

APPENDIX T4

City of Oceanside Agritourism Strategic Plan

City of Oceanside

Agritourism Strategic Plan

Draft 05.1 A FINAL

Prepared for the City of Oceanside, California
Economic Development Office



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Table of Contents

Project Overview	4
Executive Summary	7
Section 1 Overview	11
Part 1: Agritourism Overview	12
Part 2: Case Study: Apple Hill, CA	15
Section 2 Situation Analysis	20
Part 3: Oceanside Agritourism Product/Experience	21
Part 4: Oceanside Strengths Weakness opportunities and Threats	26
Section 3 Goal, Objectives and Vision	31
Part 5: Strategy Goals and Objectives	32
Part 6: Oceanside Agritourism Vision	33
Section 4 Agritourism Strategy and Implementation	34
Part 7: Agritourism Strategy Platform	35
Part 8: Agritourism Strategy	37
Part 9: Brand Platform	39
Part 10: Target Markets	41
Part 11: Action Steps	43
1. Planning and Regulatory	44
2. Public and Private Infrastructure Development	47
3. Community Support	49
4. Tourism Marketing	50
5. Training and Education	53
6. Organization Development and Capacity Building	54
7. Strategic Alliances	56
Part 12: Key Factors for Success	58
Appendix	59
Appendix 1: List of Interviews	60
Appendix 2: Agritourism Resources	61
Appendix 3: Apple Hill Ranch Marketing	62
Appendix 4: USDA Funding	63
Appendix 5: Agritourism Action Steps Chart	64

Project Overview

A. Introduction

In the past five years, the concept of agritourism has increased in awareness and appreciation as a tourism niche growth industry within the United States. Fueled in large part by a strategic shift in consumer tastes, agritourism allows consumers to support farms directly. The agritourism industry in Oceanside has been primarily based on floriculture and has gone through significant changes over the past number of years due to increased land development.

Currently, Oceanside has a growing tourism industry with a variety of local and regional revenue drivers that attract visitors. The burgeoning agritourism segment in South Morro Hills can complement those efforts and become a major part of a sustainable economic sector. In an effort to identify the dynamics of the local agritourism industry and its potential impact on tourism, the local community and stakeholders, the City of Oceanside is developing an agritourism strategic plan.

B. Project Goal

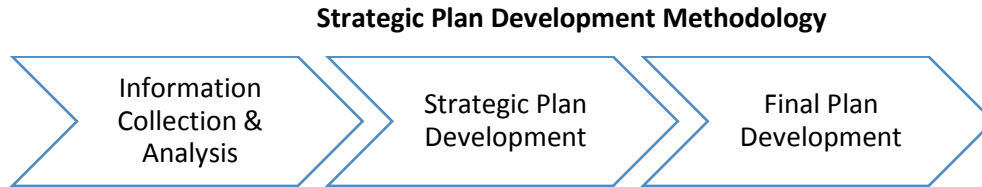
To develop a stakeholder-based agritourism strategic plan that can inform local public policy in the creation of an agritourism area for the City of Oceanside.

C. Project Objectives

1. *Ensure an inclusive process for stakeholders* – To implement an approach that is inclusive to those that will participate in or be impacted by an agritourism area.
2. *Develop focused efforts* – To develop a focused strategy that blends the unique aspects of the industry with the broader Oceanside community.
3. *Leverage existing efforts* – To leverage agricultural efforts with existing tourism promotion efforts currently implemented by Visit Oceanside.

D. Scope of Work

SMG Consulting implemented a three phase process for the development of the City of Oceanside agritourism strategic plan.



Phase 1 – Information Collection & Analysis

SMG collected all relevant primary and secondary information from key persons related to the plan, reviewed and analyzed collected information, synthesizing it into a cohesive strategic plan.

Phase 2 – Develop the Draft Strategic Plan

SMG developed a draft strategic plan that outlines the process for creating an agritourism area for the City of Oceanside.

Phase 3 – Final Plan Development/Presentation

This final phase included two draft plans and a final plan, along with a City Council presentation and other appropriate stakeholder presentations.

E. Methodology

The strategic plan development process was an inclusive, comprehensive approach that ensured all perspectives for forming an agritourism area were understood and considered.

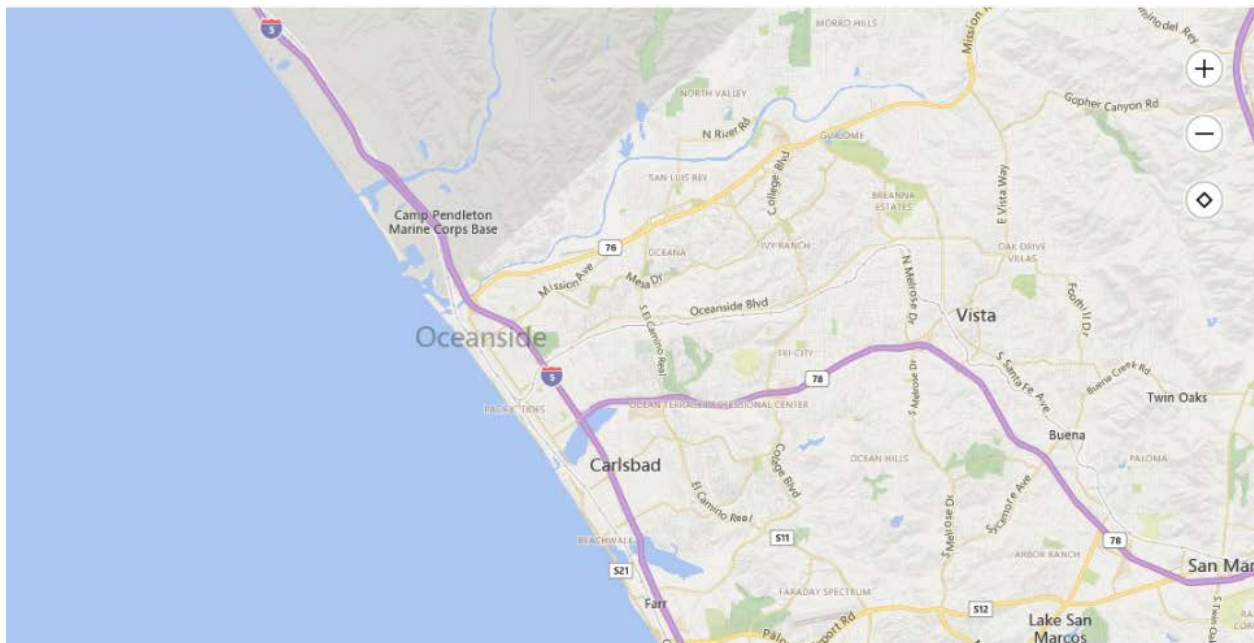
The SMG approach captured the following three interrelated critical elements necessary to develop a comprehensive strategic plan.

1. **A macro dimension** included a review of the dynamic change elements in which the industry currently functions. It asked the questions, “What major changes are occurring that are impacting the industry?” and “What opportunities and threats exist?”
2. **Stakeholder viewpoint** provides perspective and insight from those who might be impacted.
3. **Organizational viewpoint** includes perspective and insight from tourism and City staff in terms of how the industry will impact the broader community.
4. This “3-Point” approach ensured that the strategic plan is *inclusive* and has ample perspective and input to achieve the goals of the plan, with the buy-in from all stakeholders affected.

F. Regional Overview

Oceanside is located on the Southern California coast north of San Diego. Oceanside is the third largest city within San Diego County. According to the 2010 census the population of Oceanside is 171,682. Along with Carlsbad and Vista, Oceanside forms an integrated sub-region within San Diego County. Oceanside is located to the south of Camp Pendleton, and has excellent road and air access including Interstate 5 running north and south and Highway 76 and Highway 78, providing access from the east. Oceanside is also served by San Diego International Airport which provides both domestic and international access.

Oceanside



From a tourism perspective, Oceanside is known for its outstanding beaches, historic pier, and harbor village. Oceanside offers a wide variety of water sports and recreation, and serves as a northern gateway to San Diego, one of the major tourism destinations in California. Agritourism is currently a small part of Oceanside's tourism offerings, which is limited to farmers' markets and Farm to Table dining events.

Executive Summary

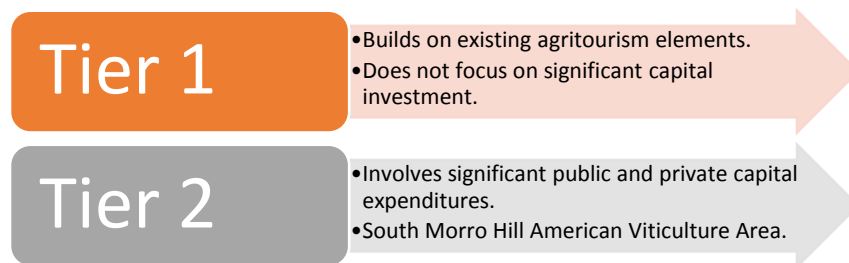
There is no doubt the City of Oceanside and South Morro Hills region are at a pivotal point in their efforts to preserve and maintain the integrity of its historic agricultural area. For years, this region and others have produced crops as part of the greater San Diego agricultural industry. However, over time, the dynamics of the agricultural industry have changed, threatening the industry and the quality of life for South Morro Hills and greater Oceanside residents.

The agricultural industry has been challenged with significantly increased and costly state regulation,¹ the increased cost of water², increasing labor costs, and a dramatically increased level of competition as a result of the North American Free Trade Agreement, which has seen competition spike, specifically from Mexico with lower labor and environmental and regulatory costs than California.

As a result, agricultural land in Oceanside has become vulnerable to sales and real estate development as land owners sell to realize revenues. To hedge against future sales, an agritourism strategy is being developed that seeks to increase the profit potential of agricultural land, and provide farm owners with additional revenue streams which will maximize their assets. The goal is to give farm owners higher profitability so owners will keep farming the land and resist selling the land to developers.

The City of Oceanside has long attracted visitors to the area with its proximity to Camp Pendleton, beautiful beaches, restaurants and special events. The addition of a comprehensive agritourism program and promotional strategy would augment these traditional tourism efforts in order to increase visitors and extend the stay of existing visitors, while at the same time providing farmers with an additional source of revenue.

The following agritourism strategy developed by SMG Consulting proposes a two-tiered strategy designed to create a critical and viable solution.



¹ Significant regulation with the use of pesticides including new bans on certain chemicals used in orchard and vineyard will come into effect in 2016. Pesticide regulation has no bearing from size of operations; it is one for all sizes.

² The cost of water is one of the top issues in agriculture for South Morro Hills, it is not so much availability but it is about the cost per acre foot versus the acre foot irrigation needs of various crops. It is not as big an issue with grape production but it is with avocado production. Dry farming grapes in this region would be challenging as there is not a lot of deep clay soils in South Morro Hills that retain winter rain water in soils. Dry farming is always more practical where there is a high water table. It is anticipated that drip will be the path for grape irrigation.

I. Tier 1

A. Tier 1 Strategy

The Tier 1 Strategy is focused primarily on small operators on small parcels. The characteristics of this strategy include 3 to 5 seasonal farm stand operations that will enable visitors to experience an operating farm on a seasonal level, as well as the addition of winery tasting rooms. While this strategy does not require new public infrastructure, it will require on-site farm infrastructure including gravel parking and sales areas. This strategy embraces significant marketing support within the existing capacity of Visit Oceanside, and will require a more fully developed South Morro Hills brand and increased participation in the Farm to Table dining program.

The overall goal is to provide visitors with a real farm experience visit while using a variety of tourism and community marketing activities.

B. Tier 1 City Actions

The City actions will require specific capital outlays which should be developed as part of the overall agritourism feasibility. Specific actions by the City to implement the Tier 1 strategy include the following:

1. Review Existing Zoning Regulation to Enable Farm Stands

Review existing zoning ordinances and regulations to facilitate the development of farm stands on farms that would have an interest. Specifically review requirement for parking five hundred feet (which would limit development to selected farms) within a parcel in order to make parking areas easier to designate and develop. (Farm stand regulation is created via the city of Oceanside; Department of Health for food safety (fresh produce), building and facilities (building department), and agriculture code (City of Oceanside agriculture regulations and zoning).

2. Agritourism Outreach

It is recommended that the City of Oceanside engage with key partners in the agricultural industry and develop an outreach program designed to educate local residents and businesses.

3. Develop an Agritourism Grant Program

Develop an agritourism grant program to engage local entrepreneurs and businesses to build and support the agriculture components of Oceanside. This program can be critical, since grant funds help to reduce risk and actually get programs developed and implemented, which further supports the development of Oceanside agritourism efforts. Grant funding can be developed from several sources including the City of Oceanside. Additionally, the United States Department of Agriculture (USDA) offers grants for agriculture production in specialty crops. The County Farm Bureau does, from time to time, offer agricultural grants for certain crops. There are several companies that specialize in grant procurement of agricultural grants. University of California Davis Small Farm Program has also offered assistance with agricultural grant opportunities.

II. Tier 2

A. Tier 2 Strategy

The Tier 2 strategy builds on the Tier 1 efforts, but involves a significant level of capital investment on the part of both farms and the City of Oceanside. Characteristics of the Tier 2 strategy include a build out of significant retail outlets with daily operations that produce an ongoing demand for farm products. These levels of operations work to fundamentally increase the value of agricultural land and minimize real estate development.

Both strategies can be implemented simultaneously. While the Tier 1 strategy can be implemented in the short-term, the Tier 2 strategy will take significant upfront planning and coordination. As such, actual physical changes are likely to occur after Tier 1 strategies have been conducted. Both of these strategies are designed to complement each other to create a bona fide agritourism experience for visitors.

B. Tier 2 City Actions

Specific actions by the City to implement the Tier 2 strategy include the following:

1. Development of a community-based vision of South Morro Hills

There is a need to develop a community-based common vision for South Morro Hills. This process should include all interested parties.

2. Financial feasibility for Agritourism

There is currently no economic feasibility study to understand the potential economic impact of transforming South Morro Hills into a bona fide agritourism region. As such, the City should develop a financial feasibility study to assess the potential economic impact that includes land value, revenues, taxes, and employment.

3. Community plan to determine long-term direction of South Morro Hills

There is a need for the City of Oceanside to initiate a community plan for South Morro Hills due to the number of competing visions for the region, and to provide a thorough analysis of future options. There is also a level of distrust among some residents that fear any changes or improvements to road, water and sewer infrastructure will bring future home development and a loss of farms and open space.

4. Implementation of a study to determine the current value of the agricultural open space to Oceanside and local residents

Currently there is no understanding of the value that the open space provides local residents. It is important to know what the value is, should that open space be lost or reduced through future development. This information can serve as a basis for understanding tradeoffs and actions.

5. Identify infrastructure needs

In conjunction with the development of a community plan and working with participating farms, the

City will need to address real infrastructure needs including safety, access, roadways, water and sewer.

To successfully implement the agritourism strategy, support from the City of Oceanside, farm owners and operators, and the residents of South Morro Hills is required.

The strategies identified in greater detail in this report are designed to provide additional opportunities for farmers and land owners. The agritourism strategy provides a realistic and achievable direction to help owners increase the value of their crops, while at the same time strengthening the visitor tourism experience and improving the competitiveness of Oceanside as a tourism destination.

Section 1 Overview

The following Part 1 and 2 provides an overview of agritourism and a case study of an integrated agritourism experience.

Part 1: Agritourism Overview

Agritourism Defined

According to the *California Agriculture* journal, Agritourism is defined as, “Any business conducted by a farmer for the enjoyment or education of the public to promote the products of the farm and to generate additional farm income. It includes a variety of facilities and activities that are increasingly available in San Diego County, such as agricultural festivals, farm visits, farm tours, demonstration farms, farm stays, wineries, bursary trails, and agricultural museums.”³

There are more than twenty Certified Farmers’ Markets that operate in most incorporated communities of San Diego County. Combining the large tourism industry with the uniqueness and diversity of local agriculture offers farmers the opportunity to diversify their operations and their revenue sources. Agritourism in Oceanside can take advantage of an existing tourism promotion infrastructure provided by Visit Oceanside. Conversely, agritourism provides the tourism industry with an additional reason for visitors to experience Oceanside.

From the farm perspective, the increased interest in agritourism is based on several important trends including the following:

- **A need to generate additional farm profit.** Farm land is currently under pressure to improve revenue, efficiencies, and profits. Additionally, farm land located in or near an urban environment is constantly threatened by potential commercial or residential development. Generating additional profits helps farmers to maintain the farm land.
- **A need for farm diversification.** Farmers are also under constant pressure to diversify their sources of income in order to minimize their risk of revenue generated from potentially vulnerable sources.
- **A need to improve utilization of all farm resources.** Like all businesses, farmers and farms are under constant pressure to improve overall utilization of the farm land asset.
- **A need for distribution channels.** For many small farms, agritourism represents a critical distribution channel. In fact, for some this may be their only channel, or only profitable channel of distribution coming from farm direct visitation and purchase. The farm stand would be a new direct-to-consumer distribution channel. An example of this is the Beach House winery and direct-to-consumer tasting room. Herb and row crops are currently using produce brokers for wholesale markets with little direct to consumer distribution.
- Additionally, there is a potential for cross promotions using the farm direct message with restaurants and grocery stores. When the local branded produce or meats are listed in restaurant menus and in grocery stores that can drive visitation to the farm. Also, if a farm promotes those that use their product, it may drive consumers to those places, both of which improve and promote the local economy.

From a consumer perspective there are a number of social trends that are driving the increased interest in agritourism:

³ University of California, Davis

- **The Locavore trend.** This local food movement works to connect food producers (farmers) and food consumers in the same geographic region in an effort to develop more self-reliant food networks, improve local economies, and for health, environmental, community, or social impact within that area.⁴
- **National concerns about health and obesity.** Obesity is a growing global health problem. “In society there is increasingly cheap, high calorie food (example, fast food — or “junk food”), prepared foods that are high in things like salt, sugars or fat, combined with our increasingly sedentary lifestyles, increasing urbanization and changing modes of transportation, obesity has rapidly increased in the last few decades, around the world.”⁵
- **An overall view of wellness that includes the quality and source of food.** Consumers today view their overall wellness beyond exercise, mental health, and the food they eat. Wellness has expanded to the source of their food, where it is grown and how it is grown.
- **Demographic shifts that are changing consumer markets.** Increasing demographic shifts including the growth of the Millennials, ethnic diversity, and age have had a significant impact on many parts of our culture, especially food. Millennials are the next Baby Boom, representing approximately 77 million or 25% of the U.S. population, the same number of current Baby Boomers. Millennials are more ethnically diverse than Gen Xers and Baby Boomers.⁶ This demographic shift includes food consumption habits, as Millennials are more likely to support those food sources that are fresh and organic.
- **A growing support for local farms and businesses.** As farm land becomes scarce and takes on industrial characteristics, there is a growing awareness to support local farms and businesses that tailor their offerings to the local community.

⁴ Wikipedia

⁵ Global Issues.org “Social, Political, Economic and Environmental Issues That Affect Us All” November 21, 2010

⁶ Center for Continuing Study of the California Economy

Agritourism



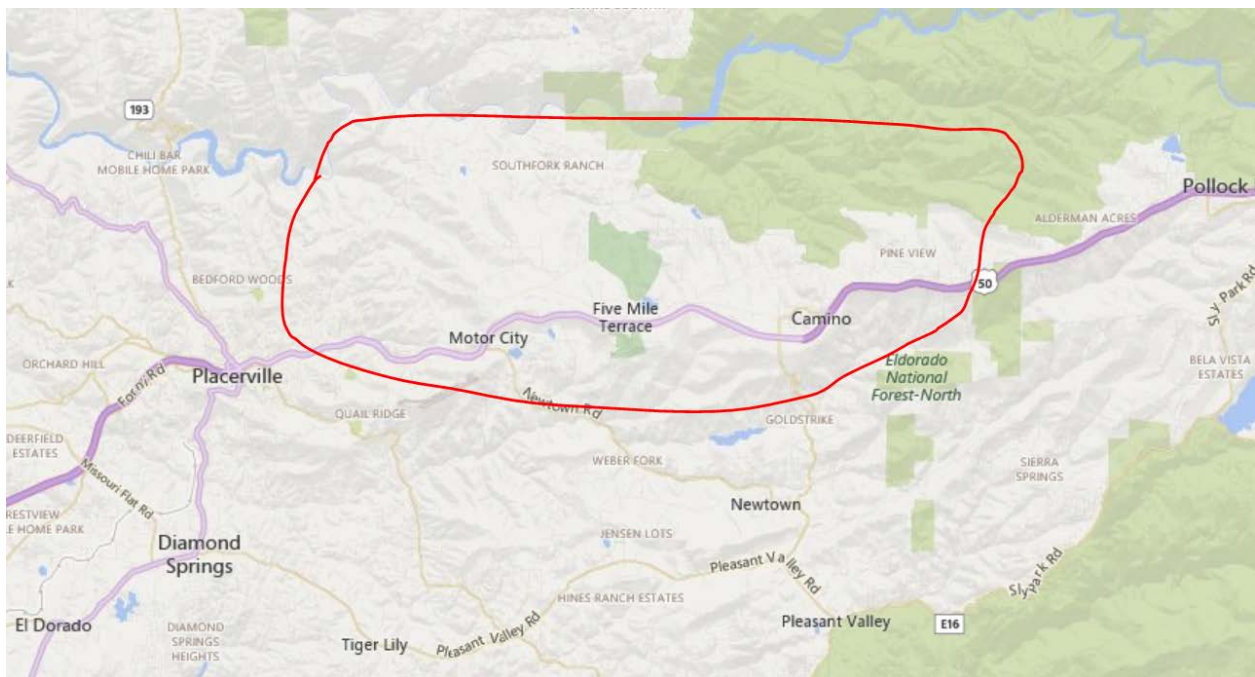
Part 2: Case Study: Apple Hill, California

Apple Hill is located in the western foothills of the Sierra Nevada Mountains in El Dorado County. Located an hour's drive from downtown Sacramento, this well-known agritourism locale is filled with fruit orchards, breweries, tree farms, and wineries.

Visitors can either enjoy picking their own apples from the tree or from a convenient container. Among the variety of apples available are Golden Delicious, Granny Smith, Pippin, Pink Lady, Rome Beauty, Fuji, Gala and Mutsu, to name a few. In addition to its namesake crop of apples and apple-related products, there is a variety of other types of fruit including pears, pumpkins, blueberries, cherries, grapes, plums and persimmons.

Similar to Oceanside, Apple Hill is located in a defined area within El Dorado County. The area is rural with two lane roads and provides a similar bucolic country experience available in South Morro Hills. There are approximately fifty apple farms, wineries, and other agritourism venues within the area.

Apple Hill is located within the unincorporated part of El Dorado County.



The Apple Hill map below shows the concentration of participating farms and venues that have developed over the past fifty years. The map includes the number assigned to each farm that is also listed on each farm sign at their location for easy recognition.



While this type of density at Apple Hill is not anticipated for Oceanside, it illustrates how farms and venues could develop and be identified within the South Morro Hills region.

A. Wayfinding

Within Apple Hill, visitors can easily find different farms via an integrated wayfinding system that includes maps and signage with numbered farm locations that corresponds with the map.



Apple Hill Tier 1 Level Infrastructure

Note the trellis sales area to the left combined with a prefab building on a small slab with gravel/dirt parking.



Examples of formal construction with paved parking at Apple Hill.



B. Marketing

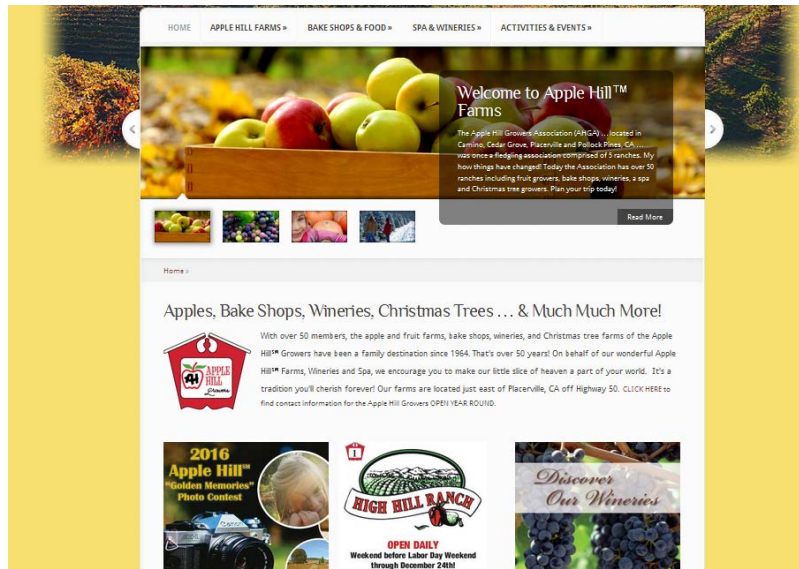
1. Branding

The Apple Hill brand has been in existence for more than 50 years, building familiarity and loyalty.



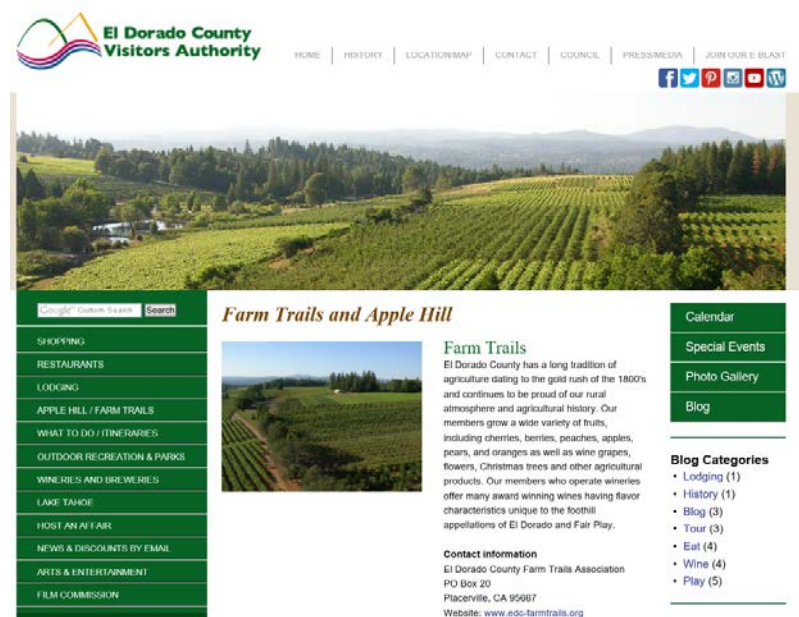
2. Apple Hill Website

The Apple Hill website, AppleHill.com, provides consumers with comprehensive information to promote the experience and help them with trip planning.



3. El Dorado County Visitors Authority Website Support

The El Dorado County Visitors Authority website also promotes Apple Hill.



Additional Examples of Agritourism

- **Blackberry Farms**-located in Tennessee is an excellent example of agricultural tourism. Offering visitors a wide variety of farm activities and products for purchase.

www.blackberryfarm.com/farm

- **123 Farms**-Located in Cherry Valley California is an excellent example of providing a farm experience to Southern California visitors.

www.123farm.com

- **Jacinto Farms**- Located in Redlands is a good example of farm stand sales to the public with year-round availability of locally grown produce.

www.jacintofarms.com/

- **Old Grove Orange CSA**- Old Grove is an example of farm sharing, where local consumers can purchase locally grown fruits and vegetables on a monthly basis. This type of program enables the local community to support the local agricultural industry.

<http://oldgrovefarmshare.com/why/about-us/>

Section 2 Situation Analysis

The following Parts 3 & 4 outline the situation analysis for agritourism in Oceanside.

Part 3: Oceanside Agritourism Product/Experience

A. Elements of Agritourism

Agritourism as an experience can be viewed from two distinct perspectives. First, rooted in a lifestyle that appreciates freshly grown produce, the local market is primarily interested in seasonal crops. Second, and the focus of this report and the key component of agritourism, is the interface with the broader tourism segment that is attracted to Oceanside.

A comprehensive agritourism experience includes a variety of elements that provide visitors with a complete and memorable experience. These elements typically include the following:

1. On Farm Activities

- Corn mazes
- U-Pick operations
- Petting and feeding zoos
- Hay rides
- Cut-your-own Christmas tree farms
- Demonstration farms
- Agricultural museums
- Living history farms
- On farm farmers' markets
- Winery tours and wine tasting
- Rural bed & breakfasts
- Garden tours

2. Off the Farm/From the Farm Activities

- Farmers' markets
- Vendor at state and county fairs
- Roadside produce stand
- Farm-to-Table restaurant distribution

Key, of course, is having the infrastructure to accommodate these visitor experiences. In addition to these direct farm related activities is the need to have additional tourism elements that complete a visitor experience, such as the following:

- Lodging with appropriate choices and price points
- Special events that support agritourism elements and culture
- Retail shopping that provides an experience
- Dining
- Attractions and activities for visitors to engage in

B. Oceanside Agritourism Elements/Experience

Currently, the Oceanside agritourism effort is minimal. Most, if not all, agricultural production is sold to or exported to other businesses and locations with minimal farm direct-to-consumer sales. As such, the development of a sustainable agritourism program would offer farms a new and profitable distribution channel.

Oceanside has almost 3,000 acres of agriculturally zoned land. A review of Oceanside crop production reveals that the crops that are produced would have an appeal to direct to consumer distribution.

Table 2A: Top Crops Produced in Oceanside

Crop
Container Plants
Berries
Avocado
Sub-tropical and misc. trees
Tomato
Citrus
Cut Flowers
Herbs
Nuts
Succulents
Wine Grapes

In addition to actual crop production, agritourism in Oceanside has supporting elements, including Farm-to-Table restaurant distribution and on-site and off-site farm stand sales. It should be noted that several farms distribute their products to restaurants outside of Oceanside and within the region.

In addition to agricultural production, the following is a list of additional related activities and a sample of major farms within the South Morro Hills area.

Table 2B :Additional South Morro Hills Activities

Location	Activity
Accessory Uses:	
Beach House Winery	Local winery
Paradise Falls	Wedding and special event location
Oceanside Equestrian Center	Equestrian center for boarding and training
Beach City Dogs	Dog shows and dog training
Major Farms:	
Nagata Bros	Diversified crops
Blue Heron Farms	Diversified crops
Mellano Farms	Diversified crops
Rocket Farms	Diversified crops
Altman Nursery	Diversified crops
Pardee Farms	Diversified crops
West Coast Tomato	Diversified crops
DK Growers	Diversified crops
Armstrong Growers	Diversified crops
Gilligan Groves	Diversified crops

Source: South Morro Hills Association

C. Oceanside Farmers' Market

Oceanside has a farmers' market for local crop distribution. Within the North San Diego region, there are approximately 30 to 40 farmers' markets that provide shoppers with an opportunity to purchase farm direct products. They are much more geared to local residents than visitors, and tend to be undifferentiated, so consumers are more likely to shop at the market closest in proximity.

Table 3: Sample Farmers Markets

Location	Location	Location
Escondido	UCSD	Carmel Valley
City College	Encinitas	El Cajon
Coronado	Ocean Beach	San Diego
Mira Mesa	Santee	Linda Vista
Chula Vista	Carlsbad	SDSU
Pacific Beach	Temecula	Warner Springs
Allied Gradients	Borrego Springs	Imperial Beach
Kearney Mesa	La Mesa	Del Mar
Fallbrook	Lemon Grove	Solana Beach
Poway	Ramona	Scripps Ranch
Julian	La Jolla	Leucadia
Murrieta	Point Loma	San Marcos

Source: Edible San Diego, September 2015

It should be noted that farmers' markets undercut the strategy of generating tourism to farms located in Oceanside for on-site shopping, and are less likely to be emphasized in an agritourism strategy.

D. Oceanside Farm to Table Restaurants

In addition to farmers' markets, a number of restaurants within Oceanside offer Farm-to-Table dining⁷, including the following:

- Masters Kitchen and Cocktails
- Mission Ave Bar and Grill
- Local Tap House
- Flying Pig
- Wrench and Rodent
- Hill Street Cafe
- Pour House
- Privateer Pizza, Wine and Cheese Bar
- Blvd Asian Fusion
- Bagby Beer Company
- Urge Gastro Pub

As can be seen, the agritourism experience in Oceanside is limited, given the constraints of not having direct farm visitation and limited Farm-to-Table distribution.

⁷ Visit Oceanside

E. Agriculture as Part of the Oceanside Tourism Experience

The essence of Oceanside’s tourism experience is focused around food, arts and the community, sports and recreation, and the coast. From a strategic perspective, the addition of agritourism provides new destination product offerings for the visitor experience, thus expanding the potential for visitation and increased trip frequency.

Table 4: Oceanside Product/Experience

Food	Arts & Community	Sports & Recreation	Natural Wonders	Agritourism
Fine Dining	Surf Culture	Water Based	California coast	On site farm experience
Dining Choices	Tours	Surfing	Beaches	Education
	Oceanside Museum of Art	Beach play	Aquatic and aviary wildlife	Farm to Table in Restaurants and Grocery stores
	California Surf Museum	Kayaking	Fresh water lagoon	Farm Stands
	Muramid Mural Museum	Boating		
	Mission San Luis Rey	Swimming		
		Land Based		
		Golf		
		Road biking		



Clearly, if a sustainable agritourism program could be developed, it would increase the appeal of Oceanside and attract new visitors or provide existing visitors with another activity to extend their stay.

Part 4: Oceanside Strengths, Weakness, Opportunities & Threats

The following strengths, weakness, opportunities and threats need to be considered in the development of agritourism in Oceanside.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Proximity to markets • Developed tourism infrastructure • Farm to Table distribution • Historical agriculture industry • Concentrated agricultural industry • Regional agricultural industry 	<ul style="list-style-type: none"> • Limited superstructure (roads, water and sewage) • Lack of knowledge and training for new farmers • Lack of a complete tourism experience in the South Morro Hills region
Opportunities	Threats
<ul style="list-style-type: none"> • Increase the value of agricultural land in an effort to preserve it • Maintain open space and community ambiance • Increase competitiveness of the Oceanside tourism industry • Growing consumer trends • National and regional tourism promotion efforts • Key industry alliances • Environment • Training and education • Build the South Morro Hills brand name for agricultural production • Strengthen industry organization 	<ul style="list-style-type: none"> • Federal, state and local regulations • Competition • Land values for housing • Lack/cost of water • Distrust between elements of the local community with regard to development • Potential political shifts • Development pressure • Zoning • Cost and availability of farm labor

A. Strengths

- **Proximity to markets**
Oceanside is located in close proximity to huge local and regional populations which provide a ready market for an authentic agritourism experience. Additionally, Oceanside is located in close proximity to San Diego International Airport, which is a major gateway for domestic and international visitors.

- **Developed tourism infrastructure to support agritourism**
The tourism promotion organization for Oceanside, Visit Oceanside, is a fully- functioning organization with integration into state and regional marketing efforts. The organization has a variety of marketing tools with which to promote agritourism in Oceanside.

- **Farm to Table distribution exists at a basic level**
Oceanside already has established Farm to Table restaurants which is anticipated to grow over the next five years as consumer tastes continue to drive the trend for locally-grown agricultural products.
- **Historical agriculture industry**
While Oceanside has a long agricultural history, it was wholesale in nature, based on business-to-business enterprise. The opportunity now exists to integrate agritourism as a key component of the industry.
- **Concentrated agricultural operations**
The concentration of the agricultural industry in South Morro Hills creates a gravity and geographical focus for consumers in one accessible region.
- **Regional agricultural industry**
The surrounding communities (Vista, Fallbrook, Escondido, San Marcos, etc.) also have a large agricultural footprint, creating a broader regional character for agritourism.

B. Weaknesses

- **Limited superstructure (roads, water and sewage)**
The South Morro Hills agricultural region will need significant investment in infrastructure to enable agritourism on a meaningful level. Additionally, the private sector farms do not have existing infrastructure that is capable of providing a farm visit experience.
- **Lack of knowledge and training for new farmers**
Currently there is a lack of knowledge and expertise to guide new entrants into agriculture production. This is especially true of small land owners that have acreage to plant, but lack the expertise. Without this information and skill set, land owners are not able to maximize the value of their land holdings.
- **Lack of a complete experience in the South Morro Hills region**
Currently there is a lack of tourism amenities (small scale lodging, dining, etc.) to support agritourism within the South Morro Hills region, due, in part to zoning issues and/or infrastructure issues that currently do not support tourism activities.

C. Opportunities

- **Increase the value of agricultural land in an effort to preserve it**
One of the driving forces of the effort to develop an agricultural tourism experience is to increase the value of the land in order to preserve it, and the industry over the long-term.

- **Maintain open space and community ambiance**

There is an intrinsic and real economic value to those who live in the South Morro Hills region, as well as the rest of Oceanside, to maintain the open space and ambiance of the current agricultural land. The loss of agricultural land to development would forever change the feel and ambiance that residents cherish.

- **Increase competitiveness of the Oceanside tourism industry**

The addition of agritourism can help to increase the competitiveness of tourism for Oceanside. Think of agritourism as a visitor attraction that strengthens existing tourism promotion efforts with an additional reason for potential visitors to come and/or extend their stay which can generate incremental economic impact.

- **Take advantage of growing consumer trends**

Consumers continue to be interested in agritourism, especially within the state of California. According to Visit California, there were 951,000 trips to California that involved farms/agritourism in FY14/15⁸. This does not include trips that originated from residents within the state.

- **National and regional tourism promotion efforts**

Tourism is a major industry, both nationally and within California, and it's expected to continue. Within California, tourism generates \$117B in direct travel spending and over 1 million jobs. Closer to home, San Diego County generates \$14.7B in travel spending and over 131,000 jobs.⁹ As such, tourism efforts through Visit California and Visit San Diego will continue. Recently Visit California increased its promotion budget to over \$100 million annually which will ensure aggressive tourism promotion over the long-term.

- **Alliances**

If there is willingness on behalf of Oceanside to engage with other cities and communities to form a larger regional effort, it may be possible to create a Business Improvement Area (BID). Additionally, alliance opportunities exist with the San Diego Farm Bureau and the potential to integrate into their consumer branding program, *San Diego Grown 365*. The UC Farm Extension, San Diego is a solid science-based partner for the development of technical support for crop development, management, new crop trends, and disease and pest management protocols.

- **Environment**

As in Napa, opportunities exist to economically recycle and use recycled water for irrigation.

⁸ Visit California TNS Travels America domestic visitor database

⁹ Visit California, California Travel Impact Study 2014

- **Training and education**
To deal with lack of knowledge and skills, there are training programs available to guide new small farm entrants from the UC Davis Small Farm Center.
- **Build the South Morro Hills brand name for agricultural production**
The opportunity exists to build awareness and demand for the crops grown in Oceanside, specifically the South Morro Hills region. Branding is essential to create awareness and to build long-term consumer interest and support of the farm visit experience and the crops.
- **Strengthen industry organization**
Opportunity exists to strengthen the leadership of the current industry organization as it works to develop the infrastructure for agritourism within Oceanside.

D. Threats

- **Federal, state and local regulations**
Increased regulations at all levels continue to increase costs and complexity of agricultural operations, especially for small scale farms that don't have the economies of scale to absorb those costs. Current regulations are being drafted that would eliminate the spraying of insecticides within one mile around school areas, even when not in session. At a certain point these costs could be prohibitive and other uses for the land will be considered.
- **Competition**
The addition of the North American Free Trade Agreement (NAFTA) has significantly increased the level of competition from other countries. Many of these countries, such as Mexico, do not have the same regulatory and employee cost structures creating price-based competitive advantages that growers in Oceanside are challenged to match. Costs and regulatory restrictions could reach a level where farming costs significantly impact profitability, thus raising the potential for other uses.
- **Land values for housing**
Currently, land values in South Morro Hills are based on the open space provided by farming operations. These land values could be impacted by the loss of farming operations if farm land is sold off in favor of development interests.
- **Lack/Cost of water**
As California deals with ongoing drought, the availability and cost of obtaining water for farm production continues to increase and will have an impact on production within the South Morro Hills region. Already certain high water use crops like avocados are being replaced with crops that require less water. If the cost of water continues to rise, hurting profitability, it could impact land uses in the future and affect the diversity of crops that sustain healthy soils.
- **Distrust between elements of the local community with regard to development**
Perhaps one of the most challenging threats to agricultural production is the local resident of

the South Morro Hills region. Residents enjoy the open space and bucolic environment as well as land values that farming provides, but increasingly have concerns with operations necessary for farm operations, including pesticide management, road use, etc. At the same time, residents have voiced concerns that infrastructure needed to enable an agritourism experience, which would work to preserve agricultural land, is also an open door for housing development. This level of distrust needs to be overcome to build a clear operating environment for agriculture, while at the same time reassuring local residents.

- **Potential political shifts**

Future political shifts in Oceanside city leader's opinions may not support the value of agriculture compared to land development.

- **Development pressure**

Another major threat is aggressive land development pressure that could find one or two willing sellers that could transform the area.

- **Zoning**

The potential lack of zoning flexibility to fit farm operations into available lands for agriculture is a clear threat for agritourism expansion.

- **Cost and availability of labor**

An additional threat is the increasing cost and the availability of farm labor. The recent increase in minimum wage to \$15/hour by 2022 will significantly impact farms in the South Morro Hills area, as well as the consistent availability of farm labor. Additionally, there is the potential impact of California AB 2757 which will limit the number of hours agricultural employees can work in a day and/or week.

Section 3 Goal, Objectives and Vision

Parts 5 & 6 discuss the agritourism goals, objectives, and vision.

Part 5: Oceanside Agritourism Strategy Goal and Objectives

A. Agritourism Strategy Goal

Develop a new revenue stream for farmers to help them maintain agricultural land within the City of Oceanside. This could be completed by developing a sustainable and profitable agritourism program which will help to maintain the current land uses, resist development, and strengthen the local tourism economy by providing visitors with an additional reason to visit the area.

B. Agritourism Strategy Objectives

1. Create an increased awareness and understanding of the benefits to position agritourism as a higher priority among residents, businesses, and local government.
2. Expand agritourism marketing efforts.
3. Develop appropriate plans and a feasibility analysis for agritourism within Oceanside.
4. Provide education, training, and resources to help retain and expand farm land.
5. Develop appropriate infrastructure and capacity to support the Oceanside agricultural industry.
6. Develop specific Oceanside agricultural industry marketing assets including brand identity, website, visitor information, etc.
7. Review ways to reduce the regulatory burden on local farms.
8. Develop and/or strengthen regional food systems including Farm to Table etc.
9. Explore the potential for regional alliances with regard to Oceanside agritourism.

Part 6: Oceanside Agritourism Vision

The South Morro Hills region is Oceanside’s historic agricultural region, boasting approximately 3,000 acres that produce a mix of crops¹⁰. The agritourism vision for South Morro Hills is twofold. First, is to further develop the on-farm experience, and second, to develop restaurant and tasting room elements within the downtown area to complement the South Morro Hills agriculture. Within South Morro Hills, agritourism efforts are designed to build on existing agricultural assets necessary to **develop a legitimate agritourism experience** from the perspective of a visitor, and to improve the competitive position of Oceanside.

The existing regional assets as they relate to agritourism include the following traits:

1. Agricultural setting – South Morro Hills’ 3,000 acres of greenery and picturesque rolling hills with excellent accessibility from downtown Oceanside. These two elements can facilitate an ag tourism synergy for Oceanside that strengthens the destination from the perspective of the local and visitor alike.
2. Crops – A variety of crops that offer a deliciously unique experience for visitors.
3. Landscape – The beautiful landscape and views make an individual feel as if they are in a true agricultural region that reinforces the overall agritourism experience.

The vision builds on these assets to develop an agritourism experience that includes 3 to 5 farm stand venues located on agriculture properties that could consist of a combination of farms stands, winery tasting rooms, and cooperative venues. These facilities would include rudimentary parking, right of road without urbanized standards, picnic areas, sales areas, and would convey the feeling of an agricultural experience.

The South Morro Hills agritourism experience should also create agricultural marketplace(s) or “Center Squares” that offer a marketplace, tasting rooms, co-ops, hands-on experiences, demonstrations, etc. a piazza that provides a center of activity.

In addition, this on-farm experience would be augmented by 6 to 12 Farm-to-Table restaurants in the Oceanside area. This would extend the concept of agritourism into the downtown area, which could serve as a magnet to drive people to South Morro Hills. Additionally, within South Morro Hills, there should be an increase in vineyards to create a small critical mass of wineries, which would also enable a tasting room in the downtown area to be developed and complement the Farm to Table restaurants.

Existing bike trails, an appropriate wayfinding program, and tourism promotion infrastructure available through Visit Oceanside would support the agritourism experience. The tourism promotion infrastructure would facilitate the promotion of agritourism as a marketing tool to both attract and influence potential visitors to visit the area, as well as provide existing visitors with an experience that would encourage a longer stay and additional travel spending.

The vision can be implemented in a phased approach to minimize costs, while at the same time testing the concept to determine its feasibility.

¹⁰ City of Oceanside

Section 4 Agritourism Strategy and Implementation

The following Parts 7-11 outlines the agritourism strategy, strategy platform (elements of the strategy), brand platform, target markets, and the action steps designed to implement the strategy and key factors for success.

Part 7: Oceanside Agritourism Strategy Platform

In an effort to implement the Oceanside agritourism goals and objectives, the following platform has been developed as a framework to illustrate how specific strategies work together. The overall strategy contains three important elements -- developing the agritourism infrastructure, developing the agritourism experience, and expanding marketing programs, followed by education/training, reducing the regulatory burden, and developing regional alliances and food systems. The figure below provides a framework of the strategic objectives that support the overall goal.



The strategic framework is based on the following elements:

A. Core Strategy Element

Develop an Agritourism Infrastructure

At the heart of a sustainable agritourism strategy is the ability for visitors to actually visit and experience the farms. This would require infrastructure changes such as improved roads, water, and sewage which would enable farms to build appropriate infrastructure to support farm visits. This could include on-site locations, road side stands, etc.

It is important to understand the relationship between the facilitation of farm visits and the development of agritourism in a way that is meaningful and profitable for farmers so they will be more resistant to selling off land to developers. Additionally, if farmers can increase the output of crop production, the value of land will also increase. If farmers see profits using agritourism and increased crop production, it may be sustainable against development.

B. Product/Marketing Strategy Elements

Develop Agritourism Experience, Expand Marketing Programs, Food Systems

A second critical element in the development of the agritourism strategy is the need to develop and market the experience.

1. Developing the Agritourism Experience

The essence of the entire strategy is conceptualizing what the Oceanside experience will be, what unique elements it will include, logistics, etc. Everything from farm visit to Farm to Table programs need to be considered.

2. Expanded Marketing Programs

Once the experience is conceptualized, a more aggressive marketing program can be developed and implemented through Visit Oceanside and South Morro Hills outreach. It is critical that agricultural representatives be engaged in the process in order to accurately convey the experience.

3. Food Systems

Key to making the agritourism strategy tangible is the increase in participating Farm to Table restaurants which provide exposure for the industry, and work to create awareness and demand. A second and equally important component is the development of local retail distribution for local farm products. Several local grocery stores would have an interest in carrying local farm products, which typically include in-store promotional efforts such as sampling, wine tastings, etc.

C. Enabling Strategies

Education/Regulatory/Alliances– These strategies are enabling strategies that facilitate the growth of the agritourism program.

1. Education and Training

Education for farmers is critical, especially at small farms that don't have the expertise and or economies of scale. Having the necessary expertise to guide these farmers helps to reduce risk and allow them to have confidence and grow their efforts.

2. Regulatory

A second enabling strategy is reforming the regulatory framework at the federal, state and local level. These efforts should be able to provide necessary protection, while at the same time reducing costs to reasonable levels.

3. Strategic Alliances

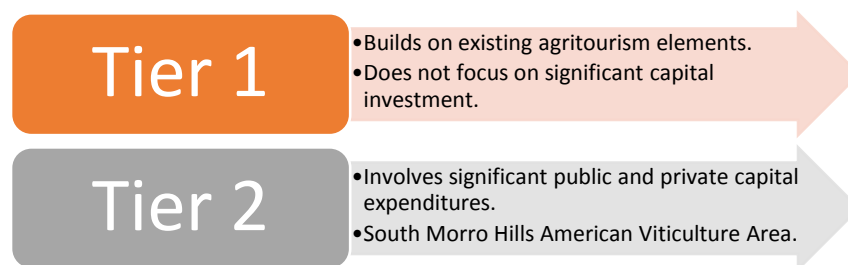
Given Oceanside's agritourism small size, developing strategic alliances at the regional level is critical. These cooperative approaches help to leverage funds and increase distribution and reach of agritourism marketing efforts.

Part 8: Agritourism Strategy

The previous section outlined the elements needed to implement an agritourism strategy while this section focuses on the strategy itself. Given the dynamics of the current situation, which includes the potential to implement tactical elements for an agritourism strategy, as well as the longer-term need for more capital intensive infrastructure programs, the following two tier strategy has been developed.

The strategy allows the destination to leverage the activities in Tier 1 into a broader more strategic direction that would be implemented through Tier 2 strategy implementation. It also allows for community and political buy in as milestones are achieved.

The strategy is also inclusive of both big and small farms, and does not require the participation of those who are not interested. The two tracks represent full bifurcation of agritourism potential/reality.



Tier 1 Strategy

The Tier 1 strategy is focused primarily on small operators on small parcels. Characteristics include the following:

- Projected Farm Stands 3 to 5 seasonal operations - Includes a small number of farm visit venues operating on a seasonal level for visitors to engage with.
- One or two food/cooking/tasting experience venues as part of an estate.
- Expanding Farm to Table dining that reinforces agritourism attraction to consumers.
- Creation and implementation of the South Morro Hills agritourism brand and increased directional signage to participating farms.
- Establishing familiarization tours with local chefs and grocery store management to promote purchase of locally grown foods.
- Marketing support and brand management from Visit Oceanside to develop demand/traffic for the agritourism experience.

DESIRED OUTCOME(S)

- Decreased development pressure to slow down or diminish the closing of open space and farms than if no efforts had been implemented.
- No sewer needs - Exist with current sewer capacity.
- Limited infrastructure - The needed infrastructure is minimized while still providing visitors with an authentic farm visit feel and experience.

Tier 2 Strategy

Tier 2 strategy builds on the Tier 1 efforts, but involves a significant level of capital investment on the part of both farms and the City of Oceanside. Characteristics include the following:

- Build out of strategic retail outlets that would be supplied from farm operations as well as being trucked in.
- Daily operations of retail outlets to ensure ongoing product demand. Increased employment opportunities and sales tax as a result of retail operations which is positive for the City.
- Development of major supporting events like festivals to bring additional tourism.
- Infrastructure improvements required to upgrade water, sewer and roadways and bring recycled water to the farms. The infrastructure requirements will impact capital expenditures, but bonding could be completed to implement improvements.
- Formation of a South Morro Hills AVA (American Viticultural Area¹¹).

DESIRED OUTCOME(S)

- Add next layer of tourism demand to city, provide residents with quality of life experiences.
- Increase the value of agricultural land by adding additional uses and revenue and minimizing real estate development.

Both of these strategies can be implemented simultaneously and are designed to complement each other to create an authentic agritourism experience for visitors and residents. While the Tier 1 strategy can be implemented over the short-term, the Tier 2 strategy will take significant upfront planning and coordination to build up Tier 1 outcomes. The combined strategies allow stakeholders to witness and realize small successes along the way to the implementation of a comprehensive strategy.

¹¹ An American Viticultural Area is a designated wine grape-growing region in the United States distinguishable by geographic features, with boundaries defined by the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury.

Part 9: Agritourism Brand Platform

Unfortunately, no research is currently available to determine the potential key variables/points of differentiation that define the South Morro Hills region from a consumer perspective. That being said, it is critical for the success of Oceanside agritourism efforts to fully differentiate the experience and the product offering to develop a defensible and sustainable niche with competitive barriers. As it exists today, most if not all of the agriculture products are commodity offerings available in other parts of the state. However, there are some aspects upon which branding can be contemplated in both setting and product offerings.

A. The Countryside Experience

South Morro Hills offers one of the last places along the San Diego County coast that has agricultural open space with quiet country roads, vistas of rolling hills leading to the mountains, orchards, and farm life. Today’s urban resident wants to find that setting, and immerse themselves in it to escape.

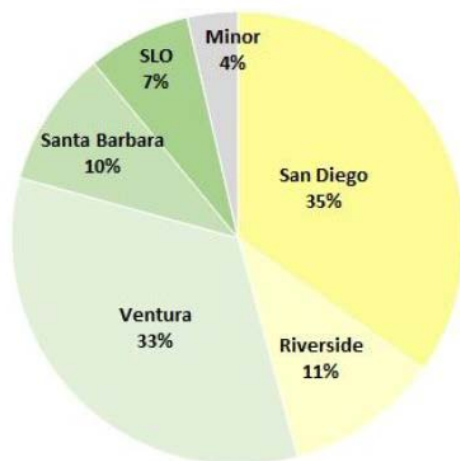
B. Diversity of Product

Currently, there are two major agricultural product categories that offer consumer visitation opportunities.

1. Avocados

Avocados are the major food crop of San Diego County agriculture. As such, it is somewhat homogenous. There are several varieties grown, but that does not create differentiation, as Hass accounts for 95.2% of what is grown in California. A unique aspect of processing to differentiate the product is needed. Farm fresh is a point, but indefensible.

2014 Planted Avocado Acres by County



2014 Varietal Distribution	
Variety	Acres
Hass	49,023
Lamb	1,612
Other	843
Total	51,478

Source: California Avocado Commission

It is important for growers working with the tourism efforts to develop key points of difference. This could include special food events created around the avocado including unique and custom blends of guacamole developed by area chefs or new products i.e. avocado soup. A case in point is Andersen's Famous Split Pea Soup, located in Buellton, California on Highway 101, which is available in every conceivable packaging format.

2. Wineries

The wine areas in San Diego County, including the newest Ramona Valley, along with neighboring Riverside County's Temecula, comparatively hold significant market positions already. For Oceanside to strike a market position in the saturated wine industry, it needs to isolate varietals that excel in the South Morro Hills terrior, that are not readily produced elsewhere in San Diego County or broader region, and are of distinct outstanding quality. This accomplishment will require the South Morro Hills grower to find exceptional wine-making talent to craft notable wines of such varietals to set this region apart. There is an amazing list of alternative grapes that can excel in the San Diego region. Simply planting Chardonnay or Pinot Noir grapes will not create differentiation since those grapes have been perfected by other regions.

C. Drought Resistant Flowers

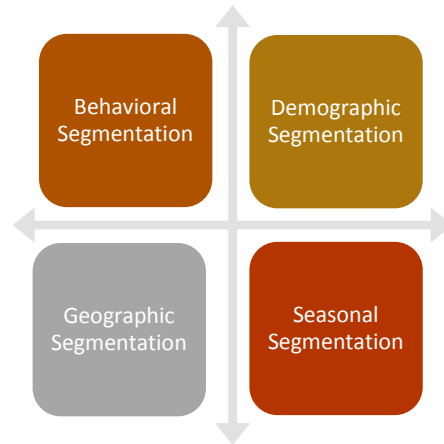
Water concerns are not going to leave California any time soon, and the landscape industry has been impacted as a result. South Morro Hills has seen a shift in flowers to Protea, according to the San Diego County Farm Bureau. This flowering plant of South Africa and Australia has a wide diversity in colors and shape, needs very little water, and is suited to the climate of Southern California. Protea is being raised increasingly in the South Morro Hills region, which can authentically take ownership of the product offerings.

D. Urbanized Sophistication

Given South Morro Hills is in the city of Oceanside, the proximity of an urban setting to support visitation is somewhat unique. The degree to which this proximity can be melded into overall brand messaging will be subtle, but important.

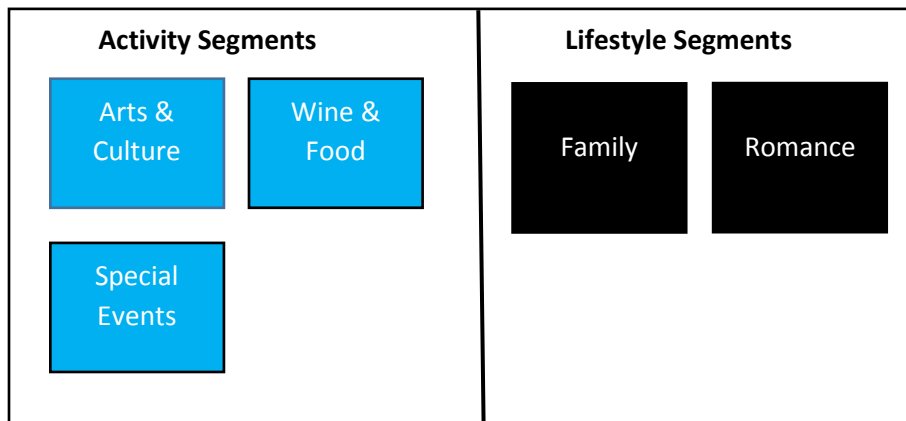
Part 10: Agritourism Target Markets

Target markets feature a four element segmentation matrix that includes behavioral, demographic, geographic, and seasonal visitations.



A. Behavioral (Activity/Lifestyle) Segmentation

Agritourism attracts two key lifestyle segments: Family and Romance. Since both segments currently visit Oceanside, the addition of agritourism will provide another reason to plan a trip the area.



B. Demographic Segmentation

In terms of target demographic segments, interviews, staff, and research have identified the following core segments:

1. Domestic

- Age: Primary market: 35-65 (Core Target Market)
Secondary market: 25-35 (Emerging Loyalty Development Market)
Secondary market: 75+ (Growing Senior Market/Intergenerational Travel)
- HHI: \$75,000
- Families
- Couples

2. International

- Age: 45-65
- HHI: \$150,000
- Traveling for leisure
- Primary access through San Diego and Los Angeles

C. Geographic Segmentation

Primary geographic target markets for South Morro Hills correspond with Visit Oceanside.

Regional/Drive Markets	Non-Stop Fly Markets
<i>Northern California</i>	<i>Western Region</i>
Central Valley	Phoenix
Bay Area	Nevada
Strategy:	Strategy:
<ul style="list-style-type: none"> • Increase overnight visitation & trip frequency • Convert day visitors to overnight visitors • Provide additional Reason to visit 	<ul style="list-style-type: none"> • Increase overnight/longer stay/mid-week visitation
<i>Southern California</i>	<i>Pacific Northwest</i>
Orange County	Portland
San Diego	Seattle
Greater Los Angeles	San Francisco
Strategy:	Strategy:
<ul style="list-style-type: none"> • Increase overnight/ longer term mid-week stay 	<ul style="list-style-type: none"> • Increase overnight/ longer term mid-week stay • Support air service

D. Seasonality Segmentation

Seasonality will follow crop production.

Part 11: Action Steps

Action Plan elements include seven distinct areas that are designed to guide the City of Oceanside in the development and implementation of an agritourism strategy. The action steps have been separated into those that are primarily needed to implement the described Tier 1 and Tier 2 strategies.

The action plan elements are centered around four core areas – Planning and Infrastructure, Marketing and Community Support, Organizational Development, and Regulatory.



Action Plan Elements



1. Planning and Regulatory

Key to the overall success of the agritourism strategy is an easy to follow planning and land use guide that would look at the opportunities and challenges in a proactive, solution-focused manner. Otherwise, the agricultural area has the potential to develop in a haphazard way.

A current review of the pertinent zoning ordinances indicates the following:

- Specific to requirements on parking, access and location, it appears gravel is a permissible ground cover.
- Farm stands are permitted, but only if 500 feet inside property line. If within less than 500 feet of property line, a review and conditional permit is required that needs discussion.
- Access and egress has terms, and requires discussion of how that would be managed by City and land owner.
- There are significant restrictions on how truck traffic must operate, which seems to be related to the large wholesale operations.
- Bed and breakfast operations, events, facilities and weddings need special use permits. (It is anticipated that most lodging will occur in the urban hotel areas, but there may be opportunity for a Bed and Breakfast lodging facility within South Morro Hills.)
- Light pollution is regulated via City ordinance.
- Determine if a tasting room for a winery with a vineyard requires a special permit.

Within the planning and regulatory framework, we recommend taking the existing zoning ordinances and developing a more comprehensive ranch marketing ordinance that addresses the consumer visitation dynamic that agritourism is designed to facilitate.

A. Tier 1 Planning and Regulatory Action Steps

1. Case Study Education: Apple Hill

Given the similar dynamics with Apple Hill, it is recommended that Oceanside representatives from farming, planning, tourism, etc. meet with their counterparts in an effort to understand the success of the Apple Hill agritourism program and what can be learned for application in South Morro Hills.

2. Review existing zoning regulations to enable farm stands.

Task staff, with input from farm representation, to review existing zoning codes and ordinances to make appropriate revisions to enable Tier 1 development.

- Review existing zoning ordinances and regulations to facilitate the easy development of Tier 1 recommendations like farms stands.
- Specifically review requirement for parking five hundred feet (which would limit development to selected farms) within a parcel with a goal to make parking areas easier to designate and develop. The current zoning can be a significant impediment to Tier 1 recommendations.

3. Designate a specific agriculture liaison within the city planning department.

In an effort to develop an ongoing familiarity and continuity to agricultural related planning issues, the City of Oceanside should consider designating a specific liaison within the planning department so as to facilitate agriculture related planning issues.

B. Tier 2 Planning and Regulatory Action Steps**1. Develop a vision for South Morro Hills**

There are competing visions, and no clear sense of the available future options for this agricultural area. There is a need to develop a unified vision for the South Morro Hills area with participation from farmers, residents, the City of Oceanside and other interested parties.

Action Step(s)

1. Develop project scope and timeline.
2. Develop funding sources.
3. Develop outreach strategy.

2. Financial feasibility study for agritourism

There is currently no economic feasibility study to understand the potential economic impact of transforming South Morro Hills into an agritourism region. The City should solicit the development of a financial feasibility study to assess the potential economic impact that agriculture has on the City including land values, revenues, taxes, and employment.

Action Step(s)

1. Develop project scope and timeline.
2. Develop funding sources.

3. Develop a community plan to determine long-term direction of South Morro Hills.

There is a need for the City of Oceanside to initiate a community plan for the South Morro Hills region. There is a level of distrust among residents, some that fear any changes or improvements to infrastructure will bring home developments and loss of farms, and others that feel the infrastructure improvements are necessary to keeping the farm operations running. The community plan should be an open process so that residents and working farmers can provide all levels of input and feel invested in the plan.

Action Step(s)

1. Develop project scope and timeline.
2. Develop funding sources.
3. Develop outreach strategy.

4. Study the current value of the agricultural open space to Oceanside residents.

Currently there is little understanding of the value that the open space provides residents and the value of the agricultural land, should the farming land be lost or reduced through future development. This information can serve as a basis for understanding how to manage new applications for proposed developments that come into the City.

Action Step(s)

1. Develop project scope and timeline.
2. Develop funding sources.

2. Public and Private Infrastructure Development Action Steps

Consumer farm visits are the foundation of agritourism. In order for visitors to experience farms and related activities, improvements in both public and private infrastructure elements are needed. While these infrastructure changes should be identified in the planning approach previously identified, it is important to begin to visualize the potential changes that will occur.

A. Tier 1 Public and Private Infrastructure Development Action Steps

1. The key to infrastructure development at this level is to identify private infrastructure needs and participating farms. The South Morro Hills Association can be a catalyst to initiate these efforts working with private farmers.
2. Specific development of on-site tasting rooms to encourage visitation and farm experience is also needed.

Action Step(s)

1. South Morro Hills should consider forming an infrastructure committee to assist in the Community Planning effort and be a catalyst for development projects.

B. Tier 2 Public and Private Infrastructure Development Action Steps

1. At this stage it is very important to work directly with major farms (project proponents) as well as identify the development for potential wineries.
2. Critically important is that development must be considered within the context of a broader community plan in which not only farm development is addressed, but also public infrastructure such as water, roads, and sewer, and preserving the local character.
3. To achieve a presence of 3 to 5 winery visitation sites beyond the existing one winery will require a focused development effort. High-end San Diego County winemakers working with vineyards in relative proximity to South Morro Hills, and functionally same geology with somewhat different growing season temperatures, are enthusiastic about the potential.

There is an acute shortage of San Diego County grapes for the winemaking community. Alternative grapes are the key to differentiate South Morro Hills and will be a demand generator for tourism. There are approximately five definitional winemakers that capture the nuances of the different areas (including soil, climate and winemaking culture) working in the San Diego County appellation. Several could be lured to work in South Morro Hills for those operators who want to develop that agritourism component.

Action Step(s)

1. Private farms wanting to develop retail areas should consider meeting with the City of Oceanside to determine specific requirements for their proposed ideas or projects.
2. Work with local vintners to develop grape varieties.

The Vineyard and Winery Opportunity

The South Morro Hills agricultural region of Oceanside has significant potential to evolve into a meaningful San Diego County wine, area if approached with care and understanding of the geology and climate. Extensive interviews with top wine growers and winemakers who understand the region indicate that successful development can be realized. To achieve a meaningful critical mass, finding and aligning the proper grape varieties to the South Morro Hills' soil and climate is essential.

Particular focus should be acquisition of southern Mediterranean grapes such as Carignane, Grenache, Grenache Blanc, Vermentino, Picpoul and others, rather than traditional grapes grown in other parts of California. San Diego has a different reality with granitic soils and warm climates. While Cabernet Sauvignon or Chardonnay may grow here, they will not excel or cultivate branded signature status.

The prevailing orchard crop of avocado in the South Morro Hills region is expensive to irrigate. While ample water is available, the economics of that water are becoming more prohibitive to older and smaller orchards. Wine grape vineyards utilize far less water than the orchards and present great opportunity for return at the packaged finished wine product level.

Currently, there is a shortage of South Morro Hills and San Diego County grapes to supply an industry that is pushing to expand. Also at this moment, critical mass for a wine area in South Morro Hills is not present with just one establishment in place, and only sourcing a fraction of their grapes from San Diego County.

There is a small cadre of high-end viticulture and winemaking talent in this region who are very interested in working with estate sites that can be developed. Producers such as J Brix and Vesper Vineyards have garnered critical attention for wines they make from San Diego, and would welcome the opportunity to work with and explore properties in the South Morro Hills.

This is a long-term procession of small block vineyard development and creation of finished estate wine, but one that can provide the genesis for advanced branding under a South Morro Hills American Viticulture Area, or broader region to include Fallbrook, Escondido, Bonsall and the San Luis Rey River Valley. Such has been discussed as far back as 2007 with Oceanside.

3. Community Support Action Steps

Community support is critical to the long-term success of agritourism in Oceanside. It is essential to develop specific strategies to educate and engage the local community that includes both residents and businesses.

A. Tier 1 Community Support Action Steps

1. Develop programs that fully explain the agritourism industry and its impacts and importance to Oceanside, from both an economic and quality of life perspective.

Action Step(s)

1. Engage with key partners in the agricultural industry and develop an outreach program designed to educate local residents and businesses.
2. Develop an outreach approach to work with the local elementary, middle and high schools in the positive aspects of farming and locally sustainable products as a buyer of local produce.
3. Develop an agritourism grant program designed to engage local entrepreneurs and businesses in an effort to build and support the agriculture components of Oceanside. A grant program can be very beneficial since funds help to reduce risk and actually get programs developed and implemented.

B. Tier 2 Community Support Action Steps

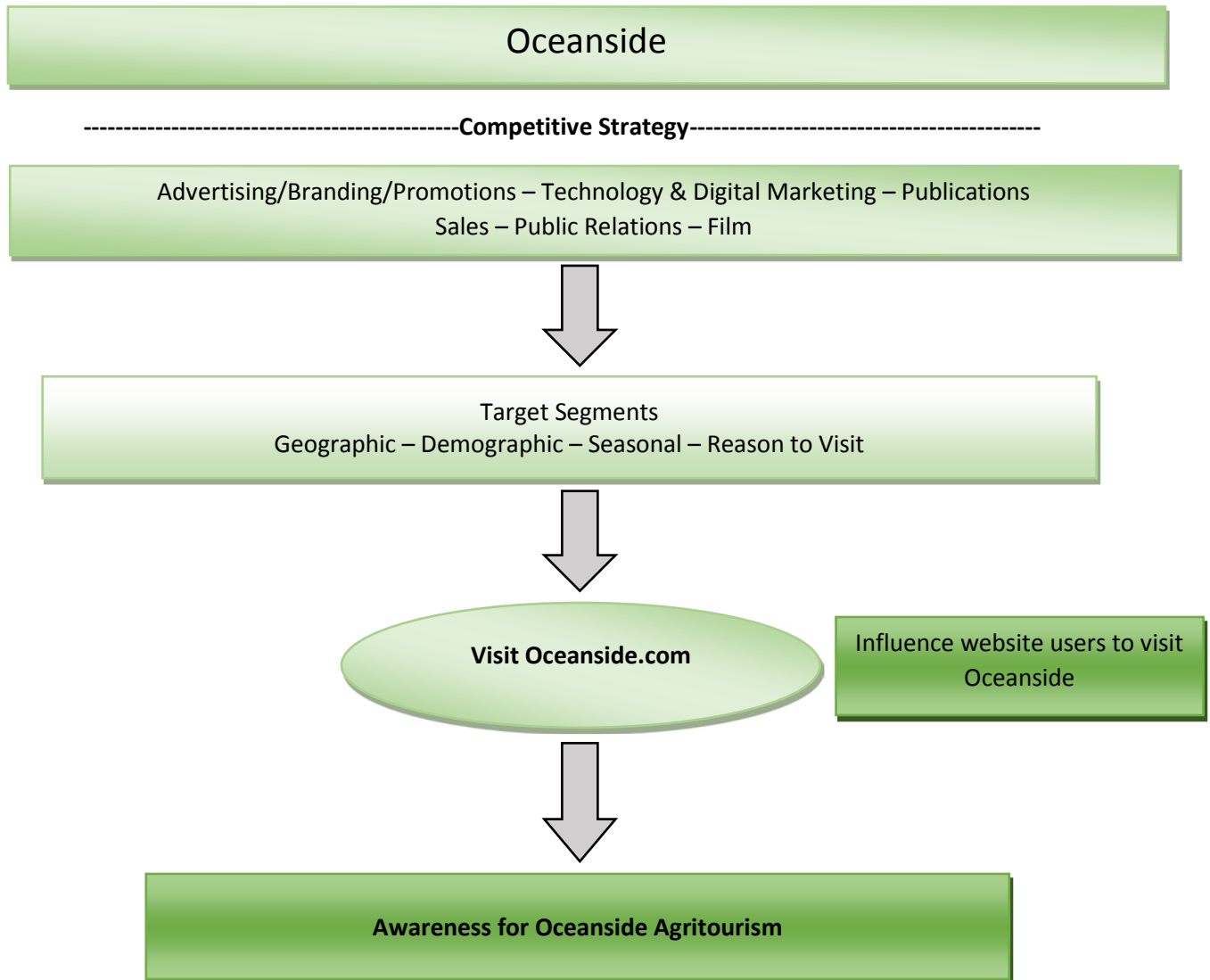
1. Key to the success of Tier 2 development of agritourism assets is the engagement of the broader community to understand and support the efforts, especially the linkage between the economic success of farms and maintaining the local quality of life.

Action Step(s)

1. Engage the community in a visioning and a community planning process. (Section 1, Planning and Regulatory.)
2. Encourage the South Morro Hills Association to provide ongoing communication to local residents and public officials about issues, trends etc. happening in the area.
3. Providing Visit Oceanside with communications and marketing activities targeted at the local market segment can inform the local community and government officials about local agritourism issues.

4. Tourism Marketing Action Steps

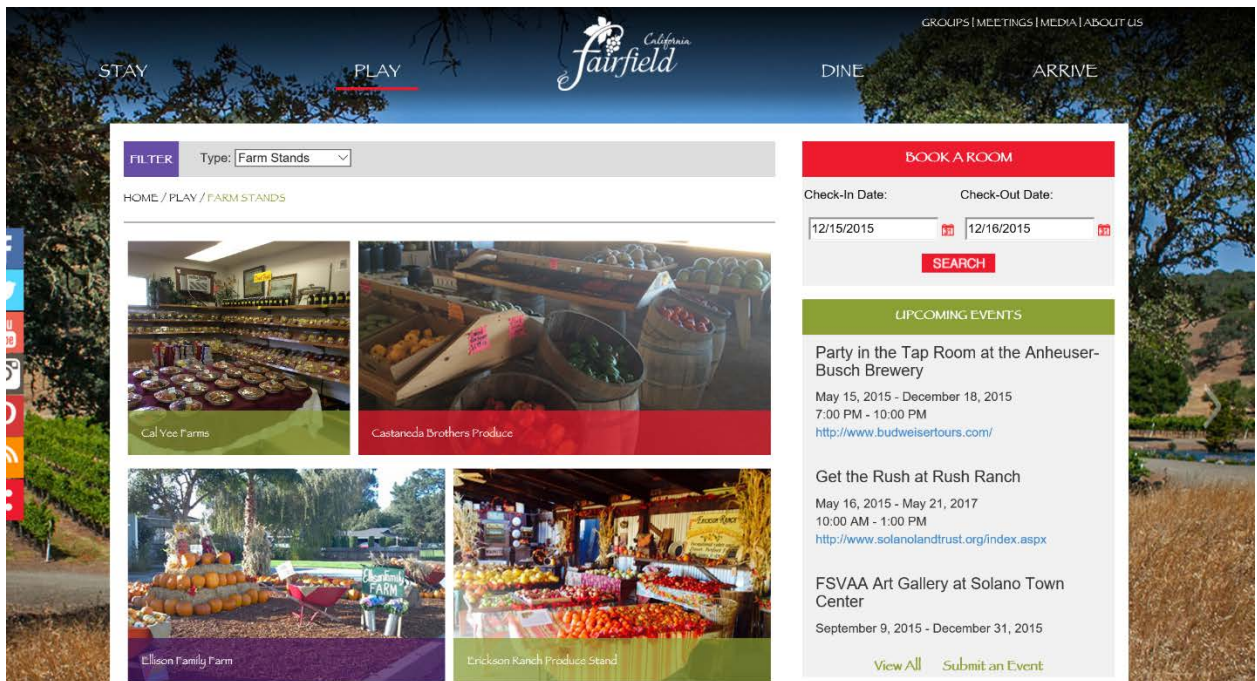
Integrating South Morro Hills into the existing tourism infrastructure will leverage marketing efforts and funds. Visit Oceanside is a full-service Destination Marketing Organization (DMO) with an extensive range of tourism promotion assets including promotional funding, to create awareness for the region and South Morro Hills with website, public relations, social media, fulfillment and a visitor center. Below is a flow chart of the promotional efforts and how the DMO works to create awareness, and influence consumers to visit Oceanside and experience agritourism as an area activity.



How DMO Promotion Works

- Marketing efforts (digital advertising, public relations, etc.) are used to attract target market segments and to increase the existing database for future tourism marketing efforts. Once the target segment is aware of the destination and has decided to find additional information, they may go directly to the Visit Oceanside website or search for the website online.
- Once they arrive at the Visit Oceanside website, this is the opportunity for the DMO to influence the consumer to select the destination, as well as educate consumers about South Morro Hills. Engagement at this point is critical, since the presentation of agritourism on the website and the user interface play a key role in influencing visitor decision making.

Below is an example of the Fairfield DMO and how they present agritourism on their website.



Tier 1 Tourism Marketing Action Steps

1. Key to support the agritourism effort is to develop the systems between South Morro Hills and Visit Oceanside, so there is ongoing communication between the organizations and participating farms.
2. Expand the Farm to Table program and feature it in Visit Oceanside promotions. The Farm-to-Table philosophy embraces a sustainable approach to agriculture and dining. At its heart, the concept is simple: there is value in eating locally. The movement emphasizes the

benefits gained by those who both produce and consume local food, as well as the environment as a whole.

Action Step(s)

1. Recruit additional restaurants to participate in farm to table programs.
2. South Morro Hills should meet with Visit Oceanside to provide content for their marketing efforts that include the following:
 - Basic content including description and benefits of South Morro Hills
 - Participating farm descriptions
 - Crop production and sales calendar, i.e., when crops will be produced and sold
 - Story ideas, including Farm to Table restaurants, recipes, features on each participating farm and farmers
 - Maps (GPS locations) and directions to participating farms
 - Sales promotions
 - Special event concerting and development
 - Development of a photo library
 - Assistance with press familiarization trips arranged by Visit Oceanside

Tier 2 Tourism Marketing Action Steps

1. Visit Oceanside and the South Morro Hills Association should jointly work with local restaurants and farmers to identify what the needs of each group are, and how more restaurants can be encouraged to adopt Farm-to-Table concepts and offerings.
2. Develop food event(s) that emphasize the agricultural component of Oceanside, integrate farms and crops in order to showcase the unique agritourism experience in South Morro Hills.

Action Step(s)

1. Develop a plan to connect local restaurants and farmers that will educate each group on the needs and opportunities agritourism can provide.
2. Develop a community wide food event to create awareness and position Oceanside as a agritourism destination.

5. Training and Education Action Steps

Training and education of farmers in the area is essential for success. Typically, small farmers do not have the training, education and expertise needed, from irrigation to planting and beyond. As such, it is critical that education and training be made available for those farms that have an interest and would like to participate in the agritourism program.

Tier 1 Action Step(s)

1. Work with the South Morro Hills Association to determine local farmer education and training needs.
2. Contact University of California, Davis for available education and training elements that can be of assistance to both large and small scale local farmers. Develop appropriate seminars and educational resources. Determine who should attend and at what cost.
3. Contact the San Diego County Farm Bureau to determine availability of resources for local farmer training and education needs.

Tier 2 Action Steps

1. Work with Visit Oceanside to develop a local tourism education outreach program that educates the local tourism community about the potential benefits of agritourism opportunities for Oceanside.
2. In conjunction with the South Morro Hills Association, the City of Oceanside, DMO, and appropriate private sector participants should develop a local community education program, designed to inform local citizens on the benefits of agritourism to the community.

6. Organization Development and Capacity Building Action Steps

The non-profit South Morro Hills Association of property and homeowners is the established regional organization whose mission is to maintain the South Morro Hills' rural agricultural atmosphere and character through support of agriculture and open space within the region.

The Association could be further developed as the primary regional organization to support a larger agritourism effort, given its specified goals and objectives listed below:

- Support agriculture in the South Morro Hills Area.
- Maintain the agricultural zoning with a 2-1/2 acre minimum parcel size.
- Maintain agricultural water supply and rates and bring recycled water to the area.
- Ensure road maintenance is completed and increase safety measures as needed.
- Develop an increased signage program that includes directional signage.
- Maintain the agricultural/estate community character.
- Participate in city and county processes that pertain to the goals.



It will be critical for the organization to grow in a way that it can develop and implement appropriate marketing programs that benefit the South Morro Hills region.

A. Tier 1 Organization Development and Capacity Building

1. **One of the biggest opportunities is the development of a South Morro Hills brand for agricultural products that can be co-branded with the destination and individual farms.** One of the most fundamental actions is the need to develop a sustainable South Morro Hills, Oceanside and tourism brands.
2. Focus on building the organization with a strategic plan that identifies roles and responsibilities and tactics for developing and managing the South Morro Hills agritourism brand for the region.

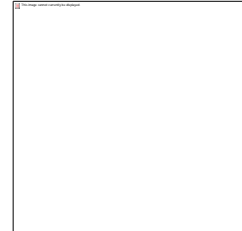
B. Tier 2 Organization Development and Capacity Building

1. The City of Oceanside should be involved in the discussions and approach for Tier 2 agritourism developments to ensure both farms and local residents are part of the community planning and development process should one occur.

Tier 1 Action Steps(s)

1. South Morro Hills Branding

- In order to clearly differentiate South Morro Hills and to effectively position it as a unique agritourism region, it is critical that it develop a clear brand identity, one that represents the character and local culture of the entire region.
- Ensure that the brand messaging is represented in all appropriate promotional materials, including packaging, print, website, digital, social profiles, and public relations messages, in order to build support and recognition for the South Morro Hills agricultural brand.
- Encourage farms to co-brand South Morro Hills with their existing brands.
- Leverage exposure and brand awareness by encouraging restaurant and tourism related businesses to integrate the South Morro Hills brand into their individual marketing efforts, including their websites and printed materials.
- Leverage the South Morro Hills brand with the “San Diego Grown 365” San Diego Farm Bureau brand that gives San Diego producers an edge in the marketplace. It is a trademark that has been in use by San Diego farmers since its development in 2004.
- Work with Visit Oceanside to integrate the South Morro Hills brand into appropriate tourism promotions efforts.
- When appropriate, encourage special event and festival organizers to incorporate and embrace the South Morro Hills brand into their individual planning and marketing efforts.



2. Website Development/Online Marketing

- With the majority of travelers using the internet for vacation planning and with limited marketing funds, it is critical that the South Morro Hills Association develop a consumer-friendly agritourism website focused on the local culture, supported by online marketing efforts and other tactics.

3. Marketing

- The South Morro Hills agritourism effort will have to rely heavily on marketing support from Visit Oceanside. As such, it is critical that South Morro Hills provide constant updates and content that can be integrated into the Visit Oceanside marketing systems.

4. Identify a Grant Writer

- Identify a grant writer that can assist in securing specialty crop grant funds, planning funds etc. that are appropriate to the South Morro Hills effort.

7. Strategic Alliances Action Steps

Development and management of strategic alliances can be an important element of the South Morro Hills agritourism strategy in a number of ways.

- **Brand Alignment**
The alignment of South Morro Hills with other brands provides legitimacy and supports how consumers perceive the area. Alliance with other strong brands will strengthen consumer perceptions about the area, regional products, and above all, the experience.
- **Market Access**
Joint marketing efforts with alliances can provide South Morro Hills access to broader customer bases which provides an opportunity for increased sales.
- **Expertise**
Alliances can provide expertise in several areas ranging from farming operations, packaging, distribution, etc.
- **Product Awareness**
Strategic Alliances can provide opportunities to create additional awareness for South Morro Hills and agritourism, and in some cases reduce the cost of marketing which can be shared.

The following are important organizations to build alliances with in an effort to achieve the agritourism goals of the organization.

- **Visit Oceanside**
Visit Oceanside is the DMO that can provide the marketing support and communication system for agritourism within the region.
- **San Diego Farm Bureau**
The Farm Bureau provides expertise and knowledge of the greater industry in San Diego, political advocacy for the industry, leveraged branding opportunities via San Diego Grown 365, and new market growth expansion.
- **UC Small Farm Extension**
The University of California Small Farm Extension is an excellent source of farming and knowledge expertise for the small farmers. The University provides on-site training as well as access to specialists in a phase of farm operations.
- **San Diego Urban Slow Foods**
This organization promotes the slow food movement and Farm to Table dining. A key tenant of

agritourism will be to continually increase the number of Farm-to-Table restaurants in Oceanside to create a critical mass that integrates into tourism marketing efforts.

Tier 1 Action Step(s)

1. Develop and/or strengthen alliances and seek the best opportunities for South Morro Hills including sales, cooperative advertising, public relations, etc.
2. Become more active with Alliance organizations, identifying additional opportunities and creating more awareness for South Morro Hills within the regional agricultural industry.

Tier 2 Action Step(s)

1. Seek ongoing and strategic collaboration that supports the agritourism industry and its component parts.

Part 12: Key Factors for Success

The following key factors for success are critical for Oceanside agritourism to achieve its strategic direction and further enhance its competitive position in the tourism marketplace.

Success Factors

- **Work Together**

All of Oceanside, both public and private sector, really needs to work together to develop agritourism within the region. The City must be supportive and enable the success of the industry through its policies and ordinances. Growers need to be sensitive to local residents, and at the same time, local residents have to understand and be flexible to the needs of agriculture.

- **Political Support**

Agritourism strategy implementation at both Tier 1 and 2 levels will require political support for the industry and the necessary changes that will be needed.

- **Community**

Critical to the destination's success is the ongoing efforts to educate and involve the community in agritourism issues and opportunities, as well as help the South Morro Hills region to maintain its unique character and local culture.

It is important that the local community understand the importance of agriculture and the industry's role in maintaining the local quality of life.

- **Culture of Innovation**

Oceanside agriculture must continue to innovate to meet the changing dynamics of the industry and the political, market, social, and economic environments in order to continually increase the viability of agriculture in the City of Oceanside.

Appendix

Appendix 1: List of Interviews

Tracey	Bohlen	City of Oceanside
Leslee	Gaul	Visit Oceanside
Chris	Messenger	Freelance Writer
Beau	Bonham	Masters Kitchen Pastry Chef
Christine	Layola	Chef Petite Madeline
Annalise	Brolaski	Sweet Organics
Luke	Girling	Cyclops Farms Owner/Operator
Kim	Murray	Beach House Winery
George	Murray	Beach House Winery
Louise	Balma	Cascina Bella
Linda	Ramm	White Dog Farm
Neil	Nagata	Nagata Bros.
Russ	Cunningham	City of Oceanside
Andrea	Peterson	Blue Heron Farms
Micheal Anthony	Mellano	Mellano Farms
Cathie	Ransom	Paradise Falls
Chris	Lives	Oceanside Equestrian Center
		Rocket Farms
Jim	Wood	Mayor, City of Oceanside
Jerome	Kern	City of Oceanside, City Councilmember
Michelle	Skaggs Lawrence	City of Oceanside, City Manager
Jody	Towe	Wine Industry Consultant
Eric	Larsen	San Diego County Farm Bureau
Dave	Bolster	Bolster Farms, Apple Hill

Appendix 2: Agritourism Resources

- | | |
|---|--|
| 1. San Diego County Farm Bureau | sdfarmbureau.org |
| 2. University of California Davis, Small Farm and Extension | sfp.ucdavis.edu/agritourism |
| 3. California Farm to Table | california-farmtotable.com/about-us |
| 4. California Certified Farmers Market | cafarmersmarkets.com |
| 5. Apple Hill Growers | applehill.com |
| 6. Chris Broomell | Vesper Vineyards |

Appendix 3: Apple Hill Ranch Marketing

*Title 130 - Article 4**Specific Use Regulations***130.40.250 Public Utility Infrastructure**

- A. Applicability.** Public utility infrastructure, as defined in Article 8 (Glossary), may be established as an allowed use in any zone, subject to Subsections B through D (Allowed by Right; Administrative Permit Required; Conditional Use Permit Required, respectively) below, provided that the routes and site locations of the proposed lines or facilities be submitted to the Department for a finding of consistency with the General Plan during the preliminary planning stages, prior to the adoption of the routes and site locations(s) and/or acquisition of right-of-way.
- B. Allowed by Right.** Public utility infrastructure is allowed by right when said facilities do not exceed the height limit of the zone by more than 15 feet and do not create potential safety and health hazards to adjacent property owners, present or future.
- C. Administrative Permit Required.** Notwithstanding Subsection B (Allowed by Right) above, an Administrative Permit in compliance with Section 130.52.010 (Administrative Permit, Relief, or Waiver) shall be required for the following:
1. Overhead public utility infrastructure proposed to be constructed in the Airport Transportation Corridor (TCA) zone or Airport Safety (-AA) Combining Zone (See Chapter 130.38: Airport Safety (-AA) District). Said permit shall be subject to the review and approval of the Airport Land Use Commission.
 2. Public utility infrastructure that exceeds the height limitations of the zone, as set forth in Subsection B (Allowed by Right) above, but is less than 150 feet in height or does not comply with setback standards.
- D. Conditional Use Permit Required.** A Conditional Use Permit in compliance with Section 130.52.020 (Conditional and Minor Use Permits) shall be required for the following:
1. Where the construction of the public utility infrastructure creates a potential safety or health hazard to adjacent property owners, present or future, as determined by the Director.
 2. Where the construction of the public utility infrastructure exceeds 150 feet in height.

130.40.260 Ranch Marketing

- A. Applicability.** Except as provided in Subsection B (Exceptions) below, the regulations and standards of this Section shall apply to ranch marketing uses, as defined in Article 8 (Glossary), where allowed in the use matrices for the zones on lots that meet the following minimum criteria:
1. **Minimum Lot Size.** Ten gross acres.

Appendix 4: USDA Funding

There are serious grants out there for specialty crop agriculture. The South Morro Hills Association is well positioned to apply for block grants with the supporting help of the strategic plan developed for Oceanside.

<http://www.growingproduce.com/vegetables/usda-announces-90-million-plus-to-support-local-food-specialty-crop-producers/>

City of Oceanside - Agritourism Action Steps

Planning and Regulatory Action Steps

Tier 1: Action Step(s)

1. Case Study Education: Apple Hill.
2. Review existing zoning regulations to enable farm stands.
3. Designate a specific agriculture liaison within the city planning department.

Tier 2: Action Step(s)

1. Develop a vision for South Morro Hills.
2. Financial feasibility study for agritourism.
3. Develop a community plan to determine long-term direction of South Morro Hills.
4. Study the current value of the agricultural open space to Oceanside residents.

Public and Private Infrastructure Development Action Steps

Tier 1: Action Step(s)

1. South Morro Hills should consider forming an infrastructure committee to assist in the Community Planning effort and be a catalyst for development projects.

Tier 2: Action Step(s)

1. Private farms wanting to develop retail areas should consider meeting with the City of Oceanside to determine specific requirements for their proposed ideas or projects.
2. Work with local vintners to develop additional grape varieties.

Community Support Action Steps

Tier 1: Action Step(s)

1. Engage with key partners in the agricultural industry and develop an outreach program designed to educate local residents and businesses.
2. Develop an outreach approach to work with the local schools in the positive aspects of farming and locally sustainable products as a buyer of local produce.
3. Develop an agritourism grant program designed to engage local entrepreneurs and businesses in an effort to build and support the agriculture components of Oceanside.

Tier 2: Action Step(s)

1. Engage the community in a visioning and a community planning process. (Section 1, Planning and Regulatory.)
2. Encourage the South Morro Hills Association to provide ongoing communication to local residents and public officials about issues, trends etc. happening in the area.
3. Provide Visit Oceanside with information about marketing activities targeted at the local market segment; also communicate Agritourism issues to inform the local community and government officials about the concerns.

City of Oceanside - Agritourism Action Steps

Tourism Marketing Action Steps

Tier 1: Action Step(s)

1. Recruit additional restaurants to participate in farm to table programs.
2. South Morro Hills should meet with Visit Oceanside to provide content for their marketing efforts.

Tier 2: Action Step(s)

1. Develop a plan to connect local restaurants and farmers that will educate each group on the needs and opportunities agritourism can provide.
2. Develop a community wide food event to create awareness and position Oceanside as a agritourism destination.

Training and Education Action Steps

Tier 1: Action Step(s)

1. Work with the South Morro Hills Association to determine local farmer education and training needs.
2. Develop appropriate seminars and educational resources that can be of assistance to both large and small scale local farmers.

3. Contact the San Diego County Farm Bureau to determine availability of resources for local farmer training and education needs.

Tier 2: Action Step(s)

1. Work with Visit Oceanside to develop an educational outreach program that informs the local tourism community about the benefits of agritourism.
2. Develop a local community education program, designed to inform local citizens on the benefits of agritourism to the community.

Organization Development and Capacity Building Action Steps

Tier 1: Action Step(s)

1. South Morro Hills Branding
2. Website Development/Online Marketing
3. Marketing support from Visit Oceanside
4. Identify a Grant Writer

Tier 2: Action Step(s)

1. The City of Oceanside should be involved in the discussions and approach for Tier 2 agritourism developments to ensure both farms and local residents are part of the community planning and development process should one occur.

Strategic Alliances Action Steps

Tier 1: Action Step(s)

1. Develop and/or strengthen alliances and seek the best opportunities for South Morro Hills including sales, cooperative advertising, public relations, etc.
2. Become more active with Alliance organizations, identifying additional opportunities and creating more awareness for South Morro Hills within the regional agricultural industry.

Tier 2: Action Step(s)

1. Seek ongoing and strategic collaboration that supports the agritourism industry and its component parts.