

Ag-Tourism Family Destination



BE IN
NATURE



OVERVIEW

This agri-tourism family farm destination welcomes guests with antique farm equipment, hay bales, and a farm adventure space. Family activities including a corn maze, tractor rides, petting zoo, pumpkin patch, and other family-friendly activities. Attracting a range of families (with younger and older children) is key for repeat visits. The farm would run special events around several holidays including Halloween, Christmas, and Springtime with options of long-table dinners, farmers markets, educational programming for school field trips, and other events in between these three main seasons. The farm would also host unique glamping accommodations.

LOCATION

The footprint for this business is very small compared to most farms. This does not require a full section of fields, in fact a 10-acre parcel of land as close as possible to Camrose is all that is required to launch this business.

INITIAL CAPITAL "D" INVESTMENT

\$ 889,075 (not including farmland)

Market Opportunity

During the months of July through October 2024, the City of Camrose held a series of engagement sessions with tourism and business sector stakeholders to determine what the most obvious business opportunities within the city currently are. Part of that exercise was trying to determine what the brand of Camrose is and how it is perceived in the marketplace. The overwhelming consensus is that Camrose is seen as a destination that combines city sophistication with the rural ambience of a quintessential Albertan country town. Once one is removed from the more metropolitan feel of downtown, Camrose exudes the serenity of a pastoral, family-oriented farming community.

And yet – despite being the perfect distance from Edmonton and its surrounding suburbs, and despite the number of beautiful farms surrounding Camrose, there does not exist any real farm-based agri-tourism experiences here, including farm activities and farm to table, food and beverage offerings despite these being very much on trend in general. The closest possible competitor to this type of experience in rural, Central Alberta, is Prairie Gardens, which is an excellent example of this type of offering but is actually 30km north of Edmonton in Bon Accord. This agri-tourism day experience is so busy that county officials have instructed the staff to close the gates and turn away visitors once a certain quota of vehicles have arrived. This leaves the entire catchment region south and southeast of Edmonton for this new business. This includes larger towns such as Red Deer, Leduc, Wetaskiwin, Lacombe etc. as well as the largest and affluent suburbs south of Edmonton such as Sherwood Park.

In discussions with senior staff from Explore Edmonton they stated that they see Camrose not as a threat to existing Edmonton businesses but rather as an excellent destination that they would love to promote. In fact, in particular they felt that **Camrose could be the perfect destination for them to direct visitors to who were finished exploring the city and now wanted to experience rural Alberta – the perfect visitor match for an agri-tourism experience.**

As a result of the research into new Camrose tourism opportunities, over 30 potential businesses

were subjected to an evaluation matrix that utilized over 30 criteria to determine which businesses would likely be successful. These criteria ranged from market demand to the competitive landscape, operational challenges, the amount of required capital and the projected return on that capital that was invested. At the end of this process **agritourism experiences were ranked #1** out of all the business opportunities that were identified.

The reality is that most farms that have the land available can offer these experiences without a major capital expenditure. It should also be noted that the footprint for this business is very small compared to most farms. This does not require a full section of fields, in fact a 10-acre parcel of land as close as possible to Camrose is all that is required to launch this business.

The business can also be open only when the owner wants, in fact most businesses like this are open only during key seasonal periods and for special events and yet they remain quite profitable, adding to the overall revenues generated by the farm. From a labour perspective the positions required to run the business are all essentially unskilled and just require employees who enjoy being with people. For farms that grow produce that can be sold on the farm, the agri-tourism business is a logical extension of what is already being done, attracting more patrons who will likely buy produce as well as an experience. Most importantly the owner of this type of business must have a desire to share their rural lifestyle and be interested in educating folks about the importance of Canada's farms to all Canadians and millions of people world-wide.

The addition of accommodation and food and beverage services represents a significant leap into the hospitality business but also represents a significant increase in the gross margin of the business.

Because Camrose has so little in the way of unique, tourism-facing accommodation, these units will often be rented by folks who have other, primary reasons for visiting Camrose. In the case



of an agri-tourism business renovated grain bins are the recommended accommodation to be included. They are very unique, are a perfect match to the brand profile of an agri-tourism experience, can be used in all seasons and are relatively inexpensive to build and maintain. By starting out with only 6 units the market demand can be tested before any more significant investments are made.

The Experience

Families arrive at a welcoming retail/admissions area with easy parking near the main access road. Antique farm equipment, hay bales and other farm-related décor greets the family as they walk into the farm adventure space. Tractor rides with purpose-built trailers take guests on a tour around the farm, stopping at key areas that are not immediately accessible to the central area (for example, the pumpkin patch, corn maze, or waterside trail). The central area has a multitude of fun activities themed around the particular farm whenever possible. Attracting the range of families (with young and older children) is key for repeat visits.

An area with small to medium farm animals nearby to make it easy for all guests to view, pet and feed if appropriate. Some “special” animal visitors should be highlighted seasonally – baby rabbits and chicks, for example, during the Easter events. If appropriate for the farm, **pony rides** could be offered for an additional fee.

The central compound area has a large **outdoor jumping pillow** that is a magnet for children up to 12 years of age. A large **playground** is available within sight of the jumping pillow but spaced enough to allow for the groups of parents watching both activity areas. The other side of the compound has a large **hay bale obstacle/climbing/play structure** that allows older children to climb and play. A **pedal cart track** and both single and double carts (to allow younger children and a parent or older sibling) to ride around a track is also a must for the compound area.

A **barn or barns** that can be decorated and display animals, artifacts or other fun games and activities allows guests to get out of the sun (or rare rainy days). These should also be themed depending on the season and the special event.

Typically, special events are held on weekends and holidays during three to four weeks leading up to Easter, Halloween and Christmas. Special events typically have additional decorations, activities according to the event, and changes in retail offerings. For example, an accessible field to the activities area or **tractor ride** will have **pumpkins** available to pick and purchase; there may be a haunted “barn” aimed at different age guests; a **corn maze**; and an **air-propelled corn cannon** to shoot at targets as part of the Halloween experience. Christmas events can include Santa visits, **Christmas tree purchase** (pre-cut or u-pick), pre-booked **private campfire experience** (food and drink included); caroling and other holiday related activities.

Each of the specific activities chosen are based on the big winners found at other farm destinations, however, every farm experience is different and should be designed to work with the particular farm.



ACCOMMODATIONS

Unique glamping accommodation options are continuing to grow in popularity and are significant revenue generators on their own. It is proposed that 6 converted grain bins are used for accommodations 5 months of the year. Each grain bin will include a full ensuite, upscale bedding and furnishing and be designed for 2 – 6 guests, allowing for family groups as required.

Financial Projections

THE SEASON

The financial projections assume a 161-day season for farm experience. This is based on special events for 3 months (Easter, Halloween and Christmas) that are only weekends and holiday operations; general admission weekends in early May and late September; and general admission daily operations from the May long weekend until Labour Day weekend.

The Grain Bin Glamping experience assumes a 153-day daily operation season from May 1 to September 30.

OPERATING CAPACITY/OCCUPANCY

For the purpose of forecasting sales, the capacity of each component of the proposed operation has been identified. Each of the revenue components has projections based on a conservative sales forecast in terms of occupancy and capacity. Each revenue component starts at a different occupancy or sales level based on market demand and capacity of the experience. Occupancy and sales levels have been set on a monthly basis for the first year and projected for the remaining four years.

- The **capacity** is set at 750 guests for the farm experience and 6 Glamping Grain Bins.
- **General Admission** Blended Sales Rate (% of Capacity): Year One 26.0%; Year Two 30.0%; Year Three 34.0%; Year Four 37.0%; Year Five 40.0%.
- **Special Event Admission** Blended Sales Rate (% of Capacity) Year One 55.0%; Year Two 59.0%; Year Three 63.0%; Year Four 66.0%; Year Five 69.0%.
- **Grain Bin Glamping** Occupancy Rate: Year

One 46.0%; Year Two 50.0%; Year Three 54.0%; Year Four 57.0%; Year Five 60.0%.

CONSERVATIVE PROJECTIONS

A conservative approach to the financial projections has been utilized, including:

- No projected increase to any rates;
- Growth has been projected at 4% per year for years 2 and 3; 3% per year for years 4 and 5.
- No revenues have been projected for future or expanded offerings (long table dinners, for example);
- Operating expenses have been projected to increase 5% annually;
- Bank/credit card charges of 3% on all revenues have been assessed; and
- Generous salaries and wages have been projected and staffing numbers have increased as sales increase.

Examples

SUCCESSFUL FAMILY FARM DESTINATIONS

[Snyders Family Farm](#)

[Kustermans](#)

[Clovermead](#)

GRAIN BIN GLAMPING EXAMPLES

Rosetown, Saskatchewan. [Alive Sky](#)

Moosejaw, Saskatchewan. [Bin There Camp-ground](#)

SIMILAR REGIONAL EXPERIENCES

These experiences have only partially embraced the opportunity.

[Prairie Gardens](#)

[K3 Corn Maze and Family Farm](#)

[Kraay Family Farm](#)

CAPITAL COSTS

The starting capital costs infrastructure estimates includes a large jumping pillow, purpose-built trailers built for tractor "rides" around the farm, small animal enclosures for the petting/viewing area, a playground, pedal cart course and food services. Many other activities should be developed at low cost including trails, u-pick options (depending on the farm), long-table dinners and hay bale mazes/play areas, for example. The capital costs also include a unique, grain-bin glamping experience during the summer months.

Guest Accommodations	Number	Cost per unit	Total
Converted Grain Bins	6	\$ 50,000	\$300,000
Supporting Infrastructure			
Parking Area Field Upgrade (250 vehicles)	250	\$75	\$18,750
48' Jumping Pillow	1	\$ 25,000	\$ 25,000
Petting Zoo Specific Animals & Enclosures	1	\$ 50,000	\$ 50,000
Playground	1	\$ 50,000	\$ 50,000
Pedal Cart Course & Carts	1	\$ 7,500	\$ 7,500
Food Trailer/Truck & Electrical Requirements	1	\$ 30,000	\$ 30,000
Seasonal Decorations for Events (Easter, Halloween, Christmas)	3	\$ 20,000	\$ 60,000
Retail Sales/Admissions Area	1	\$ 30,000	\$ 30,000
General Farm Modifications for Guest Areas/Control	1	\$ 50,000	\$ 50,000
Equipment			
Housekeeping/Servicing/Grounds Maintenance ATV & Trailer	2	\$ 23,500	\$ 47,000
Trailers for Tractor Rides	2	\$ 20,000	\$ 40,000
Soft Costs			
Pre-Opening Marketing	1	\$ 100,000	\$ 100,000
10% Contingency			\$ 80,825
Class "D" Capital Budget Estimate Total			\$ 889,075