it is worth offering green alternatives to visitors as incentives:

- Provision of bikes to visitors with information on suitable trails and rides
- Discounts to those visitors who leave their car at home
- Providing public transport information
- Offer a service to pick guests up from nearest train station or airport
- A journey planner on your website could help your guests to use public transport. Traveline Cymru provide an easy to download journey planner, see www.traveline-cymru.info

Larger establishments and hotels are now adopting towel reuse programmes encouraging guests to use their towels for more than one day. Guests are asked to leave their bath and face towels hanging on the towel rack or shower if they wish to use them again, or drop them in a basket or in the tub if they wish to have them replaced. Also in the larger establishments, the usual practice is now to change linen every three days.

Successful energy reduction programmes cannot be achieved without the active participation of all who are involved in your business, whether family members or part-time staff. Feedback from personnel and positive engagement is very helpful from both staff and visitors alike.
Offer guests information
This includes information on farming and environmental features along with local activities. Organic farmers have their own ‘Unique Selling Point’ or USP when it comes to information about agriculture and wildlife. Provide information on wildlife in the area, the positioning of hides on public nature reserves, the existence of Sites of Special Scientific Interest (SSSI), even the benefits to farmers and the general public available under Welsh agri-environment schemes. Many tourism providers are also actively engaged with local artists or craft makers, and have displays of their work and information about visiting workshops and open days.

Plant a tree policy for guests
Why not encourage each family or group of visitors to plant an indigenous tree on your land, but with their name on it? Not only do they establish an association with the land but will ideally visit you again to see how it is getting on. It also helps to establish the idea of carbon sequestration and in a small way, compensates for the CO₂ emissions for which we are all responsible.

Consider carbon offsetting – for you and your visitors
Everyday actions, like driving a car, flying and even using your computer, produce emissions of carbon dioxide, which contribute to climate change, which can be offset. However, before choosing to offset, make sure you tackle your own emissions, with the help of a carbon calculator, and then introduce the idea to your visitors. However, with so many companies offer offsetting schemes and products, it has become difficult for people to know what one is buying. The UK Government has created an Approved Carbon Offsetting brand to use as an endorsement on offsets approved by the UK government, and further information is available at: www.direct.gov.uk/en/environmentandgreenerliving

Publicising your Sustainability Policy
Finally, after you have achieved all the above and a consequent reduction in your carbon footprint – make sure you let your visitors know about it via your website and printed material. It is also advisable to formalise your green credentials in the form of a written Sustainability Policy and this will also help to sell and market your enterprise.

Most of the above behavioural practices, together with capital investments in new, efficient and renewable technologies can save money with effective paybacks and can provide an improved competitive edge to the business. There is a wealth of good information available via websites, local groups and businesses.

Check list of actions to reduce the environmental impact of your agri-tourism business
- Light bulbs
- Bring sunlight into dark areas by the use of sun pipes
- Install Smart Meters
- Insulation
- Turn down radiators
- Switch off not stand by
- Sustainable building practices and materials
- Renewable energy
- Using biodegradable cleaning products
- Saving water
- Re-think transport policies to reduce carbon footprints
- Change towels and linen only on request
- Include all the staff and get them on board
- Offer guests information
- Plant a tree policy for guests
- Consider carbon offsetting
- Publicising your Sustainability Policy

A written Sustainability Policy will help to market your enterprise

A guide for farmers and other businesses
Green graded businesses have on average a 10% higher occupancy rate than those without a green grading.

Meet high visitor expectations with high quality, certified enterprises

Quality is one of the keys to boosting any business and increasing profits. There is no doubt that visitors today are looking for high quality experiences and their expectations are continually rising.

It is often a perception that grading standards conflict with sustainable practice. This is not necessarily the case, and although Visit Wales grading schemes do not currently contain sustainability criteria, they are working with other national tourism bodies to produce a document, entitled The First Steps in Sustainability to ensure that the introduction of sustainable practices into any business should not affect the VW star grading.

Visit Wales has a Sustainable Tourism forum offering an opportunity for key organisations and individuals to share best practice in sustainable tourism and to advise Visit Wales and the tourism industry on issues such as climate change mitigation and adaptation.

Respond to increasing interest in ‘green’ options

Over the last few years, climate change and our addiction to fossil fuels have resulted in questions, anxieties and demands voiced by consumers about the sustainability of many products. The marketplace has responded to these demands by offering consumers increasingly environmentally friendly and green products, including tourism venues, organic produce, cleaning products, baby food, clothes – the list grows daily.

This demand for clean and green means that there is also a corresponding increase in the unscrupulous practice of claiming green credentials for a product, when in fact there are none or very few. The term ‘greenwash’ describes the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service. And, like the above – the list grows daily!

Avoid greenwash, get certified

To avoid greenwash and to reassure the customer and maintain their confidence, many companies, organisations, tourism providers, producers and venues are turning to a certification process for their products. Once a product is licensed with a reputable certification body, the customer can have confidence in the product and has less need to study the small print, or even to question the credibility and authenticity of the words organic, natural, green, safe or even non-toxic.

Independent certification ensures that businesses or organisations have been measured against a standard that allows them to be compared with their competitors and peers, and therefore cannot overstate their credibility. Once the product carries the logo of the certification body, the customer can be confident that the contents, provenance, composition, and production systems of that product have been inspected and awarded a licence by that certification body.

In the case of organic products, there are nine certification bodies (now called ‘Control Bodies’) in the UK and they cover all aspects of food production and packaging, animal welfare, wildlife conservation, and also ban unnecessary and harmful food additives in organic processed foods. Organic farmers who have diversified into tourism are licensed with one of these bodies, but it is only the agricultural systems and the products of those systems which are certified as organic, not their tourism businesses.

However, the questions that are always asked are whether certification for a tourism provider is worthwhile, and whether the expense is justified by the increased business.
The advantages of accreditation

The Green Tourism Business Scheme (GTBS) suggests that the following benefits accrue to an accredited tourism business:

- Benefits the environment by conserving resources
- Reduces waste
- Reduces costs through efficiencies and staff awareness
- Fulfils customers’ expectations of businesses to look after their environment
- Attracts new customers
- Improves public image
- Improves the customer experience
- Improves the quality of the service provided
- Benefits the local community
- Supports the local economy
- Reduces congestion and pollution
- Enhances the natural environment.

As the numbers of discriminating and demanding visitors rise, the numbers of tourism providers who chose to become certified has also risen. According to GTBS, surveys commissioned since 2001 demonstrate that businesses with a green grading have, on average, a 10% higher occupancy rate than those without green grading. Accreditation for green tourism involves the needs of the environment, local residents, businesses, and the visitors. It involves those businesses actively engaged in reducing the negative environmental and social impacts of their tourism operations.

The Brecon Beacons National Park has been a centre for the development of green tourism for several years. There is now an intensive programme of recruitment, advice and training, with the intention of forming a cluster of certified green tourism businesses. Tourist providers in the BBNP use either the Green Dragon scheme which is the environmental accreditation scheme for businesses in Wales with over 60 tourism providers; see www.wales.groundwork.org.uk or GTBS www.green-business.co.uk with over 2,000 certified tourism businesses in the UK.

Glasu, www.glasu.org.uk based in Builth Wells has also been encouraging providers in other areas of Powys to join the GTBS, and there are an additional 20 businesses registered with this agency.

Joining up to one of these schemes ensures that a tourism business makes a commitment to sustainable tourism and to minimise damage to the environment. It ensures that the business is operating in accordance with the relevant environmental regulations and that the site meets minimum standards of good practice across a range of sustainable development indicators. A regular audit of the business will take place by a qualified professional.

Which accreditation scheme?

There is a long list of over 300 accreditation schemes across the world for a wide range of products: www.ecolabelindex.com. The following are amongst the most widely recognised accreditation schemes operating across the tourism industry. Of the main ones operating in the UK, unfortunately only three of them: ECEAT, The Green Tourism Business Scheme and Greenbox specifically include organic, local or Fair Trade produce.

The Green Tourism Business Scheme: Businesses opting to join are assessed against a rigorous set of criteria, covering energy and water efficiency, waste management, biodiversity and purchasing policy including food. It has over 1400 members across the whole of the UK.

www.green-business.co.uk

Green Dragon Environmental Standard is a stepped environmental management system that can help businesses to operate in a more sustainable manner. Companies and organisations receive a certificate demonstrating their achievements.

www.groundworkinwales.org.uk/greendragon

ECEAT offers a high level of expertise in the field of sustainable tourism. The emphasis is on rural areas and organic farming, with over 1300 small-scale sustainable accommodation units all over Europe.

www.eceat.org

Greenbox: Published in 2009 as Ireland’s first Ecotourism Handbook, this guide for providers offers suggestions on environmental, community and local issues, the support of organic and artisan food producers, environmental education and the reduction of carbon footprint. Working in conjunction with the EU Ecolabel, Greenbox is also emerging as Ireland’s first genuine ecotourism destination in the northwest of Ireland.

www.greenbox.ie

The European Ecolabel is a voluntary scheme established in 1992 to encourage businesses to market products and services that are kinder to the environment. Products and services awarded the Ecolabel carry the flower logo, allowing consumers to identify them easily.

www.ec.europa.eu/environment/ecolabel

The Green Key originated for hotels in Denmark and in France and is an international eco-label awarded to leisure organizations and hotels. Supported by consumer groups, NGOs, authorities and businesses.

www.green-key.org

The Green Globe Company Standard (EC3 Global) is underpinned by Earthcheck Science and operates in Asia, the Americas and Europe but only four certifications have been awarded in the UK.

www.ec3global.com/products-programs/green-globe
Planning an agri-tourism enterprise

Before embarking on a new organic agri-tourism venture, a business plan should be undertaken. This sums up your business and should state where your business is now, where you want it to go and how it is going to get there.

This document should set out clearly your strategy and future goals. It will help you assess how well your business is doing and is useful to help secure funding for your organic agri-tourism project.

Elements of a business plan:
- Profitability of the existing business
- Profitability of the new enterprise
- The effect of the new venture on the existing enterprises
- Capital requirements
- Additional resources required
- Borrowing requirements
- Marketing

Your business plan should include:
- Summary
- Objectives
- Resources
- Review of existing business
- Enterprise performance
- Balance sheet
- Profitability
- Viability
- Budgets
  - Capital costs
  - Revenue and costs
  - Additional fixed costs e.g. labour, electricity
  - The profit
  - The assumptions made in the plan
  - How it is going to be funded?
  - How will the new enterprise fit in with the existing business?
  - What will be the revised cash needs for the new ecotourism enterprise
- Cash flow forecast
- Sensitivity analysis
- Marketing plan
  - What is your market?
  - Identify your competitors
  - Pricing
  - State how you are going to promote your organic agri-tourism project
- Appendices
Your business plan in detail:

Summary: This should summarise your existing business and your organic agri-tourism project.

Objectives: State succinctly the business objectives. Describe how you will achieve them and over what time period.

Resources: State the existing resources on the farm in terms of land, buildings, machinery, crops, livestock and labour. Provide details of how the business is structured e.g. partnership, sole trader and state any limitations.

Review of existing business: This is important as research shows that businesses already performing well are more likely to succeed in a diversification project.

Enterprise performance: What are the existing enterprises? How well are they performing when compared to other similar size enterprises? What are their strengths and weaknesses?

Balance sheet: This contains the value of the business assets and liabilities. The owner equity – the proportion of the business that you own (Total Assets minus Total Liabilities) is an indication of business asset health. The higher the owner equity, the lower the borrowing. More importantly, the owner equity should be targeted to improve from year to year.

Profitability: The business plan should contain the business profits and/or losses for the past 3 years. If there is a significant change in profitability between years the reasons for this should be explained.

Viability: The profit should cover the following:

- Drawings and tax
- Loan capital repayments
- Capital reinvestment

These are known as the business cash needs. For a business to be viable the profit should exceed its cash needs.

Budgets for the new enterprises: State what your business options are. You may want to look at more than one option, in which case, a budget for each option should be included and should state:

- The capital cost of setting up the ecotourism enterprise
- Revenue and costs
- Additional fixed costs e.g. labour, electricity
- The profit
- The assumptions made in the plan
- How it is going to be funded? Is it funded from overdraft or will a loan be required? If a loan is required then state the loan amount, length of repayment and the borrowing rate.
- How will the new enterprise fit in with the existing business?
- What will be the revised cash needs for the new ecotourism enterprise? Again is the profit sufficient to meet cash needs. If not what is the shortfall and how much more revenue is needed to make up the shortfall? How much would prices need to increase or how many more units would need to be sold?

Cash flow forecast: This is often required to work out the timings of the investment and the borrowing levels during the year. Some lenders may insist upon a 2 year cash flow, as set up costs during the first year will lead to an increase in overdraft during the first two years. As the business grows a reduction in overdraft is expected, unless additional funding for growth is provided by the overdraft account.

Sensitivity analysis: This section details how changes in sales volume, prices and costs will affect the profitability of your business.

For example a business which plans to rent out an eco holiday let for 20 weeks of the year at an average of £400 per week, would ensure a total revenue of £8,000.

Each one-week change in the number of weeks let would affect profit by £400

Any variation in the average letting price by £50 per week would affect profit by £1,000.

Marketing plan: An organic agri-tourism business cannot succeed without good marketing. Tourism is an extremely competitive business. Market research needs to be undertaken to establish customer profile, the pricing, the demand and the competition for your proposed product.

What is your market? What is the organic agri-tourism market in Wales in terms of size, structure, growth prospects, trends and sales potential? Include published statistics on the Welsh organic agri-tourism market.

For your own project, define your target market and estimate the size of the target market that you intend to attain. You may need to do your own market research by producing your own questionnaire.

Identify your competitors: What are their strengths and weaknesses?

How does your offer differ from theirs? Compare your product to theirs. What is your USP, your unique selling point?

Pricing: show what the price of your product or service will be. (This should also be included in the business planning section of the report).

How does your price differ to your competitors? If it is more, emphasise which aspects of your offer are different. If it is less, state why this is so and ensure it leaves sufficient profit.

State how you are going to promote your organic agri-tourism project:

A good, user-friendly website is essential and it is important that your website appears when using a search engine. What publications are you intending to use? How does this differ from your competitors?

Appendices: Finally, your business plan should include the following:

- Farm Resources
- Trading profit and loss account
- Balance sheet
- Budget profit and loss for each option
- Cash flow forecast(s)
- Assumptions used in the business plan/forecast
- Market research-details on any questionnaires used.
Funding in Wales

Tourism Investment Support Scheme

Administered by the Welsh Government, the Tourism Investment Support Scheme (TISS) is currently focused on quality upgrades to existing private sector tourism businesses, with a 12 month track record. The scheme will be expanded in 2011 and support will be prioritised within certain sectors and types of project.

For further information:
www.wales.gov.uk/topics/tourism/investsupport/?lang=en
Tel: 0845 010 8020
Email: tiss@wales.gsi.gov.uk

Farming Connect

Farming Connect provides farm and forestry businesses in Wales with one to one support, guidance, advice and training. Many Farming Connect services such as sector-specific Development Programmes are fully funded, while others are subsidised at 80% including the Whole Farm Plan helping businesses plan for the future, run the business more efficiently and safeguard the future of the business.

Mentoring is available in many areas such as technical advice, animal health, business planning and diversification. The Farm Advisory Service is a confidential service looking at all aspects of Cross Compliance relating to the farm, including specialist advice on areas such as soils, manure storage, dirty water systems and animal welfare. The Skills Development Programme provides access to courses throughout Wales on both practical and regulation-linked training.

Farming Connect is funded through the Rural Development Plan 2007–2013, which is financed by the European Agricultural Fund for Rural Development and the Welsh Government.

For further information:
Farming Connect Service Centre, Welsh Government
Rhodfa Padarn, Llanbadarn Fawr
Aberystwyth SY23 3UE
Tel: 08456 000813
Email: farming.connect@wales.gsi.gov.uk
www.wales.gov.uk/topics/environmentcountryside/farmingconnect/contactfc/?lang=en

Sustainable Development Fund

The Sustainable Development Fund (SDF) is a Welsh Government initiative to develop innovative sustainable projects that develop and test new ways of achieving a more sustainable living for current and future generations. The funding is to support projects that focus on demonstrating practical solutions relevant to environmental, social, cultural and economic aspects of life. Projects can range from locally-based to those applying across a National Park or a wider area.

Each of the National Parks is responsible for administering the SDF scheme, according to the operational guidelines stipulated by the Welsh Government.

Applicants can apply for 50% funding for their project.

The above scheme varies slightly between National Parks as Pembrokeshire Coast Park National Authority has an additional grant scheme, the Little Green Grant. This provides funding of up to £1,500 towards a project and is managed by the Pembrokeshire Association of Voluntary Services.

Snowdonia National Park Authority
CAE Project Officer
Snowdonia National Park Offices,
Penrhyndudaeth
Gwynedd LL48 6LF
Tel: 01766 772 252
Email: Sara.Wynne-Pari@eryri-npa.gov.uk

Pembrokeshire Coast National Park Authority
SDF Officer
Pembrokeshire Coast National Park Authority
Llanion Park, Pembroke Dock
Pembrokeshire SA72 6DY
Tel: 0845 634 7275
Email: sdf@pembrokeshirecoast.org.uk

Brecon Beacons National Park Authority
Plas Y Ffynnon, Cambrian Way
Brecon LD3 7HP
Tel: 01874 620471

Local Authorities

Some local authorities have funding for tourism projects. Contact your local authority for further information.
Conclusion

While tourism is a competitive business there are two clear market opportunities for organic producers in agri-tourism. Firstly to provide specialist tourist activities or accommodation on their organic farm and secondly to supply their own or nearby agri-tourism operations with organic farm products. Both these opportunities are available because of the growing visitor interest in environmental issues and food tourism.

A wider communication opportunity exists for the organic sector. Organic agri-tourism can demonstrate the connection between food, farming and sustainability by telling the story behind organic food on the breakfast table. At the same time, organic agri-tourism businesses can show consumers how their concerns about the environment can be addressed, not only by transport and energy choices, but also by the accommodation they choose and the food they eat and buy on holiday.

For further information about organic food and agri-tourism visit the Organic Centre Wales website. www.organiccentrewales.org.uk

Acknowledgements

Better Organic Business Links – Gwell Cysylltiadau Busnes Organig

Organic Centre Wales has secured nearly £2 million for The Better Organic Business Links (BOBL) project, to deliver sustainable growth to the Welsh organic sector over three years: 2009-2012.

Opportunity to promote sustainability

The BOBL project gives the organic sector in Wales a unique opportunity to:

• Develop new, emerging and existing markets for organic produce.
• Innovate in farming, processing and product development.
• Promote sustainable practices on farms, in abattoirs, in cutting rooms and kitchens and along the food chain.
• Raise market awareness among producers and increase sales across the range of outlets.

Tackling all parts of the supply chain

The BOBL project is working in partnership with a range of specialist providers to deliver these opportunities by focusing on:

• Driving innovation through trials and research.
• Supporting market development opportunities such as agri-tourism and supply chain efficiency programmes.
• Disseminating up to date market intelligence, by commissioning detailed, focused consumer attitude surveys.
• Addressing key structural problems within the sector, such as imbalances in organic horticulture supply and demand, and the availability of organic pullets.
• Cross cutting issues: Sustainable Food Communities and Secure Alternative Markets.
• Running an integrated communications campaign to help the sector deliver clear messages about the benefits of organic food and farming.

By strengthening the sector at all points along the supply chain, the project aims to leave a legacy of a more robust, responsive and sustainable organic industry in Wales.

The project is funded under the Rural Development Plan for Wales 2007-2013, which in turn is funded by the Welsh Government and the European Agricultural Fund for Rural Development.

This report has been prepared by ADAS for the BOBL project. It was researched and written by David Frost, Carolyn Wacher, Fay Francis and Carolyn Smith.

For further information on the project please see: www.organiccentrewales.org.uk/business-bobl.php

Or contact:
The BOBL Project.
c/o Organic Centre Wales.
Tel: 01970 622248
Email: bobl-project@aber.ac.uk