



Supporting Direct Selling of Organic Produce

Teagasc Webinar

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www.teagasc.ie/rurdev

Teagasc Rural Development

- Farm Business Options Programme
 - Diversification
 - Innovation
-
- <https://www.teagasc.ie/rural-economy/rural-development/>



Local Enterprise Offices LEO



First Stop Shop

The LEO offices are the local first-stop Shop for new entrepreneurs and existing micro-enterprise (employing < 10) and small business owners

- Established in 2014
- Part of the Local Authority
- Partnered with Enterprise Ireland
- National Network of 31 LEOs



Role of the Local Enterprise Office

- Offer business information, advisory services and enterprise supports
- Deliver high quality training to meet the needs of small businesses
- Mentor SME's with experienced experts
- To provide direct financial supports to microenterprise
- Advise on a large range of alternative funding options available
- Encourage and promote entrepreneurship in the county



LEO Training

- Start Your Own Business
- Grow Your Business
- Basic Book-Keeping, Cashflows etc
- Computerised Accounts
- Sales & Marketing
- Social Media & Website Training
- HR Training
- Customs Training
- Food Starter Programme
- Food Academy
- Food Hygiene
- and more

Business Mentoring

- Strategic planning
- Marketing Strategies
- Financial Planning and Cost Control
- Production Planning
- New Market Development
- Product Development

Other LEO supports

- Feasibility Study Grant
- Financial assistance – Innovation Vouchers, Agile Fund, priming and expansion grants, market development
- Technical Assistance for Micro Exporters (TAME)
- Microfinance Ireland - (Small Business Loans of 1% APR when applied through LEO)



Questions to ask?

- How productive is my core farming business?
- Could I differentiate what I sell to capture new markets?
- Could I be selling what I produce directly to consumers, especially if I process it myself?
- What business opportunities are there from greater public engagement? (educational or recreational experiences and services to the public)...
- How can digital technology benefit your farm to diversify?
- What are the unique advantages and challenges on your farm?

Research is critical to diversification

- Prevent a new business being out muscled by existing business.
- Search out similar businesses in other parts of Europe or further a field.
- What is successful in regions similar to your own.
- Need to exploit a narrow niche within an existing market – wedding venues
- Major interest in Leisure, health and wellbeing has resulted in examples of e.g. glamping (choosing an accommodation to allow relaxation away from usual surroundings).

Trends in Diversification

- Farmers and rural businesses have benefited from changing holiday trends short breaks v long stays
- Banks require a credible analysis of what customers are available to a proposed business and proposed income levels.
- Once you know how many people you have within certain drive times then you do a competitor analysis.

Why do farmers diversify?

- Earn extra income
- Provide business opportunity for partner/family member
- Future proof the farm for future generations
- Utilise redundant farm buildings / unproductive land
- Provide income for the short term
- Planning to wind down.

Types of Diversification

- Contracting
- Commercial letting
- Holiday accommodation & events
- Retail and catering
- Renewables
- Dairy produce
- Agri-food

What is Agritourism

- Basic requirements: Farm that offers accommodation, food and other attractions connected with authentic real life.
- Tourists that experience this kind of activity
 - Use accommodation and stay in an acting farm
 - Have the possibility to experience everyday life on the farm and to live like the local family.
 - Want a contact with the local community



Agritourism and Rural Tourism

- **Agritourism:** based on farm accommodation or activity provision often sponsored by agriculture ministries
- **Rural Tourism:** includes agri-tourism, but includes non-farm enterprises, villages and small towns. Often sponsored by rural regeneration and rural development agencies.

Women and Agritourism

- Rural women were often under-employed.
- Women are strong in hospitality and people skills.
- Women are good at working in partnerships
- Women thrive on the challenge of rural tourism.
- In some cases rural women have married into farm families, bringing new skills and contacts.

Understanding Change

- Growing competition from resorts, low cost city hotels, cheap flights
- Social marketing
- Web marketing groups
- Niche markets
- New tourism concepts
- The elderly sector
- Climate change & changes in society

What can Agritourism Deliver

- Money and “life” to rural areas, with relatively low capital costs, regenerating peripheral regions, and helping small farms suffering declining agricultural viability.
- Offer new leisure and holiday opportunities to growing number of city people who want outdoor active tourism, in nature areas, made possible by rising car ownership.

And

- It can if professionally managed – support – financially and politically – conservation projects of many kinds, including landscape, biodiversity, cultural and linguistic, plus organic farming, architectural conservation and innovative ideas generally.
- It can have important spin-offs but it needs time and support to achieve those spin-offs.

Examples of projects

- Angling tourism pond
- Quad bike and 4x4 off road track
- Open farm/pet farm
- River adventure park
- Allotments business on farm
- Cross country hunter trials course
- Self catering / B&B farm stays
- All weather arena
- Boat Marina
- Glamping / camping
- Pony trekking / Adventure horse rides / riding schools / Equine swimming pool
- Conversion of old farm buildings for tourism accommodation
- Conversion of old farm buildings for tourism amenities
- Recycling business using old farm sheds
- Rural therapy centre
- Conversion old mill into training centre

Grant assistance

- LEADER (EAFRD)
- LEO
 - - Competitive
 - - Fulfilling a demand gap
 - - How will it benefit the economy
 - - Cash flow forecasts and business plan
 - - Ability to meet match funding
 - - Letters of support/ contracts
 - - Three separate quotes
 - - Planning permission

Case study 1: Carrick Quads



Carrick Quads

- Farm based quad bike facility
- Owned by John & Leona Molloy – Carrick on Shannon Co. Roscommon
- John – Successful organic suckler farmer.
- John diversified before into mushroom production.
- Strong business acumen.
- Suckler enterprise complements the diversification project.

Carrick Quads



Carrick Quads



- Idea came to promoters on short break to Wexford – Quad Attack based on farm of John Cullen Enniscorthy.
- Carrick on Shannon is a popular town in West of Ireland – Stags / Hens
- Quad track provides fun pursuit for such parties.
- Visiting families docked in the area use the facility

Carrick Quads Strengths

- Only quad track facility in west of Ireland.
- Land available to construct track on
- Close proximity to Carrick-on –Shannon
- Potential to liaise and work with many businesses in Ck on Shannon
- Develop links with other websites

Project Development

- Planning was approved in 2011 and work started on the project in 2012
- Funds came from own resources and Roscommon LEADER programme



Carrick Quads Market

- Families – weekdays in summer
- Stag and Hen parties
- School & GAA clubs
- Corporate groups – (many weekdays)
- Promoted through print and targeted direct sales campaigns
- Presence at trade shows
- Work with local accommodation providers – set-price arrangements



Carrick Quads

- The business has grown dramatically over the past six years
- The addition of complimentary attractions are being planned.

www.carrickquads.com



Case study 2: Cavan Canoe Centre

- Established in 2007
- Promoter: Sean Thorntan
- Drystock farmer located on the shores of Lough Oughter – Co. Cavan
- Third generation farmer and native to the area.



Farming enterprise

- Farming since age of 16
- Started with 75 acres
- Over past 20 years has increased to 175 acres both owned and rented.
- Farms 50 suckler cows – females are slaughtered and males sold at 1.5 year old.
- Education at Teagasc College Ballyhaise – Certificate in Agriculture & Certificate in horse breeding.

The Project

- Dedicated canoe and kayaking centre
- Located at gateway to Inishmore island
- Offer guided and unguided tours
- Kayaking experience, family activities, school tours, summer camps, learning courses
- Sean identified the unique opportunity to explore the areas waterways, landscape and history for tourism and income development.

Cavan Canoe Centre



Key considerations in farm diversification

- What are key interests and skills in your rural area?
- What supports are available?
- What are the type of tourism diversification enterprise suited to your area?
- What level of investment and education is required, language, marketing etc.?
- What is labour availability in rural areas?

Typical Mistakes

- Access to finance and bridging loans
- Not getting key decision makers involved
- Not investing enough effort in research.
- Not taking time to examine budgetary financials.
- Ensuring diversification projects fit in with core farming within a region.

Training Supports Required

- Ability to shop around for finance deals
- Training that helps project developers to scrutinise terms and conditions
- Making realistic cash flow projections
- Investigating funding grant opportunities
- Specifying identical requirements on quotes
- Ensuring cash flow to account for grant paid in arrears.

Insurance and Risk Management

- Protect from liability claims and enable to stay afloat in the event of serious damage.
- Involve insurers at the planning stage
- Provide some assurance on costs and safety features before the first concrete is poured.
- Employers liability insurance
- Public liability & theft – level of cover
- Train employees to ensure compliance
- Maintaining property in a good condition and clear signage.
- Are you insured for fire, flood or machinery breakdown

Tax and Financial Implications

- Inheritance tax (Agricultural Property Relief)
- Capital Gains Tax
- Self – invested pensions – require expertise and active management.
- The tax treatment of pensions and investments depends on individual circumstances and may change in the future.

Conclusion

- Best projects complement the existing farm business.
- A good project will remove the volatility that exists in the current farming business.
- No substitute for forward planning and looking at every aspect of the business.

Thank you for your attention!