

Factors Determining Business Development in Agritourism in Sri Lanka: With Special Reference to Kegalle District

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Agriculture is the backbone of the country. However, due to the unproductive use of agriculture resources, there is stagnation in the sector. Hence, this sector needs to rejuvenate with innovative strategic plans such as agritourism. In this context, the objectives of the paper are to analyze the factors determining business development in agritourism and potentials among local farming community to initialize a agritourism site. This paper examines these factors in the context of Kegalle district. The primary data was collected from groups. The first group of farmers with agritourism selected from snow ball sampling technique. The Second group of 100 farmers without agritourism activities selected from 14 agrarian divisions based on stratified random sampling technique.

The results revealed that Kegalle district has a high potential to develop agritourism sites. Land size, investment capacity, location, infrastructure and attitude of farmers towards agritourism are the significant factors determining business development in agritourism. Large scale farmers have comparative advantage in developing agritourism business. However, farmers face a lot of difficulties when initiating an agritourism site. They are due to lack of business management and planning skills, lack of access to credit facilities, lacking forward and backward linkage with tourism operators and lack of training. Though agritourism is generally reported as a high development cost investment, returns for the farmer is low. Mostly, private hotel operators and investors get the highest benefit of agritourism, not the real farmers. Further, required government support is not available for this new business direction. The study recommends farmers to link with tour operators and private investors to enhance their marketing channels, enter into strategic partnerships among public and private, engage in media promotion through online sources, and maintain the required quality and standards in agriculture and tourism in order to develop agritourism.

Key words: *Agriculture, Agritourism, Farmers, Agritourism operators*