

1 AGRO TOURISM



1. INTRODUCTION

Agriculture is the backbone of Uttarakhand and is practiced by many people, especially those living in the hilly areas. Owing to its vivid topography and diverse agro-climatic endowments, subsistence farming is practiced in most parts of Uttarakhand. The hilly areas of Uttarakhand practice mixed cropping, while single crops are grown in the plain areas. Agri-tourism is a growing trend that combines agriculture with tourism, allowing visitors to experience rural life while promoting sustainable farming practices. Uttarakhand, with its lush landscapes, diverse flora and fauna, and vibrant culture, offers a unique opportunity for travelers to engage with local farming communities and learn about traditional agricultural practices.

2. SERVICE AND ITS APPLICATION

The proposed agri-tourism complex in Uttarakhand will offer a diverse range of services designed to engage visitors in an immersive cultural experience.

- **Farm Stays:** Visitors can stay on working farms, enjoying rural bed & breakfasts, experiencing daily agricultural activities, participating in harvesting, observing crop management, and enjoying home-cooked meals made from fresh, local produce.
- **Workshops and Learning Experiences:** Farms can offer workshops on organic farming, herbal medicine, and traditional cooking classes, allowing tourists to gain hands-on experience and knowledge.
- **Sharing of agricultural heritage:** Visits can be planned for tourists to old plantations or agricultural museums.
- **Nature Trails and Trekking:** The picturesque landscapes of Uttarakhand provide ample opportunities for trekking and nature walks, often leading to scenic viewpoints or hidden waterfalls.
- **Cultural Experiences:** Tourists can immerse themselves in the local culture by participating in traditional festivals, music, and dance and interacting with the local community.
- **Sustainable Practices:** Many agri-tourism initiatives in Uttarakhand focus on sustainability, promoting organic farming, conservation of local biodiversity, and eco-friendly practices.
- **Fishing:** Farms generally have fish ponds and the tourist can feed the fishes and can also do fishing.
- **Petting Animals:** Farms rear a variety of animals and birds such as rabbits, goats, cows, pigeon, ducks and hens. The tourists have the opportunity to pet these birds and

animals and feed them. The visitors can also take care of cows on the farm and learn the milking process.

- **Bird watching:** Uttarakhand boasts more than 600 species of birds and rich biodiversity. Due to the presence of different types of forests, alpine & subalpine moist scrublands, grasslands, wetlands, and rivers. The state provides sanctuary to a wide variety. At the Farm, tourists can enjoy watching different species of birds.
- **Local Produce and Crafts:** Visitors can buy fresh produce, homemade jams, pickles, and local handicrafts, supporting local artisans and farmers.

3. DESIRED QUALIFICATION FOR PROMOTER

The promoter should have a strong background in tourism and hospitality management, with a deep understanding of the farming ecosystem and linkage with local farmers. Experience in project development and management will be crucial for the success of the complex.

4. BUSINESS OUTLOOK AND TRENDS

Uttarakhand is strategically positioning itself in the global tourism landscape by envisioning and developing new products that resonate with the preferences of contemporary travelers. The tourism policy emphasizes both the enhancement of existing infrastructure and the development of new, sustainable infrastructure to elevate visitor experiences, improve convenience, strengthen the brand image, and enhance connectivity. In alignment with that, Uttarakhand's vivid topography and diverse agro-climatic endowments and subsistence farming position it as a prominent player in the growing agri-tourism market. Agri-tourism in Uttarakhand not only enriches the travel experience but also supports the local economy and promotes sustainable practices. It's a wonderful way for travelers to connect with nature and learn about the agricultural heritage of the state.

5. KEY BUSINESS ELEMENTS

The key business elements for the agri-tourism complex in Uttarakhand are centered around three core principles;

- **Farming Authenticity:** The success of the agri-tourism complex hinges on its ability to authentically represent the diverse agro-climatic endowments and traditional farming techniques of Uttarakhand. This involves a meticulous approach to every detail of Farm-based activities, observation of crop management, farm animal feeding, milking, and culinary offerings.
- **Community Engagement:** A community-centric approach preserves the authenticity of the experience and ensures that the benefits of tourism are distributed equitably.
- **Innovative Marketing:** Leveraging the power of online platforms, social media, and strategic partnerships, the marketing efforts will lead to widespread awareness and interest in the agri-tourism experience offered by Uttarakhand.

6. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY

The rising interest in agri-tourism globally enhances the market potential of an agri-tourism complex in Uttarakhand. The "Simply Heaven" storyline provides a compelling narrative to attract a diverse range of tourists, from adventure seekers to cultural enthusiasts, fostering sustained growth in visitor numbers. While the potential is high, marketing issues may arise, including competition from other destinations and the need to effectively communicate the authenticity of the experience. Collaborations with travel influencers, strategic partnerships with travel agencies, and social media platforms can help create a strong digital presence, effectively reaching and resonating with the target audience.

7. BACKWARD LINKAGE

This involves sourcing local agricultural land for farm construction, engaging local farmers for agricultural practices and production of crops, and partnering with local farming communities for various services. For instance, sourcing agricultural products and practices directly from local farmers not only ensures authenticity but also contributes to the economic well-being of the farming communities.

8. BUSINESS MODEL

The business involves multiple revenue streams and a focus on sustainability. Revenue sources include ticket sales for different activities, slot booking, accommodation, food and beverage services, sales from outlets, and potential partnerships with local businesses. Collaborations with local farming communities ensure a fair distribution of economic benefits. The model also incorporates principles of responsible tourism, emphasizing environmental conservation and community well-being.

9. AGRI-TOURISM BUSINESS LAYOUT

The proposed agri-tourism farm is 4 acres. Out of 4 acres of land, 1 acre is to be utilized for Agri Tourism, and the remaining 3 acres are to be utilized for Crops and Allied Activities. It promises a multifaceted agricultural odyssey.

- Commencing at the Entrance Plaza, spanning 250 square feet, visitors are greeted by a traditional archway and informative kiosk.
- The Dinning Area, occupying 1200 square feet, boasts kiosks offering local delights like Kumaoni Raita Chaat, Chainsoo, Aloo Ke Gutke, Mandua Ki Roti, Bal mithai, Garhwal Dal Pakwan, etc., made from farm ingredients.
- In the Central Performance Arena (300 sq ft), an amphitheater-style seating area showcases live performances.
- About 1000 square feet are the clustered two Dwelling Units (500 sq. ft each) showcasing traditional living and farm activities.
- The Wellness Pavilion (500 sq ft) offers therapeutic experiences rooted in local practices, while a 100-square-meter Traditional Attire Section invites exploration of indigenous clothing.
- The training center (200 sq ft) offers workshops on organic farming and provides hands-on experiences like planting, harvesting, or cooking classes.
- The Mud Huts/Farm Cottages, occupying 5000 square meters (100 sq ft each), offer serene accommodation to the tourists.
- Farm Street, spanning 1000 square feet, is lined with diverse outlets presenting local and organic farm-produced products.
- Interconnected with 2000 square feet of Farm Walkways, a wood fire area (250 sq feet), and a 1000-square-foot sitting area, this thoughtfully optimized layout promises an enriching cultural journey within the space.

10. BUSINESS PROCESS

The business process involves the following steps:

- Visitor Engagement: Utilizing interactive exhibits, live demonstrations, and immersive experiences to captivate and involve visitors in the farming narrative of Uttarakhand.
- Local Collaboration: Establishing robust partnerships with local communities and farmers to ensure sustainable business practices, thereby fostering economic growth and preserving cultural heritage.
- Continuous Innovation: Consistently refreshing exhibits, performances, and offerings to maintain a dynamic and appealing experience, aligning with evolving visitor preferences and sustaining the agro-tourism complex's cultural immersion objectives.

11. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs.)	Annual Expenses (Rs.)
1	Self-employed	1	-	-	-
2	Area/Department Manager	2	12	12000	288000
3	Skilled Farmers	4	12	9000	432000
4	House Keeping and Attendants	3	12	6000	72000
5	Cook	1	12	8000	96000
	Sub Total				888000

12. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	2.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
	Total time required (some activities shall run concurrently)	3

13. COST OF PROJECT

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
1	Land	-
2	Land and Building expenditure	71.26
3	Plant & Machinery	5.30
4	Equipment and Furniture Exp	2.91
5	Other Misc. Fixed Asset	0.02
6	Preoperative & Preliminary Exp.	1.27
7	Working Capital	6.91
	Total Project Cost	87.67

14. MEANS OF FINANCE

Bank-term loans are assumed @ 60 %

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	35.07
2	Bank Finance	52.60
	Total	87.67

15. LAND AND BUILDING EXPENDITURE

Sr. No	Particulars	Own / Rented	Area in Sq. ft.	Price /Rate	Amount in Rs.
1	Land	Own	174240		0
2	Dinning Room Construction	Own	1200	500	600000
3	Cottages (5 cottages of 1000 sq ft each)	Own	5000	600	3000000
4	Bathroom and other amenities	Own	300	550	165000
6	Welcome Centre cum Administrative Office	Own	250	1000	250000
7	Purchase of 10 Tent	Own			100000
8	Parking Shed	Own	300	150	45000
9	Water Storage Tank and distribution system	Own			50000
10	Orchard	Own	50000		800000
11	Nursery	Own	5000	150	750000
12	Training Centre	Own	200	750	150000
13	Wellness Pavilion	Own	500	750	375000
14	Two Dwelling Units showing Traditional Living and Farm	Own	1000	600	600000

	Activities				
15	Performance Arena	Own	300	250	75000
16	Fencing		3328	50	166400
	Total Amount in Rs				7126400

16.MACHINERY

Sr. No	Particulars	Amount in Rs.
1	Solar Panel	150000
2	Electrical Set Up including Motor Invertor and Generator.	200000
3	Sport Equipments (Cricket, Football, Badminton etc.)	5000
4	Drip Irrigation System	175000
5	Total	530000

17.FURNITURE AND EQUIPMENTS

A. Furniture & Equipment

Sr. No	Particulars	Unit	Unit Cost	Amount in Rs.
1	Bi Cycles	4	4000	16000
2	Furniture			100000
3	Fixture (Light, Fan, Cabinets etc.)	-		20000
4	Cost of Landscaping, garden developments and plantations			150000
5	Farming Tools			5000
	Total Rs.			291000

The availability of machinery and equipment from local manufacturers is a promising advantage for the entrepreneur. It is essential to carefully choose the right mix of products and suitable

machinery and tooling to facilitate modern and flexible processes. Here are some of the suppliers of business equipment an entrepreneur can consider:

1. Bharat Agriculture Tools and Hardware

Haridwar Road, Near Rose Garden,
Dehradun, Uttarakhand 248005

2. Precision Machine Tools

Badripur Near Jogiwala,
P.O.I.I.P, Badripur Road,
Dehradun, Uttarakhand 248001

3. Inter Solar Private Limited

35, Subhash Rd,
Irrigation Colony, Karanpur,
Dehradun, Uttarakhand

Besides these, online platforms such as India Mart, Trade Mart, Amazon, Flipkart etc. can also be explored for ordering online.

18.SALES REALISATION

Sales Realisation			
Sr. No	Particulars	Sales in Percentage	INR
1	Full Day Package (Food and Activities)	25.0%	1782000
2	1 Night Stay (Stay,Food and Activities)	25.0%	3780000
3	2 Night Stay (Stay,Food and Activities)	15.0%	583200
4	Trainings	10.0%	27000
5	Fruit Production	50.0%	225000
6	Crop Production	50.0%	225000
7	Plants for Sell	15.0%	9450
	Total	190.00%	6631650

19.PROFITABILITY CALCULATIONS

The basis of profitability calculation:

Profitability Projection:		
Sr. No	Particulars	Annual Expenses (Rs. in

		lakhs)
A.	Sales realisation	158.49
B.	Cost of production	
i)	Raw materials	0.00
ii)	Utilities	0.27
iii)	Manpower Cost (Salaries/wages)	8.88
iv)	Administrative expenses	0.18
v)	Packaging Cost	0.00
vi)	Material Lost Cost	0.00
vii)	Selling & distribution expenses	0.66
viii)	Repairs & maintenance	0.00
ix)	Land and Buiding expenditure	71.26
x)	Interest	0.72
xi)	Misc. expenses	0.00
	Total (B)	81.98
	Gross profit/loss (A – B)	76.51
	Less: Depreciation	0.97
C.	PBIT	75.54
D	Income-tax	-
E	Net profit/loss	75.54
F.	Repayment (Annual)	-0.30
G	Retained surplus (E-F)	75.84

20.BREAKEVEN ANALYSIS

(Rs. In Lakh)

Fixed cost	
Land and Buiding expenditure	71.26
Depriciation	0.97
Interest	0.72
Manpower	2.66
Total Fixed cost	75.62
Variable cost	
Raw materials	0.00
Utilities	0.27
ManPower	6.22

Administrative expenses	0.18
Selling & distribution expenses	0.66
Total Variable cost	7.33
Contribution margin	20%
Break-Even Point in Value	378.10

21. STATUTORY/GOVERNMENT APPROVAL

In Uttarakhand, operating an agro-tourism business requires general formalities pertaining to firm establishment, tax registration, and shop/establishment registration. Fire safety clearance is one of the most specific requirements.

Further, the following specific permit is required:

1. Trade License: It includes registration with the Uttarakhand Tourism Development Board (UTDB). This license is important for any food-related business. The local municipal authority gives it.
2. Environmental clearances from the **Uttarakhand Environment Protection and Pollution Control Board (UEPPCB)** are required, particularly for waste management and water usage.
3. A protected area permit is required if the site is in a forest area.
4. Pollution Control Clearance from the state government board; National Green Tribunal in some cases.
5. GST Registration: Registration under the GST is mandatory for any business with a certain turnover and is involved in the sales of goods, including food products.

22. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in tourism and hospitality management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD) Regional Centre, Dehradun NSTI Campus, Green Park, Dehradun-248001, Uttarakhand, India
2. FCI Institute of Management
11, Subash Road, Opposite Police HQ,
Dehradun, Uttarakhand, India

Swayam portal (link: <https://swayam.gov.in/>) can also be accessed for enhanced learning on business commerce, accounting, production, marketing, and areas of entrepreneurship.

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.