The rise of agri-tourism in the Philippines
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The Philippines is a growing tourist hotspot, with world-class beach, diving and shopping destinations. The country is now exploring another fast growing segment – agri-tourism – and has recently joined the ranks of the world’s top eight agri-tourism destinations. Will agri-tourism take off in the Philippines and will this help jump-start this industry in Asia?

What is agri-tourism?

The word “agri-tourism” is a mash-up of both “agriculture” and “tourism”. Fundamentally, agri-tourism involves an agriculturally-based operation or activity that draws visitors to a farm, ranch or any natural site like pineapple plantations, orchid farms and bee farms for outdoor recreational activities, education, shopping or even lodging.

Many people are now looking to escape the hustle and bustle of city life to get back to nature; resulting in agri-destinations gaining popularity among tourists. Besides, amidst various food scandals, many people have a growing interest in tasting naturally cultivated foodstuffs and finding out more about food production from farmers and processors.

The rise of agri-tourism in the Philippines

Agri-tourism has been present in the Philippines since the 1990s, but was not institutionally defined then. In those early days, most agri-tourism farms were either privately owned or managed.

In 1991, the Philippines Department of Tourism (DOT) and the United Nations Development Program (UNDP) came together and formulated the Philippine Tourism Master Plan (TMP); aimed at developing tourism on an

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1 Manila 11th most attracting shopping destination in Asia Pacific, GMA News Online, 1 November 2012
2 Agritourism, Wikipedia, retrieved on 24 August 2013
3 Top 8 agritourism destinations in the world, Mother Nature Network, Josh Lew, retrieved on 13 September 2013
4 GMA wants gov’t to support agri-tourism, Panaynews Philippines, Prince Golez, retrieved on 4 September 2013
5 Farmlands are also for tourists, Inquirer News, Maricar Cinco, 4 July 2012
environmentally sustainable basis. In 2002, the Department of Agriculture (DAR) and DOT issued a joint circular that identified 10 agri-tourism sites in the country. With this accreditation, all sites would have to adhere to the minimum standards prescribed by the Department for all operations and maintenance activities; guaranteeing a satisfactory visit for the tourists.

As a tropical country with an abundance of natural resources, biological diversity and a strong cultural heritage, the Philippines is well-positioned for agri-tourism. At present, the Philippines has a total of 32 agri-tourism sites, including 27 protected areas consisting of strawberry and organic vegetable farms in Benguet, as well as pineapple and coffee plantations in Bukidnon. The Philippines also hosts various events, including farmers’ field days and agricultural fairs, which are estimated to be attended by 64,000 tourists each year.

**Fostering talent to develop the industry**

Many academic and tourism experts are tapping on the potential of agri-tourism to alleviate poverty and promote agriculture courses in schools and universities.

For instance, some agri-tourism graduates from the Central Bicol State University of Agriculture (CBSUA) are currently involved in research and development efforts, and are contributing to the promotion of Laguna agri-destinations, such as the Costales Nature Farms.

**Benefits of agri-tourism**

Since farming considered an integral aspect of Filipino culture, it can easily be cultivated into an agri-tourism activity. It has since gained increasing popularity in the Philippines; becoming a profitable and sustainable sector.

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6 Costales Nature Farms, retrieved on 6 September 2013
7 PH agritourism needs strong collaboration, Salimbay, retrieved on 18 August 2013
8 Agritourism soon to rise in the Philippines, Agribusiness News, retrieved on 13 September 2013
within the tourism industry. Some benefits agri-tourism has brought about include:

**Economic growth**

Agri-tourism offers a path to economic development in rural areas. Agri-tourists tend to be more than willing to pay to experience a unique opportunity to get in touch with nature.

The direct contribution of tourism to GDP was PHP215.5 billion (roughly USD 5.2 billion) in 2012, and this figure is forecasted to increase by 7.5 percent in 2013. It was estimated that the number of international visitors would hit 5.5 million in 2013 – an increase from 4.3 million in 2012. The tourism industry in the Philippines is clearly on an upward trajectory.

On the other hand, the agricultural sector in the Philippines employs close to 32 percent of the population and contributes approximately 14 percent of national GDP.

Agri-tourism offers a path to leveraging the strong, mature agricultural sector so as to boost the up-and-coming tourism sector.

**Social benefits**

Experts estimate that the Philippines could create a total of 14.6 million new jobs by 2016 should the country adopt various reforms geared towards improving the business environment, particularly in the sectors of agriculture and tourism. Using the land for agri-tourism, the state can also achieve a balance in tourism development between urban and rural areas.

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9 Travel and Tourism Economic impact 2013 Philippines, World Travel and Tourism Council, retrieved on 9 September 2013
10 DOT confident of hitting 10 million tourist arrivals, Panay News, retrieved on 9 September 2013
11 Agri-tourism key to dev’t, Paul M. Gutierrez, Journal Online, 10 April 2013
12 Agri-tourism key to development, journal online, Paul M. Gutierrez, 10 April 2013
rural areas; spreading the benefits of tourism and contributing to poverty alleviation.

**Heritage and ecological conservation**
The majority of the agri-tourism sites in the Philippines have been established as World Heritage Sites. As this trend emerges, more farmers are encouraged to preserve their land and prevent agri-land conversion, so as to attract agri-tourists.

The UNESCO appellation is deployed as a promotional tool for Philippines Agri-Tourism to implement conservation and promotional efforts of such sites. It further encourages participation of the private sector in developing the rural areas. By educating the farmers, a more sustainable and environmentally-friendly way of life can be established, and these agri-tourism sites can achieve full benefits of a sustainable and controlled environment.

**What the Philippines has to offer to investors**
The Philippines is a developing nation with ideal conditions which position it as one of the best destinations for agri-tourism.

**Diverse geographic conditions**
The Philippines is the largest archipelago in the world. It consists of around 7,100 islands and covers an estimated 30 million hectares, with about 11 million hectares being agricultural lands.

The Philippines offers diverse conditions for agri-tourism. This is evident from its diversified and unique agri-tourism sites, including the vast pineapple and coffee plantation in Bukidnon, strawberry and organic vegetable farms in Benguet, as well as the farms in Batangas. With these

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13 Philippine Geography, E Travel Pilipinas, retrieved on 29 August 2013
14 Sustainable organic farming in the Philippines, Rodelio B. Carating, retrieved on 9 September 2013
varied offering, this niche tourism segment has been a hit with agri-tourists; bringing much revenue to these agri-companies and farmers.

A relatively English-speaking environment
Filipino Tagalog and English are both official languages of the Philippines\textsuperscript{15}. This makes it easier for tourists to communicate with the locals; making the country relatively more accessible and tourist-friendly.

Tropical climate
The Philippines has a maritime tropical climate with two distinct seasons – the rainy and dry seasons – making it an ideal place for agriculture. Located on the Pacific Ring of Fire, volcanic activities also ensure the fertility of the soil\textsuperscript{16}. In addition to abundant rain and sunshine, the wide range of habitats and elevations account for an incredible variety of flora and fauna.

Government initiatives
Tourism and agriculture are the topmost priorities of the Philippine Development Plan (PDP) from 2011 to 2016. Looking into the future, officials have identified the most promising investment opportunities to lie in providing accommodation of all types, transportation, historical and cultural heritage destinations, ecotourism and agri-tourism\textsuperscript{17}.

The government has increased investment in this sector by 13.6 percent, from PHP196 billion as of 2010 to PHP222 billion in 2011\textsuperscript{18}. The Agri-Tourism Promotion Act was also put in place in 2010 to promote agri-tourism.

As the agri-tourism sector is still largely private-sector-driven in the Philippines, the BOT (Build Operate Transfer) Law amended by Republic

\textsuperscript{15} 1987 Constitution of the Republic of the Philippines, Virtual Law Library, Chan Robles, retrieved on 19 August 2013
\textsuperscript{16} Natural Resources and Environment in the Philippines, E Travel Pilipinas, retrieved on 29 August 2013
\textsuperscript{17} Tourism Development and Politics in the Philippines, Nanyang Technology University, Joan C. Henderson, retrieved on 29 August 2013
\textsuperscript{18} Plan Prioritizes Tourism Agri Sectors, Sunstar, Rubyloida Bitog, 22 March 2012
Act authorizes the financing, construction, operation and maintenance of infrastructure projects to drive the growth further. The Department of Tourism also provides incentives\(^\text{19}\) to fuel growth.

**Other industry sectors that stand to benefit from agri-tourism**

The growing agri-tourism industry has inevitably rubbed off on other industry sectors, including:

- **Food and beverage**
  The harvest season in the Philippines spells a boon for farmers; bringing in more tourists, and hence a new revenue source, to agri-destinations. At the same time, food exports from the Philippines including high-grade rice, coconut, mangoes and pineapples, are exported to countries, such as the USA, Europe, Japan and Switzerland.

- **Transport infrastructure**
  As most agri-destinations are located in rural areas, the transportation infrastructure in the country is relatively underdeveloped. This could be partly attributed to the mountainous terrain and the scattered geography of the islands. The influx of tourists calls for better modes of transportation to bring them to and from their destinations. Such improvements include having accessible roads, installing road signage, and upgrading from gravel to asphalt concrete roads.

- **Accommodation**
  It is vital to have appropriate accommodation arrangements for tourists visiting the Philippines. The hospitality sector is expected to add 11,000 new hotel rooms over a span of five years; including a range of budget and premium hotels.

\(^{19}\) Primer on Tourism Investment in the Philippines, Visit My Philippines, Department of Tourism, retrieved on 29 August 2013
Meanwhile, the average occupancy rate for hotels was 69 percent in 2011, an improvement from 67 percent in 2010. It is expected to exceed 70 percent by the end of 2013.

**The future for agri-tourism in the Philippines and beyond**

There was a time when the Philippines was considered the second wealthiest nation in East Asia, next to only Japan. Agri-tourism is now seen as a rising star that will contribute to the economic development of the Philippines in the long-term. No doubt the country’s state planners hope to recapture this lost economic glory.

The influx of agri-tourists has brought in revenue and created a more ecologically sustainable environment. This will generate employment in rural areas, where the employment is often most needed, to avoid excessive migration and slum-formation in urban areas.

The agri-tourism sector in the Philippines is not necessarily a bed of roses. It is particularly vulnerable to natural disasters such as earthquakes and typhoons. Though considerable attention has been paid to disaster management, these efforts are largely concentrated on preparedness and post-disaster response; not so much on prevention and mitigation projects.

Nevertheless, there is vast potential for agri-tourism in the Philippines, thanks to the country’s favorable geographical features. The Philippines agri-tourism sector may also spawn imitators across Asia, as other countries seek to tap into their mature agricultural sectors to grow the economy and nurture high quality jobs in rural areas.