

# Agritourism development in sri lanka tourism essay



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Sri Lanka is an agricultural country and agriculture plays a vital role in the economy of the country contributing 12 GDP and 38 employment opportunities (Central Bank of Sri Lanka, 2010). Majority of the population of the country is in rural areas and the livelihood of most of these people is directly or indirectly related with agriculture. However, agriculture now has reached a relatively stagnation situation due to many problems in the sector such as high cost of production, low productivity of farm lands, poor marketing and processing facilities for agricultural products. Because of these problems, most of the people are moving out of agriculture and migrating for urban places finding jobs. This creates many socio-economic problems in rural as well as urban areas. Hence, adding extra income generating activities either through new enterprises on the farm or off-farm employment to sustain the field of agriculture would certainly enhance the economy of rural people. One of these activities is agritourism that can help to find extra income, employment, and economic stability on their existing assets in a sustainable way.

Agriculture is the most familiar industry for the rural people in the country and also barriers to entry the agritourism are fairly low as it comes under Small and Medium Enterprise (SMEs). Small-scale farms already have many of the assets that visitors seek. It can absorb the extra labour available in rural areas. When these factors are concerned, agritourism is highly suitable for Sri Lanka.

### **5. 3. 1 Agritourism development in Sri Lanka**

Looking at the current situation in Sri Lanka, it is not specifically recognized for agritourism as a part of the tours. The government promotion of the field <https://assignbuster.com/agritourism-development-in-sri-lanka-tourism-essay/>

is relatively very low compare to other tourism sectors. Focusing to currently available agritourism options in Sri Lanka, some of the major attractions are the privately owned farms such as CIC Farm (Windsor park) in Hingurakgoda, Paradise Farm Kitulgala, New Zealand Farm Nuwara-Eliya, Ceylinco Fruit Farm Midigama are the famous ones. Few local Community-based agro tourism and Individual Operations are also in practiced in a small scale (Malkanthi and Routray, 2012).

However, in the country, the potential for agritourism is high. There is a good agriculture sector in the country with attractive rural landscape. Also variety in agricultural climate helping to cultivate different crops in different parts of the country, the country's complex paddy-cultivation system, tea, rubber, coconut, fruit farming and horticulture are some examples of this diverse agritourism potential (Malkanthi and Routray, 2012). The country has an agricultural heritage which is 2, 500 years old. Visitors not only learn about modern agricultural processes but also appreciate traditional methods employed many centuries ago. The ancient irrigation systems comprise more than 25, 000 tanks ranging from small water bodies to those that are colossal, such as the Parakrama Samudra in Polonnaruwa. The opportunity to intertwine agritourism with heritage tourism will definitely add more flavour to the niche-market experience. (Galappatti, 2012).

<http://lmd.lk/2012/01/01/sustainable-tourism-3/>

With the end of the war, provision of basic infrastructure such as road facilities, clean water, and electricity for many rural areas is now going on successfully by the government. Country is economically and political stable

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and now peaceful. Furthermore, a large number of local and foreign visitors travel across the country annually. Most of these visitors can be easily attracted if the operations are managed well. Resources rich culture and cultural diversity, geographical characteristics, and socio-cultural entities, smiling faces, visitor friendly behavioural pattern, and delicious culinary would essentially be helpful in promoting agritourism in rural Sri Lanka (Senanayaka and Wimalaratana, 2010). Hence, there is a possibility to give the tourists a wider choice in Agritourism in the country.

## **5. 4 Tourism policies in Sri Lanka**

Tourism is a vital area in the policy framework of a country. The present government has identified tourism as an effective driving force in the country's socio economic development. The program's vision for the tourism sector is " to make Sri Lanka the foremost leisure destination in the South Asian Region" (Ministry of economic Development, 2010). The program believes that the human resources, natural and cultural endowments values and ethos will be fundamental in transforming Sri Lanka into a centre of excellence and offer tourists the highest values of authentic experiences in its unique setting. <http://www.sltda.gov.lk/>

Tourism policy in Sri Lanka has a quite long history. At the early stage (1960-1980) the policies were formulated focusing the development of mass tourism in the country. Since it was a big investment to run a tourist operation with lots of facilities, ordinary people couldn't do it and so, most of the benefits of tourism in this period had gone to the affluent society such as main hotel owners and tour operators. But, with the introduction of sustainable tourism concept in 1980's, a turning point of the tourism policies <https://assignbuster.com/agritourism-development-in-sri-lanka-tourism-essay/>

of the country took place. As a result of it, rural tourism, ecotourism, nature tourism like niche tourism operations were initiated making the opportunity to engage in tourism by the local community and get some benefits.

The Development Policy Framework of the Government of Sri Lanka is committed to a sustainable Tourism Development Strategy. Protection of the environment and distribution of economic benefits to the larger cross section of the society are key components of this overall vision. It aims at positioning Sri Lanka as a model tourist destination benefiting from the country's natural advantages of having the highest biodiversity in Asia backed by a strong culture, historical artefacts, exotic beaches, green environment and friendly people all of which are solid building blocks for tourism development.

The Sri Lanka Tourist Board was the primary agency of charge in promotional and organizational responsibilities of the tourist industry in Sri Lanka until 2005. It was the main regulatory and administrative authority of tourism facility development and activities in Sri Lanka as per the Tourism Development Act No. 14 of 1968. Under this Act, the Sri Lanka Tourist Board approves registers and licenses all tourist establishments and proposed developments. In the year 2005, Sri Lanka Tourism Development Authority (SLTDA) was established under Section 2 of the Tourism Act No. 38, as the apex body for Sri Lanka Tourism, replacing the Sri Lanka Tourist Board. Currently, Sri Lanka Tourism Development Authority is dedicated towards converting Sri Lanka to be Asia's leading tourism destination by developing diverse, unique and quality tourism services and products that would make Sri Lanka as a unique destination in the world. Recognizing and developing tourist specific, unique products and services, preparing and executing

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Tourism Development Guidelines, and assisting and implementing the legal and executive process for new services and products development are the main responsibilities of it (Sri Lanka Tourism Development Authority, 2010).

Existing plans for the development of tourism industry in the country are; Tourism Master Plan, Sri Lanka in 1993, Southwest Coast tourism and community infrastructure development study in 2000, Ecotourism Development Strategy of Sri Lanka in 2003 and Sustainable Tourism Master Plan, Northwest Coast Sri Lanka in 2006-2007 (Government of Sri Lanka, 2007). The ' Tourism Development Strategy 2010-2016, the Future-Development Policy Framework is implementing in the country successfully. The government believes the multiplier effect of tourism development in formation of employment opportunities and distribution of wealth through a variety of economic activities predominantly in the SME sector, taking the advantage of SMEs' being able to link micro enterprises from one side and large scale corporate sector on the other side. The tourism sector has been identified as one of the key sectors propelling the country's economic growth. According to the core philosophy of the present master plan for tourism development, the ultimate beneficiaries of tourism development strategy should be the people of the country: the farmers who supply rice, vegetables and fruit, the fishermen who deliver the catch of the day, the craftsmen who produce souvenirs, the guides who escort the visitors and the young men and women serving in the industry with the unique Sri Lankan hospitality.

## **5. 4. 2 Strategies involved**

There is a great scope for promoting tourism particularly within the region due to historic and cultural ties of Sri Lanka with the South Asia, Middle-East and Far-East. Sri Lanka is part of a region which includes already industrialized economies such as Japan, Korea, and Singapore and rapidly emerging economies such as India and China which are capable of altering the economic landscape of the world during the next few decades. Sri Lanka also with its unique geographical location, diversity, quality human resources, peace and stability has all the ingredients in place to play a key role in the regional development as a fast emerging market economy in Asia (Sri Lanka Tourism Development Authority, 2010).

The ' Tourism Development Strategy 2010-2020' is addressing the wider important issues related to the industry including the government policy, capacity and manpower build-up requirements, infrastructure development, improving service standards, marketing and promotions, regulations, guidelines, public relations, tourist safety and improvements to domestic tourism (Table 5. 4). In this ten year master plan, several important strategies that are going to be covered are creating an environment conducive for tourism, attracting the right type of tourists to the country, ensuring that departing tourists are happy, improving domestic tourism and contributing towards improving the global image of Sri Lanka (Tourism Development strategy in Sri Lanka, 2010).

Table 5. 4 Summary of Tourism Policy strategies and targets

**Source: The Department of National Planning of Sri Lanka, 2010**

### **5. 4. 3 Policy Framework to Support Investors and the Industry**

The government has addressed several policy related issues that are affecting the industry such as, (a) the restoration of a simple tax regime to obtain benefits for the stakeholder (b) simplification of licensing procedures to make easy and quick procedure of getting license (c) reduction of the high electricity tariffs to overcome to cost of tourism operations (d) unification of the regulatory environment and creating a single authority for tourism promotion to make efficient and effective management mechanism,(e) creating opportunities to promote shopping of internationally reputed branded products and entertainment to enhance the quality standards, (f) simplification of the investment approval process by setting up of a “ One Stop Shop” for tourism related investments to motivate the investors, (g) streamlining the process of alienating government land for tourism development projects to overcome the space problem, (h) attracting internationally reputed tourist hotels to enhance the standard of the industry and, above all (i) environmentally friendly, clean-city concept for urban development to make cities attractive for the visitors,

(<http://srilanka.travel/catalog/view/theme/default/image/pdf/English.pdf>, 2012)

### **5. 4. 4 Ecotourism policy in Sri Lanka**

There is no separate policy for agritourism or rural tourism. They are still under the ecotourism policy guidelines. Ecotourism policy was formalized in <https://assignbuster.com/agritourism-development-in-sri-lanka-tourism-essay/>



the recent past and therefore, it has a very short history. With the expansion of the ecotourism sector and the related institutions, in year 2003 government has taken the initial step to develop the ecotourism sector with the help of the Norwegian Technical Assistance program and prepared the document “ ecotourism policy guidelines”. It is a detailed document and all policy aspects regarding ecotourism have been explained clearly. The main features of the policies have been summarized in the table 5. 5. This national ecotourism policy outlines the principles, objectives and actions that necessary to facilitate the development of a sustainable tourism industry that contributes to resource conservation while optimizing economic benefits for the current and future generations of the country. The regulations have been compiled as to help all those involved in tourism in Sri Lanka to ensure that the industry is developed, managed, and regulated in a sustainable manner, to appropriate standards. By highlighting the core requirements of ecotourism, it is intended that the regulations will enable planning bodies to make fair and informal assessment of proposed ecotourism development, activities and facilities (Sri Lanka Tourist Board, 2003)

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#### **5. 4. 5 Need for Agritourism policy**

As mentioned before, agritourism is similar to ecotourism in several ways. Both are rural tourism sectors and niche tourism operations. They have very close links with local residents, natural environment, rural development and local governments. So that, most of the aspects of agritourism development such as establishment, management, can be handled by the ecotourism policy in the country. However, when agritourism is concerned, it has a

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strong forward and backward links with one of the big sectors “ agriculture”. Agriculture is the backbone of the economy of Sri Lanka. The ecotourism policy is unable to handle the agricultural side of agritourism such as agricultural land management, loans and credits, training and education, quality control of farm products, marketing of agricultural goods and services etc. As per the present statistics and future estimations of visitors in the country in the chapter 6. 3, there will be a good demand for agritourism in near future. Moreover, as explained in the chapter 6. 2, the present visitors are not satisfied with many attributes of agritourism operations due to poor levels. Furthermore, according to the chapter 6. 3 regarding the local residents’ perception on the contribution of agritourism for the local development is not so high. In this context in order to have a better satiation, it is important to have a separate set of policy for agritourism development. Fortunately, the current government has realized the importance of agritourism and it has been included in the future development agenda (Ministry of Finance and Planning, 2010). Therefore, it is timely important to pay attention on important policies by now to motivate the agritourism development in the country

### **Table 5. 4: Ecotourism Policy in Sri Lanka**

#### **Aspect**

#### **Description**

Principles of Ecotourism

1. Minimize & alleviate negative environmental, social & cultural impacts.
2. Optimize revenues for industry and for re-invest in conservation.

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3. Optimize the active involvement of & equitable distribution of economic benefits to local communities.
4. Educate visitors and citizens about the importance of conserving Sri Lanka's natural & cultural heritages.
5. Promote ethical behaviour & responsibilities towards the nature & cultural environment.
6. Manage operations such that there are long term benefits to the resource, industry and the local community.
7. Deliver a high quality, value-for-money, enlighten and participatory natural resource and culture-based experience for visitors.
8. Encourage travel in a spirit of humanity, respect and learning about local hosts, their culture and the natural environment.

#### Objectives of ecotourism

1. to promote & facilitate the development of ecotourism sites, activities and facilities in a manner that is consistent with the principles of ecotourism.
2. to educate all stakeholders about the concept of ecotourism, the economic opportunities that it offers and the actions that are required to develop a successful industry in Sri Lanka.
3. to expand the range of ecotourism products, services and facilities available in Sri Lanka.

4. to increase the number of Sri Lankans involved in ecotourism and facilitate the development of community-owned and managed ecotourism enterprises.

5. to contribute to and influence a more sustainable form of tourism in Sri Lanka, through a diverse range of measures: incentives, education, guidelines, regulations and marketing.

6. to contribute to conservation of natural eco-systems.

Ecotourism policy interventions

1. In the planning and regulation of the ecotourism sector.

2. In developing, managing and operating ecotourism facilities and activities.

3. In ecotourism at natural and cultural heritage sites.

4. In Community/local economic development.

5. In conservation, education and awareness and

6. In Ecotourism implementation.

Source: Ministry of Tourism, Sri Lanka, 2008

## **5. 4. 6 Agritourism Policies in Other Countries**

The development of agritourism raises substantial policy issues. Two reasons for this are that agritourism may generate significant externalities and that it is of considerable economic importance as an activity. Development policies are decisions taken by the government for the improvement of particular

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sector/aspect of a country and agritourism development policies are decisions drawn by the government for the improvement of the agritourism sector of a country. Many countries that are conducting agritourism have developed agritourism development policies according to their own context. Many government agencies have introduced policies and programs with the aim of encouraging agritourism development. A wide variety of government laws and regulations are essential for the smooth functioning of agritourism Operations and sustainable development in future. After reviewing the many policies and programs aimed at agritourism development, support can be categorized into three areas: financial aids, technical information and marketing strategies. These broad strategies tend to promote agritourism development by affecting either supply or demand.

## **Financial Aids**

Incentive policies and programs directed at increasing agritourism development have been launched in many countries (Hjalager, 1996; Frater, 1983). In Britain, the Farm Diversification Grant Scheme came into effect in 1987 and provided financial assistance to farm operators wishing to set up an ancillary business on or adjacent to their farm (Gasson, 1988). This policy was aimed at maintaining the farmer's income while the government reduced support prices for agriculture products. Unfortunately, the policy did not prove to be successful, since many farm operators chose not to participate in the program (Ilbery, 1992; Gasson, 1988; Winter, 1987).

Financial assistance for agritourism development continues to be provided throughout many parts of Europe (Williams, 1996; Greffe, 1994; Frater, 1985). In France, farmers can obtain grants or loans to finance the

conversion of farm buildings (Grefe, 1994). In West Germany, financial aid is available for agritourism facility development within the context of village renewal and regional development programs (Williams, 1996). Authorities in Portugal, Belgium, Spain and Italy also provide financial assistance for rural development. The Irish government created the Operational Programme for Rural Development as a mechanism to diversify the rural economy (Williams, 1996). Initially this policy met with limited success, until it was modified in 1991 to expand its financial support and accept a wider range of participants (Williams, 1996; Reid et al., 1993)

## **Technical Information**

Another type of action taken by authorities is the provision of technical information and consultation services to farm operators. In the United States, the Small Business Administration organized advisory and training services (Grefe, 1994). Workshops are devoted to such subjects as retail trade, home-based businesses, promotion of tourist products and managing businesses in the hospitality sector (Gustafson, 1997). In particular, the state of New York has developed several publications on how to open and operate a farm based bed and breakfast business. Authorities in this state have also initiated conferences for agritourism fanners. These sessions focused on issues such as “ promoting and merchandising your business, “ insurance and legalities”, “ making your business multi-seasonal and “ thinking like a tourist”(Williarns, 1996). In certain European countries, the systematic labeling of agritourism businesses has become a primary objective for some authorities. Onicials in France, Germany and Austria have developed a national system to ensure high standards amongst all agritourism operators

(Williams, 1996; Greffe, 1994). The guidelines used by authorities are very detailed and are strongly enforced. Many countries have organized information through training sessions. The Nordic countries have responded to the needs of agricultural universities by providing courses through universities and colleges (Greffe, 1994). In Austria, the Farm Holiday Association provides training sessions on tourism trends, marketing and sales, investments and public relations. These services are provided for both the farm operators as well as staff members (Embacher, 1994). German officials offer training sessions to local farm operators which focus on the needs of paying guests (Williams, 1996). In Wales, a specific program has been set up, “ Getting into Rural Tourism, which is intended to train people in the management of paying guests (Greffe, 1994).

## **Marketing Strategies**

In many parts of the world, government agencies are trying to bridge the gap between agritourism businesses and their potential customers by offering marketing support. Promotion could include such strategies as the development of brochures and also participation in tourism trade shows. In Belgium, it is the Office de Promotion Touristique that assumes this marketing role (Greffe, 1994). It is the Austrian Farm Holiday Association that promotes agritourism in Austria. This association is a w-operative marketing organization which links individual farm businesses on a regional, provincial and federal level (Embacher, 1994; Bramwell, 1994). In France, the Gites De France Services, Logis de France Service and the WF Tourisme were all created for advertising and marketing purposes (Greffe, 1994). The federal and state governments in Germany are instrumental in promoting farm-

based accommodations, especially for the small and medium-size farms. (Oppermann, 1996). The Australian State Tourism Industry Association plays an intricate role in marketing and promoting host farms (AFACT, 1997). Finally, in New York State, the promotion and marketing of host farms is accomplished through Farm Tour brochures (Hilchey, 1993).

### **5. 4. 7 Issues and Challenges of the Agritourism sector in Sri Lanka**

Firstly, strength, weaknesses, opportunities and threats of agritourism were analyzed the operators point of view. After that, these factors were also discussed with key informants and local government officers of the area to examine them in different point of views to get a complete picture of it (Table 5. 5). Finally main challenges (weaknesses and threats) were clearly identified.

#### **Table 5. 5: SWOT Analysis for policy related issues of agritourism using Operators, Key Informants and Local Government Officers**

##### **Strengths**

Availability of farm land/s for the operators.

Use of traditional knowledge and skills in farming and agritourism activities.

Ability to use family labour

Ability to integrate with other tourism sectors and arts and crafts industry.

Positive attitude and enthusiasm of the operators



## **Weaknesses**

Mostly small size farms

Problems on ownership of some farm lands

Less variety in supply of agritourism

Lack of knowledge on foreign languages (especially English) of operators

Lack of necessary skills

Poor level of processing of farm products

Problems with quality control of goods and services

Limited scope for direct sales of the produce

Poor publicity and promotion of operations

## **Opportunities**

Natural scenic beauty, clean environment and attractive climate in farming areas

Availability of human resource (labour) for farm and tourism work.

Some support from government and some NGOs for the operations (credit facilities/ training programs).

Support from local people (community participation).

Since agritourism is getting popular in the world, raising demand and potential for expansion.

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Up coming supportive infrastructure development initiatives at national and provincial levels.

## **Threats**

Lack of organization, a responsible authority for development, marketing, facilitation and regulation.

Unavailability of a common agritourism development fund at local level

Competition among agritourism operations

Lack of systematic taxation for agritourism operations

Weak management of negative impacts.

Poor distribution of positive impacts

Tourism development by operators merely focused on income generation.

Poor level of infrastructure facilities.

Insufficient government intervention

Monopoly of tour operators.

Lack of stakeholder collaboration.

Political influences

Low number of visitors

Lack of community participation and participation readiness due to low socio-economic conditions.

Insufficient capacity of local community to take part in agritourism development

successfully.

Unavailability of insurance policy for many destinations

Lack of research in agritourism

There are significant challenges facing by the agritourism sector at present. This requires designation management approach to come up with solutions resulted from a clear strategic thinking process. Further, to fully realize the opportunities assuring mutual benefits through tourism, capitalize on strengths, understanding shared responsibility of industry stakeholders and communicates it appropriately expecting strategic commitment from the industry.

#### **5. 4. 8 Policy Suggestions for Agritourism Development in Sri Lanka**

Policy formulation is a systematic process. Identification of policy goal, formulation of policy objectives based on the policy goals, understanding of policy action for each policy objectives and identification of strategy for each and every policy action is the general procedure. When a policy is formulated, it is very important to follow all the steps of the process to have accurate policies.

The policy goal of this study was to reach the agritourism development in the country. According to the SWOT analysis, a number of challenges (weaknesses and threats) of agritourism development were identified. In order to overcome these challenges, three broad policy objectives were drawn as agritourism development, visitor satisfaction and community development. Under each policy objective, relevant problems, suitable policy suggestions and policy strategy for each and every policy suggestion were formed. Several discussions with university lecturers were conducted in this regards. Results are present in the (Table 5. 6).

### **5. 4. 8. 1 Broad Policy Objectives of the Development of Agritourism Sector**

#### **a. Agritourism Development in the Country**

Agritourism will be able to bring some support for life and prosperity of the country that is capable of sound economic prospects facilitating integrated development. It may require minimal additional investment and may utilize excess capacity of labour, capital, land, and natural resources. There are potential benefits of agritourism for local agriculture and rural communities. Tourists bring in money to local communities that keep rural communities alive and prosperous. Partnering of tourism and the green industry will help create and strengthen rural economics.

#### **b. Visitor Satisfaction in Agritourism**

Tourist satisfaction primarily reflected the service quality and is crucial to the continued viability of any service business, including agritourism businesses.

Therefore, consideration on the aspect is important to successful destination marketing because it influences the choice of destination, the consumption  
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of products and services, and the decision to return. Consideration should be on local and non local visitor satisfaction. It is vital to understand the areas such as how do visitors assess their satisfaction with tourist attractions as well as the factors influencing visitor satisfaction.

### **c. Community Development and Agritourism**

It is obvious that the diverse communities that involve in agritourism seek fair rewards for their involvement, commitment, and resources deployed for development. The proposed agritourism development should focus on this aspect and be reasonable for delivering such rewards for the communities who actively take part in every aspect of agritourism from planning and development to operations.

## **Table 5. 6: Policy Goals and Respective Policy Suggestions and Strategies**

### **Policy objective**

### **Issues and challenges**

### **Policy suggestion/s**

### **(at different government levels)**

### **Relevant Policy Strategies**

### **Policy objective 1**

### **Agritourism development**

Farm lands are small in size

Provision of lands for needy agritourism operators by the national government

Distribution or long term leasing of government lands

Provision of access to public lands around the destination

Introduction of Community-based agritourism for the farmers

Networking of small scale agritourism operators

Problems in the ownership of some farm lands

Provision of ownership to the operators by the national government

Provision of real ownership or user right.

Avoid land disputes.

Lack of capital for agritourism development

Promotion of financial support systems by the national government

Loans at concession rate for medium and scale farmers

Loans at normal interest rate for large-scale operators

Lack of knowledge and skills on agribusiness management

Provision of required education and training, information technology and related extension services for relevant personnel by the provincial governments

Workshops, seminars, awareness programs, lectures on agritourism development and marketing should be conducted in suitable time durations

Unavailability of a responsible authority for development, facilitation and regulation of agritourism

Formation of an Agritourism Management Group for relevant provinces by the provincial governments

Agritourism management group should include representatives of all the categories of stakeholders and it should be the responsible body for coordinating, development, marketing, facilitation and regulation of agritourism activities.

Low number of visitors due to poor level of promotion and marketing of agritourism

Formation of marketing strategies by the Agritourism Management Group of the Province

National government supported advertising and promotions

Marketing via websites , face book, at