Re-creating farms into Agritourism: Cases of selected micro-entrepreneurs in the Philippines

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Abstract

The study probed into the products, motivations, benefits, and challenges of selected micro-entrepreneurs of agritourism enterprises in the Philippines. The proponents derived the responses of fifteen key participants using a case study - qualitative method, particularly the inductive approach in which the researchers looked for patterns in the data generated through interviews and observations. Fifteen farm owners, who are mostly male, operate their agritourism venture as a single proprietor to sell organic fruits, vegetables, dairy, and poultry to visitors. They substantiate these products with creative experiences like farming experience, animal feeding, and hands-on food preparation. They enhance their visitors' experience with minimal primary facilities such as a visitors' lounge in a farm setting, staging area, animal viewing zone, souvenir stores, walking trails, basic toilets, and dining areas. They are motivated to re-create their farms as an agritourism destination to fulfill their intrinsic desires of achievement and locus of control, and seize the opportunities brought by extrinsic factors of market-driven, profitability as well as economic impact. From the responses of the owners and farmers, benefits derived from the agritourism venture fall into three major categories, including economic, environmental, and socio-cultural. Consequent to the narratives of the key informants regarding the challenges in agritourism indicate three significant dimensions of operational, infrastructural, and natural factors. Farmers and owners can exploit agritourism even in a limited setting. As an enterprise, it imposes a more sophisticated entrepreneurial mindset. These results indicate that agritourism can become a dependable economic driver of countryside development and can result to farm diversification as an enticement for many farmers, especially those keeping small farms. Microentrepreneurs in agritourism need to address the limitations presented in the study to ascertain the sustainability of agritourism even in small agricultural resources.

Keywords: Farms, agritourism, micro-entrepreneurs, innovation, Philippines.

Introduction

As a crossbreed concept combining the essentials of the tourism and agriculture industries, agritourism can be exploited as a structure of special interest tourism, highlighting the distinctive travel experiences and activities that people can have in rural settings. Agritourism is a subsector of the tourism industry and a subset of rural tourism that uses a diverse array of farms as tourist destinations (Philip et al., 2010). It supports farm activities targeting tourists, including farm demonstrations, farm visits, farm training, etc., as well as on-site value-adding and sales of farm products. Agritourism occurs on a working farm or agricultural plant and is conducted for the visitors' enjoyment and to generate supplemental income for farmers. Agritourism and nature-tourism farms might include a diverse array of activities such as outdoor recreation, farming experiences, cultural entertainment, hospitality services, and on-farm direct sales. Agritourism includes different and integrated activities aiming to improve the environment and agricultural production, combines agriculture and forestation, and focuses on cultivating cash crops and improving soil quality and biodiversity, increasing the variety and quantity of farm products. For this study, agritourism will be addressed as the set of tourism-related activities operating on agriculture, applied in rural areas either in groups or individually (Fahmi et al., 2013).
With farmers becoming more market-orientated in response to declining farm incomes and rural restructuring (Meert et al., 2005; OECD, 2009), the reorientation of farming away from production to more entrepreneurial models of agriculture (Phillipson et al., 2004) emerged. Thus, as diversification becomes an almost anticipated practice, farmers are being accepted as entrepreneurial, having to develop new skills and competencies to remain sustainable (McElwee, 2006).

While there is a growth in numbers of agritourism enterprises (Hsu, 2005), there are several challenges that obstruct the success of the agritourism business. Additional research is required to enrich our understanding of the essential entrepreneurial skillset, with a call for case-study analysis, interviews, and observations with both successful and unsuccessful farm tourism ventures to add much-needed depth to our understanding of the agritourism sector (Phelan et al., 2011). Identifying the critical entrepreneurship capabilities, farm resources, and management strategies that affect the performance of agritourism farms are vital for the development of the agritourism industry (Hung et al., 2015). Yeboah et al. (2016) reported that the majority of the studies focused on recognized large farms that are already involved in agritourism. Thus, it is becoming more relevant to address obstacles, challenges, and opportunities for rising entrepreneurial activities in the area related to the agritourism. Moreover, since tourism is highly contextual, a local study would be beneficial to appreciate the particular perceptions of Filipino entrepreneurs in agritourism entrepreneurship.

Literature Review

Agritourism defined

The term agritourism has often been used alternatively with agrotourism, farm tourism, farm-based tourism, and rural tourism (McGehee and Kim, 2004; Clarke, 1999; Ilbery et al., 1998; Roberts & Hall, 2001; Barbieri & Mshenga 2008). Agritourism may be characterized as "rural enterprises which integrate both a working farm environment and a commercial tourism element" (Weaver & Fennel, 1997; McGehee, Kim & Jennings, 2007). Barbieri and Msheng (2008) referred to agritourism as "any practice developed on a working farm to attract visitors." Farm enterprise diversification has become an approach for small farms to remain practical, particularly during high risks facing situations of modern-day farming. McGehee, Kim and Jennings (2007) have recognized agritourism as a type of enterprise diversification. Ilbery et al. (1998) depict seven paths to agricultural expansion, of which on-farm recreational activities are one continued existence approach for farm businesses. Integrating agritourism as an alternative enterprise has the prospect to put into agrarian sustainability, expand farmers' economic base, present educational opportunities to tourists, and stimulate a vigorous communal cohesion (Ilbery et al., 1998).

Agritourism in the Philippines

Agritourism in the Philippines initially operated in the municipality of La Trinidad, Benguet, over two decades ago. However, there were no official pieces of confirmation and narratives those times, but the local people and communities already were doing the practice and activities during the summer season when local farmers encourage tourists to partake in vegetable harvesting, strawberry picking, and even purple yam processing, to name a few. The practice invites tourists to experience actual agricultural activities while learning the value of the farmers' produce. At the same time, it promotes an interface between the farmers and tourists, on the aspect of the commodity production management system as a tool for information sharing and technology transfer.
Agritourism Endorsement (ATE) of 2016 seeks to promote the development of agritourism in the country and defines it as a working farm, ranch, winery, or any agricultural operation is open for a public visitation for their enjoyment, outdoor recreation activities, education, shopping, dining or even lodging. Agritourism has been building thrust in the Philippines for the last few years, and all the effort of local enterprises is finally being accepted as the country is now one of the top destinations for agritourism in the world as DOT reported having 105 accredited farm tourism sites in the country (SEARCA, 2019). The Philippines is among the prime farm tourism locations in the world, given the country’s precious natural resources, biodiversity, rich farming heritage, and natural hospitality. Some of the popular farm tourism destinations are organic farms, nature-friendly farms, and health and wellness farms. Nowadays, a significant shift and improvements are made by incorporating production management activities with tourism activities.

Agritourism, dubbed as the new economic game-changer, is one of the propellers for economic expansion, especially in rural areas. It has been a development in the agriculture sector since 1990, however, it was recognized in 2002 and institutionalized through the Department of Agriculture (DA) and Department of Tourism (DOT) issuance of a joint circular that identified 10 agritourism sites in the country (Go Negosyo, 2019). According to DOT, “Farm tourism or agritourism is the trade of drawing more local and foreign visitors to farms and rural areas normally for educational and leisure purposes while creating an environment-friendly representation and stirring economic activities that can provide farms and communities supplementary income.” This new track in farming and tourism development makes it a business activity. With this activity, the guarantee of communities to be concerned about farm activities will not only be treated for people’s empowerment only but sustain the inclusive development program, including tourism programs as a whole (PB Agribusiness, 2019).

Motivations of Entrepreneurs in Agritourism

![Diagram showing factors of entrepreneurial strategies](image-url)

Figure 1. Influential Factors of Entrepreneurship Strategies
Five studies have reviewed the framework of the tourism industry specifically, looking into the locus of control (Shaver & Scott, 1991), firm prosperity (Clarke, 1999), market-driven propensity (Morrison et al., 2003), need for achievement (Pearlin, 1989), and innovation (McKercher, 1999). Along with the significant factors, four vital essentials most applicable to the tourism industry are economic benefits (Clarke, 1999), joint marketing (Rothaermel & Deeds, 2006), environmental sustainability (Powell & Ham, 2008), and public awareness (Colton & Bissix, 2005; McGehee & Kim, 2004). Locus of control refers to a deep conviction that an individual holds a degree of control over his or her destiny (Rotter, 1966), as such, locus of control is understood as an attribute of entrepreneurs (Shaver, 2012).

Profitability is the condition of generating financial growth (Soininen, Martikainen, Puumalainen, & Kyläheiko, 2012). Profitability and growth is the aim of capitalist firms (Carland, Hoy, Boulton, & Carland, 1984). The market-driven tendency is customer-oriented and shows a firm’s inclination to settle in their marketing strategies as wanted (Hult, Ketchen & Slater, 2005). Marketing strategies may comprise probing consumer desires and wishes; increasing consumer pleasure and loyalty; and investigating rivalry and consumer development (O’Cass & Ngo, 2007).

The need for achievement is the thrust that stimulates individuals to endeavor for success and exceptional performance (Sagie & Elizur, 1999). Individuals with the need for success demonstrate a strong desire to solve problems, display high performance in difficult tasks, and look for well-organized ways to recover performance (Littunen, 2000; Utsch & Rauch, 2000).

Innovation comprises a chain of actions to create and exploit new products or ideas (Ireland & Hitt, 1999). Roehrich (2004) recommended that innovativeness is one of the most critical ingredients of an entrepreneurial character.

Entrepreneurship approaches endeavor to attain a variety of distinguishing benefits and aggressive advantages for enterprises (Antoncic, 2006; Ireland, Covin & Kuratko, 2009). Brüderl and Preisendrfer (1998) recommended that “farm-based tourism is often viewed as one way of increasing family incomes.” Income obtained from the operation of agritourism services is supporting for many farm families and helps manage income flow by making a combination of lucrative income from agriculture and tourism industry sectors during market changes (Greenbank, 1999; Sorensen & Sorenson, 2003).

A marketing alliance is shared conformity among enterprises to work together to realize calculated objectives (Rao, Qu & Ruekert, 1999; Rothaermel & Deeds, 2006). Sivadas and Dwyer (2000) pointed out that a marketing alliance is controlled in one of two approaches. The first approach is as a discrete corporate entity in which alliance partners hold equity positions. The second is as a separate inter-organizational body to which the organizational partners entrust resources and skills without sharing equity in the affiliation (Varadarajan & Cunningham, 1995).

Environmental safeguards against probable harms in agritourism include conserving natural resources, saving energy, protecting local environments, preventing livelhoods that are a hazard to the ecosystem, and avoiding capacity burden during high production seasons (Lee & Moscardo, 2005; Powell & Ham, 2008).

Agritourism promotes educating the public about the importance of agriculture to the economy of the local community and quality of life (Colton & Bissix, 2005; McGehee & Kim, 2004). When tourists engage in agritourism activities, they are likely to portray more political and social support for the agricultural economy (Marques, 2006).
Benefits of Agrotourism

The growth of contemporary agriculture leads to a broader array of tourism. Farms have enhanced their sites to provide more visitors and produced various activities to offer. It is recognized by both scholars and policy planners that to minimize rural migration, it is relevant to maximize the usage of environmental, agricultural, and tourism potentials of rural areas through innovations and entrepreneurship. Nurturing entrepreneurship in the agrotourism sector should not only generate value for the local community but also put into the preservation of agricultural heritage while at the same time promoting sustainable tourism in rural areas. Agrotourism could be described as any income-generating occurring at the farm setting to create enjoyment or educate the visitors, taking into consideration the selection of natural, historical, cultural, and environmental resources of the land, as well as the people who nurture it (George et al., 2008). Nicolaides and Grobler (2017) state that agritourism also serves an important function of boosting one's quality of life experience. The number of scholars suggested the importance of agrotourism in terms of providing additional sources of income to local communities (Hall, 2004). As such, agrotourism is often related to economic expansion, rising living standards, and the development of socio-cultural assets of rural areas (Nunkoo et al., 2012).

Challenges of Agritourism

Chief among the problems and difficulties recognized by stakeholders as vital to the expansion of successful agritourism comprise marketing, product development, government support, education and training, and partnership and communication. There was agreement among stakeholders that farmers going into agritourism need to be able to identify the product that they are presenting to the consumers and be able to communicate this to the potential visitors. Also, nurturing association with other farmers, business communities, educational and governmental institutions, as well as researchers, can significantly impact the achievement of agritourism ventures. The success of agritourism ventures depends on certain factors that may be within or beyond the capacity of the farmer. While agritourism may offer a way to expand small farms, there are barriers to a successful business of an agritourism farm. Barbieri and Mshenga (2008) examine the role of owner and firm characteristics on the performance of agritourism farms. They discovered that the length of time in operation, number of employees, and farm acreage resulted in a positive impact on agritourism performance as indicated by annual gross sales. Other attributes such as the location of the farm, be it in a working farm, or the operator has a dealing or marketing plan, source of initial capital, and the farmer’s educational level did not emerge to have a significant association with the success of agritourism.

Research Methodology

The researcher employed a case study as a descriptive – qualitative approach to establish empirical data from the selected agritourism sites and their key informants. Soy (1997) describes case study research as bringing us to an understanding of a complicated issue or object and can broaden experience or add strength to what is already known through previous research. It excels at analyzing situations when “how” or “why” questions are being posed. The researchers identified and analyzed the patterns in the data generated through observations and interviews using the inductive approach. The inductive approach, also known in inductive reasoning, begins with the views and theories that are projected towards the closing stages of the research process as a consequence of observations (Goddard et al., 2004). This method intends to make meanings from the data set collected to categorize patterns and relationships to build a theory; nevertheless, the inductive approach does not stop the researcher from using existing theory to create the research question to be investigated (Saunders et al., 2012).
The researchers obtained primary data through semi-structured interviews and informal discussions of key informants which are substantiated with further analysis by observations and actual farm experiences of the selected agritourism sites.

As for the data used in the article, they have been mostly gathered through secondary data from scholarly publications such as peer reviewed academic journals, and policy papers drafted by relevant public bodies and international development agencies. The researchers drew from interviews and observations the primary data to probe the query of the investigation.

The choice of the areas was based on their distinctive natural, cultural, and agricultural resources, susceptible to be commercialized through agritourism development. The proponents ensured that the ethical issues such as consent and disclosure of privacy of critical participants were made clear before the study. Total of fifteen key participants composed of owners and farmers aged from 30 to 60 years (ten male and five female) were utilized during the actual fieldwork conducted in summer 2018 from selected agritourism sites in Cavite, Laguna, and Rizal provinces.

Results

Agritourism Products and Services

Farm operators typically sell organic fruits, vegetables, dairy, and poultry to visitors. They also offer creative experiences like farming experience, animal feeding, and hands-on food preparation. Their primary facilities include visitors' lounge in a farm setting, staging area, animal viewing zone, souvenir stores, walking trails, basic toilets, and restaurants. Their services are built around the natural ambiance of the farm with very minimal hard developments.

Motivations of Agritourism Entrepreneurs

Responses derived from face to face discussions of key informants reveal five relevant patterns consisting of achievement, locus of control, market-driven, profitability, economic impact. As to achievement indicator, interest and personal hobby emerged as their intrinsic drive to pursue the operation of the farm into a tourism venture, which is mostly family business and under sole proprietorship. “It all started as a personal hobby and a strong interest in farming. We have this piece of land to manage, and it could be a waste to leave it idle” (Interview, 2018).

They depict inner urge to accomplish something meaningful and unique to attain feelings of self-accomplishment and satisfaction as they share the same passion to the visitors during their visit. “There is some sense of inner pride when I share this place with visitors, particularly when I tell them my humble beginnings” (Interview, 2018). They want to seize the environmental and economic opportunities which fall under locus of control drive. The seasonal visitations made by local guests also encourage them to operationalize the farm as a tourist destination. Thus market-driven motivators are contributing to their existence.

“My visitors are seasonal, friends, relatives, and through word of mouth, other locals visit my farm. Somehow, some encouraging words coming from them to convert my farm into agritourism site convinced me, apart from the other business idea that I learned with other people” (Interview, 2018).

The financial gains derived from its operation are considered as a second-income source by the entrepreneurs, which contributed to the business profitability and owner’s’ economic well-being. “I think this a secondary income source only since my other siblings are working, and in a way,
the sales that I make here contribute to our family income. Most of the time, me and my siblings are the ones working here with the limited employee from the community” (Interview, 2018).

Benefits of Agritourism

From the given reactions of the owners and farmers, profits derived from the agritourism venture fall into three major categories, including economic, environmental, and socio-cultural. Direct sales of agricultural products, agricultural services, and other paid incidental provisions complement the financial returns of the venture.

Other spill-over economic impacts of tourists’ influx in the destination are directed to the host community in terms of employment provided for the locals. “We usually sell our local harvests in season, other than selling directly to wholesalers. We employ out-of-school youth and give them basic training as employees” (Interview, 2018) Crop variety methods, preservation of agricultural lands, development of environmental practices, education of visitors towards ecological issues are among the environmental outcomes of agritourism practice.” This business helps me improve my knowledge of farming and animal production, and because I have to add tourism, then it is another opportunity for me” (Interview, 2018). “I think, in some aspect, we can educate our visitors about the environment, plant and animal production, food preparation, and most importantly, we can maximize the natural resources of our farm like the soil and vegetation” (Interview, 2018).

As to socio-cultural benefits, the promotion of authentic hospitality and local attractions, preservation of cultural heritage, and women empowerment are identified in the study. “When visitors come here, they also visit other nearby attractions, and my community can also sell their local products. At times when we have an event, that is another reason to come. There are many attractions within the province, and the farm experience is just like a rural life experience that they cannot have in the urban cities where they come from” (Interview, 2018). “Women workers are on the service and housekeeping tasks, while the men are assigned with physically challenging duties on attending to farming and animal feeding” (Interview, 2018).

Challenges of Agritourism

The proponents’ observations and analysis of responses consequent to the narratives of the key informants regarding the obstacles in agritourism indicate three significant dimensions of operational, infrastructural, and natural factors. Operational factors refer to lacking professionalism in customer service and standard operating procedures, lack of financial and human resources. “We are the ones who train our staff, and we teach them basic customer service. In as much as I would like to expand, it may entail more investment, and we cannot afford to have more staff since the visitors are seasonal at times” (Interview, 2018). Infrastructural issues apply to the lack of necessary standard facilities for tourists. “I agree that we have to improve our facilities, and they part of our future developments, should the business prosper, I intend to add more services and facilities like rooms and spa to meet the demand of our visitors” (Interview, 2018).

The natural obstacles often include the climatic conditions affecting the farm operations and problems with crops and animal sustenance. “We encounter problems here like we need to have more harvests and crop varieties, also some issues with farm animals, especially when they get sick. Also, the visitors get disappointed to find if there are no fruits and vegetables to pick, but we try to make other farm activities to engage them in our site” (Interview, 2018).
Discussions

Agritourism entrepreneurs in micro-enterprises are not necessarily farmers but own and operate the business. Each of the farms participating in this study had incrementally become agritourism enterprises. The earliest manifestation of agritourism at each of these farms was described merely as a natural extension of their conventional agricultural practice, where the initial intent was not starting a separate agritourism enterprise. Farms diversify to innovate and recreate their products and services. Working farms with growing crops and livestock are one of the most famous attractions during a stay on an agritourism farm (Majewski, 2000). The presence of agritourists provides the opportunity for direct sales of farm products. The types of products offered to the guests included fresh fruit, vegetables, eggs, milk, and some food preparations. These products are of both animal and plant origin and can be either processed or unprocessed. When preparing dishes and preserves, farmers can use their traditional production methods. With the advent of tourism, farm operators have started to initiate further than crop development and offer an intangible experience to sell at a retail price directly to the end consumer (Lynch, 1998; Fogarty & Renkow, 2002).

The agritourism entrepreneurs on a micro-scale are not economically dependent on the profitability of the farm, having considered it a complementary family income source. The site does not offer much revenue facilities and services. Micro entrepreneurs offer only limited products and services, mostly capitalizing on the crops and animals as showcase of their production. The limited number of staff that it can hire from the community does not create that much remarkable employment opportunity, considering that the significant workforce is supplied by family members. FAO (2018) reports about 90 percent of the world’s 570 million farms are owned and operated by families who are small and are found in the rural areas of the developing world. However, the operation of the farm is a compelling reason for the entrepreneurs to recreate their farms to meet the demand and satisfaction of the visitors. Jęczmyk et. Al (2015) emphasizes that agritourism can become a reliable economic driver of rural development. Agritourism activities lead to the economic and cultural diversification of farms and businesses in rural areas. Indeed, farm diversification is often presented as an incentive for many farmers, especially those owning small farms.

As to challenges encountered by small agritourism entrepreneurs, several common challenges frequently hamper the development of agritourism, including planning problems, lack of financial and human resources, inadequate training and education, and limited professionalism of staff. It is evident among small farm operators that their specialization is on the agricultural side, while the recreational component of tourism is lacking. There is a lack of standard service for tourism purposes as evidenced by lack of quality service of staff and the facilities. Small scale entrepreneurs in agritourism are not sufficiently knowledgeable in delivering the tourism side of their venture. Production derived from agriculture and directly sold to final consumers are the agricultural products while the services provided to tourists that consist accommodation and meals served to correspond to tourism. Regarding agritourism, buying fresh products, directly from farmers, experiencing nature, and taking pleasure are the main benefits that visitors obtained from visiting a farm (Jolly & Reynolds, 2005). Other significant reasons that can be considered so-called “pull-factors” are the opportunity to exploit an increasing demand in nature-based outdoor recreation, the potential economic benefit from strategic complementarities between agricultural and livestock production and recreational activities, and any advantage deriving from cultural and social interactions with guests (Hansson et al., 2013).

Agritourism is also suggested to have the capability to extend environmental (e.g., natural resources preservation) and socio-cultural (e.g., rural areas repopulation) benefits to local communities (Che et al., 2005; Sharpley, 2002). However, the extent to which consumers
recognize those benefits is unidentified because most of the accessible studies have emphasized the impact of agritourism at the farm level (e.g., Barbieri & Mahoney, 2009; Nilsson, 2002; Tew & Barbieri, 2011). Results from a visitor study show that agricultural tourism has sizeable economic impacts on local economies. Besides, agritourism provides opportunities for diversification and financial incentives for growers, promotes economic development, and helps educate the public about the crucial contributions of agriculture to the county's economy and quality of life.

Conclusions and Recommendations

Farmers and owners can exploit agritourism even in a small setting. As an enterprise, it necessitates a more sophisticated entrepreneurial mindset. These results show that agritourism can become a reliable economic driver of rural development and can lead to farm diversification as an incentive for many farmers, especially those owning small farms. The prospective benefits of agritourism for local agriculture are varied. First, agritourism may yield diversification prospects for local farmers to amplify revenues and improve the feasibility of their operations. Second, it may be an excellent means to inform the public about the significance of agriculture and its association in the county's economy and quality of life. Third, it may offer economic spurs and ease resistance in the agricultural-urban boundary, thus helping to preserve agricultural land.

The farmers involved in agritourism businesses are faced with some trials: deficiency of experience of farmers in the operation of tourism business; insufficiency of knowledge, expertise, and training in the tourism field; limited marketing channels and linkages; necessity to acquire new skills to manage the tourists and their expectations. It is imperative that its development and potential challenges must be examined significantly to ascertain its sustainability. This research can, therefore, assist entrepreneurs, farmers, policy-makers, and other relevant stakeholders in understanding agritourism ventures.

References


SEARCA (2019). Philippines Recognized as a Top Agritourism Destination


