

# AGRITOURISM

A Development Guide for Farmers in Burlington



**DRAFT November 2019**  
Burlington Economic Development Corporation

# Understanding this Guide

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Burlington Economic Development Corporation (BEDC) has identified agritourism as a potential growth industry in Burlington.

The potential for agritourism in Northern Burlington is great. The factors facilitating BEDC's interest in pursuing the industry outlined in this report are as followed:

1. Demographics in Burlington would support the development of agritourism
2. Support for agritourism comes from government funding, education and support, along with financing opportunities.
3. Farms in rural Burlington have the resources and potential to succeed in agritourism.

This guide is intended to help current and prospective farm operators develop an agritourism business plan and understand the relevant land use policies in place.

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Support for agritourism in Burlington is not an endorsement or stated position of Burlington Economic Development Corporation on the viability of any individual business.

# What is Agritourism?

## *Tourism that supports agricultural production*

Agritourism falls under the broader category of rural tourism, referring specifically to farm related tourism uses including limited accommodation such as bed and breakfast, that promote enjoyment, education or activities related to the farm operation.

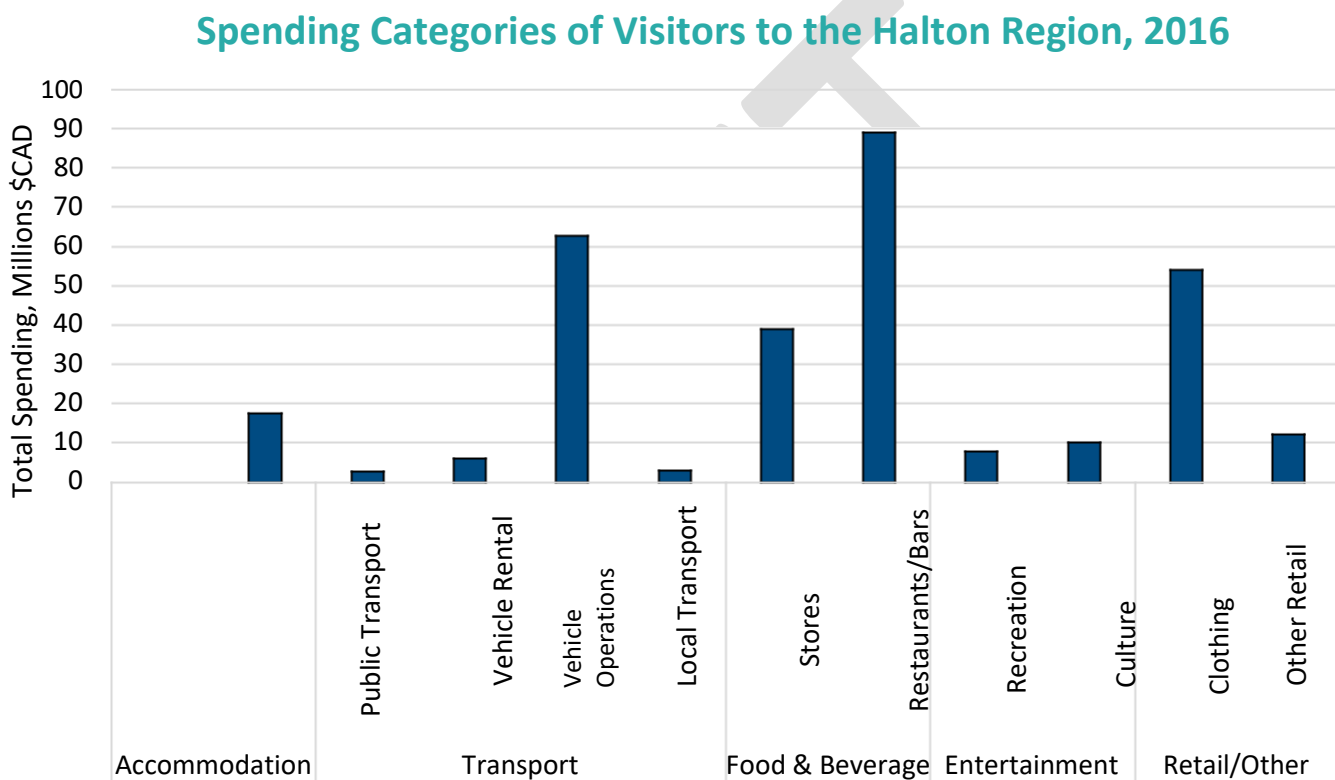
On-farm sales of agricultural products and overnight stays, while not falling under the strictest definition of agritourism, are often grouped with agritourism.



In past Canadian studies, pick your own operations have been found to be the most popular agritourism activity, offering a low-cost avenue to boost farm revenues.

# The Benefits of Agritourism

Agritourism is an underdeveloped industry in Burlington, with other regions showcasing the potential benefits from developing agritourism operations. Niagara Region, for example, has a thriving wine industry. The chart below breaks down spending patterns in the Halton Region. Most money is spent at restaurants and bars with tourism to the wider Halton Region minimal across all forms of entertainment:



Agritourists primarily see value through spending time with family, relaxation, and educational benefits.

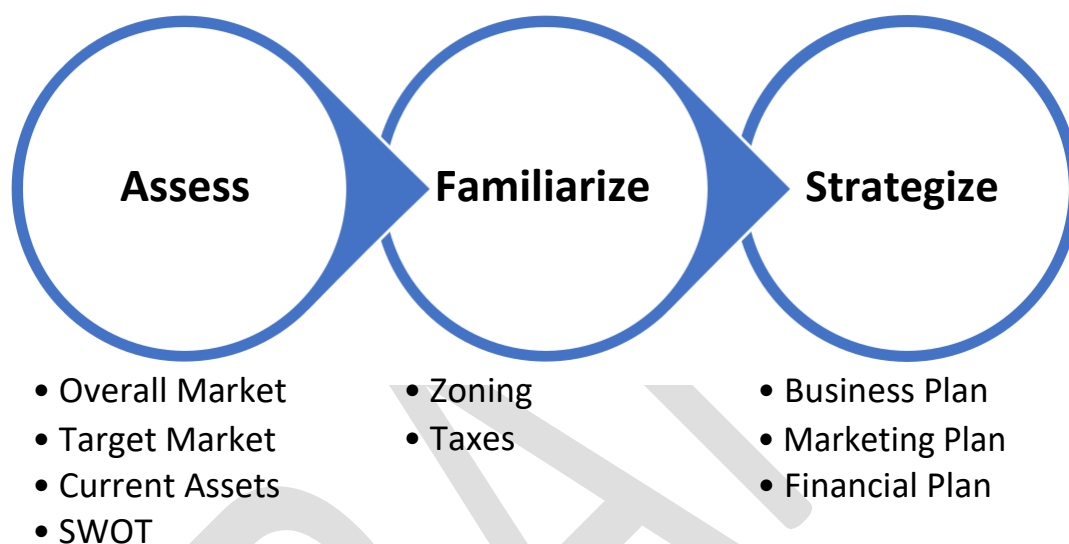
From BEDC's review of outside research, 64.4% to 80.6% of farms that implemented agritourism operations saw their profits rise, by an average increase of 55.6% to 68.5%<sup>1</sup>. These significant increases to revenue contribute to farm viability.

<sup>1</sup> Tew, C. Perceived Impact on Farm Economic Standing, Sales and Profits and Barbieri, C. Assessing the sustainability of agritourism in the US: a comparison between agritourism and other farm entrepreneurial ventures

## How to Begin

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While there are many resources to turn to, the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) offers a starting point for farmers wishing to develop an agritourism business through their “Developing an Agri-Tourism Operation in Ontario” guide. Their guide is linked alongside other resources at this end of this guide.



### Key Success Factors<sup>2</sup>:

There are several success factors that have been identified important for farm operators to consider:

1. Creating a visitor experience consisting of products and/or activities
2. Access to land and space
3. The farm is in an accessible location for visitors
4. Agritourism operation is marketed as a destination
5. Activities provided through experience match the visitors' expectations
6. Access to financial resources to cover start-up costs and invest in the future
7. Access to human resources
8. Activities adhere and comply with local government regulations
9. Presence of other agritourism operators

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<sup>2</sup> British Columbia Ministry of Agriculture's Farm Diversification Through Agri-Tourism guide, there are nine key success factors for agritourism.

# Burlington

While still a young industry, the potential for strong agritourism growth in Burlington is high. Nearby urban areas have easy access to rural Burlington, and the internal demographics closely match the sampled agritourist characteristics found in other regions in Ontario. Burlington’s rural area is protected under Ontario’s Greenbelt, and visitors can take advantage of a wealth of scenic attractions while remaining close to accommodations.

## Municipality Demographic

Figures 1 and 2 below display the age and gender distribution and income of Burlington’s population respectively, which are important to consider when pursuing new business opportunities. Along with this data, the population is educated, with the majority having some level of post-secondary education or technical training. Income of the population is an important factor to consider, as the main target markets for agritourism are young adults and young families with children who have disposable income to spend on experiences.

### Burlington Community Profile

Figure 1<sup>3</sup>

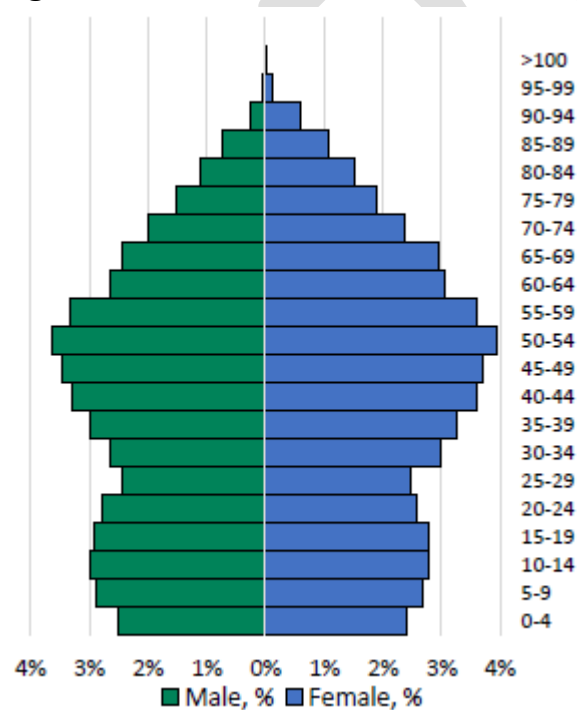
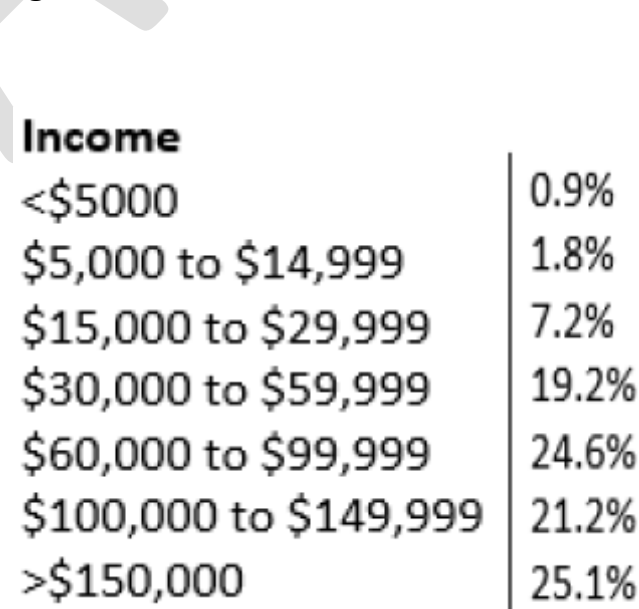


Figure 2<sup>3</sup>



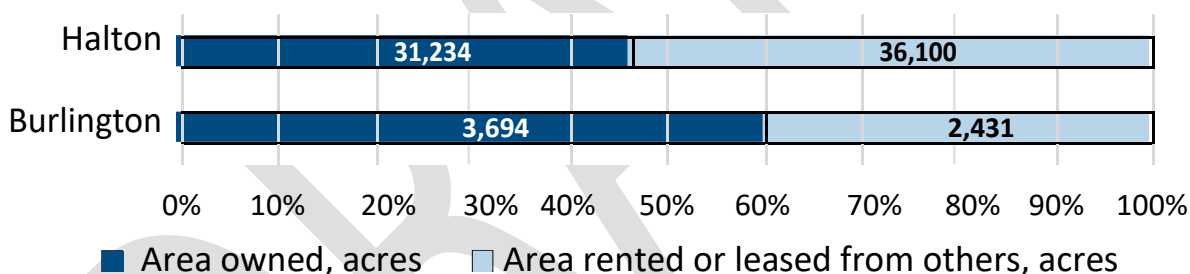
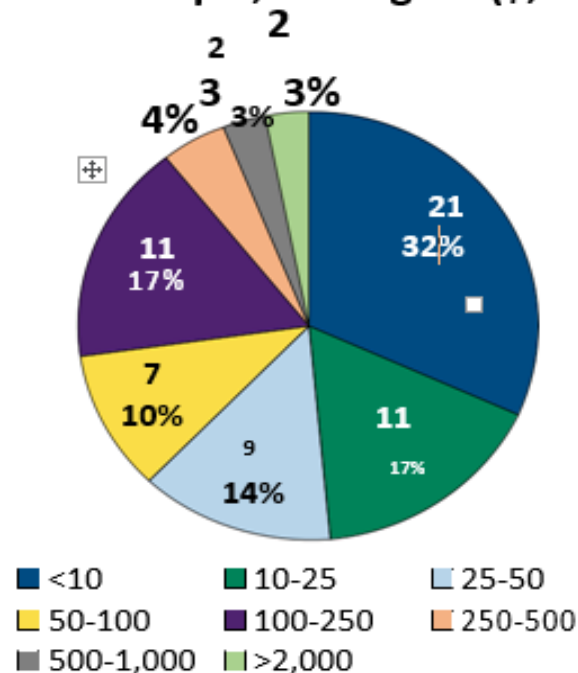
<sup>3</sup>Canada Census 2016

## Burlington Agriculture

Agriculture land in Burlington amounts to over 6,458 acres of land, occupied by 66 farms<sup>4</sup>. While pressure from urban development is contained by protected areas, farmland has declined over past decades. Since 1981, land that is occupied by farms has decrease by 59% in Halton.

According to Statistics Canada, the average farm size in Burlington is 98 acres, significantly lower than the Halton average of 152 acres.

**Gross Receipts, Burlington (\$,000)<sup>5</sup>**



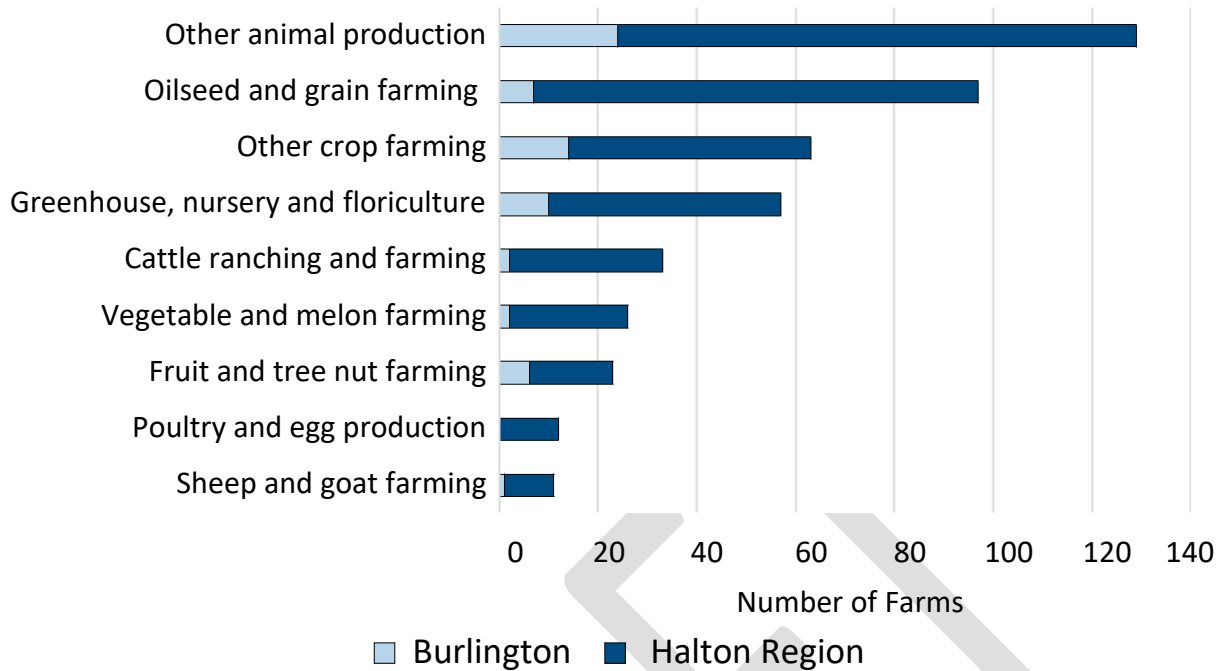
Farmland in Burlington is more likely to be operated by owners than across Halton as a whole, with roughly 60% of the total farming area owned and the remaining rented or leased from others.

The graph on the following page breaks down the farm types in Halton Region as a whole and shows farm types specifically within the City of Burlington boundaries. Understanding the types of farms in Burlington will give insight on the opportunities

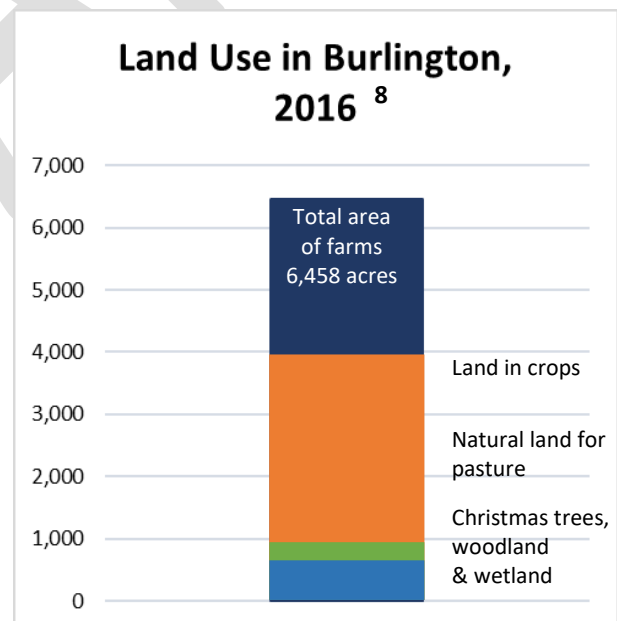
<sup>4,5</sup> 2011 & 2016 Census of Agriculture and Strategic Policy Branch, OMAFRA



## Farm Types in Halton Region<sup>6</sup>



Across South Central Ontario, land value per acre in 2018 was estimated to be \$16,535, with a 90% range from \$9,500 to \$24,000<sup>7</sup>. In 2018 Halton Region experienced a 6.2% increase in land prices compared to the rest of the province. Burlington land values range anywhere between \$500 per acre to \$16,000. Land values across the whole of Ontario are expected to continue their steady rise over the coming years. While it is expensive to farm in Halton there are also benefits to being close to the urban market. The value of land is driven by fewer, but more strategic investments undertaken by producers. Making the right investment decision is important for the continued success of farm operations.



Land use in Burlington has three main categories; those being crops, pastures and forests (including Christmas tree farms) and wetlands.

<sup>6</sup>2011 & 2016 Census of Agriculture and Strategic Policy Branch, OMAFRA

<sup>7</sup>2018 Farm Credit Canada Farmland Values Report

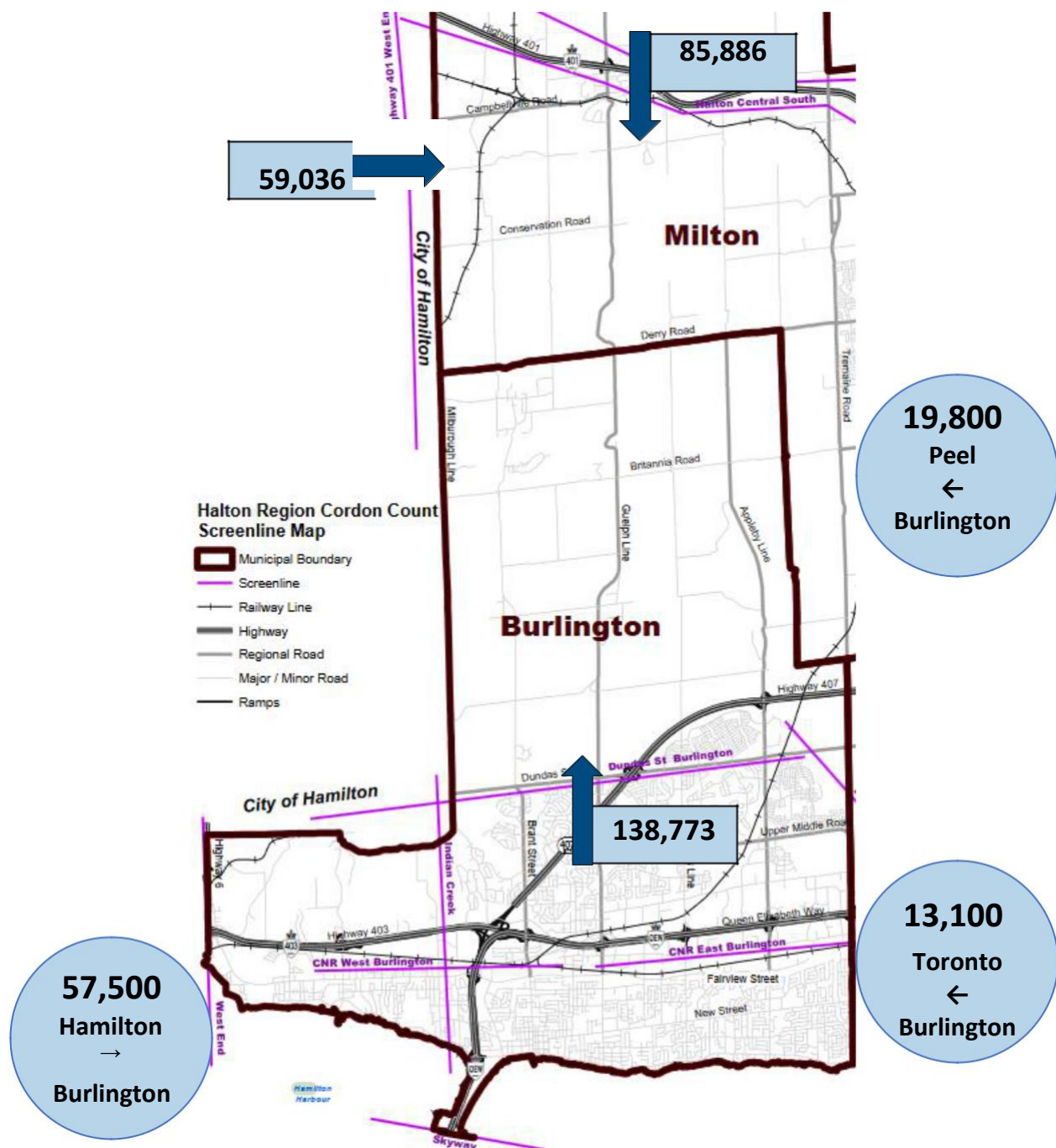
<sup>8</sup>2016 Census of Agriculture and Strategic Policy Branch, OMAFRA



## Transportation Patterns

Burlington's location within the densely populated Greater Toronto Hamilton Area means that local businesses are ideally positioned to benefit from the high volumes of people traveling within the City and surrounding area. Peak travel times in the region are between 6am-9am on weekdays and varied on the weekends.

The daily counts from surrounding municipalities are showcased<sup>9</sup>.



<sup>9</sup>2016 Transportation Tomorrow Survey

# 10-Step Plan to Start Your Agritourism Venture

## 1

## Know Your Market

Before making any time or infrastructure investments, it is important to know the market. From OMAFRA, the primary reasons for a farm visit include:

- To build and strengthen relationships
- To improve health and well-being
- To rest and relax
- To escape
- To learn

Visiting other agritourism operators in the area, conducting a survey on potential customers, and attending industry events are all ways to conduct an initial evaluation of the potential market.

### Agriculture Guides and Resources

Conducting research to get a feel for the market is important before pursuing a new venture. From all levels of government, you can find support and resources that are provided to aid in your business success.

For great guides and market information please see:

#### Halton Region Simply Local

<https://www.halton.ca/The-Region/Explore-and-Enjoy-Halton/Simply-Local-Halton-s-Farms>

Initiative by the Region to promote the agriculture industry and connect Halton residents with their local farms. The website information is also available in an app that provides an interactive map where you can easily find pick-your-own farms, markets and other agriculture-related recreational activities. Can download the mobile app at: [OneHalton Regional App](#).

#### Greenbelt Fresh

<https://www.greenbeltfresh.ca/>

The Greenbelt is in the heart of the Greater Golden Horseshow and protects more than 2 million acres of land. The aim of it is to help consumers find local food grown in the Greenbelt. The Greenbelt Fresh makes it easy to find local farmers markets and offers “In-season” guides each month.

## Ontario Agriculture System Portal

Provincial initiative recognizing the importance of accurate data about land use in the Golden Horseshoe. The database helps identify clusters of agriculture activity to promote economic growth in the sector. To access the resource visit: <http://www.omafra.gov.on.ca/english/landuse/agsys-ggh.htm>

## Market Statistics

BEDC is happy to assist in providing market statistics. The data centre can be found at <http://bedc.ca/data-centre/>, offering overall economic trends alongside demographic, workforce, and development figures. BEDC's economic development officers are also available to assist with more specific queries.

The Golden Horseshoe Food and Farming Alliance releases data on trends affecting the industry. Asset mapping and reports may assist in familiarizing yourself with a broader market. More information can be found at the end of this report.

## Networking and Community Building

Prospective Business Owners may be interested in connecting with other local agricultural associations. Some examples in Halton are:

 Halton Region Federation of Agriculture	 HALTON SOIL AND CROP IMPROVEMENT ASSOCIATION	 ONTARIO FRUIT & VEGETABLE GROWERS' ASSOCIATION
<ul style="list-style-type: none"><li>➤ Highlights organizational news, farm success stories, member engagement events, county federation news and surveys</li><li>➤ Member service information can be reached by contacting: <a href="mailto:henry.swierenga@ofa.on.ca">henry.swierenga@ofa.on.ca</a></li></ul>	<ul style="list-style-type: none"><li>➤ Facilitating responsible economic management of soil, water, air and crops through development and communication of innovative farming practices</li><li>➤ Provides agricultural news from the region</li></ul>	<ul style="list-style-type: none"><li>➤ In association with the OFVGA, the Halton Wentworth Fruit and Vegetable growers Association gives members support and representation at all levels of government</li><li>➤ For assistance in choosing a membership program contact: <a href="mailto:dhutton@ofvga.org">dhutton@ofvga.org</a></li></ul>

## 2

## Identify Your Target Customers

- What kind of visitors do I want?
- What kind of visitors can my existing business cater to?
- What kind of visitors will I be able to grow my business to cater to?

Target customers are distinct groups of visitors that you hope to attract with targeted marketing strategies. Creating potential customer profiles can be one way to get in the right mindset and help clarify the target market.

Previous work cited that the typical agritourist characteristics are wide range. Visitors are likely to be middle-aged or older adults, with varying incomes and education levels.

Similar demographic analyses of agritourist profiles have found that most live within 65 kilometers of the farm visited, and that interest increases with household income.

Agritourism businesses typically target the young family demographic. This would include middle-aged adults and young children. However, some research suggests that older adults with children over the ages of 12 are most likely to participate in agritourism. Just outside of Burlington (Milton, ON) Springridge Farm offers a model example of an operation that successfully targets the family demographic. The farm offers direct sales, seasonal festivals, school tours, wagon rides, and other activities suitable for children of all ages.

Characteristic Attribute	Agritourists (n = 182)
<b>Sex</b>	
Male	46.7
Female	53.3
<b>Age</b>	
Young adults	17.0
Middle-aged adults	36.3
Older adults	46.7
<b>Income</b>	
Under \$40,000	34.6
\$40,000 to \$59,999	23.1
\$60,000 to \$79,999	13.5
\$80,000 to \$99,999	10.3
\$100,000 and over	18.6
<b>Education</b>	
High school or less	40.8
Post high school diploma	32.4
University degree	26.8

Lang Research Inc. Participating in Agro-Tourism Activities While on Trips of One or More Nights  
University of Waterloo Agritourism Characteristics, 2010

Taken from the 2006 Canadian Travel Activities and Motivation Survey (TAMS) completed by 23,000 Canadians

### 3

## Review Land Use Planning Framework

Burlington's agricultural area is subject to a variety of land use policies.

The staff at BEDC recommend making reference to the different land use policies including:

- Halton Agricultural Land Base
- Greenbelt Plan
- Conservation Halton
- Niagara Escarpment Commission

The applicable policies vary depending on the location.

Arrange to speak with planning staff from the Department of City Building to understand how various policies may apply. Contact information is located at the end of this document.

Working with staff from the Department of City Building is an integral for developing an agritourism business. The **Burlington Planning Process** has 10 steps:

1. Pre-consultation meeting
2. Pre-Application Consultation Meeting hosted by property owner/developer
3. Development application is submitted
4. Notification to neighboring property owners
5. Circulation of application to agencies
6. Preparation of information report for members of City Council
7. Statutory public meeting
8. Preparation of recommendation report to approve, modify or refuse the development application
9. Recommendation report to Planning and Development Committee and City Council decision
10. Notice of Council decision/appeal period

More details can be found at:

<https://www.burlington.ca/en/services-for-you/burlington-planning-process.asp>

## 4

### Review Burlington's Tax Policies

The impact of taxation depends on whether the proposed use is agricultural-related, or an on-farm diversified use.

Knowing the distinction is important for your tax purposes:

- Agricultural-related use → local apples being used to make cider
- On-farm diversified use → imported apples (brought in from another farm elsewhere) sourced to make cider

Further guidelines are at:

<http://www.omafra.gov.on.ca/english/landuse/permitteduses.htm>

Generally, should a farm conduct a value-added activity on existing farmland, the buildings used for such operations will be subject to commercial or industrial tax rates. This may be the case even when the value-added activities relate directly to activities that make the food market ready. Burlington addresses this through subclasses for small scale-on farm diversified use, however the reduced rate still leads to a higher tax rate when compared to an agricultural use. The specific tax rate applied will vary depending on the nature of the agritourism operation.

## 5

### Assess Your Existing Assets

Many farm operators have potential tourism assets already. How can you use your existing assets to engage the public – whether through workshops or outdoor activities such as mazes, tastings, or photo opportunities. A strong plan for developing an agritourism business can help realize this potential by focusing on the physical resources and owner strengths that are already present.

For those not currently operating a farm in Burlington, selecting a site can be the most challenging step. BEDC can assist in this regard, connecting prospective businesses to opportunities within the city.

An additional resource can be found at Farmlink.net. FarmLINK is a national land listing and linking tool that connects those looking for land to rent, lease, or buy, on farm employment, business partnerships in agriculture, or farm succession arrangements with landowners and retiring farmers who have farmland or other on farm opportunities.



**What does my business provide and what needs does it fill?**

**Who are the potential customers for my product?**

**How will I reach my potential customers?**

A business plan is an important step for any successful agritourism operation. It helps set realistic goals, secure funding, measure success, clarify operational requirements and establish reasonable financial forecast. The plan should tie together the previous steps into a cohesive strategy.

Securing finance is related to the strength of the business plan – having demonstrated your understanding of every aspect of your business and the ability to generate profit is important for both funding applications and investors.

Some of the things you should explain in your plan include:

- Is it a new business venture, a purchase of an existing business or the expansion of an existing business?
- The industry sector your business is in
- The uniqueness of your product or service
- The advantages that your business has over your competition
- The main objectives of your business
- Market projections for the future of the business
- Number of visitors and estimated revenues
- Your legal business structure (sole proprietorship, partnership, corporation)

### **Halton Region Small Business Center**

The resource offered by the Region gives new small business owners and existing businesses owners the guidance they need to take their business to the next level. Halton Region does a great job at providing programs and training to help business owners explore new ideas and become successful.

All information can be found at:

- <https://www.halton.ca/For-Business/Halton-Region-Small-Business-Centre>

**Additional links on how to prepare a business plan can be found at:**

- <http://www.omafra.gov.on.ca/english/busdev/agbusdev.html>
- [https://www.halton.ca/getmedia/a3e45954-f528-490e-9fb8-291b5b3e0caa/LPS-Business\\_Plan\\_template.aspx](https://www.halton.ca/getmedia/a3e45954-f528-490e-9fb8-291b5b3e0caa/LPS-Business_Plan_template.aspx)



## 7

## Create a Financial Plan

- How much financing do I need?
- What costs do I need financing for?
- Where will I get the financial resources to start my business?

Developing a sound financial plan is key to ensuring that your agribusiness contributes positively to the farm's bottom line. Detailed financial statements should include:

- startup budget
- two-year projected cash flow and two-year projected income

In addition to start-up and construction expenses, costs can include signage, advertising, finding and training staff.

To help give you an idea of costs and forecasting cash flow for your business, Halton Region offers a template toolbox online at:

[https://www.halton.ca/getmedia/57162cc1-ac59-4d6b-ad46-34e3298c9b0b/LPS-StartupCost\\_CashFlow\\_BalanceSheet.aspx](https://www.halton.ca/getmedia/57162cc1-ac59-4d6b-ad46-34e3298c9b0b/LPS-StartupCost_CashFlow_BalanceSheet.aspx)

The following resources can assist in determining financing:

### OMAFRA

The Farm Business Decision Calculator offers specific tools to help you create a budget, forecast harvest revenues or plan for expansion. The source is detailed and offers information based on farm type. More information can be found at:

<http://www.omafra.gov.on.ca/english/busdev/downtown.htm>

### Fair Finance Fund

The Fair Finance Fund targets Ontario's local food and farm social enterprises that support local food systems and economies.

More information can be found at:

<https://fairfinancefund.org/loans>

### Federal Grants, Subsidies and Contributions for Agriculture

AgPal can be used to search for programs and resources to help with business management, farming innovation and community support. Farm Credit Canada (FCC) Loan Program offers financing from the federal level.

More information can be found at: <http://www.cbo-eco.ca>.

Marketing is the number one problem faced by agritourism operators. Developing a strong marketing plan from the onset of a new agritourism operation is an essential part of ensuring success.

- Advertising- message, medium, and target audience
  - Focus on two or three strong selling points and additional information about your products and services. Keep your message simple.
  - Carefully consider all forms of media and focus on those that fit your budget, brand and can reach your target audience.
  - Which market segments you wish to target will determine the type of advertising and the best media placement
  - A solid marketing plan incorporates both online and offline tactics and leverages strategic alliances with other businesses and community organizations. A good marketing plan also considers cost/budget and should include a way of measuring its success (i.e. key performance indicators (KPIs) and return on investments (ROI))
- Relationship marketing- local customers are the easiest way to develop a solid, loyal customer base

### **The Halton Region Small Business Centre (HRSBC)**

HRSBC is a free, confidential and self-directed support service and hub of local business startup resources. HRSBC offers a comprehensive resource centre that includes tools, training and expertise for small businesses in Halton. The Consultant on Site Program connects business owners and entrepreneurs with a business consultant at one of four locations across Halton, providing help with research, marketing plans, government regulations or any other questions you have about your business. One-hour consultations are provided at no cost. HRSBC also provides an ongoing series of seminars that include topics like sales and marketing, and business to business networking opportunities. HRSBC also works in partnership with local and provincial tourism organizations to provide training and workshops for Halton businesses to encourage and support agritourism development.

Visit [www.halton.ca/smallbusiness](http://www.halton.ca/smallbusiness) for more information.

## 9

## Launch Agritourism Business

### It's time to launch your agritourism business!

Starting small will allow you to manage risk effectively and grow into areas that show the most promise. Burlington's Department of City Building, BEDC, the Halton Region Small Business Centre, and other external resources are available to provide support and guidance along each step of the way.

## 10

## Monitor Your Business

Now that your agritourism business is up and running it is important to ensure it is successful. Monitoring your business requires having proper management and keeping a pulse on operations and financials.

Even after a successful launch, resources are available to help you maintain success for the future of your business. Having a good understanding of your ventures financials and position requires continuous monitoring.

The Ontario Soil and Crop Improvement Program offers workshops to help in running an agritourism business.

- Grow Your Farm Profits
  - A great resource to you if you need guidance in how to do self-assessments offered in a two-day workshop
  - GYFP helps agriculture businesses improve their processes by combining self-assessment and action plan development with a range of cost-share funding through the Canadian Agricultural Partnership
  - Information about registering for an in-person or online workshop can be found at:  
[https://www.ontariosoilcrop.org/oscia-programs/workshops-webinars/gyfp-workshop/?tribe\\_paged=1&tribe\\_event\\_display=list&tribe-bar-search=GYFP](https://www.ontariosoilcrop.org/oscia-programs/workshops-webinars/gyfp-workshop/?tribe_paged=1&tribe_event_display=list&tribe-bar-search=GYFP)

## Resources to Use

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Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) is recommended to be your first point of research, specific links of interest are:

- Developing an Agri-Tourism Operation in Ontario  
<http://www.omafra.gov.on.ca/english/busdev/facts/16-029.htm>
- Direct Farm Marketing Business Resources  
<http://www.omafra.gov.on.ca/english/busdev/directfarmmkt/index.html>
- Agricultural Business Management  
<http://www.omafra.gov.on.ca/english/busdev/agbusdev.html>

Farm Management Canada

- Cultivating Agritourism: Tools & Techniques for Building Success  
<http://fmc-gac.com/publications/cultivating-agritourism-tools-techniques-building-success/>

Golden Horseshoe Food and Farming Alliance

- Golden Horseshoe Agriculture Research  
<http://www.foodandfarming.ca/research/>

Ontario Farm Fresh Marketing Association (OFFMA)

- <http://ontariofarmfresh.com/about-us/>

Farmers' Markets Ontario

- <http://farmersmarketsontario.com/market-resources/>

Ontario Culinary Tourism Alliance

- Grow Food Tourism  
<https://www.growfoodtourism.com/about>

British Columbia Ministry of Agriculture

- Farm Diversification Through Agri-Tourism  
[https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/farm-management/farm-business-management/business-planning-guides/agritourism\\_guide\\_2017.pdf](https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/agriculture-and-seafood/farm-management/farm-business-management/business-planning-guides/agritourism_guide_2017.pdf)

Burlington Economic Development Corporation Business Directory

- <http://bedc.ca/burlington-business-director>

## Detailed Maps

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Speaking with planning staff from the Department of City Building is the most effective way to determine zoning requirements and allowances. For an introductory overview however, the following maps may also be useful.

For an overview of which municipal zoning policies apply to your property:

City of Burlington Zoning

<https://www.arcgis.com/apps/webappviewer/index.html?appid=6e771e2593c043c3952c3cd324784dfd&extent=-8899194.8171%2C5376143.5095%2C-8898392.2283%2C5376540.6238%2C102100>

To determine whether your property is impacted by Conservation Halton's guidelines and restrictions, refer to the Planning & Permits map:

Conservation Halton

<https://conservationhalton-camaps.opendata.arcgis.com/pages/web-maps>

To understand which Official Plan policies may apply to a certain location, and to view the boundaries of the Niagara Escarpment Plan Area and the Greenbelt Plan Area in Burlington, refer to Schedules B and C of the Burlington Official Plan:

Official Plan Schedules

<https://www.burlington.ca/en/services-for-you/Official-Plan.asp>

## Contact Information

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To discuss land use planning, policies and process, contact:

**Kelly Cook, Planner II, Department of City Building**

905-335-7600 Ext. 7641

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kelly.cook@burlington.ca

To discuss business plans, site selection, or statistical queries, contact:

**Andrew Elliston, Economic Development Officer**

905-332-9415 Ext. 7248

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andrew.elliston@burlington.ca

To access small business tools, training and expertise resources, contact:

**Halton Region Small Business Centre**

905-825-6000 Ext. 7900

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smallbusiness@halton.ca