



The Southwest's Premier Family Entertainment Farm

Russell Tronstad

Schnepf Farms celebrated their 60th anniversary not long ago, but they only recently switched from commercial farming to direct marketing and entertainment. Schnepf Farms is located in Queen Creek, Arizona, about 50 miles southeast of Phoenix.

From 1941 until the late 1970s, the Schnepf family's livelihood came from commercial potato and cotton production. In the mid-1970s, they realized those commodities would not sustain future generations. At the same time, Ray Schnepf started a large vegetable garden, mostly as a hobby, but it produced so much that he began selling fresh vegetables to the public. In the 1980s, Schnepf Farms added a country store as a retail outlet for their fresh vegetables and tree fruit. By the early 1990s, it was clear that, if they wanted to stay in farming, they needed to market more crops directly to the public. So, they expanded their country store and vegetable garden area.

Ray's son, Mark, a fourth-generation farmer, currently operates the direct-marketing and entertainment side of Schnepf Farms with his wife, Carrie. To draw more people to the farm and country store, the Schnepfs added festivals. Their goal is to provide quality, family entertainment in a safe farm setting, while educating visitors about Arizona's agriculture.

In 1993, Schnepf Farms hosted its first Spring Peach Festival, and in 1996, its first Pumpkin and Chili Festival, which became their most profitable event. The festival runs Thursday through Sunday for four consecutive weekends in October and attracts 30,000 to 40,000 visitors. In recent years, they've added train rides, comedy acts, carousel rides, a 20-foot high Witch Mountain slide, hayrides, a corn maze, blacksmith shop, and other attractions. They also lease 250 acres of their farm for other large events such as the country-western music festival, Country Thunder USA, which hosted over 150,000 people over four days in 1999. Campground facilities offering dry, partial, or full RV hookups from October through March, company parties, and school bus tours round out the farm's direct-market offerings.



Selecting Profit Centers

The Schnepfs have experienced failures, as well as successes, introducing new activities. Their primary goal of creating positive, memorable experiences for families offers emotional, if not always financial, rewards. Still, they feel that if they create the right experience for families, it will eventually be a financial success.

Because the Schnepfs track revenue from each activity (rides, pumpkin patch, dinners, ice cream shop, vending machines, etc.), they know what people are willing to spend money on. They also track costs just as closely to quantify their returns. However, they realize they cannot accurately measure stand-alone activities since a visit to their farm is a package event. For example, they don't expect the craft activities in the kids' barn during their Pumpkin and Chili Party to ever show a net profit. "The kids' barn is always a net loss by itself, but people love it so much that it draws them to our farm," Mark said. Thus, the complementarity of activities and events is what makes their operation profitable.

Although Schnepf Farms' direct marketing started in the garden, that area is not profitable. However, they view it as essential to their operation because it is a crucial part of the experience they want to create. "Providing the opportunity for children and families to experience harvesting produce is a large part of our mission and what Schnepf Farms is all about," Mark



says. It has provided production and marketing challenges, though. In 1997, they converted their garden from conventional to organic production, partly in response to consumer concerns about pesticides. But they ended up with so many insects and weeds that customers expressed great dissatisfaction with the cosmetic quality of their produce. Mark said they may try organic again, if they can master production techniques.

The U-Pick business from their 30-acre peach, apricot, plum, and apple orchards is more profitable than their garden, but is viewed more as a vehicle to attract people who will spend money on other activities, as well. "The agricultural experience associated with harvesting or getting one's hands dirty is something we always plan to offer, but we also want folks to stay for five to six hours when they visit our farm," Mark indicates.

Having the country store open every weekend, year-round was part of their direct-marketing roots, but it proved to be too much, both financially and personally. Besides, they didn't have enough volume to justify being open all year. Closing it for the off-season gave them back their weekends for family time.

In 1999, Schnepf Farms hosted a Christmas festival, featuring a gospel singer group from Nashville. It was a wonderful event, but few came. They don't know if people were too busy to attend or if they didn't do an adequate job of marketing, but they plan to try it again.



About 10 years ago, the Schnepfs rezoned 250 acres, built a big stage, put in restrooms, and added parking for 20,000 vehicles in order to accommodate 50,000 people a day for events by such groups as Country Thunder U.S.A., the National Helicopter Finals, Western Sheep Dog Trials, the Society for Creative Anachronism, and the National Glider Plane Association. They have struggled to work out a system where they can get a hay crop from this property too, but Mark plans to continue this part of their business since associations and promoters are always looking for safe venues to host their events.

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Market Research

Rather than hire outside firms, Schnepf Farms relies on comments from customers for their market research. Negative comments are especially helpful. “People will let us know when something is wrong. If the customer asks for more rest rooms, hand washing machines, or drinking fountains, we use this as a signal to make improvements in these areas,” Mark says. They did allow survey groups on their farm during festivals to track demographics.



Pricing

The Schnepfs plan to invite up to 250 people who have visited the farm at least once to participate in focus groups that will indicate what customers are willing to pay for activities. They also compare their prices to what is charged at other farms, movies, and family-oriented events, such as the State Fair or Phoenix Zoo. Customers were very price conscious in the beginning, but now are more concerned about quality, experience, and education. Many are younger affluent families looking for a quality experience for their children.

Competitive Edge

The Schnepfs feel they have a competitive edge over other places combining agriculture and entertainment because they are a legitimate working farm. When asked how many other agriculture-and-entertainment farms their area could support, Mark says, "I'm a big advocate for the opportunities of entertainment farming, including our area. Currently, we have other U-Picks and specialty shops in the area that complement, rather than compete with, our business." He sees plenty of room for farms to provide experiences different from theirs. "Lots of people want to 'get back to the soil' and have a farm experience, so agricultural entertainment will likely continue to grow." Attracting customers is a challenge, so having other businesses in the area would likely draw more people.



Mark notes, however, that the personal skills needed for direct marketing are much different from those required for traditional farming. "Personality is very important for this kind of a business," he says. "You need to be very patient and like to be around large crowds. You will have people walking in all kinds of places that you don't expect them to be, and asking all kinds of questions."

Managing Risks

One of the Schnepfs' biggest risks is having someone get hurt on their farm. They worry about liability and the negative publicity an accident would create. It would be difficult to repair the damage to their image of a safe place for families. Thus, they continually look for ways to make their farm safer. They also have liability insurance since it is impossible to foresee every hazard. For example, one visitor ripped off a fingernail digging potatoes in their garden. Another year, a seven-year-old boy severely cut himself on a tree branch in their peach orchard. "Every direct-marketing operation needs good coverage and a procedure in place for dealing with any accidents that occur on the farm," Mark said. The Schnepfs train their 10 full-time employees and extra festival help on farm safety and handling accidents. They use radio communication during festivals to further monitor risky situations.



Weather is another risk, especially during major events. "As the dollars at risk become greater for an event, we may eventually purchase special event insurance for weather, but we don't feel that we are at that level yet with our festivals," Mark says. Instead, they have added rock, gravel, and bark walkways to better accommodate people after rains.

Financing and a responsible growth rate are other challenges the Schnepfs face. They prefer to finance most new activities and events themselves to avoid becoming overburdened with debt, and to see a justifiable rate of return on their investment. They choose projects wisely, knowing only responsible growth will ensure a livelihood from the farm for the next generation.

Future Plans

The 10-year plan for Schnepf Farms changes monthly, according to Mark. They will enhance their agriculture-and-entertainment theme by improving the farm's ambiance with nature trails, trees, and local historical items.

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Guiding Principles

- The Schnepfs have learned to be innovative and flexible. Although commercial crops sustained them for over 30 years, changes in the farm economy forced them to switch to direct marketing to keep their farm. They evolved from selling excess garden produce, to their country store, and to today's focus on family entertainment and agricultural education.
- To measure success, the Schnepfs first ask if they are creating positive experiences for families. This is emotionally rewarding, and they feel it will become financially rewarding, as well.
- The Schnepfs monitor consumer interests and develop accordingly. While early country store customers were very price conscious, today they are more concerned about quality, experience, and education. The Schnepfs believe that a competitive advantage for their operation is that they are a legitimate working farm.
- Although the Schnepfs encourage others who want to direct market agriculture and entertainment, they note that the personal skills required are much different from those found in traditional farming. You must be patient, like large crowds, and be very customer oriented.
- Personal injury risks are dealt with through prevention and liability insurance. Financial risks are minimized through careful planning, responsible growth, and self-financing of improvements. This also ensures a livelihood from the farm for the next generation.

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