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ACTIVITIES OF FARM TOURISM AND ATTITUDES OF THE OPERATORS: JAPAN-ITALY COMPARISON

Yasuo Ohe

Faculty of Horticulture, Chiba University,
648 Matsudo, Matsudo, Chiba, 271-8510, Japan

Adriano Ciani

Faculty of Agriculture, University of Perugia,
Borgo XX Giugno, 74- 06121, Perugia, Italy

ABSTRACT

As a result of a comparative analysis of the activities and attitudes of agri-tourism operators in Umbria, Italy and the farmhouse accommodation providers in Hiroshima, Japan, based on data from surveys conducted by the authors, we defined Umbria as being at a higher equilibrium stage than Hiroshima. We found differences in terms of the portion of operators from a non-farming background, operation period, business performance, and attitudes concerning future directions. Generally, operators in Italian agri-tourism were more positive, creating characteristic activities and attracting urban tourists, than their Japanese counterparts. Thus, a higher utilization of local resources is achieved in Umbria than in Hiroshima. The main factor attributed to this difference is to the reservation cost for starting agri-tourism; which is higher in Hiroshima where there are more off-farm job opportunities available for farmers than in Umbria.

INTRODUCTION

Agri-tourism is an important type of pruliacivity. Its significance is often emphasized for endogenous and sustainable rural development, especially in mountainous areas. In Japan, the development of agri-tourism, termed *green-tourism* in Japanese, is at a very early stage. It is often pointed out that demand related factors disturb the development of agri-tourism in Japan, since demand for agri-tourism by urban people has not matured and the custom of taking long vacations has not yet been established. On other hand, little attention has been paid to the supply side and how farmers respond to the agri-tourism business. Thus, focusing on the supply side,

we compared farmhouse accommodation in Hiroshima, Japan with agri-tourism in Umbria, Italy. Italian agri-tourism is developing now and relatively little is known about this activity.

The present study examines the common points and differences and the implications for future development in both areas. First, we compare the availability of regional resources based on two conceptual models. Secondly, we examine the results of a survey on attitudes, similarities and differences. Finally, we consider the economic logic behind the differences, and summarize the implications for the future direction of Japanese agri-tourism.

FRAMEWORK

First, we summarize differences in activities of the two areas, then we present conceptual models of the two areas (see Figure 1 for the location).



Figure 1 Location of the study areas

Table 1 Main differences of the two areas

Characteristics	Umbria	Hiroshima
On-farm occupation	Full-time	Part-time
Farming background	New entry	Family succession
Purpose of farm stay	Original	Derivative
Providing services	Multi, flexible Year-round	Unit, fixed One season
Level of tourism activity	High	Low

Table 1 compares characteristics.

1) Demand for accommodation, in Hiroshima, skiers constitute the majority of guests, thus, the demand for farmhouse accommodation is derivative. By contrast, the demand for agri-tourism in Umbria is original, with guests primarily coming to visit the farm itself.

2) Type of farm; in Hiroshima most of the farms providing accommodation are *type 2* part-time farms, that is, farms which gain over a half of their income from off-farm jobs. In general, these farms have been passed down from generation to generation, as in the rest of rural Japan.

In contrast, in Umbria, the percentage of operators who had non-agricultural jobs before the start of agri-tourism is much higher; the percentage was 40% from our survey. Some originate from urban areas while others are returnees. Most were involved in agri-tourism on a full-time basis. In other words, agri-tourism gives people from non-farming backgrounds an opportunity for employment in a rural area. However, the initial investment is much larger than in Hiroshima.

3) The business period; while nearly 90% of farms in Hiroshima operate only in winter because of their dependence on skiers, 80% of Umbrian farms operate the year round. Thus, Umbrian operations depend less on specific tourist-attractive resources, but more on the managerial efforts of the operators and family members. As a result, in Umbria various services like horse-riding and access to play-grounds and small animals for children are provided, whereas the farms in Hiroshima tend to solely offer accommodation.

4) Figure 2 and 3 illustrate production frontiers of the two areas. Figure 2 shows a frontier of an Umbrian agri-tourism farm, Figure 3 a farm in Hiroshima. The level of farming production is measured horizontally, whereas the level of non-farming production, i.e. tourism activity such as accommodation, is measured vertically. The most apparent difference between the two figures is the shape of the frontiers, which are defined by technical, economic and social constraints.

Farms in Umbria offer a greater variety of products, both farming and non-farming, than these in Hiroshima. In Hiroshima, the frontier toward non-farming products extends little, so that some of the demands for farm tourism remains unsatisfied because the utility the farm can provide is below the minimum utility level of demand, shown as *m* in the figure.

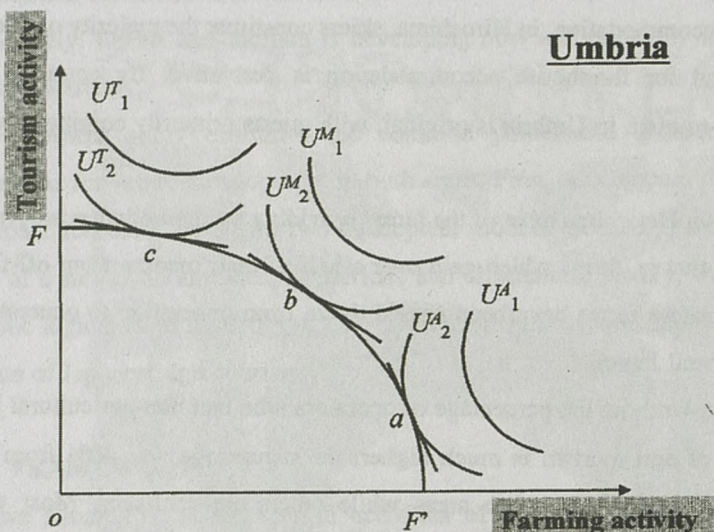


Figure 2 On-farm activity of agri-tourism farm

Here, we define the Umbrian case as being in a higher stage of equilibrium, because Umbrian farms undertake more and longer tourism-related activities than in Hiroshima. The reason for this difference is explored below.

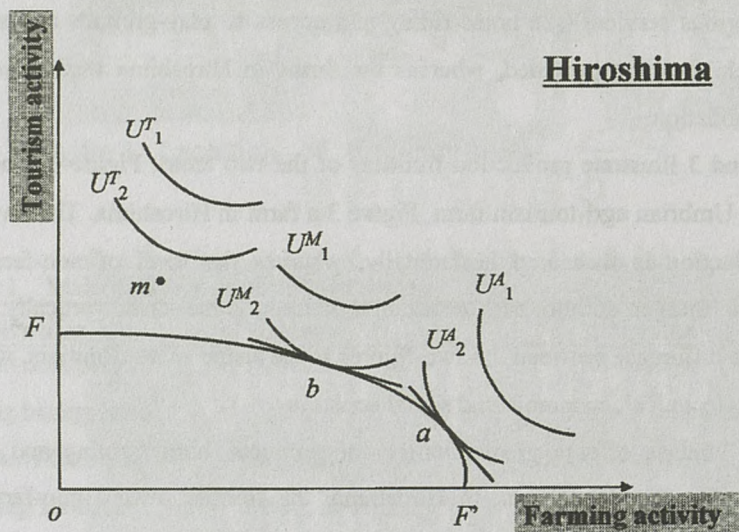


Figure 3 On-farm activity of accommodation running farm

DATA

1) The data for the Japanese study was collected by a mail survey from the operators of farmhouse accommodation in the Geihoku area of Hiroshima prefecture, located in the middle of a mountainous area of western Japan. These farmhouses have been operating primarily for skiers since the late 1960's, providing an alternative income source during the wintertime and helping to counteract depopulation in the community.

The mail survey was based on questionnaires that were sent to accommodation businesses registered with the local health center of the prefectural government. The survey period was from November 1993 to February 1994. The proportion of valid replies, excluding incomplete replies given by telephone, was 64.4% (76 answers). The sample included non-farmhouse accommodation like hotels and inns, however, only farmhouse accommodation, as defined in the 1990 Agricultural Census, was selected for this analysis. Thus, the actual sample size was 56 farmhouses.

Table 2 Main survey items

Demand Related	Supply related
Facility for the guest	Problems of management
Preferable guest	Advantage over hotels
Portion of returnees	Disadvantage to hotels
	Self-evaluation of profitability
	Plan for the future

2) The data for the Italian study was based on a survey of 26 agri-tourism farms in the Umbria region. Umbria is a hilly region in central Italy where agri-tourism has been rapidly developing since the late 1980's. The farms were selected from a list of agri-tourism farms in Umbria issued by the regional government. The survey was conducted from July to August 1994. The items studied were basically the same as those asked in Hiroshima (Table2).

COMPARISON OF SURVEY RESULTS

1) Annual average number of guests; farms in Hiroshima accommodated 200 guests most of whom come to visit on the weekend for a one night stay. On average, there

are four rooms and 15 guests, and the amount of investment is 6.66 million-yen, per farm. By contrast, Umbrian farms accommodated 250 people, and total 1 050 guests a year. Accommodation consists of seven rooms of 21 beds and total investment is 408 million Lira; 4.3 times that in Hiroshima.

2) Differences in investment size; this is attributable to the facilities. In Hiroshima, 73% of farmhouses are renovated while in Umbria, the accommodation tend to be newly built. In Hiroshima, the guests stay in large rooms which are a traditional part of the farmhouses or rooms vacated by family members now living in urban areas. This is because the accommodation is only a part-time business and seasonally limited.

By contrast, in Umbria, entrants into this business have to buy abandoned farmland and farmhouses, so their initial investment is far higher. Thus, Umbrian farmers' sunk cost for accommodation related business is larger than that of Hiroshima, so that they have to take full-time business for agri-tourism.

3) The structure of the farmhouse; this affects the facilities offered. Typical features of a traditional Japanese farmhouse include *fusuma*, easily removed sliding doors, and *tatami* mats. The guests usually sleep on a *futon* mattress, which is not fixed like a bed, but foldable, and the bedding is removable. A Japanese farmhouse is traditionally structured toward several generations living together under the one roof. The large room is used only for ceremonial occasions by taking off the *fusuma*, and is normally divided into smaller rooms by the *fusuma*. Such a structure allows cool winds to circulate through the house in the heat of summer. This structure enables farmhouse to accommodate guests elastically, however, it often fails to ensure the privacy of the guests. This is one reason why the younger generation prefers hotels and modern pensions (Table3).

4) Returning guests; returnees are important in both areas. However, returnees to Umbria outnumber those to Hiroshima. The importance of having returnee is often pointed out for agri-tourism business. There is no exception in these cases.

5) Management problems; the farmers in Hiroshima cite unstable income due to the uncertainty of snowfall, as a major concern. In contrast, the major problems for Umbrian farmers were keeping guests throughout the year and paying back debts. Seasonal fluctuations in demand are often pointed out as a major characteristic of tourism business. This result shows that the accommodation service offered by

Table 3 Comparison of farm-tourism activities and attitudes (Hiroshima and Umbria)

Qualitative comparison			Numerical comparison		
Items	Hiroshima	Umbria	Answers	Hiroshima	Umbria
Facility for guest	Partial renovation	Total renovation	Partial Renovation of farmhouse	73.2	33.3
			Total renovation of farmhouse	16.1	39.4
			Renovation of warehouse	3.6	12.1
			Others	7.1	15.2
			Total	100	100
Preferable guest	Group	Family	Group	89.3	15.4
			Family	3.6	42.3
			Married couple	1.8	15.4
			Young couple	1.8	11.5
			Others	1.8	15.4
			No answer	1.8	0
			Total	100	100
Portion of return-visitor	Rather high	High	Almost	16.1	38.5
			Rather more	28.6	11.5
			Half	41.1	34.6
			Rather fewer	12.5	11.5
			A few	1.8	3.8
			Total	100	100
Problems of management	Stability of income	Stability of income	Unstable Income by the weather	38.9	12.1
			Having guests constantly	2.7	34.5
			Old facility	15	17.2
			Loan payment	4.4	19.0
			Luxurious needs of guest	10.6	1.7
			Price hike of materials	7.1	3.4
			Aging of operators	10.6	5.2
			No successor	8.9	1.7
			Others	1.8	5.2
			Total (multiple answers)	100	100

Source: 1. The data of Hiroshima are based on a farm surveys conducted Between November 1993 and February 1994 by Ohe.

2. The Italian data are based on a farm survey carried out by the authors from July to August of 1994.

Table 4 Comparison of farm-tourism activities and attitudes (Hiroshima and Umbria)

Qualitative comparison			Numerical comparison		
Items	Hiroshima	Umbria	Answers	Hiroshima	Umbria
Strong points to hotels	Less expensive-ness	Good taste of country life	Good taste of country life	21.4	32.5
			Less expensiveness	32.1	15.0
			Familiar atmosphere	25	25.0
			Touching experience	17.9	15.0
			Nothing	3.6	0
			Others	0	12.5
			Total (multiple answers)	100	100
Week points to hotels	Keeping guests' privacy	Nothing	Nothing	3.6	20.8
			Difficulty for keeping guests' privacy	46.4	0
			Small capacity	16.1	16.7
			Poor equipment for Entertainment	5.4	6.3
			Weekness of family	23.2	0
			Business against accident and illness		
			Not sophisticated manner	5.4	8.3
			Public transportation	-	16.7
			Transportation among farms	-	10.4
			Water availability	-	6.3
			Others	0	14.5
			Total (multiple answers)	100	100
			Self-evaluation of business	Not always good	Good
Bad	35.7	3.8			
Neither good nor bad	28.6	0			
Don't know	1.8	0			
Total	100	100			
Plan for the future	Not positive	Positive	Enlargement	35.7	77.0
			Maintenance	46.4	19.2
			Curtailment	14.3	0
			Quit	3.6	3.8
			Total	100	100

farmers of both sides is not an exception of this seasonal fluctuation. In Umbria, the debts were apparently the result of the large initial investment. No such concern was expressed in Hiroshima.

6) Competitive advantage over hotels, a top response by the farmers in Hiroshima was their inexpensiveness compared to hotels, whereas Umbrian farmers primarily point out the goodness of country life. In Hiroshima, the price to the service, while in Umbria the quality of service, are the main concerns (Table 4).

7) Competitive disadvantage compared to hotels; in Hiroshima, this was the difficulty of private use, due to the structural characteristics of the Japanese farmhouse. By contrast, the Umbrian farmers answered primarily that there was no particular point they felt as a disadvantage. We think this answer comes from Umbrian farmers' clear conciseness about their service differentiation.

In summary, farmers in Hiroshima tend to consider the differences from hotels as physical whereas the Umbrian farmers are more conscious about the services offered by the farmhouse.

8) Self-evaluation of business performance; in Hiroshima the replies were divided fairly equally between three levels; "bad", "good", and "neither good nor bad". In other words, self-evaluation was not very positive.

On the other hand, all of the Umbrian farms, except one who indicated "bad", replied that their business was "good", which means their self-evaluation is clearly positive.

9) Future directions of the accommodation activity; nearly a half of all farms in Hiroshima answered that they will maintain their present level of activity and only about 20% expressed a positive attitude towards expanding their activities related to accommodation. In general, they tend to be cautious about future development.

The Umbrian agri-tourism operators, by contrast, are very positive about expanding their activities. Almost 80% expressed that they want to offer new services and increase in size.

CONCLUSION

We made a comparative analysis between Japanese and Italian agri-tourism. The Umbrian agri-tourism farms are doing more and longer tourism related activities and attract much more guests than the farms in Hiroshima. The Umbrian farms utilize

local resources more than do the farms in Hiroshima. We defined the farmhouse accommodation in Hiroshima as being of a lower equilibrium than that in Umbria. Finally, we conclude our analysis by considering the economic reasons why these two areas differ so greatly.

Local tourism resources and job opportunities differ from country to country or even from region to region. We consider local job opportunities to be a very important factor influencing the farmer's job-taking behavior including on-farm job like agri-tourism.

In Hiroshima, where stable part-time farming is very common, 85% of farms are doing *type 2* farming, due to the relatively good chances of finding stable off-farm employment. Consequently, this increases the opportunity cost of on-farm employment. In addition, there is uncertainty of demand due to the initial stage of farm tourism in Japan. These factors raise a reservation cost for on-farm non-farming activity.

By contrast, in Umbria the situation is rather different. The opportunity cost for the on-farm activity is lower than in Hiroshima since the percentage of taking off-farm employment are comparatively lower than in Hiroshima; 34.4% of householders took mainly off-farm jobs in Umbria in 1990. In addition, the traditional spirit of family enterprise in Italy also works to lower the opportunity cost for starting up on-farm activity. Therefore the reservation cost for starting agri-tourism is lower than in Hiroshima. For new entrants the opportunity cost is even lower because they do not have a job, yet. Thus, they tend to realize full-time on-farm employment and their sunk cost for agri-tourism becomes higher. We consider that this difference of reservation costs for a new business is an important economic reason as to why the two areas differ. The Umbrian case thus can be effective for new entrants in Japan due to their lower reservation cost for the new job on-farm.

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Biographical Sketch

Yasuo Ohe is Associate Professor at Chiba University, Japan. Adriano Ciani is Associate Professor at the University of Perugia, Italy. The authors are conducting joint research work on the subject of rural tourism since 1993. This paper is an output of this joint research.

