

## Review

# Agri-tourism: Potential opportunities for farmers and local communities in Malaysia

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**This article reviewed literature on potential benefits of agri-tourism for farmers and local communities in general. It also provided a review of agri-tourism development, particularly in Malaysia. Reviewing literature indicated that agri-tourism as an economic development instrument has great potential to contribute to rural development. Malaysia is one of the tourist countries with great potential to develop agri-tourism. Agricultural areas in this country have many tourist attractions which can form the basis for relaxation, enjoyment and education of tourist. Although this country has existing base of agri-tourism attractions, its potential for agri-tourism is far greater. It is suggested that to improve the economic, social and environmental situation of rural communities in Malaysia, the department of agriculture as well as universities should give orientation towards agri-tourism by providing some innovative ideas suitable for each region. It is also recommended that tourism industry should make stronger links with agriculture to make agri-tourism continue the tourism trend in Malaysia.**

**Key words:** Agri-tourism, local community, Malaysia.

## INTRODUCTION

Tourism has become the largest industry in the world. In contrast, the agricultural economy over the past three decades has been comparatively stagnant (Beus, 2008). With the decline in the agricultural outputs due to human and external factors, Agri-tourism has been recognized as an alternative activity to diversify the economic growth. For farmers with small to medium sized farm, the only way to stay in agriculture is to find ways to diversify their incomes. One strategy some farmers are beginning to explore is the cultivation of tourists in addition to crops, it referred to as "agriturismo" in Italy, "sleeping in the straw" in Switzerland, "farm stays" in New Zealand, and "farm holidays" in England, agri-tourism is well established throughout Europe and in many other countries (Rilla, 1999a).

Today new areas of tourism such as Agri-tourism, eco-tourism, nature tourism, farm tourism, and rural tourism have emerged. Agri-tourism is form of niche tourism that is considered as a growth sector in many parts of the

world. It maximizes the use of farm setting and environment with local hospitality to increase income and welfare of the farming population. Malaysia is blessed with natural resources in agriculture, forestry and minerals. In area of agriculture, it is one of the top exporters of natural rubber and palm oil, which together with sawn logs and sawn timber, pepper, cocoa, tobacco and pineapple dominate the growth of the sector (Tiraieyari et al., 2010). Agriculture has played significant part in the development of this country and continues to make a significant contribution to the national economy. However in order to expand the national economy and make Malaysia's economy less dependent on exported goods, the government has decided to develop tourism in Malaysia. As a result tourism has become Malaysia's third largest source of income from foreign exchange (Munan and Yuk, 2001). The contribution of the agricultural sector in the improvement of the tourism sector cannot be over looked. It is no wonder that the agricultural sector is accepted as an important tourism asset. Agri-tourism as a new concept is gaining popularity in Malaysia since this country is rich in agricultural resources. The ministry of tourism defined agri-tourism as

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**Table 1.** Tourist arrival and reception to Malaysia.

Year	Arrival	Receipt (RM)
2010	24.6Million	56.5Billion
2009	23.6 Million	53.4Billion
2008	22.0Million	49.6Billion
2007	20.9Million	46.1Billion
2006	17.4Million	36.3Billion
2005	16.4Million	32.0Billion
2004	15.7Million	29.7Billion
2003	10.5Million	21.3Billion
2002	13.2Million	25.8Billion
2001	12.7Million	24.2Billion
2000	10.2Million	17.3Billion
1999	7.9 Million	12.3 Billion
1998	5.5 Million	8.6 Billion

Source:[http://corporate.tourism.gov.my/research.asp?page=facts\\_figures](http://corporate.tourism.gov.my/research.asp?page=facts_figures).

tourism activity that offers opportunities to visitors to visit agricultural villages and to understand the culture of Malaysia with providing social-economic benefits for local communities (Shubi, 2007). In the literature, there are several terms such as agro-tourism, farm tourism, farm-based tourism, and rural tourism that are often used instead with agri-tourism (Barbieri and Mshenga, 2008; Roberts and Hall, 2001; Wall, 2000). Literature reveals multiple definitions for agri-tourism based on range of characteristics. However, there is not a generally accepted one definition. Barbieri and Mshenga (2008) defined agri-tourism as any activity developed on farm with the intent of attracting guests. Maruti (2009) defined agri-tourism as an innovative agricultural activity related to tourism and agriculture both in which has capacity to create additional source of income and employment opportunities to the farmers and local communities.

According to Marques (2006) agri-tourism is a type of rural tourism in which the hosting house must be incorporated into an agricultural estate, allowing visitors to participate in agricultural activities. Similarly, Sonnino (2004) defined agri-tourism as action of hospitality carried out by agricultural entrepreneurs that must remain connected to farming activities. American Farm Bureau Federation (2004) made a definition of the concept as an enterprise at a working farm conducted for the enjoyment of visitors that generates income for the owner. Hence agri-tourism as an innovative activity in agriculture create extra source of income and employment opportunities for farmers and local community (Maruti, 2009).

## THE DEVELOPMENT AND IMPLEMENTATION OF AGRITOURISM IN MALAYSIA

The Malaysian economy was dependent on primary

commodities mainly rubber, palm oil and petroleum products (Stecker, 1996). In the 1970's, the government began the development of the manufacturing industry to expand the country's economy. During the 1980s tourism became an important industry in Malaysia, especially due to an increase in international travel (Stecker, 1996). In the mid 1980's, the economic recession made the government to give a high priority to the development of the tourism industry. Tourism was identified as a potential industry that could encourage the socio-economic development of Malaysia as a provider of foreign exchange earnings, and employment opportunities. The effort of the government in promoting the tourism industry was manifested by the establishment of the Ministry of Culture, Arts and Tourism in 1987. Later on in 2004, this ministry was restructured into three ministries; the Ministry of Tourism is one of them which were assigned to coordinate and implement government policies and strategies to tourism development. As a results, total tourist arrivals increased dramatically especially in 1990 and thereafter (Munan, 2002) (Table 1).

As it was mentioned earlier, agriculture has played a significant part in the development of this country and continues to make a significant contribution to the national economy. However structural changes in the Malaysian economy have brought new issues in the agricultural sector. Hence, the government encouraged agri-tourism among rural people as a new tourism concept. The Malaysian government, through the 9 Malaysian Plan, has opened opportunities for farmers to expand and diversify agricultural products and their related industries, such as agri-tourism. The importance of local participation in tourism was also stressed in the 7 Malaysian Plans 1996 to 2000 (Government of Malaysia, 1996). As a result, agri-tourism is gaining popularity dramatically in Malaysia, since this country has plenty of

agricultural resources. Agri-tourism is developing as a form of agricultural diversification among local communities in Malaysia. It can take many forms, including farm stays, bed and breakfasts, pick-your-own produce, agricultural festivals, and farm tours for adults and children (McGehee, 2007). The main agency accountable for the development of agri-tourism is the Ministry of Agriculture and Agro-Based Industry while the Tourism Ministry helps in terms of its promotion (Ministry of tourism Malaysia, 2011).

### THE POTENTIAL BENEFITS OF AGRITOURISM

Agri-tourism has significant impacts on local community in terms of revenue and employment. It can contribute to rural development by generating new jobs and new value added. As a matter of fact, it also provides an opportunity for the visitor to come into direct contact with local community to experience the area and to appreciate the local products, the services and the landscape. Many farmers choose agri-tourism enterprises to develop an extra source of income to their traditional agricultural activities. Over the past century, farming has become more technologically advanced than ever before. Hence many small-scale farmers have been forced out of the industry completely or have found alternative sources of income. Small-scale farmers have found agri-tourism to be an effective means to add on their declining farm incomes. The main purposes behind agri-tourism are sustainable rural development and the supplementary income for farmers and local communities. A wide range of benefits has been identified as potential output of agri-tourism. The potential benefits of agri-tourism development extend to farmers, local communities, and tourism administrator. Overall, agri-tourism is seen by both local community and government as diversification options for business in the agricultural sector (Williams et al., 2001).

However, the benefits of agri-tourism development extend much further. From the point of view of agricultural industry, agri-tourism is perceived to be a tool of expanding farm operations; increasing awareness of local agricultural products; using farm based products in an innovative way; improving farm income; developing new market niches; increasing appreciation of the importance of conserving agricultural land uses; channeling additional on-farm revenues directly to family members; as well as leisure facilities; upgrade farm living and working areas; providing opportunities to achieve managerial skill and entrepreneurial spirit; and expanding the long term sustainability for farm businesses (Williams et al., 2001). However for local communities, agri-tourism can be a tool for inventing extra income for local businesses; revitalization of local facilities for visitors; helping to conserve local traditions such as handy craft; increasing knowledge about agricultural issues among

the public; developing the on-going use of local agricultural products and services; helping stabilize the rural economy by creating jobs and increases family and community income (Williams et al., 2001). Additional advantages include job creation, tourist expenditure in other local businesses, conservation of rural lifestyles that are culturally based on agriculture, and conservation of the nature.

### ECONOMIC IMPACTS OF AGRITOURISM ON LOCAL COMMUNITY

Studies of the economic impact of agri-tourism on local community focus more on the positive benefit although there are also negative economic impact such as lower wage jobs and seasonality. An economic impact analysis of agri-tourism normally focuses on change in income and employment in a region. As mentioned earlier agri-tourism as a specific form of business has multiple impacts on local community. Researchers in agri-tourism development have reported that the most motivations for agri-tourism development are economic (Weaver and Fennell, 1997; Busby and Rendle, 2000; McGehee et al., 2002; Miller, 1993; Nickerson et al., 2001). According to Gannon (1994) and Keiselbach and Long (1990) agri-tourism can help to solve difference in economic problems through economic diversification, employment creation, protection and improvement of both natural and built environment, and infrastructural improvements. There is growing evidence of economic effects of agri-tourism for local communities.

A survey by the New England Agricultural Statistics Service revealed that the total annual income from agri-tourism increased 86% between 2000 and 2002 (Notebook, 2005). A study of visitors to The Flower Fields in Carlsbad showed a positive economic impact for the flower field farm operation and the city of Carlsbad, one of the wealthiest communities in California, United States. The economic benefits to the community have been considerable. Direct expenditures by visitors to The Flower Fields reported about \$2.3 million in Carlsbad and about \$7.76 million in San Diego County (Lobo et al., 2005). Hawaii Agricultural Statistical Office (2004) stated that farmers in Hawaii currently are engaged in agri-tourism business activities. In terms of revenues originated from agri-tourism, on-farm sales direct to visitors accounted roughly 40% of total revenues; followed by retail sales of products from other farms and souvenir items (26.8%); outdoor recreation (14.8%); accommodations (7.4%); education, including farm tours (3.5%); and entertainment (3.1%). The report also noted that farmers received orders for agri-tourism products after visitors returned home. Weaver and Fennell (1997) found those Canadian respondents' reasons for establishing their vacation farms were economic or financial. McGehee et al. (2002) found the top two

motivations for agri-tourism development among small farm families in Virginia were 'to create extra income and to completely use resources. In the United Kingdom, study indicated that what initially may begin as social or cultural motivators gradually become economically based for some agri-tourism owners (Busby and Rendle, 2000).

Stewart (1995) pointed many examples where agri-tourism activities become the main source of income for the farm family. Busby and Rendle (2000) found that for many, the added income gained from agri-tourism activities is little. However, even a small contribution may cause the difference between survival and bankruptcy. Getz and Carlson (2000) found that the appeal of finding economic means to support a rural lifestyle was the strongest motivation among rural Western Australians. Contini et al. (2009) reported that 6.6% of the total income of hotels and restaurants produced by agri-tourism in Low-Valdesa, Italy while the impact on employment is 10.46% of the total employment. Agri-tourism is developing as a form of agricultural diversification among local communities in Malaysia. However, it is still new in Malaysia and the progress in Malaysian economy is still new. For a country such as Malaysia, agri-tourism has played big roles to generate income for the country.

For example, the number of local tourists as well as foreigners has been increased (History of Agri-tourism, 2008). The increasing of the foreigner has also increasing the foreign money exchange into the country that will generate the income to the country. In Malaysia, most if the agri-tourism spots provide the home stay. Home stay becomes popular in Malaysia because of the variation of its culture that comes from the different races in Malaysia. The concept of home stay provide the tourist a place to stay and at the same time joining the activities that arranged by the owner (History of Agri-tourism, 2008).

### **SOCIAL AND CULTURAL IMPACT OF AGRITOURISM ON LOCAL COMMUNITY**

Agri-tourism has impact on individual behaviors, family relations, life styles, and traditions of the local community. This activity brings different visitors of different languages, cultures and life style to one another. Therefore, agri-tourism will not only create employment for the people but it can also develop social and cultural values. Agri-tourism can transform the socio-cultural dimension of local community as well. The changing conditions have socio-cultural impacts on the communities not only on rural people but also on urban people (Topcu, 2007). Education activities in agri-tourism development process offer new skills to local community. Agri-tourism connects rural and urban people; through this way local community may have chances for closer

relations with urban life and urban people should also have better insight about the rural areas of the world. This may cause communication between urban and rural people. Agri-tourism plays an efficient role for changing the migration numbers by offering job opportunity to local people.

Weaver and Fennell (1997) indicated that an important motivation among their Canadian respondents to share the rural experience with visitors was opportunities to socialize and meet new people. Agri-tourism programs help capitalize on the natural, historical, and cultural resources of communities and can also help to build community pride and improve the quality of life for local community (Karabati et al., 2009). According to the analysis of Pearce (1990) visitors were beneficial for children, since they were able to meet new people with different cultures. While visitors occasionally helped with farm activities. This help can be as a motive for having guests. However, dealing with people from different culture may sometimes cause problems as well, such as excessive drinking, arguments among family member, awkward conversations about politics, religion, culture and so on (Karabati et al., 2009). There is no study found in Malaysian context that studies the social and cultural impacts of agri-tourism on local communities.

### **ENVIRONMENTAL IMPACT OF AGRITOURISM ON LOCAL COMMUNITY**

Although agri-tourism preserves the environment and natural resources, it attracts inflow of people including visitors, workers and investors into an area limited in size. With increased population, the area begins to become degraded. Agri-tourism will also require infrastructure, transportation and facilities which can cause environmental pollution; affects land stability and water resources that ultimately degrade the tourist area.

### **CONCLUSION AND RECOMMENDATIONS**

This paper helped illustrate the benefits that agri-tourism may bring to farmers and local communities. Malaysia has great potential to develop agri-tourism due to natural attractions and different types of agricultural products as well as rural traditions. It is a good opportunity to develop this business in Malaysia. Hence, the Departments of Agriculture and universities should give orientation towards this and provide some innovative ideas related to the agri-tourism. The government should also provide financial aids to the agri-tourism activities in Malaysia as well. This country has developed a well-established tourist industry, well-endowed with natural resources; obviously it has the great potential for lucrative agri-tourism activities. Thus, governments should encourage

farmers and local communities to develop agriculturally based tourism that may become tourist destinations. Although this country has existing base of agri-tourism attractions; however the potential for agri-tourism is far greater. The agricultural sector will continue to play important roles in development of Malaysia and agri-tourism as an economic development instrument has potential to contribute to rural development.

As it said, there are a lot of positive impacts of developing agri-tourism to the economy; but this development has to be planned carefully with respect to the environment and the local culture as well. Therefore, special attention needs to be paid to promote the local culture and the environment. Through this way, agri-tourism can offer a different experience to the visitors and help the local communities to conserve their traditional characters and develop the economy of the country as well. Moreover, in the strategic planning of developing an area for Agri-tourism business, much consideration should be given on its impact in order to have a sustainable agri-tourism in the country. It is also recommended that tourism industry make stronger links with agriculture to make agri-tourism continues tourism trend.

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