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Exploring the Future of Agritourism In
New Zealand

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I wish to thank the Kellogg Programme Investing Partners for their continued support.



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Executive Summary

Background

Farmers are facing challenges such as environmental regulations, inflation, and price volatility, leading many to seek land use changes and diversification. Agritourism has emerged as a popular option, integrating tourism into farming and providing opportunities for experiencing real farming life in New Zealand and re-connecting with nature.

Aims & Objectives

The research aimed to understand why farmers diversify into agritourism and what opportunities exist in this sector. The question addressed was, "What opportunities lie in New Zealand agritourism?" The goal was to provide information for farmers considering agritourism to diversify their farming businesses and investigate how the agritourism sector could grow.

Methodology

A literature review established definitions, drivers, benefits, and challenges of agritourism globally and compared them to New Zealand. Qualitative interviews with agritourism operators and stakeholders identified motivations, benefits, challenges, and success factors in the sector.

Key Findings

- Agritourism diversification is driven by financial and social factors.
- Diversified income and resource optimization enhance business resilience and facilitate business growth.
- Agritourism provides opportunities for non-farming partners and family members, enabling personal growth and offering flexibility.
- Challenges include operational considerations such as balancing farming and tourism activities, health and safety, weather implications and staffing requirements.
- Authenticity is the key to success in the agritourism sector. Providing experiences unique to individual businesses and the resources they have available.
- Agritourism helps bridge the rural-urban divide and helps educate urban people on the primary sector.
- Agritourism can also help promote New Zealand farming and products on an international scale.
- New Zealand lacks agritourism leadership compared to countries like Australia and Scotland. No national strategy exists to support sustainable growth of agritourism.

Recommendations

For Farmers

- Investigate agritourism as an option to optimise land use, improve profitability and create a role for non-farming partners or other family members.
- Undertake robust business planning and market research to and develop products that suit the land, region and people in the business.
- Ensure offerings are unique and authentic to avoid "cookie cutter" experiences.
- Consider the effects on your local community, both positive and negative. Minimise any negative impacts to maintain social license.
- Connect with Regional Tourism Organisations for local tourism information and collaboration opportunities.

Recommendations to stakeholders:

- New Zealand government needs to recognise the opportunity within agritourism and develop an agritourism strategy for sustainable growth. Pulling inspiration from existing international strategies such as the Australian "Agritourism 2030" national framework.
- Tourism New Zealand needs to redirect funding from marketing to destination management and infrastructure development in the regions to support sustainable growth of agritourism.

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A note on the use of artificial intelligence and internet sourcing in this report:

- Adobe AI assistant was used during thematic analysis to assist in identification of key themes from transcribed interviews
- Microsoft Copilot was used was used to improve sentence structure and grammar in a small number of paragraphs in this report

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1 Introduction

Agritourism is described as a “rural enterprise which incorporates both a working farm environment and a commercial tourism component” (McGhee., 2007, as cited by Phillips et al.,2008).

Considering volatile markets and the downward pressure on food prices, as described by Ian Proudfoot of KPMG (personal communication January 21, 2025), it is essential for farmers to adapt and explore alternative income streams. In recent years farmers have experienced increased farm input costs, high interest rates and the addition of costs relating to the environment (Beef + Lamb New Zealand, 2024). It has been suggested by Proudfoot (2025) that to remain viable, farmers need to determine ways to monetise nature to meet the rising costs on farm. Farm businesses that do not change and adapt their business to meet these challenges will simply cease to exist due to poor profitability.

Agritourism is one option available to farmers looking to diversify their businesses.

The purpose of this research paper is to study the agritourism sector and determine what drivers are behind diversification into agritourism. Research will also cover challenges that operators have experienced and how they have managed or overcome these challenges. Findings from this report will help farmers who are looking to diversify into agritourism by providing insights around benefits, challenges and success factors relating to agritourism. It will also shine a light on the opportunity that agritourism provides on a national and international level in terms of managing over tourism and in our main centres, bridging the rural-urban divide and helping to build New Zealand's food origin story.

2 Objectives

To understand the opportunities for farmers to diversify their businesses through Agritourism. This project looks to understand the drivers behind diversification into agritourism in New Zealand and to establish the economic and non-economic benefits of agritourism. It will also cover the challenges that operators have faced in this sector and therefore what potential barriers to entry exist, and how they have overcome them. Finally, it will identify key factor that contribute to a successful agritourism business, so that other farmers looking to diversify into agritourism may use this information to set their businesses up in way that is sustainable from a financial perspective, but also from the point of view of the people involved and the environment the business is operating in.

Areas of research

- Drivers of diversification into agritourism
- Benefits of agritourism to business owners, from both an economic and non-economic point of view
- Challenges within the sector
- Key success factors

3 Methodology

1. A literature review was conducted to analyse existing work and research on this topic. Specifically, information was gathered on the following:
 - a. Drivers for diversifying into agritourism
 - b. Value/benefits of agritourism to operators
 - c. Challenges in the agritourism sector
2. Once the literature was reviewed key themes were analysed and discussed.
3. Investigative interviews with a range of agritourism operators and stakeholders were conducted to determine if the same patterns and trends emerged as what was

discovered in the literature review. Questions were based on the areas of research outlined in the objectives and can be found in Appendix 12.2.
Interviews occurred in person or via Zoom where face to face is not possible.

- 4. The information gathered in the interviews was then analysed using thematic analysis once again to identify key themes and trends within the sector.
- 5. Following analysis of the key themes, findings were generated and recommendations made for operators and stakeholders in the agritourism industry.

4 Literature review

This literature review aims to summarize existing research and analyse key themes and differing views. It covers definitions of agritourism, the motivations for diversifying into agritourism, the benefits and value it brings to businesses, and the challenges faced in both the agritourism and wider tourism sectors.

4.1 Defining Agritourism

Agritourism has been described as a “specific type of activity based on the relationship between agriculture and tourism and designates a concept over 100 years old” (Petroman, 2010). This highlights the fact that while it appears to be a growing sector in New Zealand, it is in fact an industry that has been around for over a century. The UN Tourism organisation describes ‘rural tourism’ rather than agritourism and is described as “a type of tourism activity in which the visitors experience is related to a wide range of products generally linked to nature-based activities, agriculture, rural lifestyle/culture, angling and sightseeing”. This is well aligned to Agritourism NZs own definition of agritourism as “combining agriculture and tourism to promote sustainable tourism, support local agriculture and provide economic benefits to primary producers and rural communities”. (Agritourism NZ, n.d)

There are various definitions for agritourism. Several of these definitions have been compiled in Table 1 below (Phillip, 2008). Many of the definitions include the idea of activities occurring on a ‘working farm’, for example one definition in the table reads “rural enterprise which incorporates both a working farm environment and a commercial tourism component” (McGhee as cited by Phillips).

Table 1: Overview of definitions used in the literature for agritourism and related labels. (Phillip, 2008)

Overview of definitions used in the literature for agritourism and related labels.		
Term used	Definition	Reference
Agritourism	“any practice developed on a working farm with the purpose of attracting visitors”	Barbieri and Mshenga (2008: 168)
	“a specific type of rural tourism in which the hosting house must be integrated into an agricultural estate, inhabited by the proprietor, allowing visitors to take part in agricultural or complementary activities on the property”	Marques (2006: 151)
	“rural enterprises which incorporate both a working farm environment and a commercial tourism component”	McGehee (2007: 111) and McGehee, Kim, and Jennings (2007: 280)
	“tourism products which are directly connected with the agrarian environment, agrarian products or agrarian stays”	Sharpley and Sharpley (1997: 9)
	“activities of hospitality performed by agricultural entrepreneurs and their family members that must remain connected and complementary to farming activities”	Sonnino (2004: 286)
Agrotourism	“tourism activities which are undertaken in non-urban regions by individuals whose main employment is in the primary or secondary sector of the economy”	Iakovidou (1997: 44)
	“tourist activities of small-scale, family or co-operative in origin, being developed in rural areas by people employed in agriculture”	Kizos and Iosifides (2007: 63)
	“provision of touristic opportunities on working farms”	Wall (2000: 14)
Farm Tourism	“rural tourism conducted on working farms where the working environment forms part of the product from the perspective of the consumer”	Clarke (1999: 27)
	“tourist activity is closely intertwined with farm activities and often with the viability of the household economy”	Gladstone and Morris (2000: 93)
	“to take tourists in and put them up on farms, involving them actively in farming life and production activities”	Iakovidou (1997: 44)
	“commercial tourism enterprises on working farms... This excludes bed and breakfast establishments, nature-based tourism and staged entertainment”	Ollenburg and Buckley (2007: 445)
	“activities and services offered to commercial clients in a working farm environment for participation, observation or education”	Ollenburg (2006: 52)
	“a part of rural tourism, the location of the accommodation on a part-time or full-time farm being the distinguishing criterion.”	Oppermann (1996: 88)
	“increasingly used to describe a range of activities... [which] may have little in common with the farm other than the farmer manages the land on which they take place”	Roberts and Hall (2001: 150)
Farm-based tourism	“phenomenon of attracting people onto agricultural holdings”	Evans and Ilbery (1989: 257)
	“an alternative farm enterprise”	Ilbery, Bowler, Clark, Crockett, and Shaw (1998: 355)
Vacation Farms	“incorporate both a working farm environment and a commercial tourism component”	Weaver and Fennell (1997: 357)

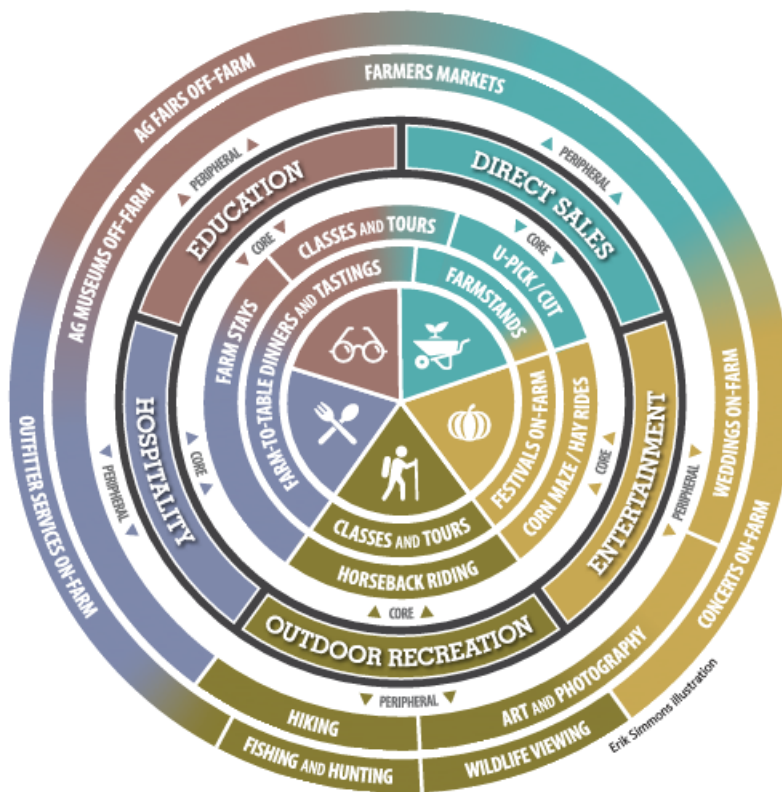


Figure 1: Forms of agritourism (Sorte, 2024)

Figure 1 depicts the large range in agritourism ventures, demonstrating how overtime offerings have expanded to encompass a wide range of activities. Ranging from hunting/fishing, farmstands, to “U-pick” ventures.

Another way to differentiate agritourism experiences can also be via the degree of interaction with agricultural activities. (Phillip, 2008)

- Direct contact
- Indirect contact
- Passive contact

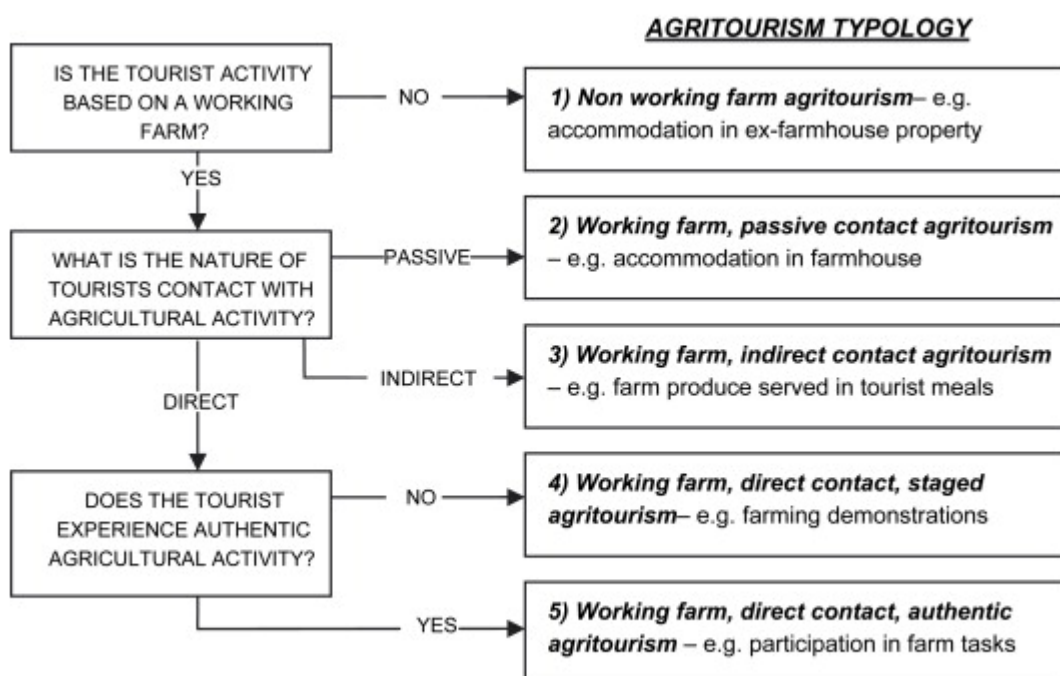


Figure 2: A typology for defining agritourism (Phillips, 2008)

Figure 2 shows how the different examples of agritourism fit into this passive, direct or indirect typology. When farmers are building their agritourism business and offerings, this information can be used to determine the level of contact they wish to have based on their resources

available, such as time or hospitality skills. For example, farm stays are a popular type of agritourism in New Zealand. Based on Figure 2 these would likely be classed as a passive agritourism activity, as customers are based on the farm however do not participate or experience direct contact with farm activities. These types of agritourism ventures provide a diversified income source for farmer while limiting the level of interaction with guests and therefore time commitment required.

4.2 Drivers for diversification into agritourism and resulting benefits

It is widely accepted that one of the recent key drivers for diversification into agritourism is related to economics and reduced farm profitability. In the 2023 Beef and Lamb New Zealand Sheep and Beef On-Farm Inflation report, it was calculated in the year to March 2023 that, on-farm inflation was at 16.3 % and the highest it had been since 1981. A key driver of this inflation was high interest rates, increased feed and grazing costs alongside increased input prices such as fertiliser, lime, fuel and chemicals. The result of this inflation was a significant drop in profitability, forecasted at a 30% reduction, and therefore less resilient farm businesses. These businesses are then more sensitive to poor product prices and at risk of any further increase in costs due to regulation (Beef + Lamb New Zealand, 2023). In the same report for 2023-2024, Beef and Lamb New Zealand found that while on-farm inflation had slowed as expected (+2.8%), the significant inflation of the previous years and high input prices still created a significant challenge for farmers, resulting in the assumption that most farmers would not make a profit in 2023-24. (Beef + Lamb New Zealand, 2024).

In addition to financial challenges on farm, farmers are also facing issues around climate change alternative proteins and a rise in protectionism. Deputy secretary for trade, Vangelis Vitalis, highlighted in 2018 that protectionism was on the rise and that non-tariff trade barriers cost the wider agricultural sector of New Zealand up to \$6 billion a year in restricted access (Burry, 2018). Vitalis spoke again recently of the "jungle growing back" and that the golden years of global trade were over (Kissun, 2025).

In terms of the other challenges farmers are facing, Alan Renwick, a professor in transformational change at Lincoln University, spoke at the Etipu conference in Palmerston North in 2025 about the need for farmers to accept change is inevitable, but suggested mixed revenue streams from diversified farm systems will help farmers to deal with these challenges (Wallace, 2025). These comments were in relation the report, The future use of land and how to fund it (Renwick, 2025). The report found that a 10% improvement in productivity through land use change could deliver \$10 billion to the New Zealand economy. The report encourages diversification of land use whereby landowners "identify a profitable, high value complementary land use that is suitable to the region and the owner". (Wallace, 2025).

The tourism sector in New Zealand appears to be growing. Data from the Tourism NZ website indicates visitors contributed \$11.7 billion to New Zealand's economy in the 12 months to September 2024. This was an increase of 30% for the same period in 2023. Data also indicates that 76% of holiday visitors travel to New Zealand is to experience landscape and scenery. 84% of holiday visitors enjoyed walking or tramping, and 75% visited natural attractions such as lakes, rivers or forest (Tourism New Zealand, 2024). This data is promising in terms of identifying a demand from tourists for some of the experiences farmers can offer on their land.

What is difficult to determine is the tourist data relating to agritourism as a specific sector. There is very little data that separates out experiences that relate to agritourism and therefore little data on which to examine specific trends etc.

An article in The Farmers Weekly (Scott, 2022) elaborated on agritourism as a strategic approach for farmers to add value and create markets for their produce, thus strengthening agri-food value chains. The article further discussed income diversification, sharing rural lifestyles and narratives, and showcasing agricultural products as notable advantages of agritourism. Additionally, the benefits to consumers were highlighted, including the opportunity to escape urban settings, connect with the land and local communities, hear agricultural stories, and engage in educational activities regarding the origins of their food and fibre.

Sorte, (2024), conducted surveys that found farmers diversify into agritourism for various reasons.

- Increase income
- Create a sense of community

- Educate visitors about farming
- Share farm products and farm with others (Sorte, 2024)

Many of the above drivers were echoed in an article in the NZ Farmer newspaper, which profiled a sheep farming business in the Coromandel area of New Zealand that had diversified into private walks. Some of the drivers for diversification identified for this business were reduced profit on farm in recent years and a desire to create a role for the non-farming partner. The woman behind this business, Cath Ward, explained that “a lot of females on farm are probably less happy to be in support roles. They want to get their teeth into their own thing”. Cath herself helped on the farm but admitted to it not being her passion, therefore agritourism provided an opportunity for her to contribute to the business in a different way.

As a result of diversification this business has seen improved financial performance which has allowed increased investment into on farm environmental initiatives. The farming couple also noted the positive impact it has had on the local community, with many of the locals being employed by the private walks. One of the other key benefits has been in bridging the “rural – urban divide”(Powers, 2025)

The drivers for diversifying into agritourism are tightly linked to the resulting benefits of this diversification and there is a lot of crossover when assessing both ideas.

A report by Barbieri (2012) examined the perceived benefits of agritourism as it relates to farmers in Missouri. The results of their study in found that the “majority of respondents reported an increase in farm profits” with the addition of agritourism. However, there are other benefits that also need to be considered. For example,

1. Contribution to the local community
2. Job creation
3. Increased sales to other businesses in the area because of increased tourist numbers in the community.

(Barbieri, 2012)

Due to the lack of data relating to agritourism in New Zealand it was difficult to quantify the economic benefits of agritourism in terms of revenue potential. However when looking at international information, a survey conducted by Oregon State University (Sorte, 2024) found that agritourism farmers in the Willamette Valley in the USA could earn 50% of total gross and net revenues from agritourism production and concluded that agritourism brought financial resilience to farming operations and helped retain land in agriculture.

The NZ Farmer article on the Wards private farm walk also touched on the topic of farmland being sold due to low farm profitability. In New Zealand this is currently being seen in whole farm forestry conversions due to carbon prices driving up the value of land. Many farmers have seen an opportunity in these land prices and have sold to forestry companies. The Wards see agritourism as an opportunity for farmers to diversify their incomes to improve profitability so that the land can stay in the family for future generations. (Powers, 2025).

4.3 Challenges within agritourism

4.3.1: Challenges for operators

The transition from a traditional farm to that of a business incorporating agritourism can be difficult, some of the main issues relate to lack of knowledge, expertise and training in the tourism field (Busby, 2000). It is widely accepted that there are different skills required to that of a traditional farmer. Some of the skills required to run a successful agritourism business include marketing, branding and product development ((Wide, 2024)). Something that a traditional farmer does not need expert knowledge in due to external parties managing these parts of the value chain on their behalf.

One of the other challenges farmers may come across is the need for exceptional people skills to provide a great experience for the tourists who they are engaging with. Central Otago farmer and tourism operator Jonathan Wallis spoke at a field day covered by Rural Life of the need for a focus on people, “The biggest asset you have in tourism is not necessarily the land and that vista because you must provide that experience on a foggy day. That's tourism, and tourism is about people”. (Cronshaw, 2025)

Health and safety is another challenge for operators of agritourism businesses. A greater emphasis on health and safety is required to ensure guests/visitors are kept safe as well as ensuring operators are not at risk of being found liable should an accident occur (Country Wide, 2024). Farmers in New Zealand are required to have robust health and safety plans on farm to protect themselves, staff and contractors operating on farm, however there is an added layer of complexity when allowing visitors who are new to farming environments and therefore need rigorous induction processes. Jonathan Wallis also spoke of challenges relating to Health and Safety, and stressed that everyone with a tourism venture needed to be informed in regards to the Health and Safety act and aware of the phrase PCBU (person conducting a business or undertaking), as this could put operators at risk if an accident occurs on their property (Cronshaw, 2025).

Balancing farm operations with tourism activities is another challenge for agritourism operators. Kerry and Paul Harmer, farmers from South Island, have integrated accommodation and horse trekking into their farming operations. They acknowledge the potential for further expansion of their agritourism business. In a Farmers Weekly article, they discussed the importance of balancing agritourism with their farming activities. "We could develop it, especially with the horses, but it's essential to remain within our comfort zone and maintain control in conjunction with the farming business" (Scott, 2025).

This sentiment is shared by Beef + Lamb New Zealand chairperson Kate Acland who spoke in an opinion piece in the NZ Farmer about her own experience with diversification in their own farming business. She shared that one of the most important rules they stand by is "the diversification can never threaten the core asset. The farm is the engine room of the operation, any diversification can't threaten this, either from a capital requirements or time and attention." (Acland, 2025a)

Acland has also been advocating for biosecurity on farms. In the NZ Farmer, Acland wrote about the fragility of our sector, citing the Mycoplasma Bovis outbreak as an example. In the article she asks "If an outbreak of any disease occurs, can you look at your neighbour in the eye and know you've done everything you could to avoid it?" (Acland, 2025c). This is a point for agritourism operators to consider as they invite tourists onto farm. Biosecurity measures should be in place to prevent the spread of unwanted diseases on farm.

4.3.2 Challenges within the tourism sector

There appears to be challenges in relation to overtourism in some New Zealand tourist hot spots. Overtourism is defined by the Responsible Tourism Partnership (2018) as cited by (Insch, 2020) as "destinations where hosts or guests, locals or visitors, feel that there are too many visitors and that the quality of life in the area or the quality of the experience has deteriorated unacceptably".

Internationally this is topical at present with the increasing unrest in Spain due to over tourism in the Canary Islands. Thousands of protesters took to the streets in May this year to urge authorities to limit the number of visitors to the Canary Islands. These protests are a result of soaring housing costs, traffic congestion and overburdened services. This is good example of what can happen if overtourism becomes an issue and is not addressed. (Borja, 2025)

In New Zealand overtourism is being felt in many areas. The local inhabitants are the main affected party as a result of overtourism, however the tourists experience is also negatively impacted by these issues, which may damage the brand image of New Zealand (Insch, 2020). A report on the Environmental impacts of tourism in Aotearoa New Zealand (Highman, 2019) found that over tourism was an issue in places such as Tekapo. 300,000 tourists visit Tekapo a year, which has resulted in issues with overcrowding, littering and congestion. The report found a need for better infrastructure, visitor management and policies to mitigate environmental and social impacts of overtourism.

Dr W. Chueng, a lecturer at the Business School of the University of Auckland has also researched the risks of overtourism in New Zealand. He found that "overlooking the numbers of visitors a destination can support is a common mistake when formulating tourism policies". His research also investigated international over tourism and found that "deterioration in visitor-resident relations from overtourism may be irreversible." For these reasons, he stated "there is a desperate need in New Zealand to develop a holistic approach to tourism that balances destination marketing with destination management." (Cheung, 2020).

Lack of leadership within agritourism is challenge in New Zealand specifically. Our neighbours in Australia have comprehensive national strategies specifically relating to agritourism, developed by their regional tourism operator (Australian Regional Tourism). This strategy, named Agritourism 2030, provides a framework that is designed to

- Support farmers to diversify into tourism
 - Support community capability and capacity building with a focus on regional employment
 - Develop high quality Australian Agritourism experiences
 - Promote the sector responsibly with an alignment to food and drink
 - Encourage genuine collaboration and enduring partnerships and
 - Provide leadership to support inclusive growth
- (Australian Regional Tourism, n.d)

Scotland is another country which has a comprehensive strategy, funded primarily by the government, for agritourism. Scottish Agritourism 2030 – The Strategy for Sustainable Growth, outlines this nationally led framework for growing agritourism in Scotland. The aim of this framework is “To ensure Scottish Agritourism has a long-term sustainable future that delivers a high quality, authentic visitor experience with agriculture and food and drink at its core, sustaining the future of family farms in Scotland contributing to the rural economy and positioning Scotland as a key player in global agritourism (Scottish Agritourism, n.d). To support this strategy, the Scottish government committed £440,000 to establish the Agritourism Monitor Farm Programme, a programme aimed at providing a platform for peer to peer learning and knowledge exchange. (Visit Scotland, n.d)

In contrast, no equivalent framework or strategy can be found for the New Zealand agritourism industry. The New Zealand government invests approximately \$110 million in annual funding to Tourism New Zealand who are tasked with acting as the national tourism organisation for New Zealand (Regional Tourism New Zealand, 2023). In April this year the government announced an additional \$13.5 million package for Tourism New Zealand (Tourism New Zealand, 2025). This funding will be used to increase marketing activity in international markets to support growth in visitor numbers.

However, funding for destination management and tourism development appears to be lacking. Research on funding for Regional Tourism Organisations (RTOs) in New Zealand revealed significant variations. Funding for RTO's comes primarily from local government and in some region's membership funding. In 2022-23, Destination Queenstown had a budget of \$4.5 million, while Destination Wairarapa operated on just under \$471 thousand (Regional Tourism New Zealand, 2023). Larger regions generate higher rates revenue, which provides more funding for local governments.

There are 31 RTOs across New Zealand. These RTOs work closely with their regional tourism industry, however there is no “official” policy, set of requirements or criteria to be an RTO and the level of funding (provided by councils primarily) determines their purpose, functions and accountabilities. Central government does not provide funding for RTOs, it does provide funding to the National Tourism Organisation (Tourism New Zealand) whose primary focus is attracting tourists to New Zealand, as opposed to tourism destination development. Not only does central government not fund RTOs but there is no mandate for local government to fund tourism either. Instead, funding is provided based on an areas understanding of its tourism sector and tolerance for visitors. This has resulted in the varied and suboptimal funding provided to RTOs. (Regional Tourism New Zealand, 2023)

Core functions of an RTO are to cover promotional and destination management activities. However, funding determines resources available, often RTOs are understaffed, with the average being 7 FTE, with some smaller areas operating on 1-2 staff. RTO leaders have described difficulties carrying out promotional work as well as destination management on their limited budgets. In a survey, 91% of RTOs indicated they required additional funding to meet expectations of their expanding roles (Regional Tourism New Zealand, 2023). However in the same paper Ministry of Business, Innovation and Employment discussed difficulties from a government perspective in funding 31 individual RTOs and multiple councils, some with small rate payer bases, all seeking funding from government. (Regional Tourism New Zealand, 2023) One of the recommendations was to investigate a tripartite model for funding, which

incorporated central government, local government and industry/visitor contributions. (Regional Tourism New Zealand, 2023)

Agritourism NZ is an industry body in New Zealand aiming to help farmers explore agritourism potential. It offers training programs and networking opportunities. Founded by Marijke Dunselman, it operates through a membership model rather than government funding, resources are available to those who invest in the programs but are not broadly accessible.

4.4 Conclusions

Agritourism is a rural enterprise which incorporates both a working farm environment and a commercial tourism component. There is vast array of agritourism operations which can be broken down by their level of interaction or involvement with the farm on which they are visiting. There is a vast array of different agritourism options, beyond just farm accommodation or farm walks. Offerings should be developed around resources at a business's disposal, leveraging off unique aspects of their operation.

Drivers and benefits of diversifying into agritourism relate to either economic or non- economic reasons but the primary reason for incorporating agritourism into a farming business appears to be diversification of income sources. This is driven largely by financial factors, the volatility of the primary producers' markets and the increased threat of regulatory costs associated with protecting the environment. However, there is also evidence to suggest that role creation on farm for the non-farming partner is also a key factor in the decision to incorporate tourism into the business.

There is also an opportunity in agritourism to connect non farming people to the land and food provenance. Multiple sources referenced this as a unique benefit, bridging the rural-urban divide.

The lack of national strategy or funding for agritourism as a standalone sector is a major challenge but also an opportunity for the industry. In a country known for its natural beauty and primary production there is a lack of emphasis on the opportunity in agritourism.

Funding for Regional Tourism Organisations is primarily from local councils. In rural sectors, where agritourism exists, populations are smaller, therefore rates revenue is low, which results in low contributions from councils to RTOs, therefore agritourism is an underdeveloped and under marketed opportunity in our country. The tripartite funding model discussed could be an opportunity to improve funding in the regions and therefore help with agritourism development and promotion.

However, another challenge in the tourism industry is the risk of overtourism. This is something that needs to be considered carefully by farmers and the wider tourism industry. The loss of 'social licence' to operate is a risk when increasing the number of tourists to an area. Therefore, it is a balancing act between promoting agritourism as a diversification option for farmers while ensuring businesses and communities have sustainability front of mind to ensure a positive experience for local communities and tourists visiting the regions.

5 Method

To gather information on the agritourism sector in New Zealand a range of semi structured interviews were conducted with current agritourism operators. These interviews were primarily within the Wairarapa region so that interviews could be conducted in person. However, interviews were conducted via zoom where an in-person interview could not be arranged due to time restraints. All interviewees signed the Kellogg Rural Leaders consent form which ensured they understood their level of involvement in this research project and that the information from the interviews was kept confidential and anonymous.

Interviews that were conducted in person were recorded via a phone and then later uploaded into a Microsoft Word document where the interviews were transcribed. The interviews conducted online were done via Zoom, this program also carries out transcription of the interview. A total of 8 interviews were conducted, 6 of which were with current agritourism operators.

The interview questions for the operators aimed to establish the following

1. The drivers for diversifying into agritourism
2. The challenges experienced in the agritourism sector
3. The benefits the interviewee has experienced because of the addition of agritourism
4. What factors operators deemed as important to ensure a successful agritourism business

2 interviews were also conducted with non-operators. These interviews were with people operating in the tourism space but who were not farmers themselves. One within the Wairarapa and one in the South Island. The purpose of these interviews was to determine trends emerging in the tourism space and the opportunities for agritourism. As well as to understand some of the challenges within the tourism sector and what information farmers require to ensure a successful agritourism operation.

The full list of questions for both the agritourism operators and non-operators can be found in the appendices of this report.

Following the completion of the interviews, the transcriptions were then processed and analysed, with key themes being drawn out using thematic analysis research techniques. Thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data (Braun, 2006). Mind maps were then generated to show the key themes that came out of the interviews with recommendations then drawn from the analysis, findings and conclusions.

6 Analysis

6.1 Key themes

Interviewees were asked a series of questions to determine; key drivers for diversifying into agritourism, the resulting benefits and challenges of that diversification and their perception of what the key factors in a successful agritourism venture are.

Mind maps have been used to depict the key themes that came from these interviews. Quotes from interviews have also been included.

6.1.2 Drivers of diversification

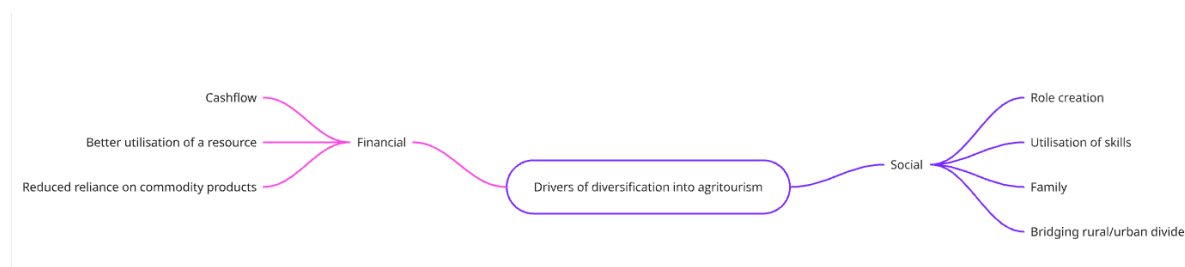


Figure 3: Mind map of the drivers for diversification into Agritourism

The main themes that came from the discussion around what drove farmers to diversify into agritourism could be distilled down into either financial or social factors as shown in the mind map in Figure 3.

Financial

All interviewees mentioned financial drivers in the discussions. These financial drivers were linked to several sub drivers

Cashflow

It was noted that incorporating agritourism into the business provided improved cashflow. Something that can be lacking in sheep and beef farming operations.

"From a cash flow point of view, it sees money coming in regularly, which is quite good rather than those peaks and troughs that the farm delivers. That really assists during the times when you would normally maybe go and chat about an overdraft"

Diversified income streams

Several interviewees noted wanting to diversify their income streams as a key driver for incorporating agritourism with the goal of reducing reliance on commodity-based products. One participant noted that the original driver to diversify came for their business in 1995 after a financial downturn. Whereas all other participants had made the decision in more recent years on the back of poor product prices, high input costs and rising inflation.

"Sadly, a lot of the drivers for other people going into agritourism is the economics of farming, you know, it takes all the farmers to go broke, to actually wake up to the idea that a diversified income as a good thing".

Better economic utilisation of a resource

In at least two cases, participants also said it was a way to generate income from a block of land that was due to size or land class was otherwise uneconomic as a stand-alone farming operation. One business chose to utilise the views their land provided and build luxury accommodation at the top of the farm, while another chose to utilise their flat land, suitable for cropping that was based along a busy rural road, to grow flowers. Travellers could see the flowers from the road and could then stop to 'pick their own' or have photos in the field. Other participants discussed limitations in improving financial performance from their piece of land due to limitations such as land class, climate etc therefore adding agritourism allowed additional revenue to be generated from the land under the agritourism enterprise as opposed to trying to make micro gains in farm performance.

Social

Role creation

A consistent theme across all interviewees in relation to drivers was role creation, specifically for the non-farming partner. One participant described it as looking at "who was at the table" and how each of those people could contribute to the business in a meaningful way so that everyone had a purpose and a way to achieve fulfilment without returning to work off the farm.

"For me, it's been a career"

Family

The desire to create a role on the farm so that non farming partners do not have to return to work outside of the farming business was often related to the desire to hold a role that could be flexible enough to work around family commitments. For those who chose to diversify into agritourism they had often held strong values relating to family and how present they wanted to be for their children, having their own business that allowed flexibility therefore was as key driver to ensuring these values could be upheld.

"Agritourism provides an opportunity for me to use skills from a previous life and still be close to home and still be a support (to their family)"

"I never wanted to finish having children and then just be at home twiddling my thumbs. So, I really wanted to find and establish something for myself to. And having children, you want to be around for them"

Bridging the rural/urban divide

Reconnection with rural life and showcasing well run farms were common sentiments among participants. The desire to share the farming story to bridge the rural-urban divide, inviting tourists on to farm created a platform for this to be achieved. Many noted that today, many urban people do not have a link back to farming.

"There used to be a time when everyone had an uncle or a grandmother or, you know, someone from the land so I think it's helpful to enable that connection to the land and farming"

6.1.3 Challenges

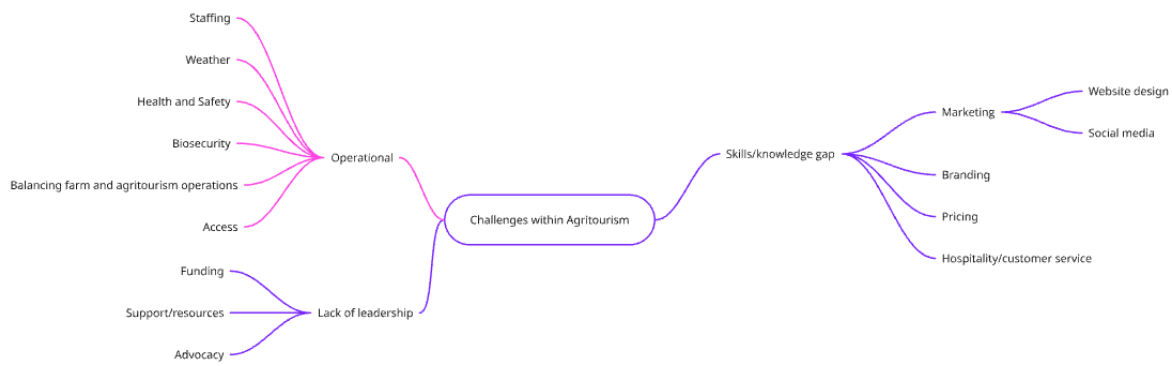


Figure 4: Challenges experienced by agritourism businesses

There are a range of challenges within agritourism. As a result of thematic analysis these challenges were grouped into the three categories below:

1. Operational
2. Skills/Knowledge gap
3. Lack of leadership

These challenges are captured in the mind map in Figure 4 above.

Operational

There are a range of challenges that relate to the operational running of an agritourism venture. These operational issues also have cross over to challenges experienced in the farming industry.

Difficulty in sourcing staff was a common theme. For most participants they were owner/operator businesses run by the wife of the farmer. This meant there was a high dependency on the owner/operator to carry out operational roles such as cleaning in accommodation-based businesses. This creates a challenge when other commitments meant that the owner was unable to carry out operational tasks on certain days. It is difficult then to find others to carry out these tasks on such an ad hoc basis. The likes of professional cleaning businesses prefer to have structure and consistency in their bookings. Interviewees also spoke to the declining rural population and therefore labour pool in the local area. Often operators have been able to employ partners of farm staff, however with the recent increase in farms planting in pine trees this comes with the loss of people from the rural communities.

Balancing agritourism activities with farm activities was also a challenge for people providing more direct contact with customers. For example, when setting up their agritourism business, one participant made the following observation.

"The sheep and beef operation was already the core business and whatever we did next through diversification couldn't impact on that core in a negative way or pull any resources from that business"

One business that started out offering farm tours later chose to move away from this offering and focus more on niche farm products due to the fine balance required between agritourism and farming operations.

Bad weather was another major challenge across all types of agritourism ventures due to the nature of activities being based largely outdoors. For example, extra health and safety precautions need to be taken for walkers on farm tracks when high winds or wet weather was forecast. It is also a challenge when establishing crops which are used for agritourism ventures (such as pick your own flowers) or in the instance of access on rural roads and tracks that can be frequently flooded or damaged by severe weather. Many accommodation-based businesses for example are often at the top of farms to capitalise on the views, therefore robust roading into these spots is required to ensure weather does not interfere with access.

Health and safety is an area of great concern on a farm. Inviting tourists on to farms adds an extra layer of complexity to businesses. However, all participants noted that this was managed

through having robust processes and information in place and was not largely seen as a significant barrier.

Biosecurity has been in the media a lot recently, most notably in relation to the threat of bird flu entering New Zealand. When asked if biosecurity was of particular concern to operators, the main response was in relation to dogs and the threat of Ovis or sheep measles being transmitted to sheep on the farm. Most participants had a no dog policy, however one noted challenges around this policy due to the tight bond people have to their dogs, therefore they had adapted to allow dogs upon proof of dosing.

Access and rural infrastructure is also a challenge in many cases. Due to the nature of agritourism being farm based, in many instances, these businesses suffer from poor roading infrastructure. With more remote areas at risk of being shut off during extreme weather due to damage to already subpar roading. This theme crossed over with the lack of leadership in the industry and advocacy for rural infrastructure.

Skills/Knowledge gap

Beyond the everyday operational challenges, participants also noted a range of challenges relating to lack of certain skills required to establish and operate an agritourism business. The most common theme in this area was around marketing, branding and pricing. In a traditional farming business these things are often taken care of by an external party, with the farmer primarily concerned with producing the product itself and the outside company then taking care of the branding, marketing and pricing of the product. Participants either outsourced some of these things or found ways to educate themselves to upskill and manage it themselves. Several participants for example outsource their social media marketing as they recognise this as outside of their area of expertise and would rather invest in someone else more capable to ensure good results.

"You can have the most incredible product, but no one knows about it. That marketing piece is just so big."

Outside of the business aspects of marketing and branding etc, there is also a different set of skills required when managing tourists as opposed to stock. People skills are extremely important in the agritourism industry and pivotal to ensuring a positive customer experience and therefore valuable word of mouth promotion. Some of the participants noted this as a challenge when they initially set out on their agritourism journey, however since then they have noted an increased confidence in their ability to manage their customers. One participant noted the need to be gentle and understanding with non-rural people visiting farms. They found things farmers do day to day very challenging, for example parking on slopes or grass as opposed to paved carparks, or driving on gravel farm tracks. A level of understanding and patience is required to ensure customers have the best possible experience while visiting farms.

"Some people have never parked on grass before... you have to be quite gentle with them"

Lack of leadership within the industry:

The lack of leadership in the agritourism sector was noted by multiple participants.

While agritourism is not a new concept, it was acknowledged that it is an increasingly popular way to diversify. However, participants have been frustrated with the lack of leadership and therefore direction in the agritourism space. This lack of leadership results in a lack of funding, which results in a lack of resources, primarily in people and data. Several participants noted a fear that the influx of agritourism operators was based on perceived opportunity rather than quantifiable data and customer insights from industry analysis. With the risk being that the mentality of "build it and they will come" will result in poor performance of some of the ventures and therefore an early exit of operators in the early stages of their business development.

This lack of leadership has also resulted in agritourism operators operating in silos with little collaboration across sectors. However, there are industry stakeholders who are working to improve this collaboration. For example, the Agritourism NZ group, working to educate, connect and empower agritourism operators. However, this is a commercially run business therefore funding from a centralised marketing plan would make these educational tools more readily available.

"I can't see in the government agenda, that within tourism, agritourism is actually meaningful"

"Do they just want to see dogs run sheep around in the field? Or do they actually want to go and explore and have the views and see the fresh air. We need help to develop products that tourists actually want to come to experience"

"At the moment, I see pockets of stuff and it's not joined up. Whether you're in tourism, whether in food development, whether you're in whatever it is, somebody going off in this direction and somebody going in this direction."

"there's so many groups, sort of pulling each other's funding and It's meaning that we're inefficient and we're not working together"

6.1.4 Benefits

Thematic analysis showed a cross over between drivers and resulting benefits of diversifying into agritourism, the benefits could once again be split into financial or social benefits. These benefits have been outlined in the mind map shown in Figure 5 below.



Figure 5: Resulting benefits of diversification into agritourism.

Financial stability

As a result of improved cashflow, diversified income and better utilisation of resources participants experienced greater financial stability and reduced reliance on farming income.

When asked about net revenue from their agribusiness ventures results ranged from over \$1 million to \$40,000 annually. However, there is limitations in comparing these businesses due to the difference in maturity of the businesses, scale, type etc. For example, the business that was producing over \$1 million in net revenue is a mature, large-scale business that operates full time with multiple employees for 8 months of the year. In contrast the business producing \$40,000 net revenue does so over a one-month period, with the wife still working off farm the rest of the year, this business has only been operating for the last few years so is still a new business. Within this range there was also a couple of on farm luxury accommodation businesses producing between \$100,000 and \$200,000 net revenue annually.

"The diversification business is a lot less seasonal. Our accommodation, for example, doesn't have a season—it's just solid."

Business expansion/succession

Business expansion was enabled because of improved financial stability. It was also noted by participants that banks often looked favourably on their agritourism business due to its ability to provide cashflow and increased revenue. One participant spoke of the purchase of multiple neighbouring farms based on the revenue generated by their agritourism venture, proving some of these businesses can generate a significant amount of revenue. This business expansion had the added benefit of enabling succession for this family, as it resulted in a business of significant scale and a strong balance sheet, both of which are essential when undergoing succession.

"I work with kids that have come back to the farm, and that happens in quite a lot of situations where agritourism is really a way to keep the farm in the family which is really exciting."

Flexibility

Most of the operators spoke to the importance of flexibility in their lives to work around family. By creating additional income through their agritourism businesses they were able to avoid returning to work off farm, instead running their own business that allowed them to work around family commitments.

Personal growth/development

Many operators spoke of the personal growth they have experienced because of their diversification into agritourism. It has provided an opportunity to develop new skills such as marketing, problem solving and customer service.

"It's given me the confidence that you can just have a crack at something. it's made me look at other business ideas."

"I have learned so many skills and pushed myself. It has given me purpose and huge amounts of joy."

Community

Community was the most significant theme noted in the benefits which was not an initial driver for diversification into agritourism. When discussing non-financial benefits, the ability to give back to community was frequently mentioned. This was often in relation to employing locally, or through holding charity events where proceeds were donated back to local schools or charities. Other participants also noted that by bringing people to their farm they increased the tourism numbers in their area which contributed to the local economy.

"We employ a lot of young people like teenagers in our community... it's been really cool to give them the option."

"I feel like it's made us more part of our community."

Bridging rural urban divide

For some, one of the drivers was rural connection and inviting non-rural based people on to farm. However, for others it was not a driver, but it has been a resulting benefit. They have enjoyed seeing non-rural people experience farm life and engage with the farming team. One participant spoke to the pride that the farm team felt when people showed genuine interest in what was happening on farm

"When the rest of the team were involved in the face-to-face tours, they felt really proud of what they were doing. And that people were interested"

6.1.5 Keys to success

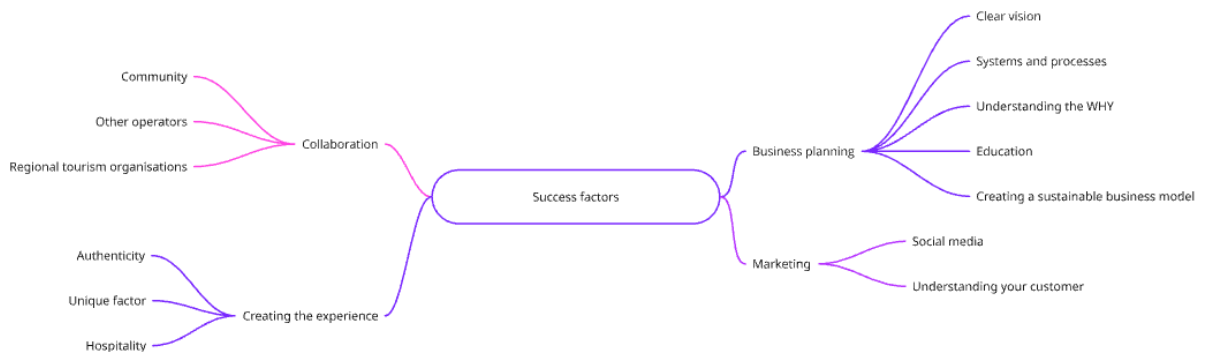


Figure 6: Factors deemed essential for a successful agritourism business.

Interviewees were asked to outline what they deemed to be most important when setting an agritourism business up for success. These factors can be seen in the mind map above in Figure 6.

Business planning

The need for a clear vision was mentioned across many of the interviews. Defining goals, target audience and allocating resources appropriately were all considered important. A couple of participants noted the need to be patient and invest as it is a long-term commitment and financial returns may take years to materialise rather than being instantaneous.

"Just having that really clear vision of what you want this to be and how it might fit in a bigger picture."

One participant who had been operating a large-scale venture for several decades spoke to the importance of understanding the 'why' of diversifying into agritourism, and ensuring it aligned with other values and lifestyle goals rather than only being financially driven. This is due to the large commitment required when running one's own tourism-based business which always involves the need for high level of hospitality.

Many spoke to the requirement for well documented systems and processes so that if others need to step in to the operational management they can do so easily and effectively. Key person risk is often spoken about in farming context but also relates to other business models, including agritourism. Systems and processes are not only important to minimise key person risk but also the ability to build in flexibility to the business as well as enabling succession later.

"Making sure that everything is super structured so that someone else could pick this up, because I ultimately don't want to be doing the hands-on stuff in 20 years' time. Sort of like mini succession".

Another theme that emerged was the importance of researching your market and creating products based on data rather than with a "build it and they will come" mentality. One operator enlisted the help of a professional to carry out market research on their behalf to identify gaps in the market, from this analysis they invested in high end accommodation based on the information provided.

"To develop a product, you really have to develop it and then market it the whole way through. You need to find that end user. Everyone can develop something, but it's about being able to sell it at the other end".

Setting the business up in a way that is sustainable from a human resource perspective was also a key theme. Taking careful consideration of the time commitment, your product offering requires and analysing whether it is sustainable long term. For example, one of the operators runs a luxury accommodation business whereby the access means guests, for safety reasons, cannot drive up to the site themselves. Instead, they need to be taken up by the owners, they then also need to be collected when they are due to check out. This creates a significant workload and tie for this operator and means time away from the business is challenging in the busy season, as it is difficult to get someone else in to carry out the transportation.

Education

Many participants spoke to the learning curve they had been on since they began their agritourism business. They spoke to the importance of either investing in developing the skills required yourself or identifying that gap in skills and outsourcing as required. For example, employing someone else to manage social media if that is not a skill of yours and you do not have the desire to invest time and energy into it.

One of the non-operators interviewed personally runs an educational programme specifically for agritourism operators, which is designed to give operators all the skills and information they need to set up and run a successful and sustainable agritourism venture.

Collaboration

Partnering with local communities and other tourism operators to enhance offerings came through as a theme for success. For example, working with other local businesses to expand your offerings on farm, or collaboration for others has been through working with an outside party to manage their on-farm accommodation rather than it being managed internally.

Connecting with Regional Tourism Organisations to gain a sound understanding of your region and what is already on offer, working with the RTO to connect with other businesses for collaboration opportunities.

Authenticity/unique factor

Authenticity and unique are two words which were frequently used in relation to success. To avoid "cookie cutter" ventures people need to really understand what is special about their offering and market it effectively. Customers also value an authentic connection with the farmers themselves and enjoy hearing about the farm and learning what goes on behind the farm gates.

"What I think is the most important thing you do is something that really reflects you in your setting and is authentic to what you want to create because you don't want to be a cookie cutter. You know, if everyone just copies what everyone's doing and doesn't tailor it and have quirky little things that are special to their offering, I just don't think it's going to be as good".

"One thing that the walkers love is that we are just us. We don't have branded gear and matching t-shirts. I turn up to do the briefing and I'm like either walking the dog or I just jump off a motorbike and have all my farm gear on and they love that stuff. They want to know about your life. They don't want a façade you're putting on."

Maintain social licence

Protecting the local community from harm to maintain social license to operate was encouraged by one of the non-operators. By engaging with the local community, agritourism operators can ensure that by attracting more tourists to an area the local residents or environment will not experience negative repercussions. It is important to create those community relationships so that if issues do arise, they can be dealt with swiftly to prevent loss of social license.

One participant had fears around how the community would respond to their venture. However, they were pleasantly surprised and found that the local community loved to tell visitors about their business and felt a sense of pride that people were coming to their region because it could offer something special.

7 Findings and Discussions

A lot of the themes established as part of the interviews mirrored the information found during the literature review.

In relation to drivers and benefits of agritourism, both the literature review and interviews from this study established strong financial and social benefits of diversification into agritourism. The major benefits relate to improved financial resilience of the business, through improved cashflow and diversified income streams. In 2023 farm inflation was at 16.3%, the highest it has been since the 1980s. This combined with an increased desire for the non-farming partners to make a financial contribution to the business while maintaining flexibility for family reasons, has been a large driver for diversification into agritourism. In previous generations, farming wives had also been required to work off farm to help support the farm financially. Today, more women pursue careers and education before starting families. Agritourism provides an opportunity to use their skills and contribute to the business while balancing family life and supporting their farming team. One interviewee had developed a strong career in international marketing roles before she and her husband returned home to his family farm. To support the farm financially, she would have either had to return to work off farm, which would have required a lot of commuting as they lived remotely, or they could utilise her skills and their natural resources, to develop an agritourism business. This has allowed her to stay at home with her young children, which was important to them, it also has also allowed her to utilise skills from her previous career while contributing financially to the business.

Improving the financial stability of farming businesses while also ensuring everyone "at the table" feels they are contributing meaningfully to the bottom line creates far more resilient businesses. More resilient businesses are better able to weather the challenges in farming, whether those challenges are related to commodity prices, environmental regulation or variable weather conditions. The increased financial stability of the farm also provides an opportunity for business expansion or farm succession, which provides opportunities for the next generation or other family members to become involved in the farm. One of the interviewees spoke about the growth of their business over the years, the additional income from their agritourism has financed the purchase of 2 additional farms, growing the size of their farming operation from around 650ha to now over 2500ha. This has provided an opportunity for one of the sons to return home to farm alongside his father, it has also meant the daughter in law has been able to support the agritourism business alongside her mother-in-law, which provides a succession pathway for both the farming and agritourism business. This theme was echoed up one of the non-operator interviewees who noted that she often sees agritourism providing a

platform for succession, and an opportunity for family members who may not be interested in farming to play a role in the overall business.

Keeping the farm in the family was also discussed in the literature review when discussing Cath and Zander Wards diversification into farm walks on the Coromandel Peninsula (Powers, 2025). The Wards spoke of the increase in farm conversions to forestry due to high carbon prices driving up land value, therefore, farmers who have been struggling with low profitability have seen an opportunity to “get out” and have sold farms to forestry. However, if agritourism can support these farming businesses and improve profitability then farmers may be less likely to exit farming, which in turn could help reduce whole farm conversions into forestry. This theme was also found in the Use of Land and how to Fund it report (Renwick, 2025) whereby land use optimisation and diversification was identified as a way to prevent whole farm conversions to a different land use. The report found that farmers need to identify a profitable, high value, complementary land use that is suitable to the region and the owner. Agritourism provides an opportunity within land use optimisation. This was a consistent theme throughout interviews where several operators spoke of better utilisation of their resources as a driver for diversification into agritourism. One of the operators owned a small farm which was uneconomic as a standalone block of land, however, by adding luxury accommodation to capitalise on the spectacular views, they were able to build a highly profitable and diverse business that also created a role for the non-farming partner.

Personal growth was a major theme from the interviews, with many of the operators having to develop a range of new skills during their agritourism journey. As mentioned, some had the necessary skills from previous careers, however for many, product development, branding, marketing, pricing and hospitality are all skills they have gained through diversification into agritourism. Many spoke to the sense of achievement and fulfilment this had given them, with one interviewee saying it had given her the confidence to try more new things as she now looked at herself as an entrepreneur.

The final major social theme that emerged from the literature review and interviews was community. Sorte (2024) and Powers (2025) found that agritourism benefited the community, either in providing local employment or by encouraging connection within the community. This was backed up in the thematic analysis from the interviews. All operators mentioned giving back to the community as a major benefit of their diversification. Whether it was through offering employment to locals, supporting other local businesses, or being able to support charities through events or donations. Giving back to their communities created a sense of pride within interviewees.

Agritourism also provides the opportunity to leverage the natural beauty and unique aspects of farming e.g. scenic views, rural experiences, to create agritourism opportunities, while empowering farmers to showcase their farming businesses and improve the connection between rural and urban populations. All the operators interviewed spoke to the pride they felt sharing their farming story with non-rural people, and the genuine interest customers had in what went on in their farming business. This was also seen in the literature review where Sorte (2024) conducted surveys which found that farmers often diversify into agritourism to educate visitors about farming and share farming products with others. Today, where less and less people have a link back to farming, encouraging this connection to the land is extremely important so that people understand the importance of the primary sector.

On a larger scale this rural-urban connection can be expanded into international trade relationships. As found in the literature review, 76% of our international tourists are looking for beautiful landscapes and scenery during their stays (Tourism New Zealand, 2024). Therefore, agritourism can provide a way for international tourists to experience the natural beauty of our country while gaining insights into what farming in New Zealand looks like and how food is produced here. By educating tourists, agritourism creates an opportunity to showcase New Zealand farming to the world and help reduce non-tariff trade barriers. In 2018, Vangelis Vitalis, from the Ministry of Foreign Affairs and Trade, said the world is experiencing the worst rise in protectionism in 23 years. He also said that “non-tariff barriers cost the wider agricultural sector of New Zealand up to \$6 billion a year in restricted access” (Burry, 2018). Protectionism has further increased in the last year because of tariffs and policies imposed by US president Donald Trump. Speaking at a DairyNZ event recently, Vitalis spoke again of the rise of protectionism and the “jungle growing back”, with the big players starting to sit outside the rules and create uncertainty, particularly for small export focused countries like New Zealand (Kissun, 2025). This rise in protectionism means that New Zealand needs to do everything it can

to prevent loss of market access. Ensuring international partners maintain a positive perception of our products is one way to ensure this. Agritourism could play a role in this by showcasing our farming systems to the world, so that we can maintain and grow our market access for our primary products.

However, to ensure tourists have positive experiences on our farms, those looking into diversification should be aware of some of the challenges relating to agritourism. In relation to operational challenges both the literature and interviews pointed to challenges surrounding sourcing staff, bad weather, and managing health and safety. While some operators were able to employ locally, resulting in a community benefit, others struggled to find suitable help due to reducing rural population. The small scale of some businesses, and the ad hoc nature of the help they required meant that outsourcing to a professional company, even if there was one close by, was not feasible. If operators are unable to find people to take over operational duties while they are away or fully committed, the long-term sustainability of the business comes into question. This is something that needs to be taken into consideration when developing the agritourism business. One interviewee spoke of the robust documentation and processes they have in place so that she can have family weekends away and leave the business in the hands of someone local who stands in for her.

All interviewees spoke of the need to have robust processes and contingencies in place to deal with challenges such as bad weather. In the literature review Jonathan Wallis pointed out that even on a foggy day you must be able to provide that experience. He also highlighted the health and safety aspect, encouraging all operators to familiarize themselves with health and safety laws and regulations (Cronshaw, 2025). During the interviews, all operators appeared comfortable with the health and safety component of their business due to taking all practical and reasonable steps to ensure customer safety while on farm. For one operator this means that guests are not allowed to drive themselves up to their on-farm accommodation site due to the difficulty of terrain, instead the owners themselves transport guests up and down at the beginning and end of their stay. For another it means not operating through winter when ground conditions and weather is major challenge and always having someone on call to assist customers who may experience difficulties or injury while out on one of the farm. Operational challenges will be unique to each business depending on the product offering and their environment, the key is to ensure robust planning for all scenarios is completed before people are welcomed onto farms.

Biosecurity was a topic which was discussed in the literature review. Kate Acland, chairperson of Beef and Lamb NZ, wrote about farming's reliance on biosecurity (Acland, 2025b). However, when interviewing operators, the only biosecurity measures taken were in relation to dogs and the prevention of sheep measles. Therefore, there is potential risk in the growth of agritourism and the opportunity for disease to be spread widely throughout the farming sector if biosecurity measures are not put in place by farmers and New Zealand experiences a disease or pest outbreak. This would create significant disruption and financial implications for individual farmers but also for global trade. As previously discussed, non-tariff trade barriers are a significant cost to the agricultural sector, and maintaining a high biosecurity status is important for New Zealand on a global trade basis. Farmers looking to diversify into agritourism should invest time in researching biosecurity measures, making use of resources freely available through industry groups such as Beef + Lamb NZ and Dairy NZ.

Both the literature and the interviews outlined the importance of balancing the farming and agritourism operations and ensuring that the core business of farming is not negatively impacted by diversification. Once again this comes down to sound business planning, understanding the businesses "why" and correct allocation of resources. Several interviewees spoke to planning their offerings around the farming calendar to ensure the farming team were not pulled in too many directions. Offering farm tours and immersive experiences is an example of when this could become a real challenge. One interviewee had previously incorporated both into their agritourism offerings, however due to the difficulty in balancing the farming and agritourism offerings, they moved away from tours and focused on more niche products. However, other interviewees spoke to the enjoyment they got from farm tours and demonstrations, therefore they are careful to only offer these outside of busy times on farm such as weaning, docking etc so that the farm team can be involved without negatively impacting on the farming operations. This sentiment was echoed in the literature review by Beef and Lamb NZ chairperson, Kate Acland, who encouraged diversification so long as it "never threatens the core asset" (Acland, 2025) and again by Scott (2025) where the couple

interviewed said they could grow the agritourism side of the business but were staying in a comfort zone that allowed them to stay on top of the farming side of the business.

All these challenges can be managed with careful business planning. This was one of the success factors that came through from the interview process. Business planning is a broad term but includes the need to develop skills around marketing, branding, pricing etc if those skills do not exist already. It also links to creating an experience that is authentic rather than “cookie cutter”. All the interviewees mentioned authenticity as key, understanding what makes your business unique and leveraging off that. This links to Renwicks (2025) idea that farmers should identify a profitable, high value complementary land use that is suitable for the region and the owner. When farmers are looking to diversify and develop their business, they need to understand what type of offering is suitable for the region and themselves. For example, one of the interviewees had a large-scale sheep and beef farm which was suitable for farm walks, however another interviewee had small farm, on a busy rural road which created the perfect opportunity for a “pick your own flowers” type of business. The key is to not just copy what someone else is doing, but to think about the resources you have, in terms of land and people, and build a business that fully utilises those resources.

A lack of leadership within the agritourism sector is evident and an area of opportunity. The literature review revealed that New Zealand's agritourism strategy is non-existent when compared to those of Australia and Scotland. Both Australia and Scotland have established national policy documents on agritourism. Australia's Agritourism 2030 strategy provides a framework and support for Australian farmers looking to diversify into agritourism (Australian Regional Tourism, n.d). In Scotland the government also provides funding towards a national strategy, with a large contribution towards the establishment of monitor farms to encourage knowledge transfer among farmers (Scottish Agritourism, n.d). In contrast, New Zealand operates primarily at a grassroots level with minimal direction or support from the government. Growth in agritourism within New Zealand is currently driven by privately funded initiatives, such as the NZ Agritourism Accelerator programme which provides online training programmes to help farmers to diversify into agritourism.

However, sustainable growth of agritourism needs to be considered. Social license is an issue in many parts of New Zealand. Tekapo, for example, suffering from overcrowding, congestion, littering and environmental impacts as a result of the 300,000 tourist who visit annually (Highman, 2019). Many of these issues arise due to infrastructure in these areas being insufficient to deal with the large quantity of tourists. Roadside and public services such as rubbish bins and toilets needs to be invested in within the regions to ensure social license is not negatively impacted, and tourists also leave the area having had a positive experience. If agritourism grows in rural regions in an unsustainable way, then these same issues will be experienced, and social licence will be lost. Social license was a large theme of the literature review; however, it was only mentioned by the non-operators in interviews as they had a wider view of the tourism industry. Farmers need to be aware of these issues and ensure they are taking their communities and environment into account when developing agritourism businesses. Cheung (2020) found there needs to be consideration of an area's destination carrying capacity so that we do not see the problem of overtourism moved into the regions. This is where leadership plays a role as Cheung (2020) also found a need for a holistic approach to destination marketing and destination management.

Regional Tourism Organisations (RTOs), who are tasked with marketing and destination management in the regions, critically lack enough funding to engage the level of resources required to invest in destination management, let alone investing in the sector of agritourism as a standalone industry. Tourism New Zealand receives around \$110 million in funding from the government (Regional Tourism New Zealand, 2023), however, this is mainly spent on marketing to overseas tourists. Better leadership would see more of this funding allocated to destination management and supporting RTO's . At the end of the day, we can encourage tourists to visit New Zealand, but if the infrastructure is insufficient, tourists will have a poor experience which is damaging to our New Zealand brand.

8 Conclusion

Diversification into agritourism provides many opportunities to New Zealand farmers and the wider agricultural sector. By better utilising our natural resources we can help farmers improve profitability of their farming businesses while also creating roles on farms for non-farming partners.

Creating authentic agritourism experiences for tourists also provides an opportunity to help bridge the rural-urban divide and educate domestic and international tourists about New Zealand farming practices and their foods origins. However, New Zealand is currently lagging in terms of national strategies to support growth in the sector. This creates an opportunity for our leaders, to identify agritourism as a growing sector and redirect funding to support this growth in a sustainable way.

9 Recommendations

For Farmers

- Investigate agritourism as an option to optimise land use, improve profitability and create a role for non-farming partners or other family members.
- Undertake robust business planning and market research to and develop products that suit the land, region and people in the business.
- Ensure offerings are unique and authentic to avoid “cookie cutter” experiences.
- Consider the effects on your local community, both positive and negative. Minimise any negative impacts to maintain social license.
- Connect with Regional Tourism Organisations for local tourism information and collaboration opportunities.
- Advocate for the government to task Tourism New Zealand with taking a balanced approach to destination marketing as well as management.

Recommendations to stakeholders:

- New Zealand government needs to recognise the opportunity within agritourism and develop an agritourism strategy for sustainable growth. Pulling inspiration from existing international strategies such as the Australian “Agritourism 2030” national framework.
- Tourism New Zealand needs to redirect funding from marketing to destination management and infrastructure development in the regions.

10 Limitations

The key limitation of the study is in relation to geographic spread of the interviewees. Due to time constraints interviews were limited to one region, therefore some of the challenges may be specific to the Wairarapa and other challenges may be experienced in other parts of the country.

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12 Appendices

Appendix 12.2: Interview questions for agritourism operators

Question 1: What type of agritourism business are you operating?

Question 2: How does agritourism fit into your larger business?

Question 3: What were some of the drivers for you to enter the agritourism space?

Question 4: What challenges or barriers have you come across in

- a. The Initial set up/design of your venture?
- b. The normal day to day running?
- c. Agritourism sector on a larger scale?

Question 6: How have you overcome these challenges?

Question 7: What support/information do you think would be useful to those looking to diversify into agritourism?

Question 7: In your opinion what makes a successful agritourism business?

Question 8: What benefits have you experienced because of agritourism?

- a. What financial benefits have you experienced
- b. What other non-economic benefits have you experienced

Appendix 12.3: Questions for agritourism stakeholders

Question 1: Describe your role in the agritourism sector

Question 2: In your opinion what makes a successful agritourism business?

Question 3: What do you see as the biggest opportunities to farmers regarding agritourism?

Question 4: What do you see as barriers or challenges for farmers in this space?

Question 5: What support/information is required to help farmers overcome these barriers/challenges?