

## S.1 Promoting agritourism to advance small-scale food producers' equitable livelihoods

### 1. What, in brief, is the solution?

Agritourism is defined as travel which combines agriculture with a touristic experience, allowing guests to have a flavor of farm life during their rural retreat. Agritourism, therefore, is quintessentially a link between tourism and agriculture, where new products are developed for visitors<sup>[2]</sup>. Agritourism can contribute to the elimination of poverty amongst small-scale producers, by promoting full and productive employment and decent work, reducing risks for the world's poorest, enabling entrepreneurship and addressing the inequitable access to resources and distribution of value.

Agritourism can give small-scale food producers an opportunity to diversify their livelihoods, generating additional income and an avenue for direct marketing to consumers. It also provides communities with the potential to increase employment and can help to preserve agricultural lands and promote agroecology and biodiversity conservation.<sup>[3]</sup>

Agritourism stimulates the development of small businesses and generates significant export revenues<sup>[4]</sup>. Rural tourism offers many benefits to the farmers themselves. The combination of tourism and agriculture helps farmers to diversify their income from agricultural production and from the provision of tourism services, which is especially important in a situation like the COVID-19 pandemic.

### 2. What was/were the source(s) from which this solution emerged?

The solution was inspired from the experience in promoting agritourism in Georgia via the EU's ENPARD program in the Republic of Georgia. Implemented since 2013 with a total budget of EUR 179.5 million, the main goal of ENPARD is to reduce rural poverty in Georgia. The first phase of ENPARD in Georgia focused on developing the potential of agriculture. The second and third phases of ENPARD, which have been inspired by the EU LEADER approach, focus on creating economic opportunities for rural population that go beyond agricultural activities with a strong emphasis on promoting agritourism.

LEADER is a key innovative approach for rural development in the EU. The abbreviation stands for the French term "Liaison entre actions de développement rural" which already indicates the main objective of the approach: to link actions of rural development LEADER is seen as an approach to find innovative responses to changes or challenges in rural regions. Its main objective is to improve the livelihoods of people living in rural areas by applying a holistic concept which focuses on the creation of employment opportunities and income diversification with agritourism as one of the most significant options<sup>[5]</sup>.

### 3. What problem is it trying to address within food systems?

Small-scale producers are by far most farmers in the world, in some estimates producing 70% of the world's food. They make up the largest proportion of the world's disadvantaged. They are particularly vulnerable to climate change, poverty, inequality, underinvestment and growing competition for land and resources.<sup>[6]</sup> It is agriculture-based, so the main motivation for travel is to share experiences with the farmer and the rural culture and landscape. The main activity of the visited businesses is agriculture while tourism is its secondary activity. A thriving, reputable agritourism destination is usually an asset to the community, in contrast to many conventional farms that can justly be seen as liabilities; and in contrast too with traditional tourism, whose economic benefits are usually courted by larger business, with little impact on small-holder farmers.

Agritourism can transform a farmer into a price-maker rather than a price-taker, and has the potential of adding value to farmers, especially during off-season. Agritourism also adds value to local products, due to the increase in demand for natural or handcrafted regional agricultural products. Its development can increase farm revenue in times when agriculture is not as profitable, therefore reducing farmers' economic dependence on their agricultural activities; it offers to local farmers an avenue to expand their farming operations and to reduce market risks. Agritourism can also create opportunities for employment for women in areas once dominated by male employment, reduce female outmigration, and raised women incomes.

Although agritourism is now a popular source for farmers' livelihoods diversification in developed countries (Europe, US, Canada, Japan, etc.) and in some middle-income countries (e.g. Georgia, Costa Rica, South Africa, Thailand), it is not yet widely promoted or supported in many other countries where it would have the potential to help advancing equitable livelihoods amongst small-scale food producers. Often, there is inadequate awareness and popularity of agritourism and its attractiveness to small-scale producers, frequently due to the absence of specific policies to regulate and promote the sector.

Even if such policies exist, small-scale food producers that would be interested in agritourism as a means for income diversification, many not always possess the essential business competencies required for success. Also, smallholding small-scale food producers' farmers have limited access to credit and financial assistance to invest in developing agritourist activities in their farms.

#### 4. Why is addressing that problem important for achieving the goal of your working group?

#### 5. How can this solution address that problem (theory of change)?

- **Undertaking policy reviews** to better understand the limitations of government actions that impact on the agritourism ecosystem. This mapping could identify the areas needing stakeholder actions towards agritourism development and serves as a trajectory for agritourism development<sup>[7]</sup>.
- **Formulating policies** to promote agritourism development. Those policies should provide for liability protections and guidance and encourage the promotion of agritourism activities through state marketing and tourism efforts as well as fiscal and economic incentives to small-scale producers embarking on agritourist activities.
- **Aligning agritourism policies with conservation and suitability objectives:** Agritourism can support sustainable socio-economic development. Besides, proper planning and management may contribute to environmental conservation. However, when tourism development is not integrated into the overall development plan of local areas, it may result in negative repercussions on the natural environment and associated cultural aspects, including agricultural systems and landscapes. To ensure that it also helps to conserve diversity, the rural population itself must have recognized agrobiodiversity as valuable and worthy of protection.
- **Having specific policies to monitor agritourism activities**, such as efficient use of resources to generate income, dissemination of relevant information about agritourism enterprises, ensuring community compliance to agritourism guidelines, and finally ensuring value addition to agritourism products and services by the operators<sup>[8]</sup>.
- **Developing agritourism resource centers.** The high potential for agritourism development in many regions means it is critical that mechanisms be created to nurture and support the industry's growth. One of the most effective ways is developing agritourism resource centers that can provide various forms of 'one stop shopping' support for nascent and established

agritourism operators. This is the approach that the State of Maharashtra in India, the region of Samtskhe-Javakheti in Georgia, and many other regions in different countries, are now currently implementing very successfully.

- **Assisting farmers and farmer associations to source financial and technical support towards developing agritourism investments.** Access to adequate credit products, with repayment structures adjusted to agricultural cycles, would be needed. This applies not only to agricultural production, but also to equipment for processing as well as infrastructure to store products and investments for recreational activities for the visitors at the farm or local level. Before undertaking concrete investments, cost-benefit analyses should be carried out.
- **Providing capacity building for agritourism.** Supporting farmers to enter into agritourism will require building business skills and entrepreneurship capability, as well as fostering networking (e.g. farmer-to-farmer connections)<sup>[9]</sup>. To ensure that agritourism will also help to conserve biodiversity, the rural population itself must have recognized agrobiodiversity as valuable and worthy of protection.

#### 6. Why does this solution align to the definition and criteria for a 'game changing solution' developed by the Summit?

Agritourism can contribute to the elimination of poverty amongst small-scale producers, by promoting full and productive employment and decent work, reducing risks for the world's poorest, enabling entrepreneurship and addressing the inequitable access to resources and distribution of value, which are the objectives under AT4 of the Summit.

It also aligns with the objectives of all other ATs, namely:

- **Ensure access to safe and nutritious food for all**- In the countries where agritourism is more widely adopted, it is becoming an important tool to educate children about where their food comes from and to promote healthy nutritional practices. A farm set up for tourism offers excellent real-world educational opportunities. Agritourism is also usually a trigger to promote investments on better food safety standards at farm level.
- **Shift to sustainable consumption patterns**: Food consumption is a way to get to know other cultures and their food, and at the same time it is an obligatory activity while travelling, since tourists need to eat to obtain nutrients. Agritourism can play a role in broader policy efforts to support sustainable consumption patterns by connecting directly with consumers to purchase produce and other local products. It creates an opportunity for farmers to interact with their customer base, cultivate relationships with them, and listen to their needs. Agritourism by its very nature fosters farmer–customer partnerships.
- **Boost nature-positive production**- can bring many environmental benefits, largely because it valorizes environmental conservation. Many more farmers engaged in agritourism realize the value of landscape and wildlife conservation, and that rural environments can produce wealth through visitation rather than solely through food production. Agritourism encourages the conservation and regeneration of local ecosystems in the visited farm or nearby areas. And, compared with traditional tours, it minimizes visitor impact on the environment.
- **Build resilience to vulnerabilities, shocks and stress, as it is a source of livelihoods' diversifying and off-season income for the farmers**- Within the framework of the sustainable livelihoods approach, the ability to cope with shocks is based on strategies of diversification. When a

household is active only in agriculture or tourism and thus relies only on one source of income, and the ability to cope with stress is lower. In contrast, being active in both tourism and agriculture, (e.g. farmers who own a guesthouse and produce their own agricultural products, which are also offered to their guests) is a better risk reduction strategy<sup>[10]</sup>.

The potential **large-scale impact** of the gamechanger is also very significant- The trend in demand for responsible tourism is continuing to rise and greater account is being taken of the congestion tourism generates and of the negative effects on resources and host communities that can come with it. There is a growing demand for transparency in social and economic benefit to communities and tourism contribution to preservation and promotion of cultural heritage. There also is a growing support by the international tourism trade, including major international operators, to recognize destinations and businesses who are actively addressing these sustainability themes.

#### **7. Existing evidence supporting the argument that this solution will work, or at least achieve the initial outcomes**

The **EU** has been promoting agritourism as a diversification strategy in search of more diverse and sustainable rural economic development. In fact, Agritourism is widespread across the European Counties, typically providing between 10 and 20% of rural income and employment, twice tourism's income and employment levels averaged across Europe. The E.U. policies that support agritourism are linked to efforts to market high-value foods based on a region's historical, cultural, and social traditions. The diversification of the rural economy through tourism has become an important, recurrent theme of integrated territorial development strategies, especially in the context of the LEADER, one of the EU's most important rural development strategies.

In the **United States**, there is an extensive history of agritourism activities as well and many States have responded to the growing interest in agritourism through legislation. The first was Kansas, which enacted its Agrotourism Promotion Act in 2004.

Outside of North America and Europe, some countries have also, in recent years, start to promote agritourism in various ways, cognizant of its potential advantages for equitable economic growth and livelihoods diversification in rural areas. There are countless examples of successes proven positive outcomes of agritourism development activities, ranging from the adoption of agritourism in **Georgia**, as part of the adoption of the LEADER approach in the contexts of the ENPARD program, to the 'seed markets held in the highlands of **Peru** and **Bolivia**, where women offer their own varieties of potatoes and other crop plants for sale, also attract tourists<sup>[11]</sup>, the avocado and macadamia farms' visits in **South Africa**<sup>[12]</sup>; the agritourism initiatives related to trekking tourism in **Nepal**, or the tours to coffee plantations in **Guatemala** or **Costa Rica**.

In all these contexts, agritourism has proven profitable, improving the lives of the farm families directly engaged but also their wider rural communities, as various studies have demonstrated. IICA'S Rural Agroindustry Hemispheric Program – PRODAR- has promoted the development and application of mechanisms that make possible the direct exchange of lessons, experiences and testimonies among actors directly involved with rural agroindustry and agritourism in the Americas identifying many instances of good practices and positive impacts<sup>[13]</sup>.

Another example of evidence come from Nepal, about a National Park at the border to Tibet. While in former times in this region trade with Tibet was the most important source of income, the closure of the

border in 1959 led to a loss of income. However, the rising agritourism sector contributed to a compensation for this loss. Combining tourism with agricultural activities like dairy and horticulture even led to reverse migration flows. Hence, this is also an example where linking tourism and agriculture has helped to adjust to changes in the local framework conditions.

## 8. What is the current and/or likely political support for this idea?

Agritourism represents an expanding segment of the tourism economy of many countries. Globally there is a growing awareness of the opportunities and benefits of strengthening the links between agriculture and tourism. The growth of interest in agritourism products is supported by recent research by, for instance, the Travel Industry Association of America indicating that 60 percent of American leisure travelers are interested in taking a trip to engage in culinary activities within the next 12 months.

With the increasing interest of people in agricultural life, desires for experiencing gastronomic cultures, and the potential for agritourism to shrink rural-urban migration, agritourism is gaining the attention the tourist industry, the public, and governments in low and middle income countries, some of which has recently start setting policies to promote agritourism. For instance, in since 2016 **Vanuatu** has a Agritourism Plan of Action. In **India**, the Government of Maharashtra has established in 2020 an Agri Tourism Development Corporation. The 'Green Farm' project launched by the Government of Kerala is aimed at promoting agritourism too<sup>[14]</sup>.

## 9. Are there certain contexts for which this solution is particularly well suited

The solution is particularly well suited for developing or middle income countries with significant numbers of small-scale producers and with an existing tourist industry (e.g. **Thailand, Sri Lanka, South Africa, Tanzania**, etc.) but also in other developing countries where tourism is currently perhaps less developed but there is a potential for the sector to growth. In fact, in recent years there have been baseline studies in various countries on their potential to promote agritourism as a source of income and diversification for small-scale producers, including in **Ghana, Vanuatu, Sri Lanka, or Papua New Guinea**, just to name a few.

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[1] This solution was drafted by **Juan Echanove**, Food and Water Senior Director, CARE

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