

# Socio-Economic Implications of Agri Tourism in India

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**Abstract.** Alternative revenue generation sources for farmer through Agri tourism - farmer training centers - employment generation - gender bias reduced - accelerates growth rate – sample project successful.

**Keywords:** agri tourism, rural tourism, agricultural transformation, India, socio-economic, implications.

India is an agrarian driven economy; she has placed special emphasis on agriculture in the five-year plans and also made steady improvements in irrigation, technology, modern agricultural techniques and provision of agricultural credit and subsidies since the Green Revolution in India. However, international comparisons reveal the average yield in India is generally 30% to 50% of the highest average yield in the world.

India has 184 million hectares of arable land, produces annually 204 million tonnes food grain (third largest), 150 million tonnes of fruits & vegetables (second largest) and 90 million tonnes of milk (highest in the world). Also has the largest livestock population with 485 million.

## 1. Introduction:

Agriculture is the backbone of most developing economies, particularly India. Green revolution and smaller plot holdings as witnessed by the Asian countries has led to rapid forward strides being made in the agriculture in the last few years. In spite of this India faces several challenges arising from socio-economic, demographic and institutional sectors that affect its basic survival. While Western economies experienced a rapid and complete transition from agricultural to becoming an advanced capitalist society, the process of transformation has been slow in most of Asian economies, barring a few. In India, 85 % of the population is directly or indirectly dependant upon agriculture and a vast majority is based in the rural belt. Tourism is a very significant contributor to the GDP of any country and is a crucial tool for employment generation, poverty alleviation and sustainable human development. India basically being a rural economy, rural tourism and agri tourism hold an important place in facilitating development.

## 2. Genesis:

Considering the topography of India, in the last few years have seen the concept of rural tourism gaining momentum as an allied area of revenue generation thus diverting attention towards the rural belt in which resides a large portion of Indian population. Realizing this government is encouraging active rural tourism in order to increase revenue generations options for the rural segment.

The Ministry in 2002-03 went ahead with the proposal of Rural Tourism with the intention of showcasing, art, culture and heritage through rural life in villages and at rural locations. Villages which have core competence in art & craft, handloom, and textiles as also an asset base in the natural environment as in natural Flora and Fauna were to be considered. The intention is a dual purpose one to benefit the rural community economically and socially and secondly to enable interaction between tourists and rural population for a mutually enriching experience. The promotion of village tourism is also aimed at generating revenue for the rural communities through tourists' visitations, thereby stopping or at least reducing the exodus from rural to urban areas. While in the initial two years of the scheme, only physical infrastructure (Hardware or HW) development activities were taken up under the scheme, from the year 2004-05 capacity building (Software or SW) activities too were taken up. The HW components of the rural tourism projects (RTPs) have been provided funds from the plan scheme 'Product/Infrastructure development for destinations and circuits' (PIDDC). The SW components of 36 RTPs sanctioned during 2004- 05 and 2005-06 have been

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funded from GOI-UNDP Endogenous Projects scheme. All SW components sanctioned from 2006-07 have been funded from the plan scheme 'Capacity Building for Service Providers' (CBSP). As on 28 February 2011, 169 rural tourism sites in 28 States/Union Territories have been sanctioned by the Ministry of Tourism. The Village Level Council (VLC) is the interactive forum for local community participation in work plan implementation of the projects, further supported by other community level institutions. Source Ministry of Tourism Report -2011-12- page 26.

Agri tourism has branched out as an offshoot of rural tourism and has immense scope in India. Since agriculture is the main occupation of the people in India and other developing countries, specifically Asian economies, there is a need for these countries to think of allied income generation strategies with agriculture, one of which is Agri-Tourism.

Agricultural Tourism is the 'Holidays' concept of visiting a working farm or any agricultural, horticultural, or agribusiness operations for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation. In general, Agri-Tourism is the practice of attracting travellers or visitors to an area or areas used primarily for agricultural purposes.

However, Agri-Tourism is small-scale, low-impact, and, in most cases, education-focused. Because landowners operate the majority of farms in Maharashtra, opportunities for uniqueness and customization are limitless. Many agri-tourism activities require only a small farm crew in order to be successful. For instance, farm tours, bed and breakfasts, Tractor/bullock cart rides, grapes, mangoes, and other horticulture farms, by product farms, birds/animal zoos, and many other activities may be operated with little additional investment in labour

India ranks second worldwide in farm output. Agriculture and allied sectors like forestry, logging and fishing accounted for 15.7% of the GDP in 2009–10, employed 52.1% of the total workforce, and despite a steady decline of its share in the GDP, agriculture is still the largest economic sector and a significant part of the overall socio-economic development in India. On the other hand international comparisons reveal the average yield in India is only 30% to 50% of the highest average yield in other parts of the world, revealing a low productivity in the Indian agriculture. As an important element of the service sector, tourism in India is growing with a contribution of 6.23% to the national GDP and 8.78% of the total employment in India. With this backdrop, the researchers believe that agri-tourism can contribute in a big way in optimally utilizing the agricultural land in India, generate additional income to the farmers and provide employment.

The paper focuses on the following objectives:

- It endeavours to understand the socio economic contribution of agri-tourism in a developing economy like India.
- To evaluate whether agri-tourism is a recourse to the dwindling growth rate in the agricultural sector
- To analyze whether a radical reorientation of government policies towards agri-tourism can revive agriculture.
- To suggest means and ways of uplifting agro tourism towards positive sustenance and economic growth.

### **3. Research Methodology:**

In this paper the researchers have critically reviewed the experience of agricultural transformation by complimenting it with agro based tourism through a SWOT analysis and substantiating it with case studies from the state of Maharashtra, India. The primary data has been collected by an in-depth personal interview of Mr.Pandurang Taware, Director Sales and Marketing, Agri Tourism Development Corporation and the brain behind initiating agri tourism concept in India. The authors have also conducted a field study to the agri tourism project in Malegaon-Maharashtra to understand its set up and management.

### **4. Case study of agri tourism in Maharashtra:**

The researchers have selected this case because it is a novel unique project- first of its kind in India- Malegaon - Maharashtra and can be emulated over various states in totality.

The Agri Developments Trust a Non Government Organisation (NGO) which was formed with the intention of training farmers on farming techniques awareness. The major objective of the trust was to increase farm productivity after deployment of advanced farming techniques.

In 2004, the agri Tourism Development Corporation started agri tourism, as totally new idea over an area of 110 acres owned by agri development trust. After year 2002, tourism activities in India gained momentum due to government endeavours.



Agri tourism was conceptualised by an enterprising individual Mr. Pandurang Taware and started as a pilot project under the aegis of Agri Development Trust on 110 acres of cultivated land. The operation of the project was critically monitored over 2004-2006 which was considered to be the gestation period. The vast span of land was developed for agri tourism with unique irrigation methods to run projects of tourist interest like horticulture, floriculture, sericulture, winery, cattle breeding, animal husbandry, jaggery processing unit and dairy farming.

Agritourism is developed as a viable business model by Mr. Taware. This business model of agritourism was worked out on the premise that urban population is leaning towards nature and has a strong desire for family oriented recreational activities in a radius of 150 kms in a rural setup having a travel time of just 2-3 hours. This project is carefully carved considering the requirements of an urban population and the boost in tourist trade. This project is operating successfully from the year 2006 and at present is thriving in providing an inexpensive get away to a large majority. The feasibility of this project increases as it translates into attracting large number of tourists. Maharashtra, one of the largest states in India has a high rate (53 %) of urbanisation, thereby leveraging demand for agri tourism. This specific project of agritourism generates annual revenues of about Rs. 4,000,000 to Rs. 4,500,000 which is mainly from three sources:

Primary source	Secondary Source	Third Source
Day and Night Camp	Summer Camp for 3 days duration	Training for Farmers for 7 days duration
Rs. 600-1000/person	Rs. 2,500-4,000/person	Rs. 10,000/person

This project is implemented with the involvement of farmers from the vicinity. Therefore farmers are given 70% of the revenue generated. This keeps them motivated and attached to the project. The farmers also benefit as they can market their products to the tourists. The women who have formed self help groups are benefited as they get ready customers for their handicrafts leaving high profit margins. This projects has tourists comprising of educational groups, families and corporate.

In order to widen the horizon of agri tourism, since the year 2007 concerted efforts are made by the trust to provide training to farmers from all of the country for which National agri tourism training centre has been established. At its inception 350 farmers had applied out of which 52 farmers were selected and trained. These farmers have successfully ventured out into agri tourism. The World Travel and Tourism council has

recognised the efforts made on this front by Mr. Taware and applauded his work. He is also the recipient of Global Responsible Tourism award for his innovative and pioneering agri tourism concept.

## 5. Socio-Economic Implications:

This project is replicated in three states in India. The impact factor has been phenomenal as the per capita income has seen a rise. Till date 400 farmers have taken training in agri tourism entrepreneurial aspect. Farmer feedback has revealed that there has been a minimum 33% income rise to basic agriculture income. For example a two acre farm yields Rs.300,000 to Rs.350,000 per annum. Supplementing agriculture with agri tourism activities leaves an additional margin of Rs.100,000 to Rs.150,000 generating a direct employment for 4 people, indirect to approximately 10 individuals as farm man power is always required. The project in the above case has been hailed as a successful business model and is gaining momentum with the fact that agricultural universities and students are going in for site visits to receive training. On 11th April 2012, students of Indian Administrative services received a three day training on site so that in future they could successfully replicate this model in a larger number of states. Agri tourism is a feasible proposition as:

- Agri tourism has the capacity to create a win win situation for both the farmers as well as the tourists. The farmers benefit by deriving additional source of income and tourist hunger natural environment is satiated.
- Employment generation through allied activities like Emu, organic and dairy farming.
- Gender bias is reduced as both male and female get equal opportunities to earn
- Frequency of income generation increases from once a year to once a week.

A SWOT analysis of the agri tourism in India is enumerated in the matrix:

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• A Strong supplementary source of Income for farmers</li> <li>• employment generation</li> <li>• rural development</li> </ul>	<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• As a new branch of tourism has Immense scope for growth</li> <li>• More farmers can be the beneficiaries</li> <li>• Government support can increase the outreach of this tourism</li> <li>• State owned land can be cultivated and converted to facilitate agri tourism</li> </ul>
<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Climatic conditions</li> <li>• Being a new area of tourism, less competition so no threats</li> <li>• Rampant migration from farming to other sectors</li> </ul>	<p><b>WEAKNESS</b></p> <ul style="list-style-type: none"> <li>• Growth of agri tourism is slow.</li> <li>• Farmers are mostly less educated so need varied training.</li> <li>• Lack of government support in the form of subsidies</li> <li>• Less number of agri tourism training centre in India</li> <li>• Lack of publicity</li> </ul>

## 6. Conclusions

Tourism forms a significant aspect of the service sector which contributes largely to the Indian economic development. Indian tourism industry is growing at the rate of 10 %, which is two and a half times more than the growth rate at global level. The scope of tourism has varied branches very often depending upon the purpose and circumstances under which the activity is being taken up. In India of late the unique tourism arteries that have gained momentum are health tourism (medical tourism), religious tourism, sports tourism, educational tourism etc. Agri tourism is now an additional artery of the tourism sector in India. Though at present it is in nascent stage, with proper government incubation it can gain flight. There by introducing agri-tourism concept all over India not only the present growth rate can be sustained but it is also a value addition and can accelerate further growth.

## 7. Acknowledgements

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