Role of Agri Tourism as a Moderated Rural Business

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Abstract

Most of the alternative tourism approaches are closely related with rural economy and thereby rural development. The main reason for this is that tourist destination of these alternative tourism approaches are rural areas. Therefore, agri tourism as an alternative tourism creates a new economic opportunity in rural areas as well as to the macro economy of a country. Based on the factors such as the place where agri tourism activities take place, people who involve in providing agri tourism activities, nature of agri tourism activities and services, nature of the tourists and main objectives of the agri tourism business, agri tourism can be categorised into four types, namely Farm Stay, Farm Catering, Farm Tours and Farm Retailing. Hence, farmers who are trying to diversify their economies due to low profits and high risks, agri tourism offers a complementary-supplementary income source that allows a large financial leverage for capital expenditure, depending on how much the entrepreneur wants to invest. On the other hand, young people in rural areas can start an agri tourism enterprise in their farmland which will be their main income source. This is a rural business in the hands of various stakeholders such as inbound and outbound tour operators, small and medium scale farmers, plantation or agriculture companies, tour guides, villagers, etc. Unlike mass tourism agri tourism attracts local tourists who are interested to experience rural life as relaxation and escape from urban busy life. Therefore, agri tourism benefits both farmers and local communities as a rural business because these tourists bring money to spend for experiencing rural life. This money generates extra income for the people in the rural areas. Hence, it can be considered as a sustainable rural business.

Key words: agri tourism, rural, business

Introduction

The growth of the tourism as a social activity along with the development of the tourism industry throughout the world and as a highly important economic function has been impressive during the past three centuries. The last seven decades after the Second World
War most of the countries and regions throughout the world have given priority to the tourism industry in their macroeconomic portfolio.

Conventional or normally known as mass tourism needs large scale organizations and resources. Due to these large economic entities with comprehensive organizational structure middle and small level entrepreneurs face difficulties in entering to conventional tourism business. Therefore, these people looked into alternative type of tourism industry where small and medium scale entrepreneurs can enter and operate. What is this alternative tourism? Some may argue alternative tourism is anything other than mass tourism. On one hand, it is true. People who do not like to spend their vacation or relaxation by the ways of mass tourism choose different ways which are suitable to them. However, today alternative tourism becomes more popular among the people and a substantial share in the tourism industry is devoted to the alternative tourism sector.

Most of these alternative tourism approaches are closely related with rural economy and thereby rural development. The main reason for this is the tourist destination of these alternative tourism approaches are rural areas. The alternative tourism approaches are namely nature tourism, eco tourism, heritage tourism, agri tourism, farm tourism, religious tourism, and many more. This alternative tourism creates a new economic opportunity in rural areas as well as to the macro economy of a country. This situation leads to a strong relationship between socioeconomic development and tourism as an industry in rural areas. Further, this socioeconomic relationship lead to creating a number of tourism types in rural areas.

Tourism which does not damage the culture and social values of the host community is often called alternative: more than that, Alternative tourism may actively try to encourage a respect for the cultural realities encountered by the tourists through education and organized "encounters" (de Kadt, 1990).

My professional definition of alternative tourism is every kind of tourism, other than mass tourism, which respects and conserves the socio cultural values of communities and helps to improve the economic standards of all the stakeholders who involve in this business activity. Therefore, "sex tourism” and “gambling tourism” are, of course, not included in alternative tourism. The reason is both types of tourism do not carry good values to the community, nor its environment (Mahaliyanaarachchi, 2014).

So, does agri tourism fall into the alternative tourism category? Can we accept agri tourism as a type of alternative tourism? The answer is “yes’. Following features of agri tourism can be used to distinguish it from mass tourism.

- Accommodation – farm house where the tourists experience and feel the rhythm of rural life, petting domestic animals, green vegetation, fresh food, colourful landscapes, the sounds of birds and nature, the smell of the non polluted environment (today due to use of chemicals at the farms this is questionable).
Guests reception – farm family, farming community, experiencing the customs of a farm family, rural hospitality, making contacts with neighboring farmers and villagers

Tourist experience – experiencing the rural lifestyle, understanding the needs and daily tasks of farmers, getting to know and experience the rural and farming culture, customs and traditions of the rural area, history of the country and of the region, traditions.

Relaxing – contact and feel with nature, the freedom in moving around, peace, enjoy nature and rurality.

Income distribution- it is distributed among farmer or entrepreneur, local people in the area by providing different goods and services, tour operators, local guides, etc.

Formerly agri tourism was recognized as a part of ecotourism because both have similar principles to conduct nature attractions (Rilla, 1999). In this case, both history of agri tourism and history of eco tourism has similarities. Agri tourism started as a type of rural tourism and eco tourism as well. In addition, both have been identified as the fastest tourism development models in the world, and get very serious responses. They have been widely developed in developing countries as a potential development model as natural resources and support of local society economically (OTA, 1992).

Considering the level of contribution of agri tourism upon the development of tourism sector and improving the social, economic and environmental situations of local communities, it is proven by most of the cases, agri tourism is a better option of alternative tourism in the rural areas.

Types of Agri Tourism

It is necessary to have an idea about the types of agri tourism before discussing its suitability and viability as a rural business.

According to Sznajder and Przezbórska, 2004, agri tourism products and services can be categorised into seven types as follows.

1) Farm accommodation 2) Farm catering 3) Participatory agro tourism 4) Farm Retailing 5) Therapy at the farm 6) Holidaying in a farm and 7) Farm entertainment

When we analyse these categories carefully, some of them are sub sectors of another. Farm accommodation, Farm catering, Farm entertainment and Therapy at a farm are sub sectors of Holidaying in a farm. I have observed that the types of agri tourism and activities of agri tourism are completely misunderstood and therefore misinterpreted. As an example, therapy at a farm is an activity available at a farm and not a type of agri tourism. Holidaying in a farm is a broader concept and it is suitable to narrow down in differentiating the types of agri tourism.
Types of agri tourism can be categorised by using following factors.

- Place of the agri tourism activities take place
- People who involve in providing agri tourism activities
- Nature of agri tourism activities and services
- Nature of the tourists
- Main objectives of the agri tourism business

Considering these factors following types of agri tourism is identified.

1) Farm Stay 2) Farm Catering 3) Farm Tours and 4) Farm Retailing

Farm Stay

Farm stay is a type of agri tourism business where tourists have their accommodation at the farm more than one night and experiencing the farming environment and farming life. There are different types of farm accommodation facilities are available such as living with the farm family in their farmhouse, stay in separate cabanas, tree houses or camping at the farm. Farm Bed and Breakfast is a “unique term” for a variety of hosted accommodation in farms that includes a bed for the night and a breakfast in the morning. There are also some specific agri tourism forms of accommodation such as sleeping on the hay, camping barns or bunkhouses. However, these farm accommodation services cannot be offered on a mass scale.

Place of a farm stay is a real farm or ranch and it is operated by a farmer and farm family. Nevertheless, in present concept farm stay can be planned and operated as the main function of tourism and operators of the farm and farm stay are tourism sector entrepreneurs not a farm family. However, all the features of agri tourism are available in this entity and well planned and organised to give the real feel of agri tourism to the tourists.

However, farm stays does not include only accommodation. It is necessarily to be included experiencing of farm food, farming activities, the nature of a farm, farm education and finally something to buy as a souvenir of the farm stay. Tourists like to taste farm food prepared by farm family by using traditional cooking methods such as food cooked in clay pots by using fire wood in a traditional kitchen. Some tourists prefer to cook by themselves in traditional ways. It is advisable to have all these facilities in a farm stay, if owner wants to run a successful business. All these facilities are well charged because the value of these services is higher considering the tourist’s needs and wants. Don’t forget that agri tourism is a niche market where a small segment of customers from within the larger marketplace who have similar demographic, interests, buying behavior, and/or lifestyle characteristics. Therefore numbers of tourists who stay in farm stays are limited.
Farm accommodation in a farm stay can be arranged mainly as Cottages or Cabana type or Farmhouse type.

A. Cottages/ Cabanas

If the farm has a couple of acres of land that is the perfect location for having cottages or Cabanas. Cottage or Cabana type accommodation is an option for farm families who want more privacy. Also small and medium type entrepreneurs who like to operate agri tourism as a business in their existing farm or new farm, the most suitable farm accommodation is cottage type. The location of the cottages shall be according to the land situation of the farm. They have to build in a location in the farm where yet far enough away to be private. This means the tourists’ privacy shall be secured.

The location of the cottage shall have some uniqueness to attract the tourists. It can be closer to a jungle adjoining the farm, a water cottage in a lake in farm, at a bank of a stream or lake in the farm, a tree house or with any other specific attraction.

Often, the cottages are rented on an overnight basis. There can be a kitchen in the cottage with cooking facilities and utensils where tourists can prepare their meals. They may like to pick their own the vegetables and purchase other food items from the farm and prepare their meals. Also you can organise their meals from the farm and charge separately. Cottages shall have clean and quality washrooms with hot water facility, standard beds, dining facilities and parking.

B. Farm House

This is the type of accommodation organised in the farmer’s residence itself. One, two, three or more rooms in the farmer’s house are allocated for guests. These rooms must be arranged to preserve the privacy of both farmer family and the guests. However, guests may like to experience the life of a farmer family and this opportunity must be available to the guests.

Further, Farm stays are connected with some issues both for the farm (damages by the visitors, fire) and for visitors (low sanitary condition, low facilities).

A number of farm based activities could be operated in conjunction with the farm accommodations to help increase the activities offered to guests on a pay as you go basis. Examples of these are nature trails, bird watching, pony back riding, petting zoos, farm demonstrations, farm museums / heritage education, stocked ponds for sport fishing, nursery activities, green house farming and organic manure production such as vermin cast.
Farm Catering

Farm catering is an integral part and type of agri tourism. Tourists staying in the farm or excursionists visiting to see the farm may like to consume some meals at the farm. Apart from these two categories, there are visitors who are coming to have their meals at a farm restaurant as a change of lifestyle. Moreover, visitors and travellers like to drop at the farm restaurant to taste fresh fruit juice, cup of herbal or black/milk tea or coffee and homemade snacks and sweets. Examples of this type of farm restaurants or tea shop at a tea plantation, milk bar at a dairy farm and fruit juice corner of a strawberry farm.

There is a great variety of farm catering services in agri tourism such as self catering, catered by the restaurant, self preparation of food, and u pick & cook. The variety is connected with type of catering, source of food products, number and time of meals, places of serving meals, etc.

In these farm catering services, raw materials for food preparation usually come as a farm product. By serving own farm products farms can achieve two objectives. One is increasing the farm income and another is satisfying the visitors by fulfilling their expectations of having meals at a farm restaurant. It is important that farm products be hygienic and free from contamination of harmful chemicals. At the farm catering service time of serving meals can be varied, for example, by the time of serving meals (breakfast, lunch, dinner, tea). Also it can be varied by the place of serving the meals (indoor catering under candle lights, outdoor open air, or outdoor adjacent to a bush, side of a lake, tree house or normal restaurant environment, etc.). Further type of preparation, such as traditional type of cooking in clay pots by using fire wood is an amazing experience for the visitors from urban areas. Self preparation of food, u pick & cook and self BBQ are different types of food preparation.

The idea of agri tourism lies in varieties that make the meals very special and different from the meals served by other tourism destinations. Each meal may be identified as an individual variant of an agri tourism product. Also the unlimited possibility of meals’ differentiation can make farms different from each other (Sznajder and Przezbórska, 2004).

Farm catering can be coupled with farm stays and at the same time as a separate catering only business. Therefore, without a farm stay a framer can start a farm catering business in the farm or roadside of the farm.

Farm Tours

Farm tour is a type of agri tourism and it is operated in commercial basis. Farm tours can be organized in many different fashions. There may be just one farm hosting the tour, or a group of farms in a given area may be included, providing the tourists with an overall idea about agriculture in the area.
Tours may be operated individually, where a family or group of people may choose to participate in the tour on their own. Further, farm tours can be operated on a large scale, if tour operators include the farm tour into their tour package in advance. A packaged tour may include a half a day or one day tour of a farm and a processing plant so that the tourists will have a complete understanding of the food chain from nursery stage, planting and up to harvesting, processing and marketing.

There are very good examples of this type of commercial farm tours in the world. Coffee Tours in Tanzania, Banana Tours in Central America, Wine tours in France, Whisky Tours in Scotland and Orange tours in Spain are some of them. In Sri Lanka there are possibilities to start Cinnamon Tours, Tea Tours, Banana tours, and Coconut Tours.

Also joining with tour operators, farmer groups can initiate various trails or driving routes, where a number of similar enterprises can be seen along the route such as a Tea Route, Cinnamon Route and Coconut Routes.

However, farm tours can be coupled with farm stays and farm catering services too. A group of tourist or family can organise a farm tour as a part of their itinerary and stay one or two nights at the farm and experienced the farm food or farm tour is coupled with tasty farm food at the farm restaurant.

Farm tours are very popular in Central America and Europe where tourists get both educational experience and fun at a commercial farm specialised certain crop or end product such as banana tours, grape and wine tours, coffee tours etc. Farm tour is a fully commercialised activity and profitable rural business.

**Farm Retails**

This is called as “something to buy” at the farm. Farm retailing of farm products is a real business on the farm or at the farm gate. Retail shop can be located at outside the farm gate or just inside it or completely inside the farm. Farm retailing can be coupled with one or more agri tourism types such as farm staying, farm catering and farm tours. Tourists who stay in the farm prefer to buy farm products at their departure. Similarly, visitors who come for their meals or drinks at the farm restaurant like to buy farm products. Tourists who are observing or participating in the production process are more willing to buy products that they observed or produced by themselves. Farm direct sales are an important agri tourism service. The most often tourists buy fresh vegetables, fruits, honey, various processed home made products such as cheese, curd, yogurt, pickles, chutney, and handicrafts of the farm. Therefore, agro tourism enterprises organise open-air markets and road stands or stalls very often by the roads to advertise their products. Tourists can consume bought products at the farm or they can take them home. “U Pick Ups” are common in agri tourism connected with picking up of various farm products, e.g. fruits and vegetables. The most often they can pick up mangos, king coconuts, veggies, etc. To facilitate this farm should have foot paths for visitors to picking up their own fruits and vegetables.
Effect of agri tourism in development of rural tourism and agriculture sectors

Agri tourism requires minimal additional investment and may utilize the excess capacity of labor, capital, land, and natural resources. Excess capacity may allow farmers to increase the scope of activities. Promoting agri tourism in a farm or ranch is a revenue risk management strategy. Agri tourism attracts customers to farms or ranches. A pick your-own fruits or flowers enterprise or a nursery activity will attract families. These activities provide exercise, lots of fresh air, fresh food, fresh water, relaxation and something to take home.

Agri tourism may contribute to the stability of the green industry in any country. It may help to improve farm viability by increasing the commercial possibilities through both direct sales of crops & livestock products and other business accommodations and by adding value to regional landscapes. It is an excellent means of supporting rural communities. Tourists bring rupees to local communities that keep rural communities alive and prosperous. The partnering of tourism and the green industry will help to strengthen rural economies.

Agri tourism is an opportunity to increase agricultural awareness among the public and to promote fresh farm products. It also provides opportunities to increase consumers’ understanding of the environmental horticulture industry. The interaction of tourists with nursery or greenhouse activities or crops carries an educational aspect. Tourists tend to enjoy learning about items and processes that they will not participate in directly. A guided walking tour of a garden center or nursery will help children learn the basics of how plants grow, and learn what a farmer’s job includes. They will see the farm equipment, learn about cultivation & animal rearing and will understand the importance of preserving farmland as open space for the future. Altogether, these children and even adults will get knowledge from where and how their vegetables, meat, eggs, fruits, milk, grains and all other food items come to the dining table. Then they will start to respect both farmers and farming.

For farming communities trying to diversify their economies due to less profits and high risks, agri tourism offers compensating income source that allows a large financial range for capital expenditure, depending on how much the entrepreneur wants to invest. On the other hand, young people in rural areas can start an agri tourism enterprise in their farmland which will be their main income source. However, maintaining the required standards and high quality physical infrastructure and services is inevitable to operate a successful business. Visitors come to see a quality farm and first impression is very important to attract customers. Therefore, farm layout and farm landscaping play a vital role for the first impression of the visitors to the farm.

Advantages

Agri tourism enterprises create employment opportunities for farm family members and supplement the family’s income. One of the most rewarding aspects of agri tourism for many farmers is the opportunity to provide the public with a better understanding of what
agriculture is really about. It is also an opportunity to enhance the community’s economic potential.

Disadvantages

On the other hand, the possible disadvantages of an agri tourism enterprise must also be considered. The tourism section if the farm may compete with the main farm operations for time and labour if the farmer does not maintain labor differentiation in his business. Some other negative issues are the loss of privacy for the farm family, extra responsibilities, neglecting the main operation of farming and pay more attention to tourism, and the high accountability.

Nevertheless, many agri tourism activities require only a small farm crew in order to be successful. For instance, farm tours, bed and breakfasts, pony rides, u pickups, petting zoos, and many other activities may be operated with little additional investment in physical and human resources in an existing farm. Agri tourism is a successful compensating income source to rural agro enterprises in Sri Lanka.

Agri tourism as a rural business

The term ‘Agri Tourism’ is a new face of rural tourism and rural business. Agri tourism is farm based rural business that is open to the public. These specialized agri tourism destinations generally offer things to see, things to do, and things to buy, and are open to the public. Agri tourism is defined as “Travel that combines agricultural or rural settings with products of agricultural operations – all within a tourism experience”. According to Pandurang Tavare “Agri Tourism is that Agri-Business activity, when a native farmer or person of the area offers tours to their agriculture farm to allow a person to view them growing, harvesting, and processing locally grown foods, such as coconuts, pineapple, sugar cane, corn, or any agriculture produce the person would not encounter in their city or home country. Often the farmers would provide a home-stay opportunity and education”. Agri tourism can be organised and provided by the tour companies offering farm tours to agriculture farms and providing entertainment, education and fun filled experiences targeting the urban people.

Agri tourism is a way of sustainable tourist development and multi-activity in rural areas through which the visitor has the opportunity to get aware with agricultural areas, agricultural occupations, local products, traditional food and the daily life of the rural people, as well as the cultural elements and traditions. Moreover, this activity brings visitors closer to nature and rural activities in which they can participate, be entertained and feel the pleasure of touring.

Agri tourism is a business venture located on a working farm, ranch, or agricultural enterprise that provides an “experience” for visitors while generating supplemental income for the
owner. Experiences provided to visitors, usually take the form of educational or entertainment discovery and learning in a nature or agricultural based environment. For this reason, agri tourism is also referred to as “agro-entertainment” and “agro-tourism.”

The history of agri tourism dates back to the late 1800’s when people began leaving the city to come to farms to visit relatives for short stays to escape the city life. After the invention of the automobile in the 1920’s it became easier for people to travel to the rural areas. In the 1930’s and 1940’s, the Great Depression and World War II gave rise to the first significant interest in rural recreation. In the 1960’s and 1970’s horseback riding and farm petting zoos became popular. In the 1980’s and 1990’s, farm vacations, overnight stays at bed and breakfasts, and commercial farm tours became popular. Today, the demand continues to grow for agri tourism.

This is a rural business in the hands of various stakeholders such as inbound and outbound tour operators, small and medium scale farmers, plantation or agriculture companies, tour guides, villagers, etc. Unlike mass tourism agri tourism is attracted by local tourists who are interested to experience rural life as relaxation and escape from urban busy life. Therefore, agri tourism benefits both farmers and local communities as a rural business because these tourists bring money to spend for experiencing rural life. This money generates extra income for these people in the rural areas.

Benefits of Agri Tourism

Agri tourism can provide many benefits to the agricultural producer. It can provide:

- Cash flow during the off season.
- Opportunity to sell the “experience” of the farm.
- Opportunity to sell products grown and harvested in the farm
- Opportunity to share the passion of agriculture with visitors for a monetary value.

Agri tourism as a rural business

Anyone planning to start an agri tourism enterprise should look at it as a BUSINESS. First entrepreneur must decide the type of agri tourism business plan to operate?

- Supplementary enterprise
In a supplementary enterprise, agri tourism could be a minor activity that would support the other products on the farm. For example, if the primary enterprise is horticulture production, farm tours with market outlet can be introduced as agri tourism operations. The main income is expected from farming and it is supplemented by agri tourism activities.

- Complementary enterprise
In a complementary enterprise, agri tourism activities have equal share with the farm production mix. For instance, if the farm is an orchard of mango, guava, papaya and other fruits farmer sells majority of the production to whole sellers and simultaneously operates a
fruit juice and fresh fruit stall at the farm gate for visitors to the farm. The owner allows “U pick up” operation too. The income from both operations would be complementary and consider as complementary enterprises.

- The primary enterprise

In the primary enterprise, agri tourism would be the major activity in the farm. For example, a farmer wants to operate Bed & Breakfast at the farm with number of cottages including one or two tree houses and operate farm tours charging an entrance fee as his main business. In the same time he maintains a high quality model farm with all the necessary components. However, he does not expect higher income from the farm. Here agri tourism is the main part of the farm product mix and it becomes the primary enterprise (Malkanthi, 2012, Bernardo, Valentin and Leatherman, 2007; Blacka, et al, 2001).

**Conclusions**

Agri tourism is a niche market where a small segment of customers from within the larger marketplace who have similar demographic, interests, buying behavior, and/or lifestyle characteristics. Also Agri tourism is a hybrid concept that merges elements of two complex industries—agriculture and travel/tourism—to open up new profitable markets for farm products & services as well provide a market for rural tourists and travelers. It is important to consider these factors in planning and developing agri tourism as a rural business. Even though agri tourism is not well organised and highly recognised as a rural business in countries like Sri Lanka, considering the economic, social, demographic, political and environmental influence discussed above we can conclude there is a substantial potential for promoting agri tourism in rural areas.

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