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# The specific entrepreneurship applied to the development of tourism

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## AGROTOURISM: ENHANCING AND SUSTAINING FARM ECONOMY IN INDIA

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### Abstract

The case provides a detailed narration of the concept of Agrotourism, including the benefits, constraints and success factors involved, with specific reference to India. Agri Tourism Development Company (ATDC) being the pioneer of Agrotourism concept in India, has provided training to 2500 farmers and helped to set up 318 Agrotourism units in Maharashtra state of India. Being an uncharted area, there are multiple challenges for all concerned stakeholders. It includes issues like sustainability, economic feasibility, guest host relationship, connectivity infrastructure and communication. The growth potential for Agrotourism can be realized through appropriate strategies addressing the challenges which can be developed and implemented jointly by the stakeholders. The stake holders are farmers, tourists, tourism organizations and the government agencies responsible for formulating policies.

### Keywords

Agrotourism, entrepreneurship, strategy, stakeholders

## Introduction

On his way back to Palshi, operational head quarter of his Agrotourism venture, Pandurang Taware, Managing Director of ATDC Pvt. Ltd scribbled few points in his diary which were bothering him for some time. One was about making Agrotourism economically feasible for the farmers and convince farmers to open up their farms to the visitors from cities. Other was concerning attracting city dwellers to the farms. With expansion of Agrotourism market, he was wandering about his own role being a pioneer in the field of Agrotourism and contribution from government that could make difference.

14

In India agriculture was never considered as profession, it was the way of life for the farmers. The role that farmer envisaged for himself was that of supporting and sustain the social structure. Prior to early sixties, the approach to farming was that of traditional methods of agriculture operation which was more of making use of what was available in local conditions. The Green revolution of mid-sixties changed the scenario of agriculture operation. By seventies, India was on way to become food self-sustaining country on account of improved agriculture operation.

As per the census of 2011, about 69% of population of India lived in about 63800 villages making agriculture and allied activities a backbone of Indian economy. In absence of adequate irrigation infrastructure in place, agriculture in India was mainly rain fed operation. Vagary of weather coupled with non-remunerative prices of agriculture commodity and rising input costs were substantially eroding income in small farms operation.

Other factors like industrialization and globalization were additional threats to the agriculture industry. To sustain living, farmers were compelled to look for alternative source of income. Migration from villages to cities in search of employment was one such way out for the farmers. The viable way to handle the threat was to evolve mechanism to supplement the farm income at the village level itself.

## Agriculture and Tourism

Economic survey 2015 suggested that agriculture sector of the country grew at 1.1 percent in 2014-15. Even for the first three years of the 12th Five-Year plan (2012-17), the rate of agro-GDP growth turned out to be a meager 2 percent per annum against a target of at least

4 percent (Gupta 2015). Such being the scenario, the farmers across India had look for the opportunities to diversify their list of products and service offerings. While the agriculture as industry was in stagnation to decline mode, tourism as an industry was on upswing. The number of Foreign Tourist Arrivals (FTAs) in India during 2014 increased to 7.68 million as compared to 6.97 million in 2013. The growth rate in FTAs during 2014 over 2013 was 10.2% as compared to 5.9% during 2013 over 2012. The double digit growth of 10.2% in 2014 for India was better than the growth rate of 4.2% for the International Tourist Arrivals around the world in 2014. Even domestic tourist market was also expanding. The number of domestic tourist visits in India during 2014 was 1290.12 million as compared to 1142.53 million in 2013, with a growth rate of 12.9 % and number of Indian national departures from India during 2014 was 18.33 million as compared to 16.63 million in 2013, registering a growth rate of 10.3% (<http://tourism.gov.in/>). With declining agriculture growth and upswing of tourism industry, the combination of two would a case of win –win situation. There was possibility of linking tourism to agriculture.

### **Tourism and Agrotourism**

Tourism being a multifaceted industry could be broadly classified into mass tourism and niche tourism. It was niche tourism that had witnessed spectacular growth world over including in India too. The major India specific niches were adventure tourism, Wildlife Tourism, Medical Tourism, Pilgrimage Tourism, Cultural tourism, Eco tourism and Agrotourism.

#### **Agrotourism**

Agrotourism could be considered as an extension of eco-tourism. University of California Small Farm program defined Agrotourism as ‘a commercial enterprise at a working farm, ranch, or agricultural plant conducted for the enjoyment of visitors that generated supplemental income for the owner.’ The concept of Agrotourism was a mixture of integrating agriculture along with pleasure. From city dwellers perspective, they could spend their weekends or holidays in a village farm at a very nominal cost. It was the home away from home and that too in harmony with nature and culture. From farmer’s perspective, it

was an option to diversify their farming operations that would help bring in more revenue by generating economic activity. Agrotourism could include activities like bullock cart riding, tractor riding, fishing and horseback riding. It might be educative in nature where participants could learn about traditional cooking methods using fire wood or cow dung cake. Entertaining tourists with folk songs, harvest festivals, devotional songs and cultural drama including dances could also be included in scope of Agrotourism. Agrotourism also covered hospitality services (farm stays, guided tours), On-farm direct sales etc.

### **Agrotourism - Globally**

Agrotourism is not a new phenomenon, it has been recognized world-wide since the early twentieth century (Busby & Rendle, 2000; McKenzie & Wysocki, 2002; Wicks & Merrett, 2003). A set of policies establishing specific guidelines, obligations, and incentives to assist and encourage farmers to diversify their entrepreneurial portfolio through tourism and hospitality services fostered the development of Agrotourism (Che, Veeck & Veeck, 2005; Hegarty & Przeborska, 2005; Kizos & Iosifides, 2007; Sonnino, 2004). For example, farmers from countries that are members of the European Union (E.U.) can access the LEADER program that offers grants for the promotion of rural development (Caballe, 1999; Cawley & Gillmor, 2008; European Court of Auditors, 2010, p. 100). In spite of lesser government support, Agrotourism has also emerged as an alternative economic activity among farmers in the United States of America (U.S.), although their occurrence is not evenly distributed throughout the country. For example, the state of Texas, largely known for its dude ranches, accounts for 23% of all farms that generate revenues from Agrotourism, followed by Kansas and Montana with less than 5% (USDA: NASS, 2007, p. 639). Agrotourism has rapidly increased in the U.S. during the past ten years with the number of farms making at least \$25,000 from Agrotourism activities growing approximately 90% between 2002 and 2007 (USDA: NASS, 2007, p. 639)

### **Agrotourism in India**

Atithi devo bhava - the guest is equivalent to God – was a tradition in Indian culture. In villages in India, an unannounced guest- atithi was welcome and people would gladly share

whatever they had. With all the constraints, they would be perfect host. The same value system could be effectively extended to business arena through Agrotourism.

In India, agriculture though prominent industry and back bone of India, it was on decline stage. It was plugged with serious problems of declining productivity, fragmentation of land thereby reducing land holding per person, vagary of market prices of input and output and attraction of steady employment in cities for rural youth. It was double whammy for the agriculture industry. Indian farmer was facing the challenge of finding adequate income-generating activities with traditional agricultural operation. Rural economies did not offer sufficient employment opportunities driving young people, in particular, out of villages. Migration of rural youth to cities had some undesirable impact on village as well as on cities. Declining agriculture output was serious national issue. Solution to prevent migration was in creating employment and additional income generation opportunities at village level itself. Practically every state of India faced the issue of rural unemployment with varying intensity.

### ATDC

Pandurang Taware, pioneer of the concept Agrotourism in India and promoter of ATDC Pvt. Ltd was born and brought up in village. In 2005, capitalizing on his professional experience and his family's farming background, he ventured in unexplored area of combining agriculture with tourism and seeds of Agrotourism were planted in India for the first time. He founded Agrotourism Development Corporation which was later converted to ATDC Pvt. Ltd. He believed that Agrotourism would contribute to the efforts of the farmers to expand the revenue streams and the creation of sustainable livelihoods in villages.

Leveraging his 17 years of experience in hospitality industry in core area of sales and marketing Pandurang Taware, conducted a consumer survey in Pune with a sample size of 2,440. The results of the survey showed that connections between Pune's urban population and the surrounding rural areas were quite weak.

1. 35% of the urban population did not have any relatives in the villages;
2. 43% had never visited or stayed in rural communities; and
3. 57% had never visited a dairy farm.

The figures clearly indicated that sizable numbers of urban Indians had never experienced rural life. These results encouraged him to initiate a pilot project in Malegaon village near Baramati in Pune district of Maharashtra, India. Within 2 years, the pilot project became a huge success.

### **ATDC's mission & vision statements**

#### *Mission*

To promote agriculture tourism to achieve income, employment and economic stability in rural communities in India, help boosting a range of activities, services and amenities provided by farmers and rural people to attract urban tourists to their area, thus providing opportunity for urban people to get back to the roots.

#### *Vision*

(To be) No. 1 in Agrotourism Business in India, to train 1000 farmers across India to start and operate Agrotourism Centers in next 10 years.

#### *Objective*

The objective of the company was to start 1000 Agrotourism units in next 10 years (by 2015) in each and every feasible village at all taluka places of Maharashtra.

After a successful two-year pilot phase at Malegaon farm, ATDC decided to expand its program to other villages and farmers throughout the state of Maharashtra. In the second phase (2007), farmers from various villages were selected to participate in the program and over 250 farmers received capacity-building training in the area of Agrotourism.

Realizing the fact that in Maharashtra state about 80 % farmers had marginal land holdings and there was danger of those farmers being left out of the Agrotourism benefits, Pandurang Taware suggested the route of cluster Agrotourism development under co-operative basis, resulting in formation of several Agrotourism development co-operatives. In 2008, these cooperatives were brought under Maharashtra State Agri & Rural Tourism Cooperative Federation Ltd (MART). MART being apex body, was expected to guide, train, build capacity, promote, sell and market agro and rural tourism concept in urban cities, at the same time work in tandem with government departments to develop agro and rural tourism as the supplementary income and employment generation source for the agriculture communities in the state of the Maharashtra. The main objective of MART was to coordinate



the activities of planning, financing, marketing and liaison with various State and Central Agencies. The governing body of Federation had 12 representatives from agro & rural tourism co-operatives as well as 11 individual farmers who operated agro and rural tourism centers along with women directors from the individual farmers and 2 government nominated directors.

The major goals conceived by ATDC for Project Agrotourism were;

1. To develop and promote agricultural tourism (Agro-tourism) as a potential vehicle for diversifying and stabilizing rural economies.
2. Creating jobs, increasing community income, providing a broader market base for local business.
3. Creating opportunities for urban Indians as well as foreign tourists to discover and appreciate Indian agricultural traditions.
4. To benefit farmers, local communities, and tourism enterprises through the development of new consumer markets.
5. Increasing awareness about local agricultural products,
6. Enhancing understanding of the importance of maintaining agricultural lands.
7. Providing farm family members with opportunities for on-site employment.
8. Strengthening the long-term sustainability of small farms.

### **Growth of Agrotourism in Maharashtra and Beyond**

The concept, Agrotourism was establishing its roots. Till date (February 2016), there were 318 Agrotourism centers functioning in Maharashtra. About 2500 farmers had undergone training at ATDC center, Pune. Besides Maharashtra, farmers and government authorities from Punjab, Haryana, Gujarat, Karnataka and Tamilnadu had shown interest in establishing Agrotourism centers in their respective states. Based on the data available with ATDC, about 250000 tourists comprising of domestic and international had visited agro centers in Maharashtra. Domestic tourists formed the major chunk of it. Further analysis of data indicated 70% of tourists were from Pune city. Farmers and Tourism practitioners from countries like Bangladesh, United States of America, UK, and Saudi Arabia had also shown interest in the model.

## **Role of ATDC**

ATDC provided technical assistance and advice as well as consulting services regarding the preparation of project reports, sales and marketing activities to the farmers who were interested in setting up a unit in their own village. ATDC's system included training and capacity building service to farmers. In addition to helping people replicate the idea, ATDC had setup Baramati Agri & Rural Tourism Training & Research and Development Center at Village Palshi, Baramati- Pune in Maharashtra.

## **Developing Tourism Center**

Agrotourism center development required a strong commitment from the community members and the local government. The major issues that required attention could be perceived from farmer's perspective, local community perspective and government perspective.

## **Farmer's Perspective**

Agriculture operation was the Core competency of a farmer which differed radically from managing operation of an Agrotourism center. It demanded understanding of hospitality industry. The set of skill needed includes service oriented approach, communication skill and ability to decipher needs and wants of the tourists. The willingness of farmers to undergo professional training was essential. Setting up building infrastructure required sizable capital. Non availability of capital with the farmers was a major stumbling factor. In absence of proper guide lines from regulating authorities to financial institutes like banks related to Agrotourism, loans were not available to them. The farmers could get funding only for operation related to agriculture like for seed, fertilizer procurement, well digging, arranging for irrigation facility etc.

Essential Infrastructure required at Agrotourism centers includes (Kumbhar 2009);

- Clean accommodation with basic facilities as per city dwellers standards at farm
- Safe drinking water
- Hygienic condition in kitchen area

- Safety of tourists and their belongings
- Adequate tree canopy and open area
- First aid box with basic training to handle emergencies
- Emergency medical care tie up with nearby medical practitioners /hospitals.
- The well or lake or swimming tank for fishing, swimming
- Bullock cart, cattle shade,
- Telephone/internet connectivity

Value addition could be done by catering authentic local style foods, introducing local games for children, arranging for folk dance, traditional dance singing, sell of local agro products, handicrafts etc.

### **Contribution of Community**

The visits of tourists in village enhanced the overall economy of the area. It was not only the agro tourist center's owner benefits but host of other people benefit. Local shopkeepers would get additional business, folk singers and drama artists would get opportunity to perform and earn money and some networking for performance outside their area. Handicraft artisans would get new market at their door steps. It was a win- win situation for entire area. It required participation of all the concern stake holders.

### **Role of Government**

Being an agro dominated country, farmers welfare was of prime importance for any government to remain stable and survive. Agriculture industry was saddle with many issues. Of late suicide by farmers across India had become a critical matter. There were many agro related activities like goat rearing, bee keeping, dairy industry which were sponsored and supported by government to provide option to the farmers to supplement income generation. Agrotourism could be added to it. According to Pandurang Taware, an average income of `100,000 (\$ 1490) per month was possible. With about 8 months of season, a farmer could expect additional income of about 800,000 (\$11920) which was substantial higher by any standard. Recognizing Agrotourism as niche tourism could be the first step in the right direction. Government policies related to building infrastructure at farm, capacity building

training and promoting Agrotourism at national and international level in line of incredible India! would go long way in reducing the intensity of financial problems at farmers' level. Not only that, it would check the migration of youths from villages to cities. It could lead to balance growth of cities and villages.

Government agencies could play pivotal role in strengthening Agrotourism in in India. The provision of proper infrastructure of roads, electricity and communication facilities would be the first step in right direction. The nodal ministry being Ministry of tourism, other ministries that could chip in were ministry of agriculture and farmers welfare, ministry of culture, ministry of rural development and ministry of road transport and highways. The provision of clear cut schemes or assistant packages for Agrotourism development was the need of the hour. Sensing the utility of it, a draft of policy was being prepared and it was at discussion stage at central level. At state level in Maharashtra too, guide lines for assistance package were being formulated.

### **Strategy of ATDC**

Campaigning for the cause of Agrotourism, ATDC had developed a three pronged approach directed towards farmers, government official and urban tourists (Press note ATDC 2008).

- To provide training preferably to those farmers who had small land holdings.
- To build the Agrotourism center with onsite local available resources with the help of local artisans and local people.
- To create awareness with the help of field staffs to guide the farmer and help them to market, run and operate the Agrotourism center.
- Actively participate in workshop, seminar, contests related to tourism.
- Liaison with government agencies and political leaders for Agrotourism industry recognition, supportive Agrotourism policies and regulations, supportive Agrotourism financing, establishing product and service quality control standards and establishing an Indian Agrotourism Council (IAC) as the body responsible for co-coordinating product development, marketing and training for all Agrotourism initiatives in India

To enhance awareness, 16<sup>th</sup> May- establishment day of ATDC was being celebrated as International Agrotourism day. In this yearly event, farmers and city dwellers were invited and the farmers who were managing agro centers were felicitated. In his personal capacity, Pandurang Taware had been participating in all the major events in India as well as in international circuit. He had been rewarded with following awards;

- **National Tourism Award Recipient 2008-09**, by Department of Tourism Government of India by the Hands of Vice President of India @ New Delhi, March 2010, for Most Innovative Tourism Product.
- **Finalist, Global Tourism for Tomorrow Award 2011**, by WTTC London @ Global Tourism Summit May 2011 Las Vegas, for Community Benefit Tourism.
- **Winner, Global, Responsible Tourism Award 2011**, by Responsible Travel, London @ WTM London, Nov 2011, for Conservation of Cultural Heritage.
- **Winner, Wild Asia Responsible Tourism Awards 2012**, by Wild Asia, Malaysia@ ITB Singapore Oct 2012 for Community Engagement & Development & Cultural Preservation.
- **National Tourism Award Recipient 2011-12**, by Department of Tourism Government of India presented by the **President of India** @ New Delhi, March 2013, for Best Responsible Tourism Project.
- **Recipient, Sustainable Tourism Award 2014**@ 75th Skal Tourism Congress, Mexico Oct 2014.
- **Recipient**, Skal Special Recognition Tourism Award by Diversely Care @ 75th Skal Tourism Congress, Mexico Oct 2014.

### Road Ahead

Strategies for the implementation of Agrotourism therefore should be adapted to the local context and capacities. Key elements for a successful Agrotourism would include:

- Presenting a site-specific thematic story that includes a central theme or focus for the visitor;
- Exposing visitors to local natural ecosystems and human communities and making them feel about it;
- Educating both the visitors and the villagers;

- Authentic reflection of the reality of rural life patterns – what might be usual for the host community becomes extraordinary and unique for the visitors;
- Linking directly small-scale agriculture with the tourism experience.

Rather than relying on traditional approaches of high capital oriented supplementary agriculture businesses like dairy etc., farmers from rural areas could generate additional income and employment from agriculture based Tourism.

India with its diverse the landscape and a culture of honoring even unannounced guest was ideally suited for grooming Agrotourism niche. With improving road connectivity, communication facilities like smart cell phones and penetration of internet at village level, expansion of electricity grid, development of unconventional energy resources such solar and wind it was right time for Indian farmers to step in. The famers would have to carefully assess their strength and weakness Vis a Vis external forces related to the situation and prepare in-depth business plan for Agrotourism activity before plunging in. Indian villages had been attracting the tourists for more than a decade. Hindi and other regional films had done their bit by glamorizing country sites. Indian tourism and agriculture were linked in an inseparable bond.

It was crucially important to establish and to adhere to world class quality standards and close interaction among all stake holders in improving Agrotourism centers quality. While the timing was good for Agrotourism thanks to a worldwide growing interest of the tourists, half-baked approaches would not succeed. It was important for all stakeholders to take a long-term perspective.

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