

Support for Diversification and Agro-Eco Tourism

Pacific Organic Policy Toolkit
<http://www.organicpasifika.com/poetcom>

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Political justification

Farm income diversification is the process of reallocation of farm or village resources (i.e., land, labour or capital) into new non-traditional crop or animal production, into processing, packaging and other forms of value addition (including new forms of marketing), or into non-agricultural activities developed at the farm or village, such as agro-tourism, special education programs for children, etc.

Encouraging farm/village income diversification is typically a rural development oriented measure. Important challenges faced by rural areas are low income, and high-income uncertainty (when based on sale of variable harvests at variable prices), as well as low appeal of agricultural occupations for the young generations. These factors contribute to people living the rural areas, with all the problems associated with rural-urban migrations and human “desertification” of rural areas.

Supporting farm/village income diversification is therefore a way for governments to tackle those problems at the root, by encouraging a rural economy structure that provides more income and job diversification opportunities for farming families. Job diversification is a way to impart value to the rural lifestyle and provide also non-agricultural job options in farming areas. Diversification of income also helps to make farms more resilient by reducing the farm’s dependence on commodity prices.

Additionally, diversified farms/ villages, such as those combining farming and agro-tourism, or farming and value added activities (on-farm shop, etc.) are often more diverse agronomically and more attractive visually.

Finally, diversification often means that the farm/village is going beyond a simple food production role, and instead develops linkages with the society at large (consumers, tourists, school children, etc.). This contributes to improving the knowledge and understanding of agriculture, and its associated culture and traditions amongst the public and to improve the relationship of urban people with the countryside, which is useful to the societal cohesion at large.

There is a global rise of eco-tourism and agro-tourism, and this trend can become an economic opportunity for countries to get even foreign revenues in through activities that preserve the natural, cultural and social integrity of their rural areas.

Public support to farm-income diversification and agro-tourism usually benefits organic farms disproportionately, since they better fit the societal ideal of farming. Their agronomically and biologically diverse landscapes are more attractive to the public. Organic products are also very well valorized through short and innovative marketing channels. Hence such general support measure, even if not targeting organic agriculture specifically, will have a positive impact on developing and maintaining organic farms.

Suitable contexts

Stage of sector development: This action can be implemented at various stages of development of the organic sector, but in very early stages of development it may not be a priority line of action in terms of its relevance for the development of the organic sector.

Regulatory context: It can be implemented in all types of organic regulatory contexts.

Culture of government intervention: This measure tends to fit more interventionist types of government culture.

Policy objectives: Supporting farm diversification and agro-tourism is an indirect way to support organic agriculture but can be relevant to the various objectives of organic support, except the objective to earn foreign currencies through organic exports.

Possible modalities of implementation

Small grants program for organic farmers or favouring organic farmers for investment equipment for producing and selling value-added products is one action that can be taken. These programs require submission of an application by the farmer.

The classical set of incentives (grants, subsidies, loans with zero or low interests, etc.) can be used to support farm diversification and eco-tourism. Such incentives can be given in a general rural development policy context (not specifically mentioning organic agriculture). Alternatively, the measure can apply only to organic farmers, or organic farmers can be given priority access in the case of a competitive grant scheme.

Alternatively, the national government, or local governments may deal with the farm diversification and agro-tourism issues through a more collective projects approach, supporting community projects and investments to set up other income-generating and agro-tourism related activities at the village or district level, like in the cases of Indonesia below. There can be a territorial approach to develop agro-tourism in a region based on a marketing that includes the promotion of the organic farming image of the region.

Countries Examples

Organic Villages

China: Chengdu's Anlong Village, engaged the community in organic agriculture to protect an endangered river. Although they had no role in the initiation of this



project, local government was brought in and eventually include in the support system. Anlong has become a tourist destination, providing villagers with opportunities to sell crafts as well as produce.

<http://thediplomat.com/2015/08/a-small-chinese-experiment-with-large-environmental-implications/>

Philippines: Dumingag, Philippines has become an organic village through the leadership of its mayor.

<https://www.youtube.com/watch?v=xWj7rClA5E&noredirect=1>

Bali, Indonesia: Integrated agriculture system (*Simantri*) is one of the priority programs in Bali in order to enhance the agricultural sector's role. The program was initiated by Bali's Governor (2008-2013) and is based on Prima Tani model of pilot sites and knowledge transfer. Simantri was initially started in 2009 in 10 sites of the Gapoktans' demonstration plots in 7 regencies. During the period of 2009-2013 Simantri developed into 400 sites out of 1,000 targeted sites in 2018 in 9 regencies/cities. Total budget spent by Bali Government Province for Simantri 2009-2013 was more than Rp 8 billion (US\$ 600,000) from social assistance and CSR funds. Simantri enhances relations among farm activities and utilizes farm wastes inside the groups. Simantri orients its activities based on agriculture without waste or zero waste and produces 4 F (Food, Feed, Fertilizer and Fuel). Livestock-farm integration implemented by Simantri boosts farmers' group business, job opportunity, and supplies of food, feed, fertilizer, organic pesticide, and bio gas to meet group members' demand and for commercial purpose supported by local governments. In the future it is expected that Simantri becomes an integrated agriculture-energy program for food self-reliance and farmers' welfare. The provincial administration is encouraging tour operators to create new tourism packages highlighting the Simantri program (which includes organic production), which is in line with the island's efforts to become a green and eco-friendly province. Visitors who purchase the packages will have the opportunity to visit villages where organic farming and green small industries are being developed.

