

Country Paper: Republic of China
Agro-tourism Development for Creation of Rural Jobs and Diversified Income in Taiwan

By

Dr. Wen-Chi Huang

wenchi@mail.npust.edu.tw

Associate Professor

Department of Agribusiness Management

Joint appointment with Department of Tropical Agriculture and International Cooperation
National Pingtung University of Science and Technology (NPUST), ROC

And

Ms. Li-Lan Liao

Specialist

Department of Farmers' Service, Council of Agriculture, Executive Yuan, ROC

Abstract

The recreational agriculture in ROC (Taiwan) is defined as “A kind of farming management that applies landscapes of countryside, ecosystem and environmental resources, integrate the production of agriculture, forestry, fishery and animal husbandry, agricultural activities, culture of farm villages and life of peasant families, provide citizen recreation and enhance the objective of experiencing agriculture and farm villages.” Agro-tourism carries with it an important mission to revitalize the rural community and culture, even to educate the public about the heritage or even how did the food come about. The approach taken by the Council of Agriculture (COA) in Taiwan to enhance the competitive strength of agro-tourism is focusing on three tiers: human resource development, consulting service for the industry, and integrated marketing platform.

Keywords: Agrotourism, integrated marketing platform, human resource management

1. Introduction--An Overview of Tourism Development in ROC

Tourism industry is regarded as an industry without smokestacks that during the era when the citizens in Taiwan are becoming more and more aware of the negative environmental consequences of the development of manufacturing industries, it became an important development agenda to enhancement of tourism industries to revitalize the economy, especially in the overlooked development possibilities in the urban and rural areas.

1.1 Overseas tourists visiting Taiwan

The number of foreign visitors to Taiwan has been on the increasing trend for the past 5 decades. The number of visitors to Taiwan reached the one million benchmarks in 1976. The upward trend continued and the number of visitors exceeded two million in 1994 and passed the three million mark in 2005. In 2002, the figure was already 2.98 million but the outbreak of SARS in 2003 gave a deep dive back into the 2.5 million, close to the number in early 1990s' but the number bounced back already in 2004, as shown in Figure 1. The number of visitors to Taiwan in 2007 was 3.7 million with the tourist expenditure reached US\$5.2 billion in 2007.

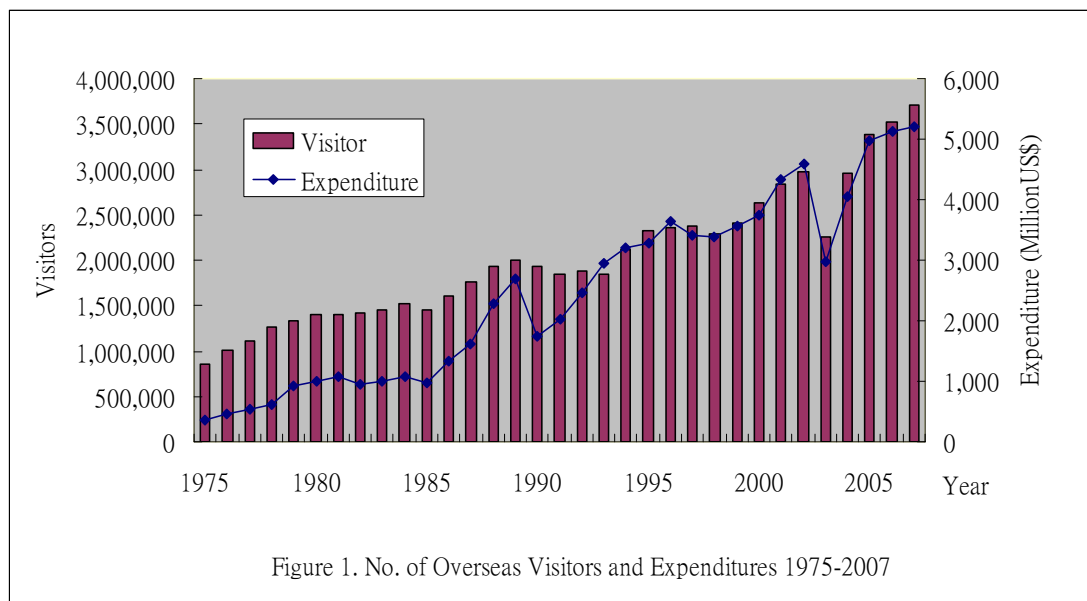


Figure 1. No. of Overseas Visitors and Expenditures 1975-2007

Source: MOTC, 2008a.

1.2 Contribution of tourism industry to national economy

Tourism industry has becoming a very important contribution to national income in Taiwan. According to the estimates by using the Tourism Satellite Accounts system method, it was estimated that the contribution of tourism industry for the recreation alone in Taiwan has reached 2.26% in 2006 while the contribution of agriculture was 1.62% during the same year (Taiwan Economic Research Institute, 2008). In fact, the contribution to GDP from agriculture is suppressed by the tourism industry in 2000.

If taken into account of the related business for the tourism industry the percentage share of GDP was 12.48% in Taiwan. In comparison when we take into account of the other value added activities in the related primary, secondary and tertiary industries of agriculture sector, the contribution was 11%.

The contribution of the tourism industry is not coming from overseas visitors alone,

and there are distinctive differences in the expenditure structure of domestic and international visitors. Aside from the international travelling expenses, the visitors spent 44.3% for the hotel bills followed by 27.3% for shopping (MOTC, 2008a). While for the domestic travelers, they preferred to take day-trips (69.9%), spent the most on transportation (25%), food and beverage (24%), and shopping (21%). The total expenditure for the domestic travels by all citizens amounts to US\$6.667 billion (MOTC, 2008b).

It is estimated that the number of full time job created by tourism activities amounted to 260,641 (mostly in restaurants, land transportation, and accommodation services) and total tourism-related employments by tourism industry was 512,382 in 2007 (Taiwan Economic Research Institute, 2008).

1.3 The role of agrotourism in local and national tourism development plan

According to the recent Guidelines of the New Agricultural Policies, “Agriculture has shifted its role as the supplier of food in the past to the current multi-function role in food security, rural village development and ecosystem conservation,” (COA, 2008).

The documented development of agrotourism activities can be trace back in the 1970s-1980s with small scale flower garden, pick your own strawberries, and tea farms for tourists. In 2007, the Chingjing Farm, a government owned veterans farming area which famous for spectacular view on the hillside and sheep show, was listed as one of top ten most visited tourist spots aside from national parks and national scenic areas. It was not the first time the Chingjing Farm was on the top ten list, in fact, it show up in the list ever since in 2003 (MOTC, 2008b).

The 2005 census on agriculture also indicated that for farm household (agriculture and husbandry) that engaged in some diversified operation on the value added activities such as food processing and other agro-tourism activities tend to have on average a higher (5.7 times) return compared with farm households that only takes care of traditional agriculture productions, while for the fishery operations the difference is 1.5 time higher for those engaged in some diversified operation. There were 7,080 farm households and 591 fishery household engaged in such diversified operations.

At the end of 2005, there were 2,097 farm households engaged in provision of recreation services as either supplemental or main activities on the farm. The activities include collecting or enjoying agricultural products, to farm for the public, to experience the rural life, to narrate the course of farming, meals services, board and lodging, and other creation activities. There were 114 farms operated solely for recreational services and did not engaged in agriculture production. In contrast there were only 488 fishery units that provide recreation activities such as sports fishing, whale watching or enjoying

fishing on craft, fishing in the fish pond, to experience the fishing life, to narrate the course of fishery, meals service, and board and lodging. Among which, 200 of the fishery households engaged solely on recreation fishery without fishery production (DGBAS, 2007).

The top three most popular provisions for recreation activities for farms were meal services (44.3%), collecting or enjoying agricultural products (43.5%) and lodging (30.0%). The top three items for fishery households on provision of recreational services were fishing in the fish pond (47.8%), sports fishing, whale watching or enjoying fishing on craft (46.1%), and meals service (16.2%). Unlike farms, less than 4% of the fishery households provided lodging services. The census report show that for households that operate on more than two items tends to have higher revenue. However, the revenue level also depends on the main items beside recreational operations.

The development policy in Taiwan is governed by the Agriculture Development Ordinance (COA, 2008). The closest to development of agrotourism in The Ordinance is the definition for “recreational agriculture” which is defined as “A kind of farming management that applies landscapes of countryside, ecosystem and environmental resources, integrate the production of agriculture, forestry, fishery and animal husbandry, agricultural activities, culture of farm villages and life of peasant families, provide citizen recreation and enhance the objective of experiencing agriculture and farm villages.” Accordingly, the “recreational farm” is defined as “the farm that is managed for recreational agriculture activities.” In article 63 of the Ordinance requires that local governments (the city or county/municipality) should “in accordance with regional agricultural features, landscape resources, ecosystem and cultural heritage, shall schematize agricultural regions for recreational purposes that should be submitted to central authorities for sanction.” The establishment of the recreational farm is required by the Ordinance to be examined by the competent authorities at city or county/municipality level. And after the examination, the application should be submitted to the central authority for approval. Based on the Ordinance, the Council of Agriculture is the authorized of “enacting regulations about recreational agricultural areas...such defining conditioned, procedures, assisting construction, minimum area, granting conditions, permit issuing and abolishment, land usage, managing construction behavior and other items should be complied with.” Such regulation was first enacted 1992 and amended several time since its enactment.

Agrotourism is hardly the main stream destination for mass tourism in Taiwan, except for the few larger ones operated by the government (forest areas), farmers’ organizations, or corporate. For those well recognized operation, it is easier to access the monthly figures on the visitor numbers through tourism bureau statistics. Domestic tourists in Taiwan usually travel by cars for the self-planned domestic travelling. In most

cases, the recreational farms are not attraction spots for arranging big group activities unless specifically arranged or in much larger scale of operation.

Never the less, at the end of 2007, COA has issued permits for 161 recreational farms and there are 226 other farms applied but yet to be approved; in addition, there are 63 approved recreational agricultural zones. It was estimated that there were 9.97 million tourists took part in agrotourism activities, increased 945 jobs and generated more than US\$ 210 million worth of business opportunities in 2007 (COA, 2008c).

2. Agrotourism Product Packages

2.1 Case studies on agrotourism enterprises in Taiwan

Majority of the scale operation of the agrotourism enterprises are small. Small farms with special features are often visited by families and small groups. The operating hours of the farms also depends on the individual location specific characteristics of the farm and of course how the farm got operated.

For example, there is a farm near the suburban Taipei which featured year-round sighting of fireflies on the farm. It took the farm owner ten some years figure out ways to recover the population of the fireflies made it year-round. Due to the capacity of the farm, the owner-manager imposed an upper limit of 200 guests per day and that the tourists are requested to make reservation ahead of time. Due to the main attraction of the nightly scene of fireflies, it operates between 14:00 to 22:00 during weekday, and between 15:00 to 23:00 during weekends. Aside from the farm tour and narratives on the feature of the farm and about fireflies, the farm offers fixed rate meals (NT\$250) and beverage (NT\$200). The farm charges entrance fees (NT\$200) which is deductible for meal and beverage expenses. In this case, there is no lodging facility for over-night guests. But since the farm is located in the Taipei-Keelung metropolitan area that the easy accessibility of the location made it only target for day-trip guests.

This is a typical case of a farm trying to take advantage of the location and to find its niche market to attract customers who appreciate the layout and the warm welcoming atmosphere that agrotourism farm could offer.

2.2 Product package

Due to the size of the farm and the scale of operation, the small farms could offer only limited options of onsite experience and that the ability to attract re-visits within a short period of time is hardly likely especially if the site is remote from major cities. Therefore to use customer data based marketing scheme such as the Customer

Relationship Management (CRM) is not attractive (meaningful) option for individual farms (Wu, 2004), unless there is a platform for sharing of customer information for joint marketing.

Recognized that there are common needs from the members engaged in agrotourism to appeal to the potential customers (especially those who had the experience of visiting other agrotourism farms before) and to provide easy to access common platform for information provision, the Leisure Farming Development Association is now offering agrotourism tour-package options for visitors to freely deciding the preferred sites to visit. The slogan and the package in options are intended for domestic tourists. The name of the product package is called “Taiwan Pa Pa Go 5,” because there are five agrotourism package options available. The Package I is a NT\$499 experiencing (tryout) voucher for one person; Package II is a same as Package I except that the price is NT\$999; Package III priced at NT\$1500 covers one night-stay and breakfast for two plus discounted offers for on-farm activities and waiver of entrance fee. Package IV priced at NT\$3000 covers the same options as Package III except the choices on the farm. The package V priced at NT\$3600 is for three-night stay for two person and it also covers the breakfasts during the staying and other on-farm activities (Table 1).

Table 1. Product Package and Features

Package	Content	Prices	Farms	Visitors
I	entrance fee meal service	NT\$499	16	1
II	on-farm activity	NT\$999	8	1
III	one-night stay breakfasts	NT\$1,500	10	2
IV	on-farm activity	NT\$3,000	20	2
V	three-night stay breakfasts on-farm activity	NT\$3,600	9	2

Source: Leisure Farming Development Association, 2008

2.3 Features of the products

The feature of the product is that tourists may decide which options they would like to pick. The design of the content of the on-farm activities are stated in the link to the website of the individual participating farms. The association made it clear in the

respective package that the visitors should check for the content in the activities before making reservation or visit on the farm. They voucher packages are at The package I & II are both for day-trip voucher for one person which covers entrance fee, meal service for one, and the tryout experience on the farm. There are 16 and 8 farms participated in each of the package respectively. Package III and IV included lodging and breakfast for two person which is an upgrade from the previous level of the experiencing voucher. Package V is an extended version of Package III and IV to a three night stay program.

2.4 Promotion and marketing

The ideal for farms to engage in agro-tourism activities is initiated from generating supplementary farm income. But just as the commodity market, the world is changing from the insufficient to the ear of abundant supply. There is more than the intent to help farming household that matters for the survival of the rural community. But it has to resort to the consumers to accomplish the cycle of sustainability. Agrotourism carry with it an important mission to revitalize the rural community and culture, even to educate the public about the heritage or even how did the food come about. In order to attract tourists and introduce the ideal of agrotourism to the general public, efforts through media report, newspapers, travel guidebooks and though popular television shows and dramas.

The tourists get interested about where the popular drama got filmed; eat the same thing as the actors and actress ate in the film, stay in the rural home-stay site to the film; tryout the activities on the farm; and even to act out.

3. The main problems encountered by the agrotourism enterprises

3.1 Issues and Challenges

Shin (2008) conducted a SWOT analysis and then compiled the general composite index of competitiveness of faming households on development of agrotourism based on data from the 2005 agriculture, forestry, fishery, and husbandry census of 2005. The competitiveness index was used to cross check with the existing approved recreational agriculture zone proposed by the county and approved by the Council f Agriculture. Shin (2008) found that amongst the top 15 townships that had the highest score on the index, 11 of them are already listed as the approved recreational agriculture zone. The Yilan County topped the list on both the most competitive county and the most numbers of townships on the top 15 list. Even for Yilan, the commonly weaknesses also included the items such as low sales revenue, aging farm managers and farm workers, the number of days working on the farm is limited, and unavailability of labor force. Other commonly

raised weakness included low arable land area, low revenue from processing and agrotourism activities, the farms are too scattered, and too far away from major metropolitan areas.

The transportation system in Taiwan is getting better. But most 75% of the domestic travelling was done during the weekends and mainly for day-trips (69%). Apparently, if the agrotourism activities are also focusing the same group of existing tourism market, then for some area of the agrotourism locations would be infeasible to run for such settings.

The ideal for farms to engage in agro-tourism activities is initiated from generating supplementary farm income, and the census results also supported the idea. Because it is evident that for farms that engaged only in offering recreation related activities only, the return is still lower than farms which engaged in other income from main crops.

Domestic tourism statistics show that the over 90% of the population over age 12 have travelled once per year, among which only less than three percent of the visits are related to eco-tourism related locations. On the other hand, the cultural related tourism is gaining attention, but the percentage remains low. The concern is that whether the agrotourism could attract local visitors in such a competitive market and that whether the resorts to local cultural heritage and distinctive feature of the agrotourism activities been able to identify and expand the groups in target for the “old days in rural villages” proved to be attractive to the citizen locally?

Even though in 2000, the government finally formally established legal foundation for supervising and assisting the development of agrotourism. However, for many pioneer agrotourism enterprises, the relation came too late to help but putting restraint on their current operation. It was a commonly heard comment during meeting with agrotourism enterprises which have engaged in agrotourism activities for a long time before the law was in place. They emphasized that they are not “illegal” because they already existed before the law was passed, but they would like to be legally established ones following the new law. Some of the farm cannot be legalized because of the size of the operation and other violation of land use requirements set forth by related regulations such as zoning.

There are other cases that the enterprise used the term of agrotourism but the context of the operations do not conform to the ideology of agrotourism defined in the regulations.

There is clearly strong desire for the legitimate agrotourism farms want to be clearly identified as such. The permits issuance and appraisal system is a good mechanism to be in the stratified segmented market for the consumers who believed in the certification as the basis for quality guarantee for this highly experience based activities. The hurdle of the entry serves as a barrier to increase the number of agrotourism enterprises on the

market and thus the competition in the limited tourism market.

3.2 Proposed Strategy

Through the past three decades of development, agrotourism is now presenting very diverse forms and faces. In order to attract tourists and introduce the ideal of agrotourism to the general public, efforts through media report, newspapers, travel guidebooks and even through popular television shows and drama. The visibility of agrotourism activities has been greatly enhanced.

There are concerns about the limit scope of the local tourism market might hinder the development of agrotourism industry and that the future development of the industry should consider opening up the market to attract international visitors (e.g. Tuan, 2006). Yu (2008) reported that the Taiwan Leisure Farming Development Association has been partaking in international markets promotions. They started with Hong Kong market in 2004 with merely 9 farms participated in 5 international travel fairs and through continuing efforts over the years, the association expanded the participation in 2007 by 73 farms and participated in 8 international travel fair to target the market in Hong Kong, Singapore, Malaysia, and Thailand. Agrotourism is no longer absent from major travel exposition domestically and at the international travel fair held in Taiwan and abroad. The recent event to be held for the prominent promotion about agrotourism is the Taipei International Travel Fair in Taipei from Oct 31 to Nov 3, 2008. The Council of Agriculture had booths to promote agro-tourism in Taiwan.

An online exposition is also available. However, through checking the website of most of the agrotourism farms, the information provided is still mainly in Chinese, more efforts need to be done for provision of information in other languages especially for the targeted markets. The actually visit of the some of the most visited site also show that the lack of on-site personnel to handle the narratives about the facilities and attraction of the farm. In fact it is not only the agrotourism farms face the problem with lack of foreign language guides. It is reported in the MOTC (2008a) that in 2007 there were 1,926 certified full time guides, 75.5% spoke Chinese only. The two most commonly spoken languages are Japanese (12.7%) and English (10.8%).

It was reviewed in Trejos et al. (2008) that the common issue associated with rural tourism are high development cost, lack of essential skills, dominance of mass tourism operators, low percentage of local inhabitants employed in tourism, low demand, and the financial returns are not up to the expectations of the people involved. It still remains true in the observation of the agrotourism development in Taiwan.

The approach taken by the Council of Agriculture (COA) in Taiwan to enhance the competitive strength of agro-tourism is now focusing on three tiers: human resource

development, consulting (coaching) service for the industry, and integrated marketing platform.

The approach is very much in line with the proposed strategy taken by the central authorities for provision of assistance to the development of agrotourism. The specific measures include the following:

1. To help the specialization of recreational farming industry. The Council of Agriculture conducted census and evaluation (appraisal) on the operating farms and those still in the approval stage to establish complete profile of the farm and simplify the application procedure.
2. To promote the industry as a “health” industry. The recreational farms are encouraged to establish strategic alliance or cooperation mechanism with enterprises operating the same or different type of businesses. For example the farms could develop featured with themed healthy meals with improved meal services quality and dining atmosphere to be consistent with the ideal of “food as the health remedy.” The farm should consider develop holistic tourism packages to include health improvement through get intimate with nature, health counseling, and traditional health remedy.
3. To create job opportunities for rural residents. The development of the agrotourism in the rural community should be planned in accordance with the existing local industry and other tourism resources to promote the interaction between the rural and urban population. It should anchored to provide opportunities for the local small farms, rural women, and handicraft artisans to engaged in the provision of locally featured creative products, traditional cuisines, and souvenirs gift item from agricultural products. Agro-tourism plays an important role to encourage the young generation back to their hometown for the newly created businesses and job opportunities.
4. Internationalization of the industry. Through establishment of model agrotourism operation area and cooperate with related organizations for training and improvement of infrastructure, issue certification to guarantee the quality of the services. Engage in international travel fairs and encourage the travel agencies and media from overseas to visit Taiwan and have the first hand experience and exposure on the featured tourism packages.
5. Expand the market for the non-holiday long-stay visitors and outdoor field studies in primary and middle schools.
6. Enhance the landscaping horticultural quality of the farms to expand the market on health remedy trips on focusing on herbal remedial plants and floriculture.
7. Cooperate with other type of businesses. Examples include wedding services arrangement and photographers.

8. To help the agrotourism industry to establish linkages with academia institutions. The recreation farms and recreational agricultural zone should try to link with nearby schools with related fields to use the human resources in coaching and provide opportunities for students' internship and practical training.

4. Concluding Remarks

Agrotourism development is an appealing option for revitalizing rural communities for job creation while realizing the concept of integrating ecology, life, and production. Over the past few decades of efforts on provision of farmers' services in the field on all aspects of rural lives such as beautification of rural landscape, preservation of rural culture, secondary job training, culinary workshop and certifications, and improvement of infrastructures have now finally through the creation of agrotourism opportunity to find its link with the consumer-tourists. The small operation characteristics pose challenges, but the ability to cultivate the real connection with the tourists with personalized product service options, the opportunity is there.

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