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RESEARCH REPORT



AGRO-TOURISM DEVELOPMENT IN FARMING COMMUNITY: OPPORTUNITIES AND CHALLENGES

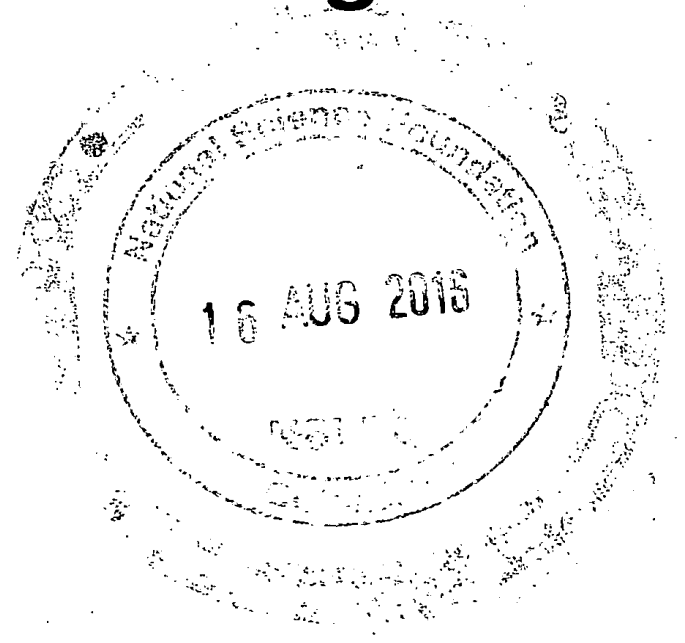
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Agro-Tourism Development in Farming Community: Opportunities and Challenges

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FOREWORD

Agro-tourism has become a widely accepted alternative form of tourism which links the agriculture sector with the tourism sector and provides opportunities for the rural community to enhance their income. Hence many developed and developing countries have embarked on agro-tourism as a successful strategy for rural development at present.

Even though Sri Lanka is predominantly an agricultural country, the agro-tourism industry is not a popular and an established practice in Sri Lanka. Therefore, the potential benefits are yet to be achieved.

Linking agriculture with other sectors of the economy is important in many aspects particularly in acquiring the best possible benefits of other emerging opportunities. As such, integration of agriculture and tourism would create a win-win situation for both sectors. Therefore, development of agro-tourism as a niche tourism activity would positively open up new income avenues for farmers. This would lead to reinforcing rural development by optimum utilization of agricultural and other rural resources. Therefore, when considering the conceptual and practical value of agro-tourism to the country, investigating opportunities and challenges of this concept is significant and necessary.

This study has mainly focused on the potentials of developing agro-tourism in the farming community by analyzing the prevailing opportunities and challenges. Undoubtedly the findings of this research and recommendations would be helpful for policymakers to popularize agro-tourism among the farming community as an alternative income source.

Haputhanthri Dharmasena
Director

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EXECUTIVE SUMMARY

Agro-tourism has become an increasingly popular concept across the world as it provides a specific focus to diversify income generating activities for farmers, ultimately leading to rural development. Although, there are various forms of activities and resources linked with the agricultural sector towards agro-tourism, it has not been captured adequately in Sri Lanka. Since the tourism sector has been emerging as one of the key economic contributors of the country, a link between tourism and agriculture would be mutually complementary for both sectors while rendering potential benefits to the rural farming community. Therefore, this study was carried out to examine the potentials of agro-tourism in Sri Lanka focusing on opportunities and challenges in developing agro-tourism as a source of supplementary income for the farming community. The study was conducted in Matale and Nuwara-Eliya districts and it was mainly based on the primary data collected through focus group discussions, key informant interviews and case studies.

Diversified and authentic nature of traditional agricultural activities, farmers' interest and willingness to engage in agro-tourism by taking responsibility and ownership of such activities, availability of human resources, natural attraction associated with agriculture, and the presence of agriculture centered rich cultural and rural activities were identified as the key strengths and common opportunities for agro-tourism development of the country. As revealed, though agriculture and tourism sectors have been well established in the same area, convergence of these two sectors as agro-tourism was observed only in few cases. Except for few farmers who had direct linkages with the tourism sector, the farmers' involvement in agro-tourism activities was minimal. Further, these agro-tourism activities have been limited to only a few activities and were not adequately linked with many of agricultural activities occurring in the rural community.

According to study findings, challenges and issues which restrict farmers' access to agro-based tourism activities vary from policy level to farmer level. The absence of proper initiatives at policy level targeting the promotion of direct participation of farmers in agro-tourism has hindered the growth of the industry, despite being one of the most decisive strategies for popularizing agro-tourism. Lack of support from responsible organizations, unaffordable capital cost, lack of established linkages, lack of awareness, inadequate facilities to provide a satisfactory service to the tourists, lack of manpower training, marketing gaps and poor entrepreneurial behavior of farmers were among the major challenges and issues in developing agro-tourism in the farming community. Traditional and unique agricultural activities, authentic Sri Lankan cuisine and culinary arts, rural livelihood-based accommodation, possibility of using value added products, local handicraft and cottage industries, cultural events, activities and traditions are among the most promising activities that can be linked with agro-tourism industry, as revealed in the study.

There are possibilities to gain manifold benefits for the farming community by engaging in agro-tourism with the right approach. Therefore, it is recommended to promote agro-tourism among the farming community as a policy level initiative together with national agriculture and tourism development programmes as a collaborative effort with relevant stakeholders. Adequate attention should be paid to agro-tourism activities and product development, considering locally available resources to reap maximum benefits and there should be clearly defined products and services. Since farmers' awareness on agro-tourism activities is vital to achieve the best outcomes, actions should be taken to provide proper awareness, training and guidelines on the agro-tourism industry to farmers as well as other relevant officials. Strong supply chains and dependable networks should be built between the tourism industry and the farming community with the participation of responsible government bodies. It is also recommended to formulate context-specific agro-tourism standards and guidelines which are in line with international agro-tourism standards in order to establish high quality and sustainable agro-tourism operations.

CONTENTS

	Page No.
FOREWORD	i
ACKNOWLEDGEMENTS	ii
EXECUTIVE SUMMARY	iii
CONTENTS	v
LIST OF TABLES	Vii
LIST OF FIGURES	vii
LIST OF ABBREVIATIONS	viii
CHAPTER ONE	
Introduction	1
1.1 Background to the Study	1
1.2 Research Problem	2
1.3 Objective	2
1.3.1 Specific Objectives	2
1.4 Study Area	3
1.5 Methodology	3
1.5.1 Data Collection Methods	3
1.6 Limitations of the Study	4
CHAPTER TWO	
Agro-Tourism: Concept and Application	5
2.1 Introduction	5
2.2 Definition of Agro-Tourism	5
2.3 Difference between Agro-Tourism and Other Alternative Forms of Tourism	6
2.4 Advantages of Agro-Tourism Activities for Farming Community	8
2.5 Agro-Tourism Generated Business Opportunities	10
2.6 Decisive Factors for Establishing and Developing Agro-Tourism Ventures	12
2.7 Agro-Tourism Development Efforts in Sri Lanka	13
2.8 Agro-Tourism Development Experiences of Some Other Regional Countries	13
2.8.1 Agro-Tourism in Taiwan	13
2.8.2 Agro-Tourism in Philippines	14
CHAPTER THREE	
Opportunities for Agro-Tourism Development	15
3.1 Introduction	15
3.2 Opportunities for Agro-Tourism Development in Farming Community in Study Area	15

3.2.1	Agro -Tourism Opportunities in Malettewa	15
3.2.2	Agro -Tourism Opportunities in Kumbukkadanwela	16
3.2.3	Agro -Tourism Opportunities in Ambewela	17
3.2.4	Agro -Tourism Opportunities in Pattipola	17
3.3	Stakeholder Perspectives on Opportunities for Agro-Tourism Development	18
CHAPTER FOUR		
Existing Agro-Tourism Practices in Study Area		23
4.1	Introduction	23
4.2	Existing Agro-Tourism Practices	23
CHAPTER FIVE		
Potential Agro-Tourism Activities among Farming Community to Improve their Livelihoods		29
5.1	Introduction	29
5.2	Possible Agro-Tourism Activities in Farming Community in Study Area	29
5.3	Potential Benefits of Agro-Tourism for Farming Community	32
CHAPTER SIX		
Major Challenges and Issues in Agro –Tourism Development		33
6.1	Introduction	33
6.2	Major Issues and Challenges in Agro-Tourism Development in Farming Community	33
6.2.1	Challenges and Issues in Agro-Tourism Development in Malettewa	33
6.2.2	Challenges and Issues in Agro-Tourism in Kumbukkadanwela	34
6.2.3	Challenges and Issues in Agro-Tourism in Ambewela	34
6.2.4	Challenges and Issues in Agro-Tourism in Pattipola	35
6.3	Stakeholder Perspectives on Challenges and Issues in Agro-Tourism	37
CHAPTER SEVEN		
Major Findings, Conclusion and Recommendations		43
7.1	Major Findings	43
7.2	Conclusions	44
7.3	Recommendations / Policy Implications	45
7.3.1	National Level Initiatives for Agro-Tourism	45
7.3.2	Awareness, Training and Skills Development on Agro-Tourism	45
7.3.3	Agro-Tourism Activities and Product Development	46
7.3.4	Formulate Agro-Tourism Standards	46
7.3.5	Build Network, Marketing and Publicity	46
7.4	Further Research	46
REFERENCES		47
Annex 1		51

LIST OF TABLES

		Page No.
Table 2.1	Different Forms of Alternative Tourism	6
Table 2.2	Agro-Tourism Activities	7
Table 3.1	Major Sri Lankan Handicraft with Links to Agro-Tourism	19
Table 3.2	Possible Stakeholder Contribution in Agro-Tourism Development in Farming Community	22
Table 5.1	Major Possible Agro-Tourism Activities and Suggestions for Minimizing Gaps (according to views of farmers and other relevant stakeholders)	30
Table 6.1	Major Issues and Challenges in Developing Agro-Tourism in Each Study Location	36

LIST OF FIGURES

		Page No.
Figure 2.1	Advantages of Agro-tourism for Rural Community	10
Figure 2.2	Agro-Tourism Generated Business Opportunities for Farmers and their Household Members	11
Figure 3.1	Key Opportunities for Agro-Tourism Development in Farming Community	21
Figure 4.1	Advantages and Drawbacks of Existing Agro-Tourism Activities	28
Figure 5.1	Major Potential Benefits of Agro-Tourism for Farming Community	32
Figure 6.1	Major Issues and Challenges in Agro-Tourism in Different Stakeholder Groups	40
Figure 6.2	Major Issues and Challenges in Agro-Tourism and Its Negative Impacts on Farmer Level Agro-Tourism Development	42

LIST OF ABBREVIATIONS

GN	Grama Niladhari
COA	Council of Agriculture
DOT	Department of Tourism
DS	Divisional Secretariat
FGD	Focus Group Discussion
GATT	General Agreement on Tariffs and Trade
NT\$	New Taiwan Dollar
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNWTO	United Nations World Tourism Organization
WTO	World Trade Organization

CHAPTER ONE

Introduction

1.1 Background to the Study

Tourism industry is one of the leading and fastest growing economic activities around the world, which brings numerous benefits for the host country stimulating various income generating opportunities. Therefore, many countries make efforts to promote tourism as part of their economic development process through earning foreign exchange without exports, accelerating regional development and increasing the level of income generating activities. However, to derive benefits of tourism in real terms, the benefits should remain with the local community. In most of the developing countries, rural community receives lesser benefits from tourism due to poor level of tourism investments and promotions focusing them. In this context, many development practitioners have paid their attention to the agro-tourism concept and its application with the intention of developing living standards of rural farming communities along with the growing demand of the tourism industry.

The concept of agro-tourism is still new to the country. However, it is popular among tourists all over the world. At present, agro-tourism is a well established practice in many of the developed countries as an alternative income source for the rural farming community. It is also being practiced in many regional countries such as Thailand, Malaysia, India, Nepal, Bhutan and Indonesia providing numerous benefits to the rural community. In these countries agro-tourism has become an important part of agriculture and rural development, mainly focusing on improving livelihoods of the rural farming community at policy level.

Although, agro-tourism is yet to be developed in Sri Lanka, the country has favourable conditions to reap the advantages of agro-tourism. Sri Lanka is predominately an agricultural country and on the other hand tourism is one of the fast growing sectors in Sri Lanka at present. Especially, after the end of war that prevailed for about three decades, a conducive environment has been created for tourism which is greatly complimented by the country's rich natural and cultural endowments. As a result, tourist arrivals have increased significantly. In 2012, it surpassed the record number of 1,005,605 tourists' arrivals out of which 74 percent visited for the purpose of pleasure (Sri Lanka Tourism Development Authority, 2012). *Mahinda Chinthana*, the Development Policy Framework of the Sri Lankan Government also emphasized the importance of having a sustainable tourism development strategy where agro-tourism could play a significant role. Community based tourism and tourist villages are to be promoted by the tourism development strategy (2011-2016), to increase value change in tourism based activities which are linked with rural economy, harvesting seasons, wildlife, farming practices, art, culture and religion. Such plans are based on local community participation which creates positive grounds to develop agro-tourism.

In this context, Sri Lanka is in a position to take advantage of agro-tourism, which can be considered as an effective and reachable alternative practice to enhance economic and social well-being of the rural farming community, which could lead to rural development ultimately. Thus, the objective of this study is to identify the opportunities and challenges for developing agro-tourism in the farming community in Sri Lanka as an alternative income source for them.

1.2 Research Problem

In Sri Lanka majority of the population lives in rural areas and most of them engage in agricultural activities as their main livelihood. However, considerable numbers of household members in agrarian community are struggling with various socio-economic issues such as insufficient income generation, underemployment, indebtedness, poor living standards and lack of economic and social security. Hence, there is a felt need to identify new directions of income generation activities for the farmers, which go together with new opportunities to ensure the social and economic well-being. As agriculture is the main livelihood of the rural people, the agricultural sector should adequately focus on the potentials of building linkages with other segments of the economy.

Although there are various kinds of activities and resources linked with the agricultural sector to be utilized for agro-tourism, it has not been captured adequately in Sri Lanka particularly, when compared to other regional countries. Since the tourism sector has been emerging as the leading economic contributor of the country, a link between tourism and agriculture would be complementary for both agriculture and tourism sectors. However, the country has not utilized these linkages to obtain maximum benefits of agro-tourism as a successful strategy for creating alternative sources of income for the rural community including farmers.

1.3 Objective

The overall objective of this study is to examine the potentials of agro-tourism development as a source of supplementary income for the farming community.

1.3.1 Specific Objectives

1. To identify opportunities for promoting agro-tourism among the farming community.
2. To examine the current situation of agro-tourism in the farming community and possible agro-tourism activities to improve their livelihoods.
3. To find out challenges and issues in the development of agro-tourism among farmers in the present context.
4. To make recommendations to promote agro-tourism in the agrarian community.

1.4 Study Area

This study was conducted in Nuwara-Eliya and Matale districts and these districts were selected considering two reasons. Firstly, these districts are among the major tourism destinations in Sri Lanka, especially for eco and cultural tourism which has close linkages with agro-tourism. Secondly, these districts are among the major agricultural production areas in the country and agricultural activities are greatly diversified in these areas. From these districts, four Grama Niladhari Division (GN) divisions were selected for case studies considering the potentials for agro-tourism with the initial discussions conducted with relevant officials. Three indicators were used to select the study locations, namely, proximity to tourism attractions, natural, cultural resources and attractiveness, and agricultural resources and farming practices. The selected GN divisions for the case studies were Malettewa and Kumbukkadanwela in Matale District and Pattipola and Ambewela in Nuwara-Eliya District.

In Matale District, Malettewa GN Division is situated close to the ancient and famous Sigiriya rock and Kumbukkadanwela is situated in between Dambulla and Sigiriya area and still contains the features of traditional Sri Lankan village. In Nuwara-Eliya District, Pattipola and Ambewela GN Divisions are not traditional villages with a long history since the first inhabitants of the village had obtained lands under the settlement scheme during 1969 -1987. Most lands were given away on title deeds or permits by successive governments. Livelihood of the people in all the study areas is based on agriculture. In addition, there is plenty of tourist attractions in and around the villages.

1.5 Methodology

Both primary and secondary data collection methods were used to gather data. Key informant interviews, focus group discussions, case studies and direct field observation methods were used as the tools of primary data collection. It gathered views of different stakeholders such as national and district level administrative officers in agriculture and tourism sectors, hoteliers, tour operators, agriculture instructors, community leaders, agricultural research and production assistants, grama niladaries and members and office bearers of community based organizations including farmer organizations. The key informants' interviews were conducted to obtain their views, suggestions and extensive information on opportunities and challenges in developing agro-tourism in the farming community and to verify other field information gathered.

Farmer level information was collected using focus group discussions to identify their capacity and resources to develop agro-tourism, available opportunities, challenges and issues to carry out agro-tourism in farmer level. Present agro-tourism and related activities, farmer perception on agro tourism, possible agro-tourism activities/products and potential benefits of agro-tourism were also identified according to farmer perspectives through the focus group discussions. In addition,

case studies were used to gather and analyze data on the current situation of agro-tourism activities.

Secondary information was collected from published and unpublished reports and online sources, including reports and publications of government and international organizations such as the Ministry of Agriculture, Ministry of Industrial Development, Ministry of Tourism and United Nations World Tourism Organization (UNWTO).

1.6 Limitations of the Study

This study was limited to two districts in Sri Lanka with a focus on four case study areas. Qualitative data collection methods were used to gather data. Therefore, findings of the study were based only on the analysis of qualitative data. Quantification of the economic benefits of the agro-tourism was challenging due to data unavailability.

CHAPTER TWO

Agro-Tourism: Concept and Application

2.1 Introduction

This chapter provides an overview of the concept of agro-tourism by reviewing the existing literature. It also briefly explains the present situation of agro-tourism industry in Sri Lanka and agro-tourism development initiatives of some regional countries.

2.2 Definition of Agro-Tourism

Agro-tourism is defined by many scholars in different means. The simple meaning of agro-tourism is “the act of visiting a working farm or any agricultural, horticultural, or agribusiness operation for the purpose of enjoyment, education or active involvement in the activities of the farm operation” (Lobo, n.d.). The concept of agro-tourism is also viewed as “any agricultural operation that caters directly to the general public with retail sales and/or the provision of services, involving food, fiber, flowers, trees, shrubs, and other farm products and conducting sales at the production location” (Che et al., 2005, p. 227). The definition mainly focuses on various kinds of agricultural operations and products which involve agro-tourism. Kizos & Iosifides (2007, p. 63) also define agro-tourism as “Tourist activities of small-scale, family or co-operative in origin, being developed in rural areas by people employed in agriculture”, indicating more specific traits of agro-tourism.

Agro-tourism is also identified as an alternative enterprise which could use agricultural resources in multiple ways. According to Maetzold (2002), agro-tourism is an alternative enterprise that links with value added or non-traditional agricultural products and marketing. Then farmer or rancher as an entrepreneur can obtain a larger share of income with diversified activities. This idea has focused on agro-tourism in the view of an alternative business and a marketing opportunity.

However, the concept of agro-tourism has close links with some other disciplines related to agriculture and rural life. Accordingly, Virginia Low has defined agro-tourism as, “any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, ranching, historical, cultural, harvest-your-own activities, or natural activities and attractions” (Schilling et al., 2006, p.8 as cited in Virginia Low Senate Bill 38).

Most definitions have highlighted that agro-tourism is different from mass tourism and emphasized on individual or small group approach. The concept of agro-tourism also focuses on sustainability, together with environmental, economic and social well-being of the rural farming community. However, based on the above definitions, this study considers agro-tourism as any farm based tourism activity that

provides visitors to recreational and educational experience linking with farming, rural, natural, cultural activities and attractions which also creates opportunity to farmers to sell their products and share their experiences, since it provides a more holistic idea on agro-tourism.

Table 2.1: Different Forms of Alternative Tourism

Rural Tourism	“Rural tourism can be defined as “the country experience which encompasses a wide range of attractions and activities that take place in agricultural or non urban areas” (Ilrshad, 2010, p.5) According to Lane (1994, p.14), Rural tourism should be, located in rural areas, functionally rural, rural in scale (usually small-scale), traditional in character, growing slowly and organically, and connected with local families, of many different kinds representing the complex pattern of rural environment , economy, history and location.
Community Based Tourism	Community based tourism focuses on more sustainable tourism industry with the involvement of host community in planning and maintaining tourism development (Hall, 1996)
Eco-Tourism	Ceballos-Lascurain,(1987, p.14),defines eco-tourism as “Traveling to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring, and enjoying the scenery and its wild plants and animals, as well as any existing cultural manifestations (both past and present) found in these areas”.
Cultural Tourism	The concept of cultural tourism has developed alongside cultural heritage, and it is defined as “a genre of special interest tourism based on the search for and participation in new and deep cultural experiences, whether aesthetic, intellectual, emotional or psychological” (Stebbins, 1996, p.948).
Culinary/ Gastronomy Tourism	Culinary tourism is numerous food and beverage related tourism activities. “Culinary tourism includes any tourism experience in which one learns about, appreciates, and/or consumes food and drink that reflects the local, regional, and national cuisine, heritage, culture, tradition, or culinary techniques.” (Murray, 2008, p.3 as cited in Ontario Culinary Tourism Alliance (OCTA)

2.3 Difference between Agro-Tourism and Other Alternative Forms of Tourism

In mass tourism a large number of people are looking for holidays in popular resort destinations. Alternative tourism is different from mass tourism and it creates possible grounds or interactive spaces which allow tourists to become creative participants in different activities, providing benefits for host communities preserving their resources with minimum negative effects on destination areas (Smith & Eadington, 1992; Wearing & Neil, 2009). Alternative tourism is broadly defined “as forms of tourism that is made to be friendly to the environment and to respect social and cultural values of the communities, and which allow both hosts and guests to enjoy positive and worthwhile interaction and shared experiences” (Wearing & Neil, 2009, p.4). According to Carter (1993), alternative tourism encompasses small scale and locally owned activities.

It can be identified with various forms of alternative tourism concepts which have a close relationship with agro-tourism. Some of the major forms of alternative tourism activities that are closely related with agro-tourism appear in Table 2:1. Agro-tourism has some similarities and differences with other types of tourism which have been mentioned in above table. In nutshell, agro-tourism is a specific form of component of rural tourism and it has a close relationship with rural areas, countryside and a direct relationship with agriculture (Lakovidou, 1997; Joshi & Bhujbal, 2012; Gurrieri et al, 2014). The production cost of food, accommodation and recreational facilities are less in agro-tourism as farmers provide key services using existing resources (Gopal et al., 2008; Pinky and Kaur, 2014).

Although there is no fostering agreement on activities included in agro-tourism, three basic activities can be identified in agro-tourism activities. Accordingly, in agro-tourism practices, there is something to see, something to do and something to buy for visitors (Adam, 2004). Agro-tourism products and activities cater to the people seeking experience on agriculture, authentic rural lifestyle and culture (Marsden, 1999; Kizos & Iosifides, 2007). Table 2.2 shows some of the major agro-tourism activities and products under certain key categories.

Table 2.2: Agro-Tourism Activities

Farm based activities	Farm tours, participation in farming activities (pick, cut, gather or grow on your own), hay rides, horseback riding, farm tours/ farm demonstrations, stocked ponds for fishing, wine tasting and cattle rides
Cuisine and accommodation	Farm/Ranch stays, unique dining experiences Bread and breakfast, agro-catering business, organic food stuff facilities to consume farm products in the farm/ picnic areas cookery classes and cookery demonstrations
Entertainment and educational activities	Nature trails, watching wildlife, hiking, kayaking, boating, farm, museums/ heritage, fairs, festivals and special events (range from food and craft to nature, flowers, art, heritage and cultural themes)
Selling of farm products	On-farm direct sales, U-pick operations or roadside stands Off-the-farm direct sales - Farmers' markets, county and state fairs, sale in special events Direct and indirect sales of value added products
Supplementary products and activities	Sale of village based handicraft Participate in activities related to local enterprises Wildlife photography

(Compiled by authors from, Maetzold, 2002; Adam, 2004; Kizos and Iosifides, 2007; Beus, 2008)

Since, agro-tourism activities provide services considering local heritage, environment and local characteristics, agro-tourism practices may differ between countries and within a country (Kizos & Iosifides, 2007). In many European countries, agro-tourism activities consist of lodging and meals in farms (Central Okanagan Economic Development Commission, 2012). However, as stated by Corum et al., (2001), "Agro-tourism encompasses exposure to and contact with local residents,

customs, culture, and way of life, and activities in the surroundings” providing tourists a unique experience.

2.4 Advantages of Agro-Tourism Activities for Farming Community

It has been claimed that the tourism sector has less ability to contribute towards eradication of poverty in developing countries, since revenue leakages is high and the revenue received by the country is not captured by the poor as high and middle income groups obtain revenues to a great extent (Roe & Urguhart, 2001). The benefits to the local people from mass tourism activities are very limited as a considerable portion of required goods and services comes from outside the local community. As a result, a significant share of money earned from tourism is not obtained by the locality, creating significant economic leakages (Reeder & Brown, 2005). Therefore, different forms of ‘niche’ tourism emerged with the aim of minimizing the negative impact on local people and the environment and also to provide more benefits to local communities.

As an alternative to mass tourism, agro-tourism activities can benefit the local community both economically, socially and environmentally. It has become a central concept in recent debates on rural development policies, practices and initiatives. Despite the modernization of the economy, it is possible to re-discover the values of rural resources through agro-tourism. It too gives insights to adopt wider perspectives on rural development for farmers and policymakers (Ohe, 2006). In many developing countries, agro-tourism is promoted in policy level with the objective of increasing the farmer income together with improving their awareness on value of the agriculture (Songkhla & Somboonsuke, 2012)

In fact, the ultimate goal of agro-tourism is increasing the income of the farm by providing visitors with recreational and educational facilities with proper planning and execution. Agro-tourism provides reciprocal benefits to both agriculture community and its visitors. It has merged elements of agriculture and tourism through the concept of agro-tourism by providing new profitable markets, services and travel experience to large regional markets. It allows agriculture diversification and helps boost the socio-economic condition of rural areas, create income generating activities and provide market facilities to sell the rural products as an innovative activity (Wicks & Merrett, 2003; Das & Rainey, 2008). Agro-tourism helps farmers to remain with farming activities constantly and at the same time enhances the quality of life of their families through earning extra income (Ochterski & Roth, 2008).

Particularity, agro-tourism has been identified as an entrepreneurial operation. It provides an opportunity to sell the “experience” of the agricultural venue by utilizing optimum resources in a productive way. Value can be added by providing different activities related to agriculture and rural setting. Basically, value can be added by product diversification and increasing profit potential through specialized production, packaging, and marketing. Value-addition is also providing various services or experiences with a particular product or mode of production, such as

direct sales. (Wicks & Merrett, 2003; Beus, 2008; Hatch, 2008; Burr, 2011) Through direct sales marketing, producer is given the opportunity to sell their products to the consumer without interfering the traditional market chain that would provide higher returns for their products (Wicks & Merrett, 2003; Schilling et al., 2012).

Agro-tourism is promoted as a tool to preserve agriculture resources in a strategic manner. It was also claimed that the potential role of agro-tourism activities may lead to optimum utilization of agricultural resources. However, in the sense of interaction, agriculture and agro-tourism may also complement each other in terms of the use of agricultural resources such as land, labour and capital (Songkhla & Somboonsuke, 2012).

Agro-tourism is included as a means in rural development. In this process many agricultural sources within farm such as accommodation, meal, water, labour, space which are not applied in the process of agricultural production are offered in varying activities of agro-tourism in order to create additional income for farmers. Therefore, this advantage raises the policy of agro - tourism promotion, especially in developing countries (Jenkins and Hall, 1998; Songkhla & Somboonsuke, 2012).

According to some views, green agriculture is one of the main prospects of promoting agro-tourism (Ceballos-Lascurain, 1987). This could occur in a different way. Accordingly, farmers tend to develop rural agriculture to create their farms as tourist attractions by reducing outside inputs such as pesticides and chemical fertilizer and use local natural agricultural inputs. Therefore, farmers are concerned about protecting natural and environmental resources as they are benefited from those resources (Songkhla & Somboonsuke, 2012). There is immense potential to protect environment and reduce poverty by taking the advantage of biodiversity assets through tourism. There are possibilities to increase the public appreciation of environment and enhance the awareness of the environmental issues which strengthen the relationship between people and the environment with tourism (United Nations Environment Programme & World Tourism Organization, 2012). In this sense agro-tourism has direct linkages with sustainable tourism which promotes the environmental quality, minimize adverse economic, ecological and socio-cultural impacts, and provides recreational and educational experience for visitors.

The following figure (Figure 2.1) shows the major advantages that can be derived by the rural community including farmers due to agro-tourism operations. However, benefits to the farming community from agro-tourism depend on how and the extent to which they can engage in agro-tourism activities. In summary, agro-tourism can be developed as an alternative enterprise and capture the niche tourism market in order to provide multiple benefits to the farming community.

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Diversification of income generating activities ▪ Creating niche markets for rural products ▪ Creating employment opportunities ▪ Provide supplementary income ▪ Expand business opportunities ▪ Develop locally owned enterprises and provide additional markets for those products ▪ Increasing the long-term sustainability of farm businesses ▪ Job retention ▪ Cash flows in off season ▪ Attract the investors | <ul style="list-style-type: none"> ▪ Entry of foreign currency (through value addition) ▪ Enhance skills and capacities ▪ Enhance recognition and respect ▪ Poverty reduction ▪ Enhance living standards ▪ Enhance household food security ▪ Increase household spending ▪ Infrastructure development ▪ Clean surrounding of village /farms due to continuous maintenance ▪ Reduce migration from rural areas ▪ Encourage other types of development ▪ Strengthen village based organizations |
|---|---|



Advantages of Agro-Tourism



Maintenance and Development of Agricultural, Environmental and Cultural Resources

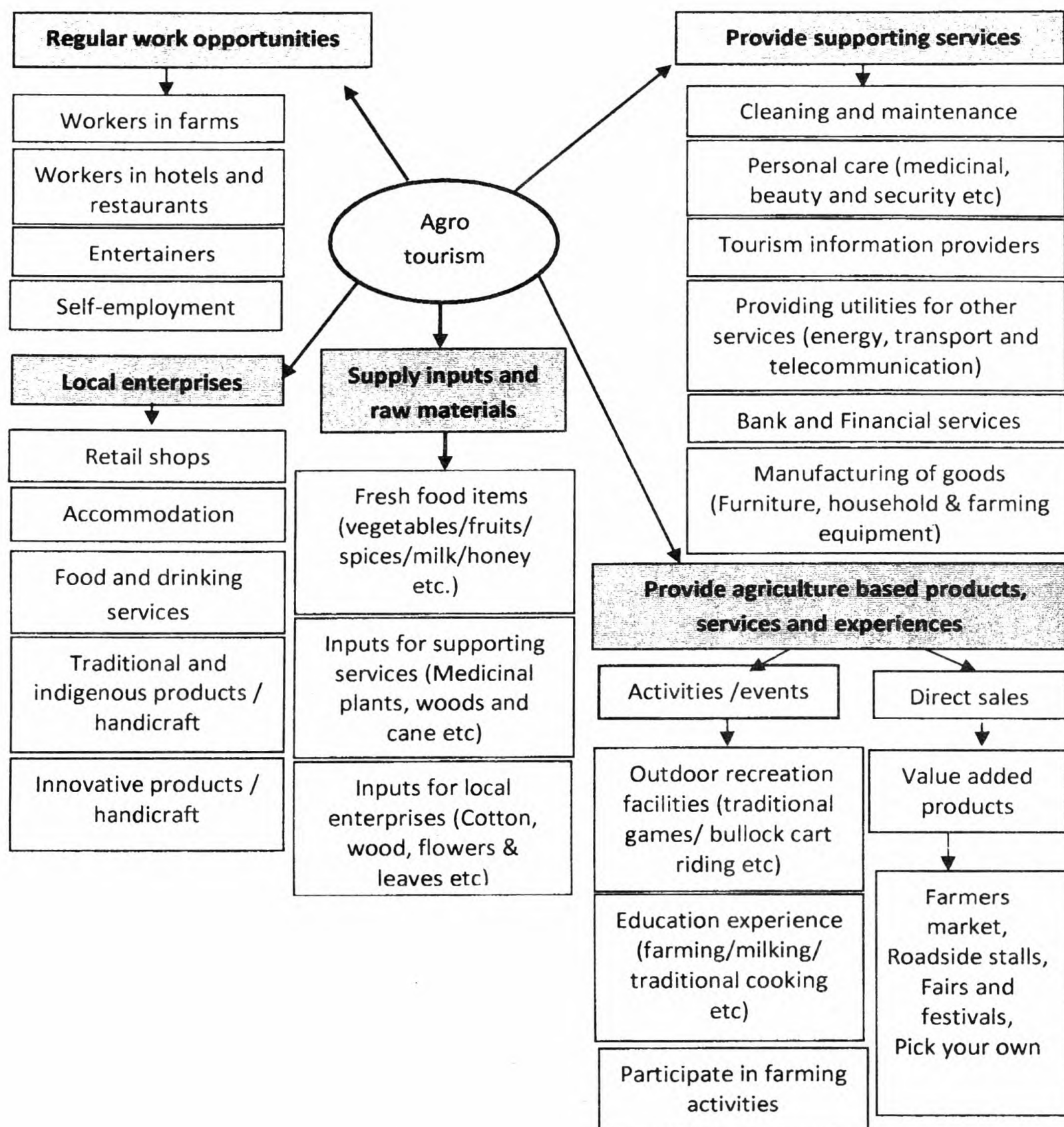
- | |
|---|
| <ul style="list-style-type: none"> ▪ Optimum utilization of agriculture resources ▪ Diversification of agricultural activities ▪ Reduce the use of outside agriculture inputs (chemicals and fertilizer etc.) ▪ Awareness on importance of conserving agricultural resources ▪ Preserve agriculture resources and rural agriculture. ▪ Preserve bio-diversity ▪ Enhance concern on environment ▪ Preserve wildlife ▪ Preserve traditions, norms and cultural values of the village |
|---|

(Compiled by authors from Wicks & Merrett, 2003; Beus, 2008; Burr, 2011; Schilling et al, 2012; Songkhla & Somboonsuke, 2012)

Figure 2.1: Advantages of Agro-tourism for Rural Community

2.5 Agro-Tourism Generated Business Opportunities

Developing the local tourism industry would be beneficial for many small communities that are experiencing negative effects of drastic economic changes. Poor local people can involve in different activities as employees, entrepreneurs, distributors, suppliers and retailers. Increase of wage and entrepreneurial opportunities for the people working in the tourism sector is the direct impact of tourism (Ashley et al., 2007). Due to infrastructure development, new linkages are built to enhance new business opportunities.



(Compiled by authors from Wicks & Merrett, 2003; Ashley et al., 2007; Ardahaey, 2011; Schilling et al., 2012)

Figure 2.2: Agro-Tourism Generated Business Opportunities for Farmers and Their Household Members

According to United Nations Environment Programme and World Tourism Organization (2005), tourism generates employment and business opportunities for host populations and can reduce and eliminate poverty. It can create business opportunities for local small entrepreneurs such as supply of foods and goods to the tourism sector and to support them to take advantage of growing economies and economies of scale (Ashley et al., 2007). It has also provided employment opportunities to disadvantaged groups such as women, youth and minority groups.

The Figure 2.2 shows a range of agro-tourism generated business opportunities for farmers and their household members allowing them to obtain various benefits in order to improve their income and living conditions.

2.6 Decisive Factors for Establishing and Developing Agro-Tourism Ventures

1. **Sites near Tourism Attractions / Natural Attractions:** The location of the farm, having other tourist attractions in close proximity, easy access to wildlife, streams, ponds, fishing, livestock, and close proximity to natural or man-made points of interest are important factors for initiating and developing agro-tourism (Russell, 2003). However farmers can obtain advantages of the location adopting agro-tourism strategies suitable to their location (Blacka et al., 2009).
2. **Physical Resources and Infrastructure:** The farm must be easily accessible to visitors with ample parking facilities and infrastructure including accommodation facilities (Kuehn et al., 1998). Availability of sufficient land facilities, characteristics of the landscape, availability of a pollution free environment to the tourists with clean surroundings, availability of sufficient space and shelter, a growing share of thematic products (for example wine roads, cycling and walking routes, etc,) and possibility to engage in different sports activities are also important for agro-tourism ventures (Russell, 2003; Kumbhar, 2009).
3. **Safe and Clean Environment and Sanitary Facilities:** The farm needs to be attractive, safe and clean. Sanitary facilities should be available in the farm, including toilets, restrooms, and emergency medical care, first aid facilities and personal security (Maetzold, 2002).
4. **Strong Networks and Partnerships:** Especially support and participation of local government and tourism sector stakeholders is necessary to initiate and develop agro-tourism (Maetzold, 2002).
5. **Marketing Opportunities and Marketing Plan:** A market plan should include a good analysis of potential markets and customer needs in order to develop business objectives based on an evaluation of current supply and demand in the agro-tourism market (Kuehn et al., 1998; Russell, 2003)
6. **Human Resource:** Human resources will be greatly affected by the new agro-tourism business. The favorable gender structure of agricultural population, education of the agricultural population and hospitality should be taken into consideration (Russell, 2003).
7. **Diversification of Activities:** It is better to have different types of crops to start agro-tourism activities such as fruits, maize, sugarcane, groundnuts, flowers and vegetables. Further different types of facilities such as accommodation, meals and outdoor recreational facilities to attract visitors should be available (Russell, 2003).
8. **Skills and Awareness:** Social skills are almost certainly one of the most important factors for agro-tourism. Entrepreneurs involved in agro-tourism should be “people” who enjoy having people in their homes. They need to have the ability to promote their farms and positively interact with the guests. (Russell, 2003).
9. **Government Incentives, Directions and Institutional Support:** One of the most important factors to establish a successful agro-tourism industry is policy level initiatives together with the support of responsive institutions. For instance,

European Union countries supported developing agro-tourism industry for rural farmers through their rural development policies (Holden & Fennell, 2012).

2.7 Agro-Tourism Development Efforts in Sri Lanka

Agro Technology Parks are established by the Department of Agriculture with the objectives of agriculture extension, education and agro-tourism in Sri Lanka. The first Agro-technology Park was formed in Gannoruwa in the Kandy district. The second Agro-technology Park was established in the Hambantota district adjoining Bataatha government farm (Department of Agriculture, 2014). In these agricultural farms, agricultural activities ranging from hi-tech agriculture to traditional agriculture are demonstrated for the visitors. It also strongly focuses on dissemination of information to farmers, school children and the general public, provides education and training mechanism, demonstrate the recommended crop varieties and technologies and edible landscaping consisting of tropical crops (Department of Agriculture, 2014).

In addition, several private sector organizations and individuals in agriculture, travel and tourism sector have started agro-tourism activities at different levels. Windsor Park, managed by CIC group situated in a 1300 acre agriculture farm, is one of the key agro-tourism parks in Sri Lanka (CICAgri, 2014). In addition some tourists' hotels and individuals are conducting agro-tourism activities in their medium or small-scale farms.

2.8 Agro-Tourism Development Experiences of Some Other Regional Countries

Many regional countries have adopted agro-tourism as a strategy for rural development with the intention of achieving the well-being of the farming community in these countries. Taiwan and the Philippines are among the major agro-tourism destinations in the Asian region. In these countries agro-tourism activities were developed in line with government policies.

2.8.1 Agro-Tourism in Taiwan

The Government of Taiwan has adopted the development of leisure farms and leisure agriculture as an adjustment measure to overcome the agricultural production and marketing problems caused by participating in GATT and joining the WTO (Huang, 2004; Tsai, 2007). Leisure agriculture was introduced with the objectives of developing the multifunctional characteristics of agriculture and providing resorts for relaxation for urban people (Huang, 2004). It was intended to achieve effective use of farmland and effective improvement in farmers' income and living conditions (Huang, 2004; Tsai, 2007).

Initially it was focused on developing tourism orchards, leisure farms and leisure agriculture and ultimately converted them to rural tourism (Tsai, 2007). Developing tourism orchards started in about late 1970s and farmers brought up the ideas of leisure agriculture (Huang, 2004; Tsai, 2007). From early 1980s the country started

to adopt leisure farms with the support of farmers' associations and government institutions (Huang, 2004; Tsai, 2007). The Council of Agriculture (COA) introduced Leisure Farm Management Act in 1992. The Supervision Strategy of Leisure Farm was also declared in April 1999. With these actions legal and policy base for promoting more activities on leisure farms was established (Tsai, 2007). The development initiative for leisure farms is improving continually in Taiwan (Tsai, 2007).

Key features and Achievements: Most leisure farms in Taiwan are situated in attractive places. These farms consist of inclusive infrastructure facilities and provide visitors clean and comfortable accommodation facilities (Council of Agriculture, 2014).

Important leisure items on the farm include tourism, exercise, education, resting, providing food and beverages and accommodation. They also provided opportunities to purchase special agriculture products. Consumers enjoy their leisure objectives by practicing these items and related activities (Tsai, 2007; Council of Agriculture, 2014). More than 100,000 people visit leisure farms in Taiwan from Singapore and Malaysia every year (Council of Agriculture, 2014).

The total annual income in all leisure farms (indicated that there were 1,102 leisure farms) in Taiwan in 2004 was NT\$ 4,512,283,000. Average farm income was of NT\$ 4,090,000 which was higher than the income earned from the agricultural production (Tsai, 2007:8, as cited in Chen & Tuan, 2004: 11-52).

2.8.2 Agro-Tourism in Philippines

Philippines Tourism master plan was formulated in 1991 as a collaborative effort from the Philippines Department of Tourism (DoT) and United Nations Development Program (UNDP). In 2002, the Department of Agriculture (DoA) and Department of Tourism (DoT) of Philippines issued a joint circular that identified 10 agro-tourism sites in the country (Development Bank of Philippines, 2014). Minimum standards of the sites were prescribed by the DOT covering all operations and maintenance activities to guarantee visitor satisfaction (Spireresearch, 2013; Development Bank of Philippines, 2014).

Key features and Achievements: Agro tourism farms are distributed throughout the country. These farms consist of resort, accommodation, and dining components (Lesaca, 2012). The Philippines has a total of 32 agro-tourism sites, including 27 protected areas consisting of strawberry and organic vegetable farms, pineapple and coffee plantations. The country hosts various events, including farmers' field days and agricultural fairs, which are estimated to be attended by 64,000 tourists every year (Lesaca, 2012; Development Bank of Philippines, 2014).

CHAPTER THREE

Opportunities for Agro-Tourism Development

3.1 Introduction

A link between agriculture and tourism sectors in study areas is yet to be developed in order to achieve mutual benefits, particularly to uplift the rural community by minimizing value leakages. This chapter explains opportunities available for agro-tourism development with the existing resources in the farming community in each study area according to the views of farmers and other stakeholder groups.

3.2 Opportunities for Agro-Tourism Development in Farming Community in Study Areas

3.2.1 Agro -Tourism Opportunities in Malettewa

The village was popularized as a tourist attraction in the Dambulla area due to various reasons compared to other locations. Several village based tourism activities are already in practice in this area with the linkages with tourism sector providing more conducive circumstances to develop agro-tourism. Availability of star class tourist hotels, established tourism activities and tourist attractions within and in the surrounding such as the Sigiriya rock, lake, elephant riding, craft shops, archeological museum and farm fields have provided promising grounds to promote village based tourism activities. In addition, a tourism information desk is situated close to the village and information on village based tourism activities is available with this desk.

Basic requirements to conduct agro-tourism activities are available even at a certain level such as tourism exposure and infrastructure facilities. According to village based statistics, of the land about 93 acres is covered with rivers and water ways (Kiri Oya, Hurulu Ela, Kaluwagala and Galahitiyawa Lakes) enhancing the attractiveness of the village for tourism.

The total population in Malettewa is 1585 and the number of household is 462. The main occupation of most of the villagers is farming, providing opportunities for agro-tourism. Majority of agricultural activities conducted at present based on paddy and chena cultivation. In addition, dairy farming, poultry farming, beekeeping and fishing are conducted by the villagers in small scale. Major crops cultivated in this area are paddy, other field crops such as onion, finger millet, maize, low country vegetable and fruits such as papaya and banana. According to the statistics, over 200 acres of land are under paddy cultivation while another 200 acres of land are under mixed cropping. Other entrepreneurs such as retail shop owners, owners of food processing industry and carpenters are considered as resources that can be linked with agro-tourism both directly and indirectly. There are a considerable number of capital owners having own lands, tractors, three wheelers and motor bicycles which can be invested for facilitating agro-tourism activities in the village as well. As

revealed, some people have the ability to deal with foreign visitors as they have language skills. Further, some villagers are familiar with tourism activities which can be used for enhancing village based agro-tourism activities. According to statistics on tourism arrivals, around 12,000 and 8,000 foreign and local tourists visit the village annually (Village profile prepared by the DS Office in Dambulla). This creates many agro-tourism market opportunities.

More importantly, in this area several tourist hotels, tour operating companies, non-governmental organizations and tour guides have supported the local community including farmers in many ways to initiate agro-tourism activities. Basic services and facilities such as medical and healthcare, banking, service of police are available about 3 km away from the village, providing favorable grounds to agro-tourism.

3.2.2 Agro-Tourism Opportunities in Kumbukkadanwela

Kumbukkadanwela area is not much developed for tourism, yet it has certain opportunities for agro-tourism. Tourist attraction sites and tourist hotels are situated in and around the village. Kaludiya Pokuna archeological site, lakes and agriculture lands are among the major assets belonging to this village. This area still contains the features of a traditional village and traditional agricultural equipment which can be linked with agro-tourism. Dambulla cave temple, Sigiriya rock and the Sigiriya museum are situated close to the village. Further, Kumbukkadanwela is positioned in a central location that connects Dambulla, Sigiriya, Polonnaruwa and Anuradhapura areas providing location wise advantages to develop agro-tourism. Therefore, it has the opportunity to conduct both on farm and off farm agro-tourism activities including roadside stalls providing multiple benefits to the villagers.

The total population of the Kumbukkadanwela is 862. The majority of the people (Around 85 percent) are involved in farming activities as their primary livelihood and those activities are widely diversified. According to village level statistics more than 750 acres of lands are cultivated and most of lands are between 1-5 acres. Paddy cultivated extent is around 200 acres and around 534 acres of lands are under mixed cropping. These are the key assets available for developing agro-tourism within this community. Only a few villagers are engaged in self-employment activities. Among them there are reed based product manufacturers and craftsmen. In addition, there are some people who are capable and interested in producing different handicraft using local raw materials such as coconut shell, reed, wood and cane which can be linked with agro-tourism activities as rural enterprises.

The village and surrounding area consist of a precious forest cover together with a forest reserve providing a habitat for wild animals, flora and fauna. A well informed farming community and availability of adequate time to engage in agro-tourism for farmers can effectively be made use in agro-tourism. Infrastructure facilities such as roads, electricity and water are already placed in the village to a certain extent as supporting factors for agro-tourism. Essential services such as medical and healthcare, police and banking can be reached within about 3-4 km distance from the village fulfilling certain fundamental requirements for establishing agro-tourism.

3.2.3 Agro-Tourism Opportunities in Ambewela

Ambewela has a distinctive climatic condition which is not common for a tropical country and has unique agricultural activities. Total population in Ambewela GN division is around 766 and majority of villagers are engaged in farming activities. Upcountry vegetable cultivation is the most popular agricultural activity among them. In addition, fruit and floral cultivation and dairy farming are practiced by many farmers in small scale. Popular tourist attraction sites are situated in and around the Ambewela area providing a good advantage to promote village based tourism activities.

As revealed, farmers also have positive attitudes to move on to supplementary income sources as they are not engaged in farming all the time. Adequate spare time and human resources are available to engage in agro-tourism activities. The tranquil environment with rural characteristics is an added advantage to develop agro-tourism in this location.

3.2.4 Agro-Tourism Opportunities in Pattipola

The area is surrounded with popular tourism attractions such as Horton Plains National Park, Hirigalpotta Mountain, Pidurutalagala Mountain, Totupolakanda Mountain, Milco factory, New Zealand farm, Ambewela farm, herbal garden and Pattipola railway station providing a location wise advantage for agro-tourism.

Total population in Pattipola GN Division is around 1726. Over 90 percent of the employed people are engaged in agricultural based livelihood activities in this community. Farmer engagement in agricultural activities and adequate labour supply are the available resources for developing agro-tourism activities in this location. Diverse agricultural activities such as upcountry vegetable cultivation, potato cultivation, mushroom cultivation, high valued fruit cultivation, animal husbandry (dairy and poultry farming) are well established activities providing opportunities for agro-tourism development. Especially, Poultry farming has become a successful income generating activity in the recent past due to some government initiatives such as Divi Neguma. As found, bee keeping is carried out by a few farmers currently and it is possible to develop, since it goes hand-in-hand with flower cultivation. According to views of the farmers and other stakeholders, popularizing herbal farming is also a possible stream for agro-tourism. Further, villagers do not produce fruit orchards as the main income generating venture, but to earn an extra income or only for domestic consumption, However, there is a favorable environment to cultivate exotic and local fruits such as strawberries, oranges, passion fruits, lime, guava, lemon, peaches, tamarillo, locket and apples in commercial level to attract tourists for agro-tourism. Different cultivation techniques such as greenhouse farming and tissue culture which can be linked to agro-tourism are also being practiced.

There are some villagers who are engaged in self employment activities such as selling fresh flowers, flower plants, retail business, mushroom cultivation, packaging and retailing local processed food and providing home-stay facilities for tourists. The study also revealed that rural women's willingness to engage in income generating activities is an added opportunity to develop agro-tourism within this community. In this context, these assets and capacities could be placed together to derive benefits from agro-tourism.

According to these opportunities, it was possible to identify major resources favorable for agro-tourism in the study areas (Please see Annex: 1). In Malettewa, availability of prerequisites and resources for agro-tourism such as physical resources, infrastructure, safe and clean environment, sanitary facilities, networks with tourism industry, tourism activities, availability of diversified agricultural activities, community awareness, skills of the farmers and supporting services are relatively high while in Pattipola availability of those prerequisites are relatively low. A few major opportunities common to all locations are identified as well. In every place farmers were willing to be involved in agro-tourism activities and particularly there is an immense interest related to agro-tourism activities among females of rural families, since they have less opportunity to utilize their capacities and skills in the existing set-up towards generating income.

3.3 Stakeholder Perspectives on Opportunities for Agro-Tourism Development

There are possibilities to link existing resources in rural areas towards agro-tourism activities. However, key resources available for developing agro-tourism should be linked with each and every opportunity to get utmost benefits. Views were gathered from stakeholders regarding available opportunities for developing agro-tourism and major opportunities identified by them are listed below.

1. Ongoing National Level Development Programmes: The available tourism activities and proposed strategies for tourism development at national, regional and district levels have created more favorable grounds to improve agro-tourism as revealed from the key informant discussions. Agricultural development, industrial development, infrastructure development and community development programmes are some of the promising conditions for agro-tourism. For instance, *Divi Neguma*, home-stay programme, *Gama Neguma* programme, industrial production villages, craft villages and tourism zones have taken steps to develop agricultural and rural livelihoods which can be connected with agro-tourism activities effectively.

2. Traditional and Diversified Agricultural Practices: Traditional and distinctive agricultural activities such as "*kamatha*" and treehouses were identified as dominant resources available for agro-tourism within the existing rural setting which can offer an inimitable experience for tourists. Though tourists prefer unique and authentic experience on agro-tourism, it is possible to widen the horizons of agro-tourism with traditional agricultural activities together with traditional crop varieties, traditional equipment and techniques to carry out those activities. In Sri Lanka

agricultural activities have been diversified from place to place under different climatic and soil conditions. For instance, in Nuwara-Eliya, there is a potential to develop agro-tourism focusing on strawberry and pears cultivation which can generate high returns for farmers.

Table 3.1: Major Sri Lankan Handicraft with Links to Agro-Tourism

Handicraft	Major Products
Pottery	Household utensils, terracotta figures, carved and decorated vases
Wood Carvings	Wall hangings, fancy jewelry, figurines, sculpture, gift boxes, toys, educational items and wooden masks.
Metal work	Ornamental casting and pierced designs
Brass work	Oil lamps, pots, bowls, vases, wall plaques, trinket boxes ornamental ware and other household utensils
Jewelry	Stone embedded jewelry and metal jewelry
Stone based handicraft	Stone carving and stone sculpture
Lacquer work	Ornaments, walking sticks, book-ends, letter-openers and ash trays
Batik work	Dresses, wall hangings, soft toys, bed hangers, upholstery fabrics and decor items.
Cane, Bamboo and Reed Based Products	Bags, letter holders, table mats, cane furniture, mats, purses, baskets, hats, boxes, lamp shades, kitchen and household articles and screens
Lace making	Dresses, table linen, curtains, bed spreads and pillows
Other products	Hand paper products, pulp items, wood powder based products and sea shells based products

Source: Ministry of Traditional Industries and Small Enterprise Development, 2014 ; saarctourism, 2014)

3. Rural, Cultural and Natural Attractiveness: Enriched cultural and rural activities such as rural products, traditional lifestyle and rituals of rural community flavoured by agriculture are also an opportunity to popularize agro-tourism among them. Therefore, providing experience on rural culture and agricultural activities are the major potential areas to develop agro-tourism in the country.

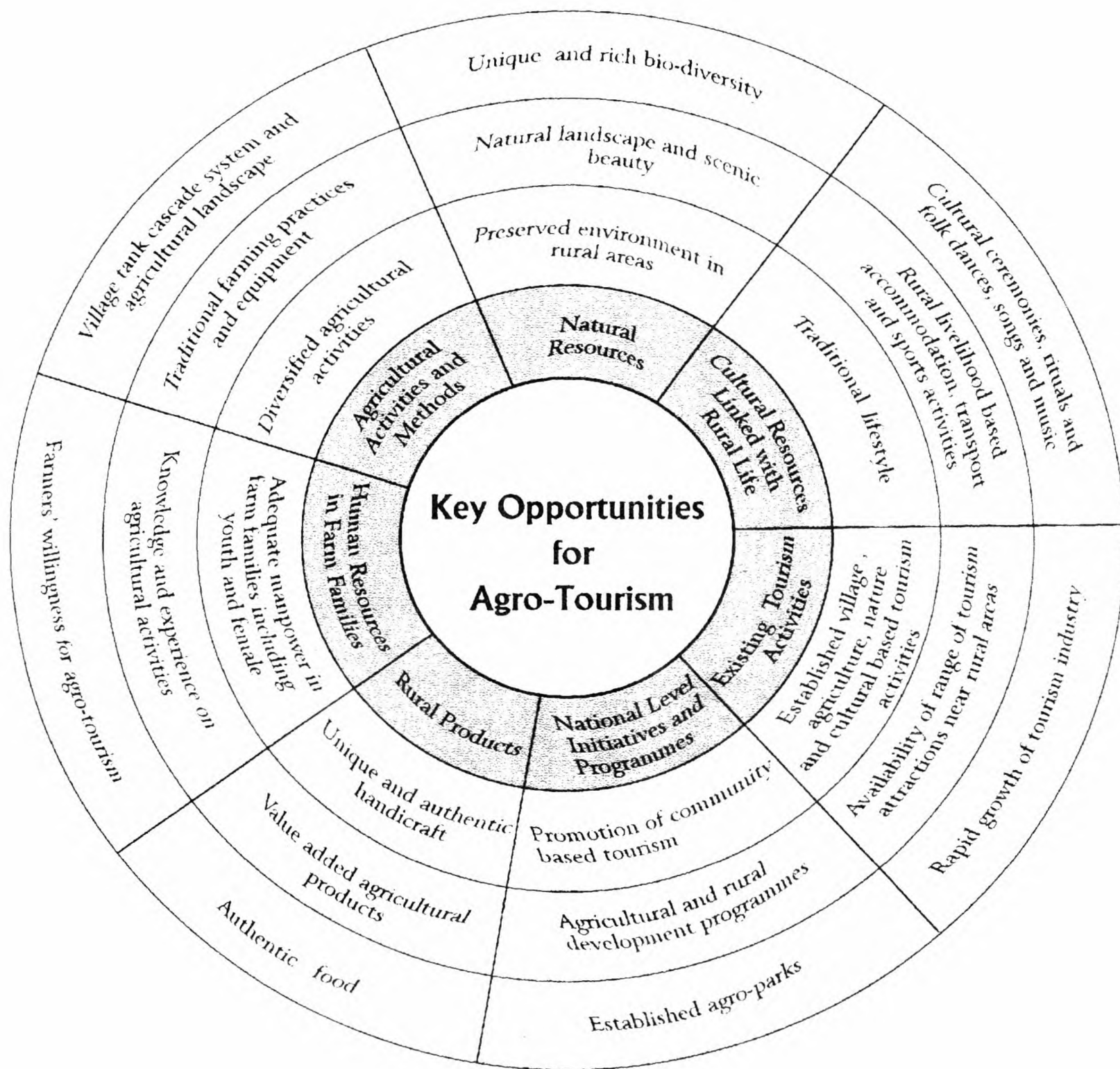
Further, natural attractions of most of rural villages are a very decisive advantage to establish agro-tourism within the farming sector, according to the views of stakeholders. The existence of wild animals ranging from elephants to butterflies, flora and fauna is part of the natural beauty of villages that can be utilized to harness the potential of agro-tourism while conserving these valuable resources.

4. Traditional Handicraft: Local handicraft made by the villagers are identified as a stream to initiate and develop agro-tourism. These traditional handicrafts (Table 3:2) can be used as a catalyst to develop agro-tourism by providing income generation means for members of farmer families. However, these products should meet the required standards to capture market opportunities.

5. Established Mass Tourism Activities in Close Proximity to Villages: Currently established tourism activities close to the farm fields help attract tourists towards village based agro-tourism activities.

6. Food Culture: The rich and traditional food culture of Sri Lanka is another opportunity to develop agro-tourism as there is an increasing demand among tourists to savour different types of food.

Figure 3:1 illustrates the major opportunities to develop agro-tourism in rural areas as found in the study. Accordingly, it identified available opportunities for agro-tourism within the farming community under seven major components.



Source: Authors' compilation based on field information, 2013

Figure 3.1: Key Opportunities for Agro-Tourism Development in Farming Community

As found, every stakeholder has a prominent role in developing agro-tourism operations. Table 3.2 illustrates possible stakeholder contribution in developing agro-tourism in the farming community.

Table 3.2: Possible Stakeholder Contribution in Agro-Tourism Development in Farming Community

Stakeholders	Possible Contribution
Public Sector	<ul style="list-style-type: none"> - Coordination of agro-tourism programmes and activities - Responsibilities in creating a favorable environment for agro-tourism activities - Provide training, awareness and skills development for farmers to conduct agro-tourism - Facilitate and provide training on agro-tourism product development - Facilitate for obtaining basic facilities (depends on the requirements and resource availability) - Facilitate crop enhancement and provision of new technology (Polly tunnels and quality crops etc.) - Facilitation and coordination of selection procedure of capable and suitable farmers for agro-tourism operations - Provide necessary infrastructure facilities: Road, water and land clearance etc. - Provide publicity on agro-tourism activities
Hoteliers and Tour Operators	<ul style="list-style-type: none"> - Build linkages with farmers and tourists - Promote agro-tourism among foreigners - Arrange and organize agro-tourism excursions - Introduce special ago-tourism packages - Provide job opportunities to members of farmer families - Facilitate selling of agro-tourism products
Farmers	<ul style="list-style-type: none"> - Coordinate agro-tourism activities with the responsibility of farmer organizations - Active participation of agro-tourism activities and allocate spare time and excess man power for agro-tourism activities - Provide existing resources in farms to conduct agro-tourism operations

Source: Authors' compilation based on field information, 2013

CHAPTER FOUR

Existing Agro-Tourism Practices in Study Area

4.1 Introduction

There are various opportunities available in the study areas to conduct agro-tourism in different levels in order to obtain potential benefits for the farming community. This chapter explains the existing agro-tourism practices conducted in study area focusing on benefits and failures of those activities.

4.2 Existing Agro-Tourism Practices

Although, agriculture and tourism sectors are well established in the study area, agro-tourism practices are not popular among farmers. Only a very few members of the agrarian community were engaged in agro-tourism even at marginal level since it is still an unfamiliar concept to the community.

The study attempted to identify the existing tourism activities performed by the farmers and the rural community in the study area. As found, current agro-tourism activities vary according to the natural, cultural and agricultural setting. Current exposure on tourism activities, type of tourists, available linkages with the tourism sector and farmers' resource availability have greatly influenced the establishment of agro-tourism activities. In study areas in the Matale district, agro-tourism activities mostly cater to foreign tourists while in Nuwara-eliya district most of those activities were offered to local tourists.

Rural tourism activities linked with agro-tourism have already been initiated in Malettewa in Matale District since this area has been exposed to the tourism operations than other areas where the study was carried out. As expressed by the hoteliers in Sigiriya area, there is a good demand for these tourism activities among foreign tourists and has prospects for further development. The tour operators and hoteliers organize village tours for foreign visitors, since tourists are eager to experience the exquisite cultural, agricultural and natural setting of rural areas. In the village tours, they are provided with opportunities to explore the village. They are provided facilities to walk through the village and the journey ends at the village lake most of the time. While walking, tourists observe the splendor of farm fields in the village. Tourists are also provided experience on rural lifestyles, authentic meals and agricultural activities. Especially foreigners are given opportunity to experience local cuisine by conducting cookery demonstrations and participate in the food preparation process. In addition, some tourists are involved in fishing in the village lake occasionally. According to the feedback provided by tourists they were highly impressed with the unique experience that they had.

In Kubukkadanwala, although there are star class hotels situated in and around the village, agro-tourism activities had not reached the community. Only a few activities related to agriculture are being practiced at present. Although a tractor service is operated by one of the hotels providing transport facilities to tourists, villagers do not receive benefits from these services as tractors are supplied by outsiders. A few farmers occasionally sell their agricultural products to tourists directly and indirectly.

Existing agro-tourism activities in Ambewela, are mainly appealing for local tourists. During the summer season, some tourists visit the farm fields and sometimes they have a chance to pick vegetables on their own which is a unique experience for them. However, according to the field observations these activities do not function on a regular basis. In addition, some farmers sell the vegetables and fruits to tourists directly or indirectly in roadside stalls, small retail shops or through intermediaries. Strawberry jam as a value added product is manufactured and sold by a few farmers while some flower growers sell the flower plants as an agro-tourism activity in small scale. Fewer villagers also provide accommodation facilities to local tourists at an affordable price during the summer season however, provision of accommodation is not established with the farm based activities.

According to the study findings, in Pattipola area some farmers rarely receive an opportunity to sell their agricultural products including vegetables, flower plants and fruits to local tourists who travel through the village. However, these activities are yet to be promoted. Despite dairy farming being one of the popular tourism activities in the area, only a few farmers sell fresh milk to tourists. In addition, some farmer groups sell mushrooms to tourist hotels using marketing linkages as there is a good demand for mushrooms among tourists mainly due to its nutritious value and the taste.

Although there are possibilities to execute a range of agro-tourism activities to widen the income generation opportunities for farmers, in the study areas agro-tourism activities performed by them were limited to a few as listed below. Further most of these activities were not well established practices within the farming community.

1. Demonstrating farmlands to tourists.
2. Opportunities to pick their own fruits and vegetables for visitors
3. Cookery demonstration on traditional meal preparation and opportunities to taste the prepared foods.
4. Provide authentic meals for tourists in a traditional rural setting
5. Village excursions to experience the wildlife, natural beauty, and agricultural activities
6. Provide accommodation facilities in village houses.
7. Direct and indirect sale of fresh farm products, value added agricultural products and handicraft.
8. Demonstrate folk dances and folk songs

However, the following case studies show how agro-tourism activities are carried out by the farming community with certain benefits and issues.

Box 1: Agro-Entrepreneur: A Success Story

Nandapala, owns five acres of land in a rural village located near the Sigiriya Rock. He is a fulltime farmer and cultivates a three acre land to eke out a living for his five member family. Various crops such as vegetables, fruits and other field crops have been cultivated in his farm using both agro chemicals and organic fertilizer. A number of tourist hotels are located in close proximity to the village providing favorable grounds to build linkages with the tourism sector. Accordingly, village trips are being arranged by tourist hotels located near the village with the purpose of providing real rural experience to the tourists.

In 2001, Nandapala, was asked to provide meals and farm based activities for the tourists by the management of a popular tourist hotel. Nandapala had agreed to the proposal as he had a satisfactory amount of resources to provide the requested services. His first involvement was provision of authentic meals, mostly using vegetable and fruits from his farm for seven tourists while meat and water were provided by the hotel. He was paid Rs. 250/- per tourist for a meal and the payment was sufficient to cover his expenses but profit margin was very less. Gradually, the hotel used to direct groups of tourists to Nandapala, which provided him an opportunity to become an agro-entrepreneur. In the meantime, he was able to build linkages with some other tourism agencies and expanded the business with his trustworthy service.

Tourist groups consisting of 2 to 35 people are visiting his farmstead time to time and majority of them are from European countries such as Netherland, France and England. About 500 tourists are visiting the particular farmstead annually. Initially he had only one small hut made of wattle and daub to provide services but when the tourist visits were increasing, he built another small hut to provide a better service. Nandapala, has ample time to engage in agro-tourism activities during the slack season. They have built a good habit of maintaining a clean but rural-traditional environment as tourists are used to visit his place constantly.

Currently, Nandapala, his wife and son are involved in activities conducted in his place and one of their relatives provides assistance in preparation of meals, when necessary. The meals are prepared mostly using the ingredients obtained from his farm. Sometimes tourists themselves harvest vegetables from the farm for preparing food. Tourists too can participate in cooking activities such as grinding *Kurakkan* (finger millet), preparing local food called '*Roti*' using ground *Kurakkan*, and de-husking the paddy. They do not manufacture anything to sell such as suvernoirs targeting the tourists, which would provide an extra income.

Currently they are paid Rs 650 – 700 per tourist per meal by the hotels. However, several tourists are used to offer money as a compliment. This amount is much higher than what they receive from the hotels (sometimes up to Rs. 4,000-5,000 from a visitor). Currently, he is a successful agro entrepreneur and has built a good image among hoteliers in the area and tour operators by providing quality services.

Box 2: Negligence of the Maintenance of Farm-Based Business: A Failure

Seetha, a female farmer, had a good agro-tourism enterprise which was established in 2002, based on three acre of farm land (*chena*). This enterprise was operated by her family with the assistance and good linkages of the tourism sector. Before she started agro-tourism activities, livelihood of the family totally depended on farming activities. They had faced many difficulties in carrying out farming activities mainly due to damages done by wild elephants as there was no electric fence around their village at that time. Seasonal losses of harvest too affected their household income and the well-being of the family.

In the meantime, head of a famous tourist hotel located near Sigiriya paved the way to start agro-tourism activities using her family owned farm and resources. Those activities mainly catered to the tourists who were interested in traditional village life and tropical agriculture. Accordingly, it was decided to build a small three storey hay sheltered wooden house on their farm. The estimated cost of the building was Rs. 135,000/-. They had to obtain a loan from a state bank since they did not have adequate financial resources to start this enterprise. Eventually, their effort became a success and the farmhouse was built with adequate facilities to meet the needs of foreign visitors. The ground floor consisted of a dining area and a small kitchen. On the first floor, there were two rooms, while on the second floor there was one room. After the farmhouse was built they were supplied 12 beds, bathroom fittings and a solar panel from the hotel as agreed. Apart from material support, they were provided awareness on conducting tourism activities, provision of services and ensuring the protection of both clients and service providers.

Provision of meals was one of the main activities done in the farm. Tropical fruits and vegetables such as manioc, pumpkin, ladies' fingers, kekiri, papaya and banana were collected mostly from the farm to serve the tourists, while meat and drinking water were supplied by the hotel. Meals were served on a lotus leaf by providing an excellent authentic food experience. Tourists also took the opportunity to experience the preparation of traditional *roti* made of *kuruakkan* (finger millet) or wheat flour since they enjoyed those foods. Bottled water was used for drinking purposes due to scarcity of quality drinking water. In addition, tourists were provided lodging facilities on the treehouse which was built in the midst of the farm. They also organized village excursions in which tourists can view the beautiful lakes, butterflies, birds, wildlife and the authentic rural life.

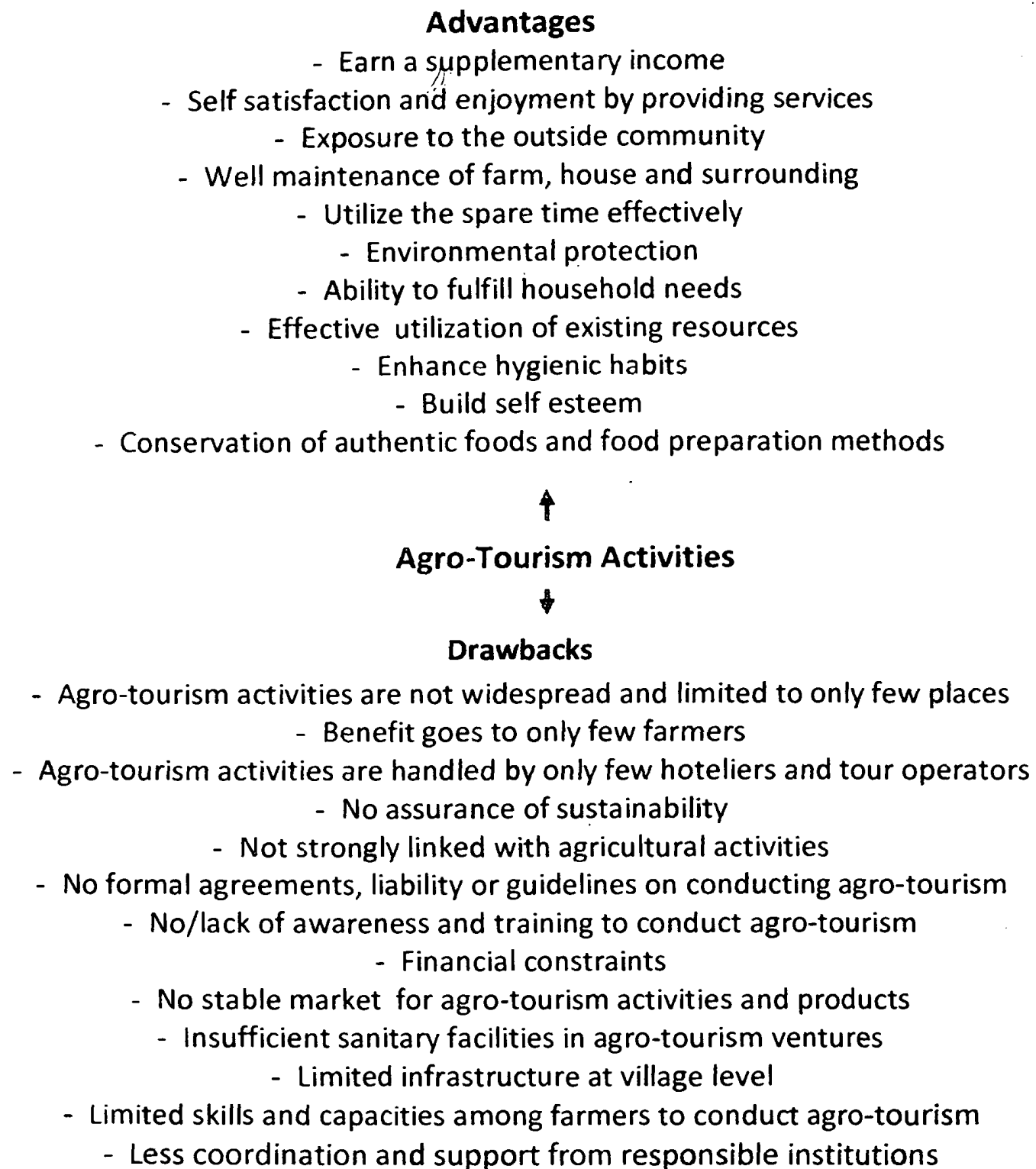
Around 500 tourists visited their farm and the farmhouse during the peak tourism season while in off peak season, around 200-300 tourists visited to have meals and accommodation. In general, around 25 tourists had visited per week on average. The cost per meal was Rs. 300/- and they earned profits by providing meals as most vegetables and ingredients were obtained from their own farm. They also sold fresh bananas to tourists and it had a good demand. Generally, accommodation facilities were provided at the rate of Rs. 1,500/- on half board basis. On average 40-50 tourists and 20 tourists were accommodated in the peak and off peak seasons respectively. Tourists those who were accommodated offered handicraft as souvenirs made using local raw materials and value added products such as bottled tamarind.

They were happily occupied with those activities and they were able to earn a better income from agro-tourism operations than farming activities. In addition to regular payment they received tips ranging from Rs.5,00 - 4,000 maximizing their profits. As a result, within a year after initiating their new endeavour, they could settle the loan in three installments. They built their own house and had purchased another tractor with the earnings of tourism activities. They provided better education to their children which Seetha considered as a great benefit.

Although, the family and the other workers received benefits, they were not concerned over maintenance of their business venture. As a result, their lodge had fallen into a serious state of decay and disrepair. Therefore, tourists were not directed by the tour operators as they have the responsibility of protection and security of tourists. In the meantime, household head left the house. Hence Seetha and her children had faced both economic and mental hardships. Under these circumstances Seetha was not able to continue their business regardless of the past success. The equipment provided from the tourist hotel was handed over as per the agreement between both parties. The resumption of agro-tourism operation would cost Rs. 450,000/- as estimated, which is not affordable in the current economic condition. At present she is doing farming as the main livelihood whilst running a bicycle hiring business where five bicycles are being hired to tourists at the rate of Rs.1500/- per bicycle for 3 days.

According to the findings, the benefits of agro-tourism were limited to a small segment of the farming community. The existing activities were systematically conducted only in certain pockets by a few farmer families. In other areas, farmers' exposure to agro-tourism was very less or negligible.

However, with the existing agro-tourism activities, various benefits and drawbacks were identified as shown in Figure 4.1.



Source: Authors' compilation based on field information, 2013

Figure 4.1: Advantages and Drawbacks of Existing Agro-Tourism Activities

CHAPTER FIVE

Potential Agro-Tourism Activities among Farming Community to Improve Their Livelihoods

5.1 Introduction

This chapter explains the possible agro-tourism activities that can be performed by the farming community in the study areas. This analysis is based on the stakeholders' suggestions and field observations. The potential benefits of agro-tourism activities are also discussed in this chapter.

5.2 Possible Agro-Tourism Activities in Farming Community in Study Area

Various types of agro-tourism activities are being conducted in many countries at present providing immense benefits to farmers and the rural community. Although exposure to agro-tourism among farmers is lacking, some of the key possible agro-tourism activities could be identified from the findings of the study. Among those activities provision of food and accommodation in the traditional method is one of the major agro-tourism activities suggested by the farming community and key informants. Provision of accommodation in farm houses, treehouses and village houses, authentic food and related activities such as demonstration of food preparation and cookery classes are among the viable activities that come under food and accommodation. Demonstrating agricultural activities could provide opportunities for tourists to participate in these activities. This is one of the key activities which have a direct linkage between the farming community and agro tourism.

There was a great concern among farmers in the study areas to perform direct sale of fresh farm products and sale of value added products, as it allows them to sell their products without intermediaries and therefore reduces marketing gaps. Agro-tourism supporting services such as provision of transport facilities using their own assets such as tractors, bullock cart and three wheelers were identified as feasible alternative income sources that can be connected with agro-tourism. In addition, village based handicraft products were among the top potential agro-tourism products as identified by the study.

A summary of the potential agro-tourism activities and suggestions for minimizing gaps in each study location appears in the table below (Table 5.1).

Table 5.1: Major Possible Agro-Tourism Activities and Suggestions for Minimizing Gaps (according to views of farmers and other relevant stakeholders)

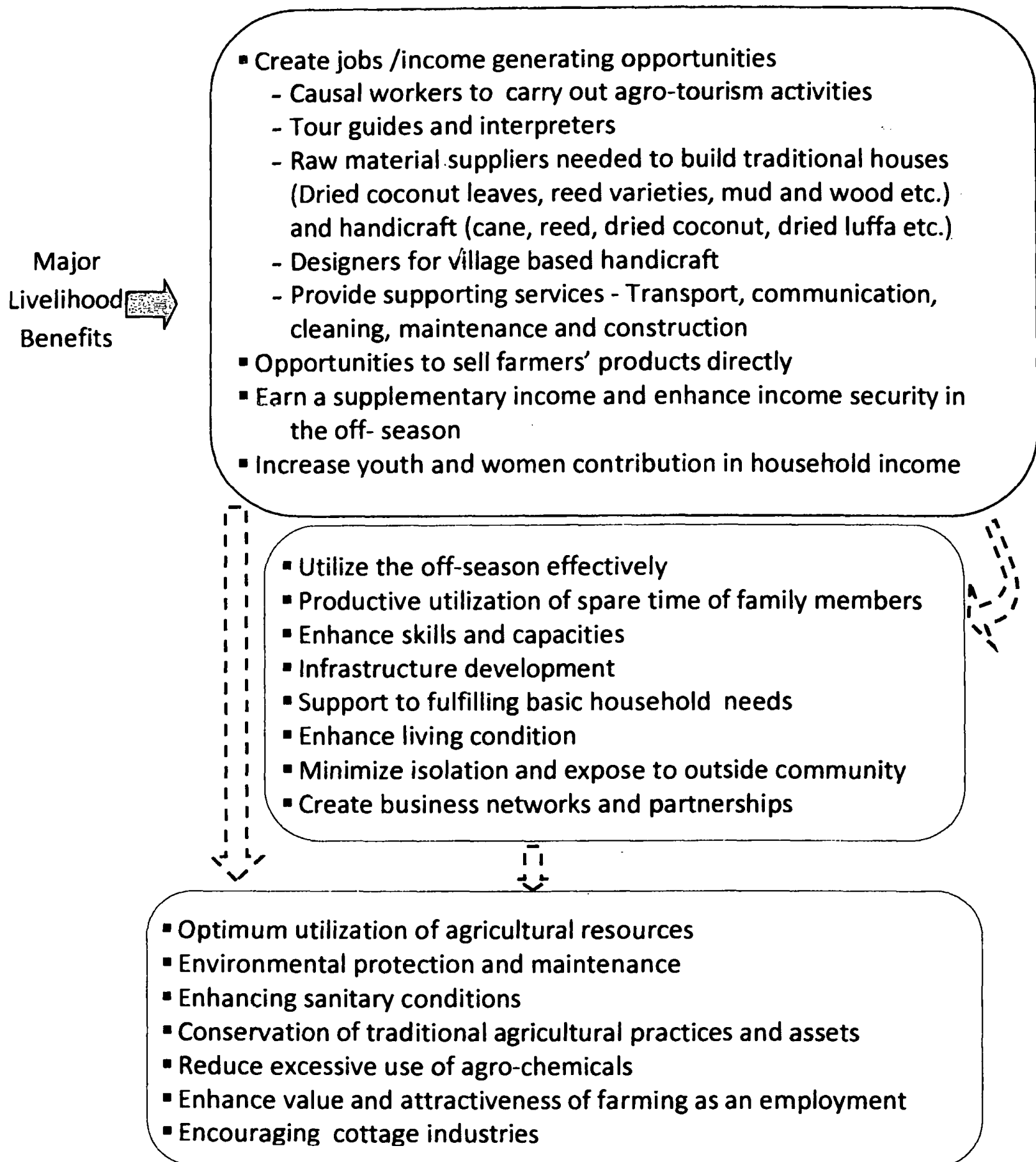
Malettewa	
Possible agro-tourism activities	<ul style="list-style-type: none"> ▪ Demonstrate and provide opportunities to participate in <i>chena</i> cultivation including farming practices ▪ Demonstrate traditional techniques of paddy farming and provide practical experience through participation. ▪ Accommodation facilities in village houses, farm houses and tree houses ▪ Demonstration of traditional handicraft/products processing ▪ Facilitating transport services using bullock-carts and tractors ▪ Nature trails linked with agriculture ▪ Provide authentic food and demonstrate how to prepare foods (Preparation of Kurakkan roti, Sri Lankan sweets, curries, rice and rice based products etc.) ▪ Provide opportunity to participate in food preparation activities
Suggestions for minimizing existing gaps and improvement	<ul style="list-style-type: none"> ▪ Renovate village lake and road system ▪ Promote rice based products and popularize traditional sweets ▪ Introduce and promote traditional rice and crop varieties (esp. banana and yams) and promote value added products related to <i>chena</i> cultivation ▪ Promote organic farming ▪ Model development for every agro-tourism activity
Kumbukkadanwela	
Major possible agro-tourism activities	<ul style="list-style-type: none"> ▪ Demonstrating <i>chena</i> cultivation and other farming practices ▪ Facilitating to participate in farming activities ▪ Direct sale of fresh farm products and value added products for travelers from Dambulla and Sigiriya and conduct on farm sales ▪ Reed/ cane based products and wood carving ▪ Produce handicraft from the coconut shell ▪ Organize traditional farm based activities such as lodging in tree houses
Suggestions to minimize existing gaps and improvements	<ul style="list-style-type: none"> ▪ Regularizing and promoting direct sales ▪ Introduce necessary remedies to prevent damages caused by wild animals ▪ Develop a suitable road network to farm fields

Ambewela	
Major possible agro-tourism activities	<ul style="list-style-type: none"> ▪ Facilitating visits to farm fields (vegetable cultivation farms, greenhouse farming, floriculture and organic cultivation etc.) ▪ Participate in farming activities : harvest vegetables, fruits and other crops ▪ Demonstrating bee keeping activities ▪ Provide accommodation facilities to tourists in village houses ▪ Direct sale of fresh farm products through roadside stalls/ a separate or central location ▪ Producing and marketing value added products: strawberry jam and marmalade etc. ▪ Producing and marketing handicraft using farm based raw materials ▪ Sale of fresh flowers.
Suggestions to minimize existing gaps and improvement	<ul style="list-style-type: none"> ▪ Establish corporate farms to conduct agro-tourism activities ▪ Establish the sales centre to sell the products near key tourist attraction sites. ▪ Establish agricultural product exhibition centre near key tourist attractions and direct tourists for agro-tourism activities through this centre. ▪ Provide irrigation facilities for agricultural activities
Pattipola	
Major possible agro-tourism activities	<ul style="list-style-type: none"> ▪ Selling fresh flowers and flower plants ▪ Organic agricultural practices and selling organic products ▪ Facilitating farmhouse accommodation (Home-stay facilities) ▪ Cultivate herbal plants and marketing ▪ Selling fresh fruits, vegetables and milk ▪ Marketing processed fruits (strawberry jam and juice etc.) ▪ Participation in agricultural activities (crop cultivation : vegetable, mushroom and fruits and dairy farming) ▪ Demonstrate bee farming activities ▪ Producing and marketing handicraft
Suggestions for minimizing existing gaps and improvement	<ul style="list-style-type: none"> ▪ Establishing a sales centre/ good restaurants/ tourism information centre in a central location ▪ Provide solutions to problems related to provincial boarder ▪ Develop a suitable road network connecting village with roads leading to popular tourism attractions ▪ Promote producing and marketing of handicraft and ornaments ▪ Provide opportunities to obtain water from accessible water sources ▪ Popularize mushroom cultivation with proper training

Source: Authors' compilation based on field information, 2013

5.3 Potential Benefits of Agro-Tourism for Farming Community

As found some of the major potential benefits for farmers that can be derived from agro-tourism are summarized in the chart below (Figure 5:1).



Source: Authors' compilation based on field information, 2013

Figure 5:1 Major Potential Benefits of Agro-Tourism for Farming Community

CHAPTER SIX

Major Challenges and Issues in Agro-Tourism Development

6.1 Introduction

Although there is potential to develop agro-tourism among the farming community with diversified activities and products, various issues and challenges restricting the farmers' access to these activities were identified. This chapter provides overview of major challenges and issues that could be influential in agro-tourism development in the farming community.

6.2 Major Issues and Challenges in Agro-Tourism Development in Farming Community

The issues and challenges in developing agro-tourism are diverse among different farming communities and different locations. Amid those, venturing into agro-tourism as an enterprise is a challenging task for them in the current context, particularly due to less support from the responsible stakeholders.

6.2.1 Challenges and Issues in Agro-Tourism Development in Malettewa

In Malettewa, agro-tourism is established to a certain extent and linked with innovative village based tourism activities with the support from different tourism sector related organisations. However, the absence of proper linkages has made it difficult and a major challenge for other farmers interested and capable of entering the sector. According to village level statistics, more than 50 percent of households of the village earn less than Rs. 5,000 per month and about 30 percent of families are Samurdhi beneficiaries. In this context, inability to cover basic and indispensable expenses to venture in to agro-tourism is identified as one of the major challenges. Further, the absence of government support to develop agro-tourism as a farmer level enterprise has negatively affected in encouraging and increasing farmer participation in agro-tourism. Unavailability of basic facilities such as appropriate buildings and equipment for servicing the tourists is also a challenge. Lack of awareness, knowledge and training regarding agro-tourism has encumbered the farmer community with regard to agro-tourism and lessen their exposure on tourism activities to a greater extent. Even the current tourism operators related to agriculture have not received any form of systematic training.

According to the views of farmers and community leaders, poor basic amenities such as inadequate road facilities and poor accessibility to key places such as farmlands, farmhouses and the village lake are some major bottlenecks in agro-tourism development. As observed, although accessibility of farmlands is limited, it preserves

traditional farming which has the ability to attract tourists. However, as expressed by tour operators, parking tourist coaches near the farmlands are impractical due to issues of accessibility.

Poor sanitary facilities including toilets and quality drinking water have also obstructed agro-tourism activities. As mentioned by current agro-tourism entrepreneurs, they even do not have adequate sanitary facilities when providing services to tourists.

6.2.2 Challenges and Issues in Agro-Tourism in Kumbukkadanwela

As revealed, in Kumbukkadanwela frequent crop damages caused by wild animals has become one of the major obstacles to initiate agro-tourism, as it is difficult to assure the protection of their cultivations with this alarming trend. Unavailability of required knowledge or guidance to direct farmers towards agro-tourism operations is also considered by the farmers as a major challenge, since they are totally unaware of this concept. A main road to famous tourist destinations is running through the village however, difficulties of obtaining permission for roadside stalls from the responsible institutions have restricted the direct sale opportunities. As revealed, some people make an effort to sell farm and rural products at inflated prices for tourists creating a negative image on village based tourism activities.

Since Kumbukkadanwela is predominantly an agricultural village, exposure to village based alternative income generating activities is lacking. In addition, entrepreneurial skills of the farmers are very poor according to the farmers and key informants. Therefore, livelihood activities of farmers have been less diversified and only a few people are involved in self employment activities. Since community linkages with tourism sector are very limited, farmers' familiarization and exposure to agro-tourism have further lessened. Although there are a few rural based tourism activities carried out in the village, those activities are dictated by people outside the village community. A considerable level of natural resources such as available lands for extended crop cultivation in Kumbukkadanwela area is being misused and manipulated by different parties restricting farmers' access to village based resources as mentioned by the farmers.

6.2.3 Challenges and Issues in Agro-Tourism in Ambewela

Although Ambewela is in close proximity to a number of well-known tourism attraction sites in the Nuwara-Eliya district, regulations imposed on roadside stalls have become one of the major constraints in selling their products directly to the tourists as identified by members of farmer organizations and key informants. Absence of proper linkages with the tourism sector in drawing tourists to their farmlands posed another major challenge to harvesting potentials of agro-tourism industry.

Insufficient infrastructure facilities also have hindered the exposure of agro-tourism activities within the farming community as revealed. Damaged roads, scarcity of water and land fragmentation are among the major limitations to develop agro-tourism in the current context. In particular, since land fragmentation, both farmers and tourists face difficulties when conducting farm based tourism activities.

Inability to bear the capital cost to provide a proper and quality service is another major challenge for farmers as most of them rely only on farm income. Inadequate support from government institutions to overcome the challenges and enhance opportunities is considered a constraint in developing agro-tourism. Although it is needed to provide necessary facilities such as suitable shelters and rest houses to prevent tourists from being affected by unfamiliar climatic conditions, no such facilities are available at present as expressed by farmers and key informants. Unavailability of those facilities also restricts the community involvement in agro-tourism activities. Lack of knowledge to meet the quality standards when conducting agro-tourism activities was cited as another hindrance by the farmers as they do not have training opportunities on effective engagement with agro-tourism as an enterprise.

As found, high agro-chemical usage in crop cultivation is also another setback to agro-tourism development in this community. Particularly the inability to conduct organic farming has discouraged farmers accessing new markets as there is a high demand for organic products within the current tourism market. Issues such as difficulties to obtain basic inputs, continuous usage of agrochemicals and fertilizer, uncertainty of success and less guidance from responsible organizations have hindered farmer involvement in organic cultivation as well. The risk involved in protecting crops from wild animals has direct implications on the maintenance of successful agro-tourism ventures. As revealed, the dispute over provincial borders has also become a serious issue for this community as the area is bordered by two districts Badulla and Nuwara-Eliya.

6.2.4 Challenges and Issues in Agro-Tourism in Pattipola

According to field level information, absence of proper training facilities related to service delivery and product manufacturing is considered as a major obstacle in agro-tourism. Unavailability of favorable markets for farm products discourages farm activities and this would affect the development of agro-tourism. Limited linkages between the village and the tourism sector have further widened this gap, hampering village based tourism activities. Difficulties in raising investment to cover up initial costs to start agro-tourism enterprises and less collaborative support rendered by public institutions are other barriers in establishing agro-tourism as a successful business venture. At the same time, unavailability of basic requirements for tourists, which include sanitary facilities and infrastructure, restricts the smooth

functioning of agro-tourism activities in this location as similar to other areas. Since diversified products are prerequisites to ensure the market, limited exposure to new type of enterprises such as value added products has dwindled the opportunities of farmers' access in agro-tourism. As shown in the study findings, limited supply of raw materials together with poor technical know-how has affected the constant supply of value added products such as strawberry jam and marmalade. Scarcity of water for farming, consumption and sanitary requirement are other obstacles to promote agriculture based tourism activities, according to field level evidence.

Difficulties faced due to the behavior of local tourists have further discouraged the agro based tourism activities. Even though there are many famous tourist attraction sites in the close proximity, the village is isolated thus, denied of the benefits of tourism. Lack of road facilities to access the village and farmlands has further distanced tourism sector from the village as revealed.

Table 6.1 shows the major issues and challenges in developing agro-tourism in study areas.

Table 6.1: Major Issues and Challenges in Developing Agro-Tourism in Each Study Location

Issue/challenge	Mailett ewa	Kubukka danwala	Ambe wela	Patti pola
1. Financial difficulties	✓	✓	✓	✓
2. Lack of support/assistance from responsible organizations	✓	✓	✓	✓
3. Lack of linkages with tourism sector	✓	✓	✓	✓
4. Lack of sanitary facilities	✓	✓	✓	✓
5. Poor road network to access farms/ village	✓	✓	✓	✓
6. Communication barriers	✓	✓	✓	✓
7. Lack of basic amenities	✓	✓	✓	✓
8. Lack of awareness and training	✓	✓	✓	✓
9. Less value added product diversification	✓	✓	✓	✓
10. Hazards of wild animals		✓	✓	
11. Marketing gaps		✓	✓	✓
12. Poor entrepreneurial skills of famers	✓		✓	✓
13. Less exposure on tourism activities		✓	✓	✓
14. Agricultural land fragmentation			✓	✓
15. Misuse of the village lands by outsiders		✓	✓	
16. Not identifying the needs of tourists				✓
17. Cultural factors				✓
18. Other	✓	✓		

Source: Authors' compilation based on field information, 2013

As illustrated in the table 6.1, financial difficulties, lack of support/assistance from responsible organizations, lack of linkages with the tourism sector, lack of sanitary facilities, the issues in terms of accessibility to farms/villages, communication barriers, lack of basic amenities, lack of awareness and training, less value added product diversification were identified as common issues and challenges that are prevalent in every study area.

6.3 Stakeholder Perspectives on Challenges and Issues in Agro-Tourism

Challenges and issues that prevail in agro-tourism development are not only limited to farmer level circumstances but also have been influenced by various other issues that go beyond the farmer level. The major challenges and issues identified by different stakeholders are summarized below.

1. **Lack of Policy Level Support and Weaknesses in the Approaches:** Not implementing agro-tourism programmes targeting the farming community as a national level policy was recognized as a major obstacle in popularizing agro-tourism. The widening gap of the national level policies and regional or ground level initiatives would also affect the implementation of innovative concepts such as agro-tourism.
2. **Lack of Responsiveness of Farmers:** Entrenched and negative attitudes of farmers towards new initiatives and concepts are identified as one of the key issues in developing agro-tourism in the farming sector, according to the views of different stakeholders. As stressed by some administration related officers, obtaining the active participation of the community members even when they introduce new extension programmes is a challenging task. Further, dependency of farmers too was identified as a significant constraint for developing agro-tourism, since most farmers are relying on the external support to initiate new programmes.

According to the views of tourism sector stakeholders, improper behaviour and attitudes of some local people to earn money will also have a negative effect on popularizing agro-tourism. When local people are involved in tourism based income generating activities, most of them do not follow the norms and ethics of tourism. Under these circumstances, initiating agro-tourism as a novel concept in the agrarian community is a serious challenge.

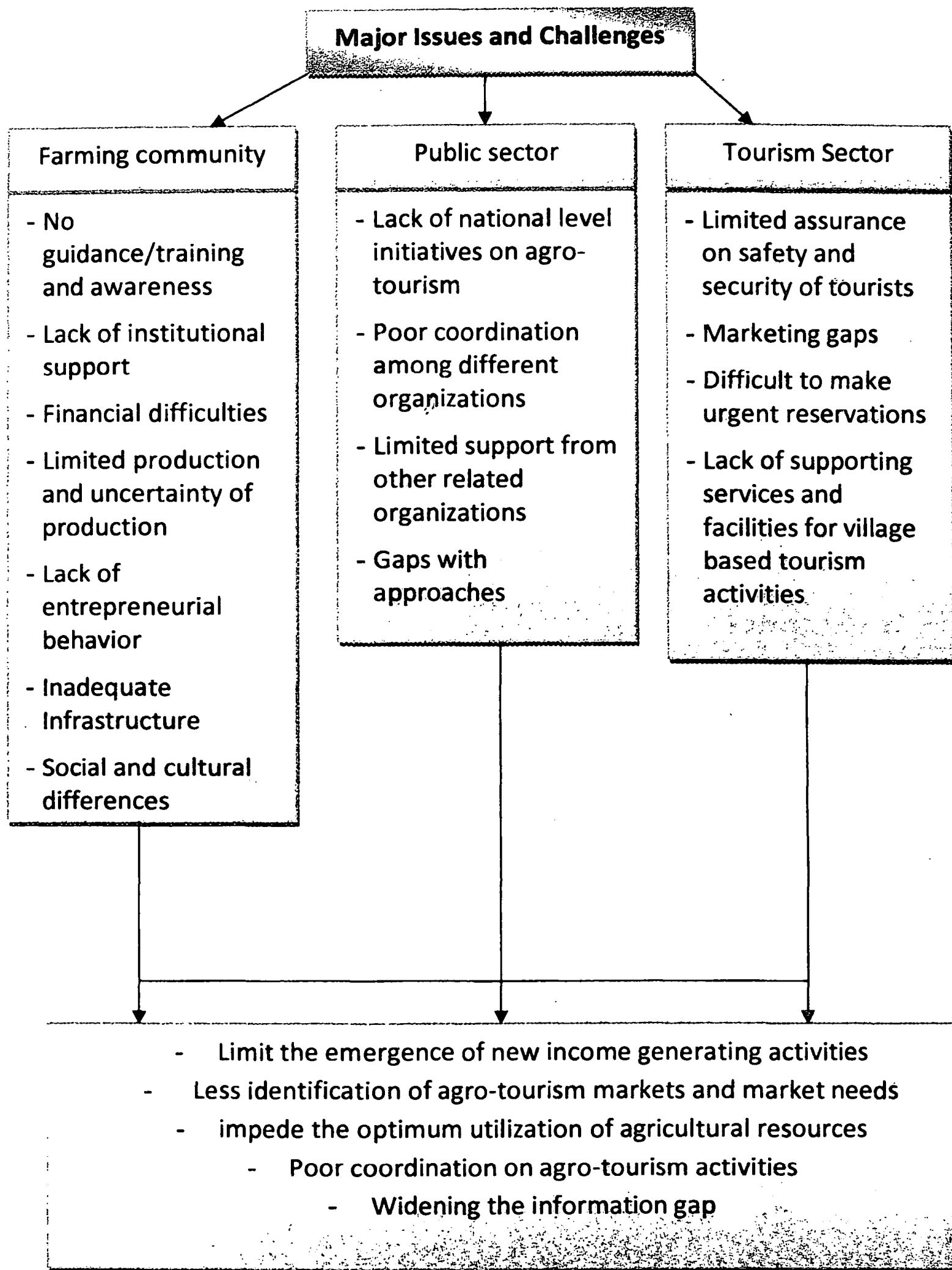
3. **Lack of Coordination and Information Gap:** As revealed, there are various organizations in both public and corporate sectors that have a good capacity to play a crucial role to achieve success of initiatives such as agro-tourism. However, according to the views of stakeholders, implementation weaknesses, limited collaboration of supportive institutions such as financial, tourism and industrial sector organization, information gap and lack of publicity for those

activities have also prevented the emergence of activities such as agro-tourism in the farming community as a niche tourism market.

4. **Lack of Skills, Awareness and Training:** Inadequate level of skills to conduct agro-tourism activities is a significant issue in developing agro-tourism as an enterprise in the farming community. In particular, unavailability of awareness and training on agro-tourism has restricted the opportunities which help them sharpen their skills to reap maximum benefits of agro-tourism as a profitable economic activity. According to study findings, there was no proper training available to farmers and the rural community, focusing on agricultural based tourism activities even for the villagers living near popular tourism destinations.
5. **Quality of Service and Products:** Limited access to quality inputs impedes agro-tourism development. Maintaining quality standards is important when providing products and services to both local and foreign tourists. According to stakeholders of the tourism sector, tourists are more concerned over services and products on what they pay for. Hence, the absence of such quality measures has restricted the proper establishment of agro-tourism in the farming community.
6. **Lack of Entrepreneurial Behavior of Farmers:** This has posed a major challenge in the emergence of agro-tourism as a farm based enterprise. In particular, most of the farmers are risk averters and less innovative. These poor entrepreneurial qualities also affect introducing agro-tourism.
7. **Limited Value Added Products:** Limited value added products in the rural milieu pose another challenge though selling value added products as an agro-tourism product with farm resources is a viable strategy to increase farmers' income. As found, inadequate organic agricultural products also discourage the popularization of agro-tourism as there is an inclination towards organic foods among tourists all over the world as a new trend.
8. **Marketing Gaps:** Stakeholders indicated that there is a lack of information on tourism markets and trends. Hence, non identification of supply and demand through a proper marketing analysis is also considered as a challenge for agro-tourism, since uncertainty of market has a greater risk in venturing into agro-tourism within farmers.
9. **Financial Difficulties:** As stated by the Key Informants, financial difficulties in fulfilling basic level amenities and meeting the quality standards also restrict the farmers' access to agro-tourism activities, ranging from direct sale of farm products to outdoor recreational activities.

10. **Cultural and Social Factors:** Another challenge encountered is the prevalence of different social and cultural factors among the rural community and tourists. Especially, differences in language, behavioral patterns and clothing would be challenges when developing agro-tourism in rural community.
11. **Lack of Basic Amenities, Safety and Security:** Poor infrastructure in rural villages also poses another challenge restricting advantages of extensive resources for agro-tourism. Inadequate hygienic facilities in rural areas are a bottleneck in developing agro-tourism as it is necessary to maintain sanitary conditions when servicing the tourists. Lack of assurance on safety of tourists also impeded venturing into agro-tourism based on rural farms since directing tourists to farms or houses without safety assurance would be perilous for both parties.

The identified major issues and challenges in agro-tourism development prevailing within different stakeholder groups appear in Figure 6.1.

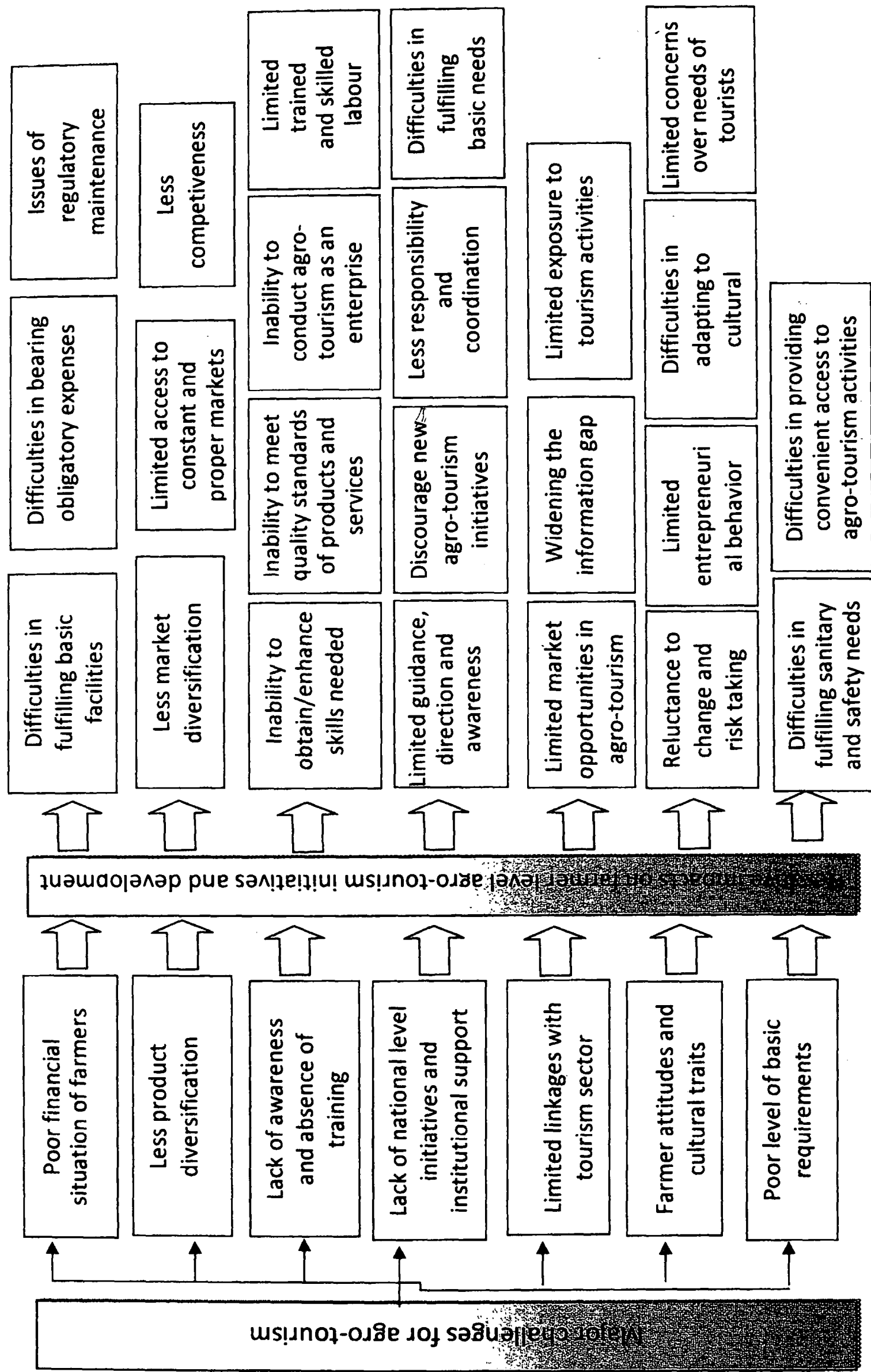


Source: Authors' compilation based on field information, 2013

Figure 6.1: Major Issues and Challenges in Agro-Tourism in Different Stakeholder Groups

Many issues and challenges existing at ground level are linked with the farming community since they are directly involved in agro-tourism activities as main service providers. Major challenges of public sector are linked to the planning, facilitation and the implementation process, since they have a direct responsibility and authority to initiate and promote agro-tourism. In spite the fact that tourism sector has a crucial role to link and direct tourists to farm based tourism activities, poor linkages and marketing gaps pose major challenges.

Identified key challenges which are directly and indirectly affecting agro-tourism development in farming community is shown in the Figure 6.2. It has also identified the negative impact on developing agro-tourism among the farming community amidst the prevailing challenges and issues.



Source: Authors' compilation based on field information, 2013

Figure 6.2: Major Issues and Challenges in Agro-Tourism and Its Negative Impacts on Farmer Level Agro-Tourism Development

CHAPTER SEVEN

Major Findings, Conclusion and Recommendations

7.1 Major Findings

- There were various opportunities available in the study area to conduct agro-tourism. Accordingly, proximity to popular tourism attractions, diversified and traditional agricultural activities, farmers' willingness and interest to get involved in agro-tourism activities, natural attractiveness of the villages and enriched cultural and rural activities flavored by agriculture were identified as major and common opportunities for agro-tourism. In Malettewa, availability of prerequisites for agro-tourism was relatively high while in Pattipola these prerequisites were low compared to other study areas.
- Particularity, there was an immense interest on agro-tourism activities among females of rural families, since agro-tourism opens up avenues to utilize their underutilized capacities and skills to generate an additional household income.
- Agro-tourism activities conducted by the farming community were limited to few activities and conducted at very basic level only by a very few farmers. Demonstrating farmlands, provision of authentic meals, conducting cookery demonstrations with the opportunity to be involved in food preparation, provision of accommodation facilities, direct and indirect sale of farm products were among major agro-tourism activities performed by the farmers.
- In the study areas of the Matale district, foreign tourist participation in existing agro-tourism activities was significant, while in the study areas in the Nuwara-Eliya district most of the agro-tourism activities were linked with local tourists. Agro-tourism practices are more diverse and developed in Malettewa area (in Matale District) than in other study areas.
- There were several benefits and drawbacks identified on the existing agro-tourism activities. Major benefits of agro-tourism activities were earning of a supplementary income, self satisfaction, increasing exposure to the outside community, ability to fulfill household needs, preserving of authentic foods and food preparation methods and maintenance of good environment. In contrast, major drawbacks involved with current agro-tourism practices benefited only a few farmers, limited to a few places and handled by a few tour operators.
- Demonstrating agricultural activities, providing opportunities for visitors to participate in those farming activities, provision of accommodation in farm houses, tree houses and village houses, provision of authentic food and related activities, direct sale of fresh and value added products and provision of supporting services

were recognized as viable agro-tourism activities that can be carried out with active farmer participation.

- Difficulties in affording the initial capital cost, lack of support from external organizations, lack of established linkages, unavailability of sufficient level of infrastructure facilities obligatory for tourism, lack of facilities to provide a satisfactory service to the tourists, lack of awareness and absence of training on agro-tourism, unavailability of a stable market, lack of entrepreneurial behavior in farmers, lack of awareness on the required quality for agro-tourism activities, disasters caused by wild animals and communication barriers were among the major issues and challenges that hinder the farmer participation in agro-tourism as revealed.
- Unfavourable attitudes and negative concerns of farmers towards new initiatives, lack of responsive of farmers towards changing their current livelihood pattern, limited value added products, lack of information on tourism markets and trends, absence of direct national policy targeting agro-tourism development in the farming community, limited linkages with farmers and the tourism sector, limited collaboration among stakeholder institutions, lack of skills, awareness and training, social and cultural dissimilarities were major challenges in developing agro-tourism as a niche tourism market. Further, unavailability of quality standards, inadequate sanitary facilities and poor infrastructure in rural villages, unavailability of basic facilities, lack of assurance on protection and security also impede the agro-tourism development among the farming community.

7.2 Conclusions

A range of agro-tourism activities can be carried out in order to provide various income generating opportunities for farmers by using existing resources. Present agro-tourism activities conducted by the farming community are limited to a few activities and are not adequately linked with agricultural activities. Farmers, who practice agro-tourism in a systematic way and as a frequent activity, have direct linkages with the tourism sector proving the importance of linkages of the tourism sector and assistance from relevant institutions in venturing into agro-tourism.

Challenges which restrict farmers' access in agro based tourism activities vary from policy level to farmer level. Absence of proper initiatives at policy level targeting direct farmer participation in agro-tourism has hindered agro-tourism development as a viable strategy for rural development. Barriers existing at ground level have widened the gap towards farmers' access to agro-tourism.

There are opportunities to develop agro-tourism mainly through promoting traditional and unique agricultural activities, authentic meals, accommodation, value added products, local handicraft and cottage industries as most promising activities and products. Existing agriculture, rural and tourism development programmes at national, regional and district levels have created favorable grounds to develop agro-tourism. It is

possible to gain various benefits for the farming community by involving in agro-tourism with a right approach.

7.3 Recommendations / Policy Implications

7.3.1 National Level Initiatives for Agro-Tourism

It is recommended to promote agro-tourism among the farming community as a policy level initiative with the coordination and partnership of every stakeholder from top to ground level (public sector, private sector and farmers). Therefore placing due consideration on national agro-tourism development through proactive policy and strategic investment is vital. Particularly, developing agro-tourism in line with the national level economic, agricultural and tourism development programmes would be a more practical approach to obtain the energetic participation of farmers. Therefore, it is also recommended to establish separate agro-tourism projects based on ongoing government development programmes in village level. In the first stage, selected villages should be facilitated to conduct agro-tourism activities on pilot models to learn lessons and scale up agro-tourism.

Farmers who have capacity and willingness to conduct agro-tourism should be identified in the beginning. There is a possibility of developing specialized farmer organizations to initiate, develop and promote agro-tourism. This will also help maintain the responsibility, liability and avoid unwanted interference of exterior groups of people in farm based agro-tourism enterprises, with continuous monitoring and follow-up.

7.3.2 Awareness, Training and Skills Development on Agro-Tourism

Although there are potentials to develop agro-tourism among the farming community, farmers' awareness on agro-tourism activities is not satisfactory. Therefore, action is necessary to provide proper awareness, training and guidelines on agro-tourism industry to farmers as well as other relevant officials. These awareness programmes should focus on agro-tourism products and activities, provision of quality products and services, specific skills required for agro-tourism operations, manufacturing of value added products and ethics of tourism with the overall understanding of the tourism industry and agro-tourism concept.

Awareness programmes should be conducted by recognized institutions such as the Sri Lanka Tourism Board with the involvement of local government organizations and relevant tourism sector organizations. Particularly, farmers require proper assistance and guidance to successfully integrate agro-tourism activities into their farm operations. Provision of agro-tourism development supporting services is also important with constant follow-up and monitoring to improve farmer level agro-tourism ventures.

7.3.3 Agro-Tourism Activities and Product Development

There should be clearly defined agro-tourism products, activities and services to ensure a trustworthy and high quality experience. Therefore, attention should be paid on agro-tourism product development considering locally available resources as identification of agro-tourism products and value added activities are important to capture the maximum benefits from agro-tourism industry. Further agro-tourism activities should be also defined considering area specific agricultural activities, farm-based activities and resources in the tourism potential areas.

7.3.4 Formulate Agro-Tourism Standards

Responsible authorities should ensure a safe and accessible environment for agro-tourism, especially focusing on food security, health facilities, sanitary facilities, rest rooms and site safety. Adequate infrastructure and public facilities such as roads, transportation, parking facilities, customer assistance and guidance should be provided for agro-tourism ventures at farmer level. Hence, the government should formulate standards for agro-tourism concerning accepted agro-tourism products and activities, safety measures, quality of the service and basic infrastructure facilities. Established standards should be one of the criteria in granting permission for agro-tourism ventures. These established standards would ensure maintaining of the quality, security and sustainability in agro-tourism operations.

7.3.5 Build Network, Marketing and Publicity

It is essential to build sufficient and dependable networks between the tourism industry and the farming community with the involvement of responsible government bodies. This will be helpful for both parties to balance supply and demand since the relationship between agro-tourism products and available markets is important. It is recommended to develop public-private partnership to build linkages in order to maintain proper coordination of agro-tourism activities and ensure the markets. The national and local government institutions can intervene to build linkages with Sri Lanka tourism associations to develop agro-tourism. It is notably vital to provide greater publicity on agro-tourism activities with the vigorous involvement of Sri Lanka Tourism Promotion Bureau.

7.4 Further Research

Conducting a comprehensive study on viable agro-tourism activities and agro-tourism product development in Sri Lanka would be useful to develop the agro-tourism industry in Sri Lanka with a right approach.

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Annex 1: Major Resources Available for Agro-Tourism Development in Study Area

	Matale District		Nuwara-Eliya District	
	Malettewa	Kumbukkadanwela	Ambewela	Pattipola
Farmer Population	Around 90 percent of total population	Around 85 percent of total population	Around 90 percent of total population	Around 90 percent of total population
Major Agricultural Activities	Paddy, mixed cropping, chena cultivation, minor export crops, dairy farming, poultry, bee farming and fishing	Paddy (200 acre – in Maha season) Other Field Crops, fruits and dairy farming	Up-country vegetable farming, protected agriculture, flowers, fruits, dairy and poultry	Up-country vegetables, potato, flowers, fruits, dairy farming, poultry and bee farming
Major Crops	Paddy, onion, finger millet, cucumber, pumpkin, papaya, banana and coconut	Paddy, onion and fruits (mango, banana and oranges)	Up-country vegetables, Poly-tunnel crops (bell pepper), potato, tomato, flowers, strawberries, oranges, passion fruits and guava	Up-country vegetables, potato, tube potato, mushrooms, flowers, medicinal plants, strawberries, oranges, passion fruits, lime, guava, lemon, peaches, tamorillo and locket.
Self - Employment Activities	Retail shop owners, cane based producers, carpenters, masons and beauticians	Masonry, carpentry, electronic technicians, craftsmen, wood carvings and reed based products manufactures	Manufacturing of strawberry jam and selling flowers	Retail shops, bars, guest houses, selling flowers, flower plants, mushroom cultivation and packaging and selling of local food items
Key Resources	A great majority of farmer population, labour availability of	Great majority of population are farmers, labour availability of	A great majority of farmer population, closeness to famous tourism	A great majority of farmer population, close proximity to famous tourism

	<p>youth and women, diversified agricultural activities, scenic view, natural landscape, idyllic rural setting, tourism exposure and close proximity to major tourism destinations.</p>	<p>youth and women, natural attractiveness and scenic view, rich irrigation system, tourism exposure, availability of traditional village features and traditional agricultural assets, skilled people in handicraft and a road in between Dambulla and Sigiriya runs through the village.</p>	<p>destinations, labour (women and youth), , natural attractiveness, kande-ela reservoir, unique climatic features, peaceful environment, forest reserve and scenic view</p>	<p>destinations, availability (Women and youth), natural attractiveness and unique climatic features.</p>
<p>Major Tourism Attractions Within and Around</p>	<p>Sigiriya rock, elephant safaris, Sigiriya lake, museum, Sigiriya sanctuary , craft village, forest reserve, wildlife and farmlands</p>	<p>Dambulla cave temple, Sigiriya rock and Sigiriya museum Kaludiya Pokuna, lakes, agriculture lands and traditional trees</p>	<p>Horton Plains National Park, Milco factory, New Zealand farm, Ambewela farm, Kande-ela reservoir</p>	<p>Horton Plains National Park, Hirigalpotta Mountain, Pidurutalagala Mountain, Totupolakanda Mountain, Milco factory, New Zealand farm, Ambewela farm, herbal garden and Pattipola railway station.</p>

**AGRO-TOURISM DEVELOPMENT IN FARMING
COMMUNITY: OPPORTUNITIES AND CHALLENGES**

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