

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/310952048>

Agro-Tourism: A Cash Crop for Farmers in Malaysian Rural Area

Article in *SSRN Electronic Journal* · December 2016

DOI: 10.2139/ssrn.2876269

CITATIONS

0

READS

1,145

1 author:



Sanmugam Annamalah

SEGi University College

36 PUBLICATIONS 130 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



research on COVID [View project](#)



review purpose as the title is similar to other work [View project](#)

AGRO-TOURISM: A CASH CROP FOR FARMERS IN MALAYSIAN RURAL AREA

Sanmugam Annamalah
sanmugam@segi.edu.my / sanmugam_1@yahoo.com

Jayaraman Munusamy
jayaraman@amu.edu.my

Ilham Sentosa
ilhamsentosa@unikl.edu.my

Abstract

Tourism is well recognized as an instrument of growth in Malaysia as it has transformed the economies by developing the tourism potential. Tourism has the potential to generate large-scale employment and additional income to the skilled and unskilled workforce. Agro-tourism is a way of sustainable tourist development and multi-activity in rural areas through which the visitor has the opportunity to get close awareness with agricultural areas, agricultural occupations, local products, traditional food and the daily life of the rural people, as well as the cultural elements and traditions of the local communities.

Keyword: Agro Tourism, Malaysia, rural people, income, employment

INTRODUCTION

Tourism is now well recognised as an engine of growth in various economies in the world. Several countries have transformed their economies by developing their tourism potential. Tourism has great capacity to generate large-scale employment and additional income sources to the skilled and unskilled. Today the concept of traditional tourism has been changed. Some new areas of the tourism have been emerged like Agro-Tourism.

Promotion of agro-tourism in Peninsular Malaysia, Sabah & Sarawak would bring many direct and indirect benefits to the people, especially rural people, i.e. farmers, fishermen etc.

Agro-tourism is a way of sustainable tourist development and multi-activity in rural areas through which the visitor has the opportunity to be aware with agricultural areas, agricultural occupations, local products, traditional food and the daily life of the rural people, as well as the cultural elements and traditions. Moreover, this activity brings visitors closer to nature and rural cultures in which they can participate, be entertained and feel the pleasure of touring.

Agro-Tourism is helpful to the both rural and urban communities. It has provided an additional source of to the rural people and employment opportunities to the family members and rural youth. But, there are some problems in the process of the development of such centres. Hence, the government and other related authorities should try to support these activities in Malaysia for the rural development and increase income level of the farmers.

The rural people should also try to establish their co-operative societies for the development of agro-tourism centres. The agro-tourism may create cash crop for the farmers in Malaysia and also an instrument to rural employment.

Agro-tourism is an innovative agricultural activity related to tourism and agriculture both. It has a great capacity to create additional source of income and employment opportunities to the farmers, fishermen, etc.

Malaysia is one of the major tourist centres in the Asian region and there is large scope and great potential to develop agro-tourism.

PROBLEM STATEMENT

A greater potential to develop agro-tourism sector due to good natural and climate conditions of Malaysia. It was found that there is no research work has been done previously in this sector, especially cash crops. Therefore research work is prompted in this sector to use this as a tool to transform rural economy.

The research work will study

- i. The importance of this industry towards rural economic progress.
- ii. Identify the framework for implementation
- iii. Identify issues and challenges that may hamper the growth of the above sector.
- iv. Propose recommendations for implementation.

OBJECTIVES

The objectives of this paper are follows:

- To examine the importance of agro-tourism development in Malaysia.
- To define a suitable framework for the of agro- tourism centres in the view of marginal and small farmers.
- To identify the problems of the agro-tourism and make suggestions to establishment and operations of agro-tourism.

CONCEPT OF AGRO-TOURISM

A term ‘Agro-Tourism’ is a new face of tourism. An agro-tourism is a farm based business that is open to the public. Agro-tourism involves any agriculturally based operation or activity that brings visitors to a farm or ranch. Tourists stay in farms or agricultural villages either to experience farm life or as a base for exploring the countryside. It provides enjoyment or education to visitors and generates supplemental income especially to cash crops growers. These specialized agro-tourism destinations generally offer things to see, things to do, and produce or gifts to buy, and are open to the public.

Agro-tourism is defined as “Travel that combines agricultural or rural settings with products of agricultural operations – all within a tourism experience”.

“Agro-Tourism is that agri-business activity, when a native farmers or person of the area offers tours to their agriculture farm to allow a person to view them growing, harvesting, and processing locally grown foods, such as palm oil tree, rubber, cocoa, rice, coconuts, pineapple, sugar cane, corn, or any agriculture produce the person would not encounter in their city or home country.

Agri-business includes the production, processing, and supply of agricultural goods. Agri-business is a generic term for the various businesses involved in food production, including farming and contract farming, seed supply, agrichemicals, farm machinery, wholesale and distribution, processing, marketing, and retail sales, also referring to the range of activities and disciplines encompassed by food production.

Often the farmers would provide a home-stay opportunity and education”. Agro-Tourism and Eco-Tourism are closely related to each other. Eco-Tourism provided by the tour companies but, in the agro-tourism farmers offer tours to their agriculture farm and providing entertainment, education and fun-filled experiences for the urban people.

Agro-tourism is a way of sustainable tourist development and multi-activity in rural areas through which the visitor has the opportunity to get aware with agricultural areas, agricultural occupations, local products, traditional food and the daily life of the rural people, as well as the cultural elements and traditions. Moreover, this activity brings visitors closer to nature and rural activities in which they can participate, be entertained and feel the pleasure of touring.

ECONOMIC SIGNIFICANCE

Agriculture is the most important occupation in the Malaysia for rural people and Malaysian government is encouraging more people to involve in agricultural sector. But, today it becomes unprofitable due to the irregular season, prices fluctuations of Agro-products and some internal weaknesses of the agriculture sector. Hence, there is need to do some innovative activities in the agriculture, which will help to farmers, rural people.

Urban population is increasing day by day in Malaysia, today the urban people’s world is restricted in the closed door houses, flats, offices, clubs, television, video games, spicy fast food, computer, internet, and so on. They can see nature only on television or screen of the computers. Moreover some people living in the cities do not have relatives in villages and they never visited or stayed in village. These people want to enjoy rural life but there is problem of such type of facilities. Hence, it is opportunity to the farmers for the development of the agro-tourism centres and it serves him and create additional income source.

Agriculture business is becoming more unsecured in Malaysia due to the irregular season, unsecured product prices. Many farmers cannot afford it and have a problem of indebtedness. Due to the agricultural problems some farmers are facing financial difficulties and their living standard declines tremendously. Hence, there is need of start any of allied agri-business to support their farming and create allied income source from farm.

In order to encourage farmers to establish small and viable agro-business activity, like agro-tourism. It offers several potential benefits to farm operators. It can help supplement income generation activity while providing an opportunity to more fully employ assets, including farm household members. Malaysia has a great potential of agro-tourism due to the beautiful natural site and basic infrastructures.

AGRO-TOURISM POTENTIAL IN MALAYSIA

There are many tourist centres in Malaysia which are the supporting natural environment for the agro-tourism centres. Principal crops include rubber, palm oil tree, rice, tobacco, timber, sugarcane, groundnut, sunflower and soya bean. The state has huge areas, under fruit cultivation of which mangoes, bananas, strawberries etc.

Peninsular Malaysia, Sabah & Sarawak is blessed with a rich and diversified cultural heritage. The state has several communities belonging to different religions, and a number of festivities colours the culture of Malaysia with the spirit of exuberance comprises of some of the popular festivals.

Malaysian population, living in the urban areas will become a customer of the agro-tourist centres located in the rural areas. Other than nature and culture there is an enough road and infrastructure and connectivity in urban rural areas to travel in rural Malaysia.

Malaysia abounds in numerous tourist attractions ranging from ancient cave temples, unspoiled beaches, ancient forts and monuments, forests and wildlife, unique hill stations, pilgrimage, centres, and a rich tradition of festivals, art and culture.

Who Can Start Agro-Tourism Centres

The individual farmer can start agro-tourism who have minimum two hector land, farm house, and water resource and is interested to entertain the tourists. Apart from the individual farmer, agricultural co-operatives institute, non-government organisations, agricultural ministry and agricultural colleges may start their centres. Even local governments can start such centres in their operational areas with the help of villagers and farmers.

Requirements for Agro-Tourism Centres

Researcher has identified the minimum requirements for the agro-tourism centre. To develop an agro-tourism in their farm, the farmer / farmers must have basic infrastructure and facilities in their farm as follows:

INFRASTRUCTURE FACILITIES:

- Accommodation facilities at same place or alliance with nearest hotels.
- Farmhouse, which has the rural look and feel comfortable along with all minimum required facilities.
- Rich resources in agriculture namely water and plants at the place.
- Cooking equipment's for cooking food, if tourists have interested.
- Emergency medical care's with first aid box.
- The well or lake or swimming tank for fishing, swimming
- Bullock cart, cattle shade, telephone facilities etc
- Goat farm, Emu (Ostrich bird) farm, sericulture farm, green house, etc.

Facilities Be Provided

Offer authentic rural Malaysian food for breakfast, lunch and dinner.

- Farmers should offer to see and participate in the agricultural activities.
- Offer an opportunity to participate in the rural games to the tourist
- Provide information them about the culture, dress, arts, crafts, festivals, rural traditions and also give possible demonstration of some arts.
- Offer bullock cart for riding and horse riding, buffalo ride in the water, fishing facility in your pounds or nearest lake.
- Offer fruits, corns, groundnuts, sugarcane and other agro-products as per availability.
- Show local birds, animals and waterfalls etc and give authentic information about them.
- Must provide safety to tourists with the support of alliance hospitals.
- Arrange folk dance programme,
- Make available some agro-product to purchase to the tourist

OTHER MISCELLANEOUS

- Offer pollution free environment to the tourists
- Try to create interest about the village culture for the future tourism business.
- Introduce the tourists with imminent persons of your village.
- Employ well-trained staff or funny (comedy) persons with good communication skill to entertain the tourist.

- To have authentic information regarding the railway and bus time table for the help of tourists.

Farmer can also provide other additional facilities to their requirements for the better satisfaction of tourists.

LOCATION FOR THE AGRO-TOURISM CENTRE

Location is most the important factor for success in the agro-tourism. The location of the centre must be accessible and have a good natural environment. Urban tourists are interested into enjoying the nature and rural cultural activities. So, farmers should develop their centre in the rural areas only which have a beautiful natural environment to attract urban tourist to the farm.

The place of agro-tourism centre must be easy accessible by roads and railways. Tourists could enjoy some historical and natural tourist places along with the agro-tourism. Hence, the centre should be developed near to the tourist places. It is more beneficial to both tourist and farmers.

Benefits of agro-tourism centres

Agro-Tourism has the potential to change the economic face of traditional agriculture. The benefits of agro-tourism development are manifold. It would bring many direct and indirect benefits to the farmers and rural communities. Some of the benefits are following:-

- Employment opportunities to the farmers including farm family members and youth
- Additional source of income for the farmers to protect against income fluctuation.
- Cultural transformation between urban and rural people including social moral values
- Farmers can improve their standard of living due to the contacts with urban people.
- Benefits to the urban people, they can understand about the rural life and know about the agricultural activities.
- It supports for rural and agricultural development processes.
- Helps to reduce burden on the other traditional tourist centres.

Agro-Tourism and Traditional Tourism

Agro-tourism also a tourism business but it is different from the traditional tourism because it has a base of agriculture and rural lifestyle. Generally tourism has provided to see and enjoy the natural places as well as some heritages. But, agro-tourism has a tourism with includes experience, education and cultural transformation. It varies special from general tourism in the following manner:

- It provides pollution and noise free sites for travel and tourism at rural background.
- The cost of food, accommodation, recreation and travel is minimum in agro-tourism.
- Agro-tourism can satisfy the curiosity of urban peoples about sources of food, plants, animals, and industrial agro-raw materials.
- It provides information about the rural handicrafts, languages, culture, tradition, dresses and lifestyle.
- A family environment at the tourist place, is one of the most important characteristics in the agro-tourism
- In the agro-tour, tourists not only see and watch agriculture farms but they can also participate in the agricultural activities and experience the farming.
- It provides natural situations for watching birds, animals, water bodies etc.
- Agro-tourism creates awareness about rural life and knowledge about agriculture

It also provides opportunity for education through experience of farming and knowledge about the rural life including entertainment. Agro-tourism is an instrument of urban-rural connectivity through the tours.

Notable factors are helpful to the agro-tourism in Malaysia.

- Tourist places are already exist to support Agro-Tourism
- Good communication and transport facilities
- Green house cultivation of long stem cut flowers, vegetables, fruits etc.
- State has area under horticulture Malaysia now is a major horticulture state.
- Malaysia is already established as one of the top tourist destination in the world
- Malaysia is major producer of fruit, spices, medicinal and aromatic plant allowed under horticulture in Malaysia.
- There are an increasing number of tourists preferring non-urban tourist spots
- Malaysia has diverse Agro-climatic conditions, diverse crops, people, hills, which provide scope for promotion of all season, multi-location agro-tourism
- Some of the popular folk dance in rural Malaysia the religious folk dances. Culture of Malaysia is very glorious with a great variety. It gives a unique identity to the rural Malaysia

Supports to the Agro-Tourism in Malaysia

Promotion of Agro-Tourism involves some more important stakeholders namely Ministry of Agriculture and rural development ministry of the state and central governments. To promote domestic tourism, thrust areas identified by Malaysian government for the development of infrastructure, product development and diversification, development of eco-adventure sports, cultural presentations, providing inexpensive accommodation etc.

The Planning Commission must accord high priority to tourism as an instrument of employment generation and poverty alleviation in rural and backward areas by developing the potential of agro tourism to supplement farm incomes, and heritage tourism to promote village development.

Key Techniques for Success in Agro-Tourism

Agro-Tourism is a one of the business activities. Therefore, farmers must have commercial mind-set and some marketing techniques for the success. For the better success in the agro-tourism farmers should follow the following things;

- Give a wide publicity of your tourism centre by new papers, television etc. Use all possible advertisement means.
- Develop contacts with the schools, colleges, NGOs, clubs, unions, organisations etc.
- Understand about the customers' wants and their expectations.
- Develop website and update time to time to attract foreign tourist
- Take their feedback and comments about the service and suggestions to more development and modification.
- Develop a good relationship with the tourist for future business and chain publicity.
- Develop different agro-tour packages for different types of tourists and their expectations.
- Small farmers can develop their agro-tourism centres on the basis of cooperative society.

Issues facing Agro tourism in Malaysia

The lack of agro-tourism products and the consistency in quality of the agro-tourism product is a great concern. Relatively few agro-tourism operations are market-ready. Consensus existed regarding the inability to define the types of products that constitute agri-tourism.

There were lacks of support for the development of industry standards developed by Malaysian Tourism.

A lack of awareness is evident among farmers of the value-added opportunities of agro-tourism development. An overall lack of awareness of the agro-tourism sector by the public exists. It is also notable that venues for mitigating, lack of communication among farmers and the public are the main factors that cause the lack of this valuable industry. A mentorship program must be put in practice as a part of strategy for promoting this type of product development.

Government support at the state and local level is lacking. Issues such as signage and zoning bylaws noted as significant obstacles to agro-tourism development. Government agencies should be more involved to promote agro-tourism in its marketing campaigns. There was a lack of information regarding tourism markets and trends for effective marketing methods to reach their target market. Greater awareness of the relationship between product and market match was noted as a significant issue. It was necessary to determine and clarify the position of agro-tourism relevant to other notable Malaysian tourism attractions. Despite the opportunities, that agro-tourism can provide in terms of its value-added potential, most farmers in Malaysia are unaware of this alternative. Even if farmers become aware of this opportunity, they lack the time to pursue the specific skills required to diversify their farming operations. A resource guide in terms of education and training should be included to provide basic information on agro-tourism including an assessment tool useful for reviewing skills and tourism assets.

METHODOLOGY

Tourism sector has been developed by interactions and interconnections between sector linkages. In the context of tourism destination as a product follows product life cycle, it interacts between demand and supply dynamically. Innovations and creativities should be done to sustainable development of tourism in Malaysia.

The demand and supply should be known by those who want to develop tourism as well as agro-tourism. The opportunity of agro-tourism can be predicted by demand and supply. The demand is needed to identify chances of agro-tourism as tourism product in the consumer side and the supply is important thing to identify opportunities to develop agro-tourism especially to host community, provider, and government as policy maker.

This study will collect kinds of opportunities and chances of agro-tourism in Malaysia as an alternative form of tourism. Information and opinions of stakeholders (farmers, government, tourism industries, NGOs, Universities, and visitors), will be analysed and formulated using SWOT analysis. Finally, the finding of this study will be used recommendations strategy to develop agro-tourism as an alternative form of tourism in Malaysia.

DATA

The scope of the study is limited to examine the benefits and applicability of agro-tourism business in Malaysia. The study includes their benefits and problems. As well as it includes appropriate framework regarding to establish the agro-tourism centres in Malaysia.

The present study was conducted on the agro-tourism is based on secondary data. The data has been furnished from the related articles, research papers, reports and 10th Malaysian plan document. Some data has been furnished from the websites of the Malaysian government as

well as ministry of agriculture. Some ideas have been taken from the Tourism Development Corporation of Malaysia.

The data will be analyzed by simply descriptive analysis non pure statistical methods however in this study without hypothesize. SWOT will be used to determine the best strategy for developing of agro-tourism as alternative form tourism in Malaysia.

- a) The current situation of tourism and agriculture in Malaysia from general perspectives will be analysed by descriptive qualitative and presented by tables and photos.
- b) The opportunities develop agro-tourism will be analysed by descriptive quantitative and qualitative.
- c) The barriers developing agro-tourism will be analyzed by SWOT descriptive quantitative and qualitative.
- d) The tourism stakeholder's opinions about the development of agro-tourism in Malaysia will be analysed by SWOT descriptive quantitative and qualitative.
- e) The contribution of agro-tourism for improving the economy of local communities will be analyzed by descriptive quantitative and qualitative and presented by tables.
- f) The contribution of agro-tourism for improving the social situation of local communities will be analysed by descriptive quantitative and qualitative and presented by tables.
- g) The contribution of agro-tourism for sustainable tourism development will be analyzed by descriptive quantitative and qualitative and presented by tables.

RECOMMENDATIONS

Agriculture Tourism Development Corporation (ATDC) would be the main promoter of this activity in the Malaysia. ATDC should be entrusted in promoting agriculture tourism for achieving income, employment and economic stability in rural areas.

It would help to boost a range of activities, services and amenities, provided by farmers and rural people to attract urban tourists to their area thus providing opportunity to urban people to get back to the rural roots". ATDC should provide following facilities to the farmers of Malaysia;

- Prepares agro-tourism project report and business plan of the each agriculture farm.
- Helps to the financial support by the nationalised banks, institutes and government agencies to build agro and rural tourism facilities and infrastructure like accommodation, sanitation, infrastructure etc.
- Conducts agro-tourism business training program.
- Conducts seminars and conferences on agro-tourism business. Conduct lectures of the successful national and international farmers in agro-tourism business.
- Provides sales and marketing support.
- Conducts and coordinate tours from urban areas to the farms.
- Arranges national as well as international agro-tourism centre study tours.

Besides ATDC, involvement of other ministries such as Federal level such as Agriculture, Culture, and Education would enhance in promoting agriculture tourism.

Conclusions and Policy Implications

Malaysia has a great potential to the development of agro-tourism, because of natural conditions and different types of agri-products as well as variety of rural traditions, festivals. It is a good opportunity to develop an agro-tourism business in Malaysia. But there is a problem of low awareness about this business in the farmer and problem of the finance and proper view in the farmers of the Malaysia.

The government should try to provide optimum financial aids to the agro-tourism activities in Malaysia by the grants and institutional finance. Bank should provide optimum financial help for the agro-tourism activities in the Malaysia. Union of the agro-tourism service providers is also another need of these farmers which helps the agricultural tourism network in Malaysia.

It is apparent that numerous obstacles impede the development of agro-tourism in Malaysia. Unlike other tourism sectors that have clearly articulated products and services in addition to strong associations that offer support, many agro-tourism operators and potential agro-tourism operators, lack the assistance or the knowledge required to develop market-ready products.

Because of the state of the agro-tourism industry, Malaysian Tourism, Culture and other relevant authorities appear reluctant to embrace and to endorse agro-tourism in their marketing campaigns. This lack of support impedes the development of agro-tourism products and services and perpetuates the cycle of poorly developed and marketed products by farmers not familiar with the many skills required to develop and operate an effective tourism business.

Although the discussion of agro-tourism is not something new in Malaysia, people have been participating in farm-based activities for a considerable length of time. Present day circumstances, however, make diversifying farm based operations a necessity. Agro-tourism is an obvious alternative and Malaysia is well positioned to offer authentic agro-tourism experiences incorporating a wide variety of activities. This study would represent an exploration into the issues and challenges related to agro-tourism development in Malaysia.

Besides ATDC, involvement of other ministries such as Federal level such as Agriculture, Culture, and Education would enhance in promoting agriculture tourism.

References

Bardhan, P. (1989). *The New Institutional Economics and Development Theory: A Brief Critical Assessment*. World Development 17, 1389 - 1395.

Choe, J.I. 2003. Do foreign direct investment and gross domestic investment promote economic growth? *Review of Development Economics*, 7(1), 44-57

Cook, M., and F. Chaddad. 2000. *Agro-industrialization of the Global Food Economy: Bridging Development Economics and Agribusiness Research*. Agricultural Economics 23.3: 207-218.

Glover, D. and K. Kusterer (1990). *Small Farmers, Big Business: Contract Farming and Rural Development*. New York: St. Martin's Press.

Haggblade, S., P. Hazell and J. Brown (1987). *Farm/Non-farm Linkages in Rural Sub-Saharan Africa: Empirical evidence and Policy Implications*. Agriculture and Rural Development Department. The World Bank.

Jaffee, S. and J. Morton, eds. (1995). *Marketing Africa's High-value Foods: Comparative Experiences of an Emergent Private Sector* (Dubuque, Iowa, USA: Kendall/Hunt Publishing);

Key, N. and D. Runsten (1999). *Contract Farming, Smallholders, and Rural Development in Latin America: The Organization of Agro-processing Firms and the Scale of Outgrower Production*. World Development Vol. 27, No. 2, pp. 381-401.

Strasberg, P. (1997). *Smallholder Cash-Cropping, Food-Cropping and Food Security in Northern Mozambique*. Ph.D., Dissertation, Michigan State University, East Lansing, Michigan.

Subramanian, S. and E. Sadoulet (1990). *The Transmission of Production Fluctuations and Technical Change in a Village Economy: A Social Accounting Matrix Approach*. Economic Development and Cultural Change 39 (1): 131-73.

Taylor, J. E. and I. Adelman (1996). *Village Economies: The Design, Estimation and Use of Villagewide Economy Models*. Cambridge University Press.

Taylor, J. Edward, G. Dyer and A. Yunez-Naude (2005). *Disaggregated Rural Economywide Models for Policy Analysis*. World Development, Volume xx, No. xx, xxxxxx (In the Press).

Thorbecke, E. and H.S, Jung (1996). *A Multiplier Decomposition Method to Analyse Poverty Alleviation*. Journal of Development Economics 48: 279-300.

Tschirley, D. and M. Weber (1994). *Food security strategies under extremely adverse conditions: The determinants of household income and consumption in rural Mozambique*. World Development, Vol. 22:2 (159-173).

Warning, M. and W. Hoo (2000). *The Impact of Contract Farming on Income Distribution: Theory and Evidence*. Presented at the Western Economics Association International Annual Meetings.