

PROJECT REPORT ON AGRITOURISM



NODAL TRAINING INSTITUTE

SSVP-Pune

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www.agriclinics.net

PREPARED BY

DownloadProjectReport.com

1187/67, Gruhalaxmi, J.M.Road, Pune-400005

support@downloadprojectreport.com

www.downloadprojectreport.com

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CHAPTER - I

HIGHLIGHTS OF THE PROJECT REPORT

A. ABOUT THE PROMOTER

PARTICULARS	ABOUT THE PROMOTER
1. Name	: Jyoti D
2. Address	: Panji Goa
3. Contact number	9959967625
4. Date of birth	: 5.5.1970
5. Educational qualification	: B.Sc Agri
6. Project location	: Panji
7. Professional Experience	: 5 years
8. Constitution	: Proprietorship

B. PROJECT PROFILE (FINANCIAL)

PARAMETERS	VALUES	
1. Project size in acre	5	
2. Product	Agri Tourism	
3. Cost of the project	42,55,000	
4. Bank loan	31,91,250	
5. Margin money	10,63,750	
6. Financial Indicators		
	IRR (%)	19.54
	DSCR	2.04
7. Interest rate (% per annum)	12.00	
8. Repayment period	10 years	

CHAPTER – II –
PROJECT DESCRIPTION

Introduction

Agri-Tourism is the practice of attracting visitors to an area used primarily for agricultural purposes. It also associated directly with agricultural activity on a farm with the idea of offering products for sale that are produced as a direct result of the activity. This may include food and lodging as well as on farm activities. It is an all-encompassing idea that places any tourism activity in a rural setting under the same umbrella.

The Agri Tourism Service Provider is supposed to provide home cooked food, stay facilities and show the visitor the agricultural practices such as floriculture, harvesting, bee keeping, dairying etc. and introduce to him the village way of life through various participatory activities. The visitors can enjoy the natural surroundings in fresh air. The visitor gets an exposure of local community life.

Many agri-tourism activities require only a small farm crew in order to be successful. For instance, farm tours, bed and breakfasts, tractor / bullock cart rides, grapes, mangoes, and other horticulture farms, by product farms, birds / animal zoos, and many other activities may be operated with little additional investment in labor.

Agri-Tourism farm can aim at developing a unique selling point some are specializing in organic farming, others in floriculture, natural health management etc. The opportunities for uniqueness and customization are limitless.

It is one of the main sub segments of tourism which has a high potential for growth. It is gaining popularity on the global scale & it needs to give due importance it deserves in India.

CHAPTER—III—
MARKET POTENTIAL

The scope for Agri tourism as follows:

1. An inexpensive gateway - The cost of food, accommodation, recreation and travel is least in Agri-Tourism. This widens the tourist base. Present concept of travel and tourism is limited to urban and rich class which constitutes only a small portion of the population. However, the concept of Agri-Tourism takes travel and tourism to the larger population, widening the scope of tourism due to its cost effectiveness.
2. Curiosity about the farming industry and life style - The urban population having roots in villages always have had the curiosity to learn about sources of food, plants, animals, raw materials like wood, handicrafts, languages, culture, tradition, dresses and rural lifestyle. Agri-Tourism which revolves around farmers, villages and agriculture has the capacity to satisfy the curiosity of this segment of population.
3. Strong demand for wholesome family oriented recreational activities - Villages provide recreational opportunities to all age groups i.e. children young, middle and old age, male, female, in total to the whole family at a cheaper cost. Rural games, festivals, food, dress and the nature provides variety of entertainment to the entire family.
4. Health consciousness of urban population and finding solace with nature friendly - Modern lifestyle has made life stressful and average life span has come down. Hence, people are in constant search of pro-nature means to make life more peaceful. Ayurveda which is a pro-nature medical approach has roots in villages. Indigenous medical knowledge of villagers is respected. Organic foods are in greater demand in urban areas and foreign countries. In total, health conscious urban population is looking towards pro-nature villages for solutions.
5. Desire for peace and tranquility - Modern life is a desire for peace and tranquility. Every individual attempts to work more, in different directions to earn more money to enjoy modern comforts. Hence, peace is always out of his system. Tourism is a means for searching peaceful location. Peace and tranquility are inbuilt in Agri-Tourism as it is away from urban areas and close to nature.
6. Interest in natural environment- Busy urban population is leaning towards nature. Because, natural environment is always away from busy life. Birds, animals, crops, mountains, water bodies, villages provide totally different atmosphere to urban population in which they can forget their busy urban life.

CHAPTER - IV EXTENSION

ACTIVITIES

1. Starting a business of agrotourism requires planning and preparation. Before starting agrotourism the entrepreneurs/ farmers are generally advised to undergo training. They can contact Department of Agriculture staffs/Agriculture University etc. for the purpose. However availability of training facilities & resources are inadequate. Hence I will provide training on agrotourism to farmers both onsite and off-site. During training program special thrust on fertigation management, insect & pest management & kind of records to be kept in the farm will be also given.
2. For the farmers of nearby locality, visits will be arranged on my project & they will be educated on scientific lines regarding various aspects of cultivation practices. It will help them to improve their knowledge and skill regarding scientific cultivation practices so as to enable them to adopt the same.
3. Consultancy will be provided for setting up of agrotourism units.
4. I will take Initiatives to strengthen linkages between State Departments, Traders, NGO's and farmers.
5. For farmers who have decided to avail bank for agrotourism, assistance will be provided to prepare their bankable project report.
6. For the marketing of agrotourism, farmers will be provided necessary support & guidance.
7. Visits of farmers will be arranged to exhibitions & trade shows with the prime objective of exposing them the technological innovations.
8. Nowadays internet has become important tool to get latest information. There are various websites available on agrotourism, which provides useful content. This information will be shared to farmers.
9. Educational tours of farmers will be arranged to progressive farmers & research stations which will motivate them to adapt good cultivation practices.

CHAPTER – V –
SWOT ANALYSIS

Strengths:

-
- Availability of attractive agricultural landscapes including unique features at the project location.
 - Availability of healthy environment.
 - Availability of significant level of skilled labor.
 - Presence of traditional farming activities.

Availability of traditional cultural activities including various livelihoods.

Opportunities:

- Gradual increase in the demand for agritourism by the visitors
- Emphasis on sustainable rural tourism development by the government.

Weakness

- Low awareness of agritourism with people in terms of tourism and its attractiveness.
- Shortage of finances and low accessibility of external resources

Threats

- Competition from other traditional holiday destinations.
- Difficulties in environment protection due to gradual damage to the environment.
- Lack of government concern on agritourism.

CHAPTER – VI –
ECONOMICS OF THE PROJECT

A. BASIS & PRESUMPTIONS

. The below calculations are for agri tourism in a 5 Acre set up. Further calculations on a scale up can done on this basis.

Assumptions

S. No	Assumptions
1	Already Existing Farmer with established farm
2	Preference to be given for agri tourism
3	Crop Loan to be availed as per SOF
4	Out of 5-acre land, 1 acre to be utilised for Agri Tourism and Remaining 4 acres to be utilised for Crops and Allied Activities
5	Construction Cost for RCC type considered at Rs 1500/- per sq ft
6	If Construction is done with Bamboo or Thatch Houses then Cost can be considered at a lower side at approx Rs 500/- per sq ft
7	As solar panel is being installed , we have considered Electricity bill at a lower side of Rs 5000/- per month
8	We assume that any Allied Activity can be taken up by the farmer as per location, availability . It may include Dairy, Poultry, Rabbit Rearing etc)
9	Interest Rate is considered at 10%
10	Moratorium upto 24 months to be considered.
11	Repayment period of 10 years(inclusive of moratorium)
12	Minimum Land requirement for considering Agri Tourism to be taken as 5 Acres
13	Necessary permissions and Licenses to be obtained
14	Repayment frequency can be considered at Quarterly intervals or with the consent of Borrower at Monthly intervals
15	We have not considered subsidy amount in the present scenario
16	The Applicant to obtain Composite GST as applicable

17	The moratorium can be extended for another 6 months if the project is not completed before the stipulated period
18	We are assuming the income from Crop activity will be ploughed back for the Agriculture activity
19	We are assuming that the Applicant is doing multiple crop and is having tomato and Chilli in rotation. Jowar and Bajra in rotation. (6 month Crop cycle).
20	Crops like Paddy to be avoided as they require more water and the field are not conducive for visits due to the stagnated water.
21	5% increase in Sales and Costs after 5th year
22	Total Capacity of the Agri Tourism Centre 86(Tent 10 accommodating 2 each. 8 rooms accommodating 2 each, full day package 30)

Business Centers (MANAGE)		TOTAL COST OF PROJECT		
PARTICULARS	UNIT	UNIT RATE	QUANTITY	AMOUNT
		Rs.		Rs.
1. Land				Own
Site Development	Ls.			100,000
			Total	100,000
2. Constructions				
Dinning room	Sq.ft.	250	1,500	375,000
Cottages (each cottage 150 sq.ft. @ Rs. 1500 per sq.ft.)	Nos.	225,000	8	1,800,000
Bathroom and other amenities				200,000
Welcome centre cum office	Sq.ft.	150	1500	225,000
Purchase of 10 Tents(2 person each)	Sq.ft.	10000	10	100,000
Parking Shed				100,000
Water storage tank (including distribution system)	Ls.			40,000
			Total	2,840,000
Others				
Bullock		100,000		100,000
Lake/ Farm Pond construction	Ls.			300,000
Nursery	No.			125,000
			Total	525,000
3. Machinery & Equipments				
Bullock cart	Nos.	50,000	1	50,000
Sport Equipments (sports like Cricket, Football, Volleyball, Chess, Badminton, tennis etc.)	Ls.			50,000
Boat (manually operated)	Nos.	50,000	1	50,000

Electrical fittings including Motor, generator , inverter				190,000
Solar Panel				150,000
			Total	490,000
4. Misc. Fixed Assets				
Cost of landscaping, garden developments & plantation	Ls.			150,000
Fencing				150,000
			Total	300,000
Total Capital Cost				4,255,000
KCC Component				300,000
Cost of DRIP Irrigation				175,000
TOTAL COST OF PROJECT(Including KCC +ATL Drip Irrigation)				4,730,000

CASH FLOW and DSCR Calculation													
CAPITAL COSTS				(Amount in Rs.)									
Items of Investments	Parameter	Units	Rate	1	2	3	4	5	6	7	8	9	10
Recurring Costs													
1	Interest on TL(Drip Irrigation) @10%				17500	14000	10500	7000	3500	0	0	0	0
2	Interest on Term Loan of Agri Tourism			159563	319125	319125	299125	274125	244125	209125	164125	114125	59125
3	Food(full day package)	Rs/mont h	200	3600	0	720000	720000	720000	720000	720000	720000	720000	720000
4	Food (Night Stay)	Rs/mont h	400	1800	0	720000	720000	720000	720000	720000	720000	720000	720000
5	Labour and others	Rs/mont h		240000	0	2880000	2880000	2880000	2880000	2880000	2880000	2880000	2880000
6	Maintenance and others	Rs/mont h		25000	0	300000	300000	300000	300000	300000	300000	300000	300000
7	Marketing Cost				0	300000	300000	300000	150000	150000	150000	150000	150000
8	Replacement cost for Sports equipment				0	0	0	65000	0	0	0	80000	0
9	Depreciation				0	382000	334000	261400	235260	211734	190561	171505	154354
A	Total Costs				159562.50	5638625	5587125	5491025	5351385	5490826.95	5428169.88	5360911.017	5374403.04
Income													
1	Full day Package (5% increase in revenue after 5th year)	sq. m.	360	900	0	3240000	3240000	3240000	3240000	3240000	3402000	3572100	3750705
2	Night Stay(5% increase in revenue after 5th year)		180	1400	0	2520000	2520000	2520000	2520000	2520000	2646000	2646000	2646000
B	Gross Income				0	5760000	5760000	5760000	5760000	6048000	6350400	6529005	6716540.25
C	Net Surplus				-159562.50	121375.00	172875.00	268975.00	408615.00	557173.05	922230.12	1168093.98	1342137.21
F	Carry forward					-38187.50	134687.50	403662.50	812277.50	1369450.55	2291680.67	3459774.65	4801911.86

D	Annual Repayment (Principal)					200000	250000	300000	350000	450000	500000	550000	591250
E	Net DSCR			0.00%	0	2.53	2.12	2.15	2.20	2.47	2.68	2.72	3.11
	Gross DSCR					1.59	1.51	1.60	1.71	2.01	2.26	2.43	2.91
	Average Gross DSCR					2.04							

F	Net Benefit				-4255000	84000 0	84000 0	84000 0	92500 0	10395 00	10914 75	14089 95	16541 91	209245 7
G	Internal Rate of Return				19.54%									

Assumptions

Agri Tourism done for a period of 120 days.
Major working is on Weekends and Holidays)

Expectation of Day guests @30 guests per day
Expectation of Night stay guests @15 guests per day

5% increase in Sales as well as cost after 5th year.