



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Agro-Tourism: Entrepreneurial Opportunities and Sustainable Resource Use

Mareba M. Scott

*Tourism Advisor
P.O. Box 4087
Arima*

Abstract

Tourism has proven to be a significant income earner for some of the less developed countries of the world, and interestingly, many of these countries are or were major agrarian economies. This paper will serve to highlight the opportunities for linkages between agriculture and tourism, provide examples to enhance local entrepreneurial involvement, while making recommendations for overcoming the challenges to the sustainable development of agro-tourism.

As consumer taste change and alternative forms of tourism develop to respond to the new green reality and the demand trends for the 4 E's- entertainment, excitement, education and the environment, there is a natural link between agriculture and tourism. The paper cautions against marketing myopia if the full benefits of linking tourism with agriculture are to be derived. Opportunities need not be limited to selling agricultural produce or livestock to tourism service providers. Issues of quality, quantity and innovation must be addressed if linkages are to be maximized and profitability sustained. The requisite decision support tools, education and training, partnerships, and the legal and institutional framework must be provided in order to enhance a destination's overall competitiveness in agro-tourism.

INTRODUCTION

Tourism continues to be recognized as the fastest growing industry in the world economy, with the potential to be a major catalyst for income generation, job creation and foreign exchange earnings. Tourism has proven to be a significant income earner for some of the less developed countries of the world and interestingly, many of these countries are or were major agrarian economies. This paper will serve to highlight the opportunities for linkages between agriculture and tourism, provide examples to enhance local entrepreneurial involvement, while making recommendations for overcoming the challenges to the sustainable development of agro-tourism.

The majority of the tourism economies in the Caribbean region now depend on tourism as the main source of foreign exchange earnings and jobs, many not by choice, but as a result of the inability of their previously plantation economies to compete internationally, due in part to the diminishing subsidies in the new trade regimes, inability to achieve economies of scale, seasonality of jobs, natural disasters and several other developing constraints which plague island states. Wilkinson (1997) notes that a common characteristic of most Caribbean states rich or poor is an important and growing tourism sector, with its impact becoming a major factor in not only the economic environment, but also the social and biophysical environments. He adds, as traditional economic activities (e.g. plantation agriculture, fishing, mining) wane, it seems that tourism and other service activities will

become even more predominant in the region.

Many of the smaller Latin American and Caribbean economies' linkages with the global economy are primarily based on services-especially tourism- rather than on their exports of goods (Economic Commission for Latin America and the Caribbean, ECLAC, 2002). In 2001, for example, the Caribbean region received 34.1 million visitors of which 14.9 million were cruise visitors. Total visitor expenditure was estimated at USD19.4 billion. In 2002, the region experienced a 2 % decline in arrivals, as the region was amongst the hardest hit following the terrorist attacks of September 11th. The growing threat of terrorism has implications for tourism and agriculture, given the symbiotic relation that exists between these two economic activities. Terrorism not only increases concerns for human security and food security but it also has the potential to undermine environmental integrity (e.g. bio-terrorism), including water, coastal and marine life which are themselves important tourist attractions and critical elements of our food chain.

The Caribbean does have some advantage as it is the number one cruise destination in the world, and the region is increasingly being seen as a safe haven for travellers. However, the vertical integration taking place within the tourism industry has not only served to threaten the competitiveness of suppliers in developing countries, but have additionally compounded the leakage factor in tourism economies. Many have also noted that the elimination of

small and medium sized enterprises (SMEs) from the marketplace is cause for concern. Therefore, the relative prosperity that can be gained from the tourism industry for developing countries must be carefully pursued in an integrative manner that ensures the sustainability of the biophysical, cultural, social and economic environments. While the constraints that face small island economies are not dominant in any one particular economic sector, there are several commonalities between the developing constraints that affect the activities and development of agriculture and tourism, simultaneously. These commonalities in the Caribbean include the vulnerability to natural disasters particularly hurricanes, work that is labour intensive, foreign debt, import substitution (as tourism is an intangible export while agricultural products are tangible export goods) and unequal land distribution, to a name a few. Although it has long been recognized that there are positive synergies that translate into improved income retention by strengthening the linkages between the tourism, agricultural and manufacturing sectors, many Caribbean territories have not adequately planned for the maximization of the impact of sound linkages with tourism and other economic sectors.

AGRO- TOURISM AND IT POTENTIAL

As consumer taste change and alternative forms of tourism develop to respond to the new green reality and the demand trends for the 4 E's- entertainment, excitement, education and the environment, there is a natural link between agriculture and tourism.

The answer should seem obvious given the fact that 100 % of all persons engaged in tourism activity eat. This fact can open another discussion on the potential for culinary tourism and how does this differ from agrotourism?

Wolf (2002; 2003) notes that culinary tourism tends to be inherently more urban than agricultural tourism. He describes culinary tourism as a subset of cultural tourism, as cuisine is a manifestation of culture, where as, agricultural tourism is a subset of rural tourism, which typically includes activities such as visits to farms and farmers' markets, "u-pick" fruit orchards and ranch stays. Undisputedly, culinary tourism is rooted in agriculture given its linkages to the food and beverage industries. Thomas (2000) cautions however, that agro-tourism should not be conflated into the broader concept of rural tourism. He adds by its very nature, agro-tourism in the (Caribbean) region will necessarily have a close relation to certain other types of tourism, such as culture-heritage tourism, eco-tourism, adventure tourism, special interest tourism, learning tourism and health tourism.

In essence, agro-tourism involves the integration between agriculture and tourism where the visitor's experience involves activities tied to agriculture through vacation stays in farm accommodation, in farm cottages, plantation homes and the like. The activities may include voluntary picking and production or working stays at farms. Some include day visits to farms and purchasing of produce as engagement in agro-tourism but, a true agro-tourist by definition should include stays exceeding 24 hours. What agro-tourism does is provide an opportunity for farmers to supplement their income by

providing some form of tourism business. Simply selling agricultural produce to the tourism industry should not be deemed agro-tourism otherwise several other types of industries can lend themselves to such amalgamations. Unquestionably, there is tremendous potential for establishing strong linkages between agriculture and tourism but care should be taken to ensure that those involved in each industry do not suffer from marketing myopia.

Agro-tourism can satisfy some of the existing and future needs of the increasingly educated traveller given some of the other market trends for tourism in the future, as identified by Wight (1997):

- Uncrowded, remote, learning about culture, wildlife viewing and physical challenge
- Accommodation as part facilitator of the experience
- Accommodation as an extension of the conservation ethic
- Accommodation integrated with surrounding environment
- Environmentally sensitive planning design and operation
- Specialty market niches- nature/adventure/culture education
- Environmental stewardship and enlightenment
- Benefits plus responsibilities

The aforementioned market trends broadly represent entrepreneurial opportunities to enhance the linkage between tourism and agriculture but before other opportunities can be addressed it must

be clearly understood that tourism can and has had some negative impacts on agricultural development. The advantages and disadvantages of linking agriculture with tourism, many of which were identified by Milne and Mason (2000), must be measured to really minimize leakages and maximize linkages. Milne and Mason (2000) also highlight the fact that the negative impacts can spill over into marked tension between tourism and agriculture; and indigenous people and rural dwellers can be marginalized with tourism's expansion. (Table 1 Summary of the advantages and disadvantages of linking tourism with agriculture).

Conflict for manpower resources is another important factor. Though tourism and agriculture are both regarded as labour intensive, tourism is seen as more attractive and lucrative with opportunities for traveling and additional income from tips. Holloway (1994) points out that job opportunities and the higher salaries paid to workers from agricultural and rural communities who, freed from the restriction of their families and the home environments, may abandon their traditional values. Some of the activities in the tourism industry as illicit as they may be, often bring "rewards" in the shorter term when compared with agriculture. Unlike agriculture production, some tourism activities- services or products may require no financial outlay.

In terms of the specific entrepreneurial opportunities for linking tourism and agriculture many can be highlighted. If one were to use the cruise industry as an example, an area in which the Caribbean is currently competitive, then direct goods in the form of processed and fresh fruits and

vegetables can be supplied to the cruise ships, in addition to restaurants, in-flight catering and in hotels. The key is quality, quantity and innovation on the part of regional suppliers. Food must be provided in forms that provide some added value to consumers. Pre-packaged ground provisions that are diced or crinkled-cut, vegetables in stir-fry packs, dried fruits, candied fruits, frozen fruit juices, organically grown exotic tropical fruits and vegetables, herbal teas (with medicinal qualities extolled), sauces, condiments and spices all provide ample opportunities not only for use in institutional production but some as gifts in souvenir shops, local markets and duty free shops.

Development and promotion of horticultural or floricultural products for the landscaping of hotel properties, decorations for conferences, festivals, events - whether natural or built tourist attractions, they all have tremendous export potential. Opportunities for the use of agricultural by-products in jewelry, furniture, and other home furnishings abound. Many cottage industries can be spawned at the community level with some of these examples, once adequate training and some seed funding is accessible. This is how some of the foreign exchange leakages due to food importation for tourist can be offset as tourist are willing to accept local food items and other products if it is presented in innovative ways. In some cases, tourist may have been exposed to the products, albeit in a limited form, in their home country. These highlighted examples, once adequately packaged and merchandised can also provide future export opportunities as tourist demand these goods upon returning to their home territories.

The demand for foreign food may be a function of the product life cycle stage of the tourist destination. As a tourist destination becomes mature, that is, where mass tourism exists, there is a tendency for visitors from developed countries, when visiting less developed regions, to expect familiar activities and products, including food that they enjoy at home. Residents in the tourism receiving country of a mature destination, due to the demonstration effect, that is, the desire to emulate the tourist causes the local or host population to demand "western amenities". Therefore, establishments such "Helen's Creole Dishes" may give way to "Pizza Hut" or "Burger King". Consequently, where possible, destinations must very early in their tourism development or in the preparation of rejuvenation plans, in the case of mature destinations, must strive to exploit innovations in agriculture and its by-products. These linkages must be articulated as part of a national development strategy for sustainable resource use and supported by adequate incentives.

Entrepreneurial opportunities need not be limited to accommodation and the sale of produce and livestock. Innovative tours e.g. a tractor rides, milking cows, crop picking or planting can be created. Planting tours for example, certainly give tourist a reason for a return visit - to reap the harvest. The applied use of information technology is not limited to processing and packaging but can also be utilized in the tours. A good example would be the Barcadi Rum Factory in Puerto Rico. Getting to the site involves a ferry ride from San Juan - this in itself is quite an attraction for the visitor. A short -taxi ride then takes you to the factory for selfguided tours

facilitated by the use of a hand held audio device which provides a "channel" for a general introduction and various "channels" to tune into for information on the correspondingly numbered items of interest. For example, an item numbered 54 would require you to tune in to channel 54. The interpretative facilities are supported by displays (the sugar-cane plant, molasses etc.), videos and touch-screen computers for information.

Another unique feature of the tour is the ability for visitors to send a free video e-mail from the site to their friends and family back home. The sender is encouraged to be included in the mailing list for Bacardi's promotion and visitors are encouraged to access Bacardi's website for exciting recipes. At the factory there are free rum samples and the "House of Bacardi" sells uniquely branded items in addition to bottles of alcohol, T-shirts and the traditional tourist souvenir items.

OVERCOMING THE CHALLENGES

They are many ways in which agriculture and tourism can foster creativity and innovation, where more sustainable jobs can be created, more revenue for the country is earned, more of the tourist dollar is retained, the food importation bill reduced and self-sufficiency enhanced. It is noteworthy, that most of the disputes in the on-going trade negotiations have been stalled because of disagreements on issues relating to agriculture while discussion on tourism issues are still not addressed. Internationally, negotiators are yet to move past the rhetoric of sustainable development

and the issues of integrative planning and linking issues with policy.

Several challenges for growth must be surmounted if the advantages of linking agriculture and tourism are to be fully maximized for long-term sustainability.

- Tourism and agriculture need to measure development achievement and statistical database and other decision support mechanisms should be established
- The use of information and communication technology must be promoted to reduce transaction cost and enhance competitiveness
- Regional and local institutions need to lend more technical support and establish networks for sharing information on best practices. This should also go a long way in improving the coordination in the supply chain
- An enabling environment must be created through the strengthening of institutional capacity, dynamic partnerships, encouraging preservation and conservation measures, establishing and enforcing environmental laws and regulations
- Education and training must be addressed to ensure that regional supplier remain competitive in the areas of quality, quantity, packaging, delivery and service. Adherence to international standards should be a major component of relevant industry training

- Land use policies must be updated and re-enforced through consultative approaches and monitoring and evaluation activities

CONCLUSION

The adoption of best practices and the identification of the critical success factors needed to promote sustainable agro-tourism linkages are paramount to the function of agro-tourism as a vehicle for rural and community development. Agro-tourism should be seen as part of national and regional strategies for the promotion of sustainable livelihoods and poverty alleviation. As policy makers and practitioners involved in agriculture and tourism develop innovative products and services, the development process must be managed to ensure that the mechanisms are in place to guarantee that they are clear answers and the concomitant solutions, where applicable, to the following three basic questions:

- Are we doing the right things?
- How are we performing today?
- Are we correctly positioned for the future?

REFERENCES

- Caribbean Tourism Organisation (2003) *Caribbean Tourism Statistical Report 2001-2002 Edition*. Caribbean Tourism Organisation, Barbados
- Economic Commission for Latin America and the Caribbean, ECLAC (2002). *Globalization and Development. Twenty-Ninth Session, Brasilia, Brazil 6-10 May, 2002*
- Holloway, Christopher (1994). *The Business of Tourism Fourth Edition*. Longman Group Limited, Singapore
- Milne, Simon and Mason, David (2000). *Linking Tourism and Agriculture: Innovative Information Technology Solutions. Proceedings: Regional Agro-Tourism Conference. Agrotourism- a sustainable approach to economic growth. Inter- American Institute for Cooperation on Agriculture. Trinidad and Tobago, November 2000.*
- Thomas, Clive (2000). *Product Innovation: Reflecting on the Prospects for Agro-tourism in the Caribbean. Proceedings: Regional Agro-Tourism Conference. Agro-tourism- a sustainable approach to economic growth. Inter- American Institute for Cooperation on Agriculture. Trinidad and Tobago, November 2000*
- Wight, Pamela A. (1997). *Ecotourism Accommodation Spectrum: Does supply match demand? Tourism Management, Vol. 18, No. 6*
- Wilkinson, Paul, F (1997). *Tourism Policy and Planning: Case Studies From the Commonwealth Caribbean*. Cognizant Communication Corporation, USA.
- Wolf, Erik (2002). *Culinary Tourism: A Tasty Economic Proposition. International Culinary Tourism Association*