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**METHODOLOGICAL APPROACH TO EVALUATING THE  
PROSPECTS OF AGROTOURISM DEVELOPMENT**

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***Abstract***

The article presents a methodological approach to assessing the prospects for the development of agrotourism taking into account territorial characteristics. 2020 has been declared the Year of Rural and Ecological Tourism. Rural tourism is a type of tourism that involves temporary accommodation of tourists in rural areas for the purpose of rest and/or participation in agricultural work without the tourist receiving a material benefit. The market for agro-tourism services is in its formative phase. Therefore, an integrated approach is needed to assess the prospects of agro-tourism in today's economic environment. In order to assess the prospects for the development of agro-tourism, we proposed a methodological approach. In developing the methodological approach, we relied on the components of the market mechanism: demand, supply, prices, taxes and competition. Also, in modern conditions, it becomes impossible to conduct any research without studying foreign experience and domestic experience, as well as the influence of state activity. In spite of the difficulties arising from the development of this market, agritourism is a budding non-agricultural activity in rural region, which increases rural employment and income. The proposed algorithm makes it possible to determine the prospects for the development of agritourism. It can be applied in other regions and in the development of programs for the socio-economic development of territories.

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**Keywords:** Agrotourism, methodical approach, algorithm.



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## **1. Introduction**

2020 was designated as the year of rural and ecological tourism by the General Assembly of the UN World Tourism Organization.

In the Strategy for the Development of Tourism in the Russian Federation for the period until 2035 (approved by order of the Government of the Russian Federation of September 20, 2019 No. 2129-r), rural tourism is understood as tourism, which involves the temporary accommodation of tourists in the countryside for the purpose of recreation and (or) participation in agricultural work without obtaining tourist material benefits.

The main resource of rural tourism (agritourism) is the countryside with all the objects of display and leisure located in this area: objects of culture, architecture, landscapes, natural complexes, event events, ethnographic objects, traditional life of residents of different nationalities, crafts, crafts, local cuisine, cultural and art events - everything that you can see and visit while traveling in the countryside - is directly related to agritourism. The ability to provide one or another type of service depends on the territorial features. Given the variety of types of tourism activities in rural areas, there was a need to develop a methodological approach to assessing the prospects for the development of agritourism as one of the types of business.

## **2. Problem Statement**

The study of rural tourism in various countries was carried out by Jozwik (2019), Mura and Klyuchnikov (2018), Nguyen et al. (2018), Ostapenko (2013). In Russia and its regions, the development of agritourism was studied by Akimova et al. (2015), Evgrafova et al. (2020), Vlasenko (2008a), Korolkov and Smirnova (2013), Kochemasova and Polyakova (2011), Pecheritsa and Shevchenko (2012), Volkov (2013). Methodological issues of the study of the development of agritourism are considered in the works of Maulani et al. (2018), Postevoy et al. (2018), Vlasenko (2008b), Shevlovokov and Khuranova (2009). Despite a large number of studies, there is no general approach to studying the prospects for the development of agritourism.

Therefore, an integrated approach to assessing the prospects of agritourism in modern economic conditions is needed. At present, no legal acts, standards and rules have been adopted that are applicable in the field of agritourism as a special type of tourism, as well as stimulating additional forms of activity in rural areas. Current regulatory legal acts in the Russian Federation cannot be automatically transferred to agritourism. Unresolved problems and the importance of rural tourism as a promising type of economic activity led to the selection of our study.

## **3. Research Questions**

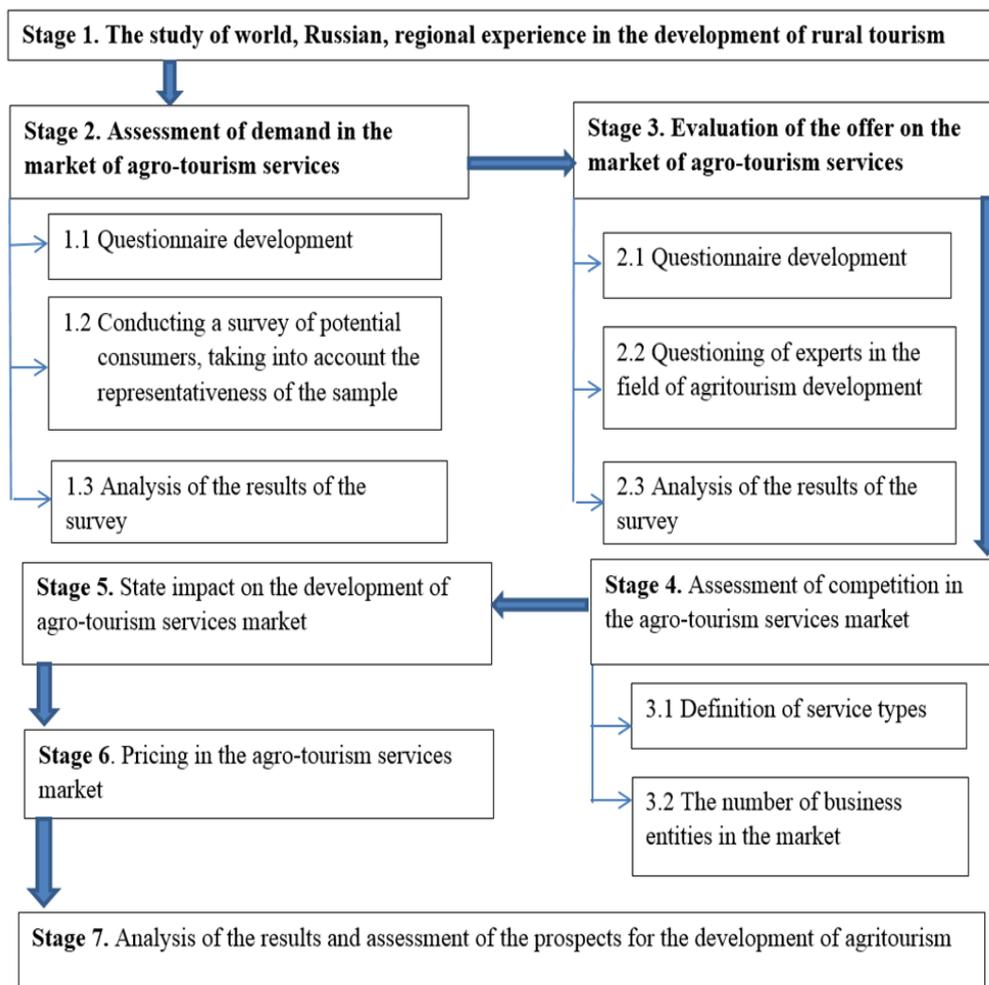
To assess the prospects for the development of agritourism, we proposed a methodological approach. In developing the methodological approach, we proceeded from the components of the market mechanism: demand, supply, price, taxes and competition. Also, in modern conditions, it becomes impossible to conduct any research without studying foreign experience and domestic experience, as well as state influence.

#### 4. Purpose of the Study

The purpose of the study is to develop a methodological approach to assessing the prospects of agritourism development taking into account territorial features. The proposed methodological approach needs to be tested in the conditions of the region. On this basis, draw a conclusion about the possibility of its use in other territories.

#### 5. Research Methods

A methodological approach to assessing the prospects for the development of agritourism should be based on a market mechanism, including demand, supply, prices, taxes, competition. Figure 1 presents the algorithm developed by the authors of a methodological approach to assessing the prospects for the development of agritourism, consisting of seven stages.



**Figure 01.** The algorithm of the methodological approach to assessing the prospects of agritourism

## 6. Findings

Having studied the world, Russian and regional experience in the development of agritourism, we came to the conclusion that the organization of state support for rural tourism in Belarus is of great interest by introducing a declarative business procedure, a single tax (900 rubles per year from the guest house), exemption from reporting, preferential lending.

Experience in the development of agritourism has been accumulated in the Krasnoyarsk Territory; in 2019, a program for the development of inbound tourism was adopted, according to which entrepreneurs who expressed a desire to engage in rural tourism are supported. The Ministry of Agriculture of the Krasnoyarsk Territory on a competitive basis provides agricultural consumer cooperatives, peasant farms, individual entrepreneurs who are agricultural producers, grants of up to 2 million rubles for the development of non-agricultural activities (collection or purchase of food forest resources and medicinal plants and their subsequent processing, rural tourism, folk arts and crafts, wild reindeer hunting and subsequent meat processing, fishing and fish processing). Business plans are reviewed and evaluated by the tender committee of the Ministry of Agriculture of the region. With these funds, guest houses are built and the territory is refined.

In the Republic of Buryatia, subsidies are provided to the budgets of municipalities for the improvement of territories adjacent to places for tourist display in their territories (for the arrangement of pedestrian sidewalks and paths, car parks, street and decorative lighting systems, lawns and other gardening areas, manufacturing, installation and repair non-capital non-stationary structures, including arbors, awnings, public toilets, fences and fences, stairs, small architectural forms, information x boards, signs tourist navigation, benches, boxes).

The study of world and domestic experience in the development of rural tourism allows us to conclude that it is economically feasible and possible to spread to other territories.

The study of demand is the first step in the study of the sales market, consisting in studying the potential consumer, his tastes, the structure of needs by consumer groups, identifying unmet needs, analyzing the motives for choosing specific services. To assess the demand in the market of agro-tourism services, the authors of the study developed a questionnaire that allows you to objectively assess the potential consumer and the types of services that are in demand in agro-tourism. As a result of the questionnaire (Figure 2), which met the conditions for representativeness of the sample, it was found that 83% of respondents want to travel to the countryside. Traveling to the countryside is least attractive for respondents aged 41-50 years old, respondents over the age of 60 years and up to 30 years of age are more interested in this direction of tourism (more than 90% of the positive answers to the question "Would you like to travel to the countryside?").

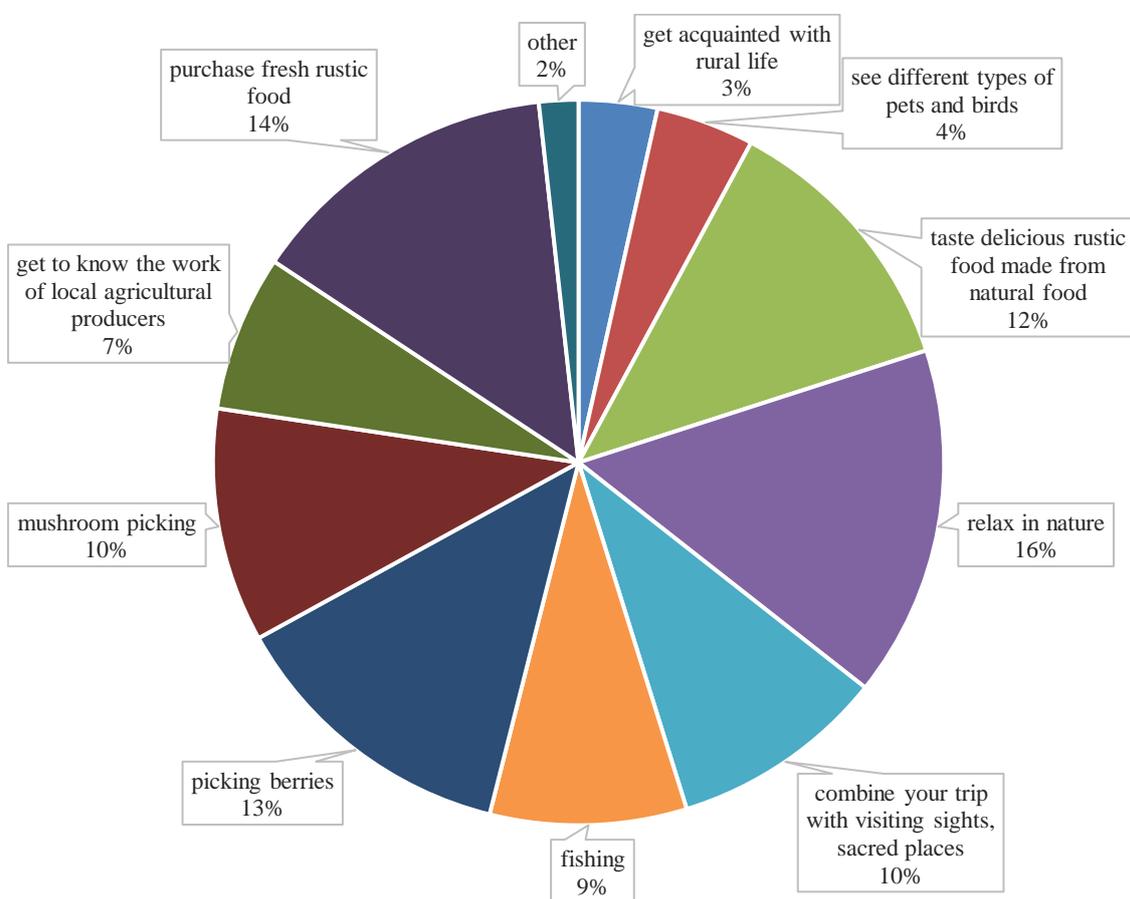
According to the respondents, the most popular goals for visiting rural areas are outdoor recreation (72% of respondents), purchase of fresh rural products (64%) and picking berries (60%). Men have expressed interest in fishing. Also, among the proposed options for answering this question, respondents expressed wishes to get acquainted with local folklore, experience in livestock farming and construction.

At the same time, in the group of respondents "up to 30 years old," the greater number of respondents chose outdoor recreation (82% of respondents), purchase of fresh village food (64%), picking mushrooms (55%), picking berries (54%).

In the group from 31 to 40 years old, the most popular goals are: the opportunity to taste delicious rustic food made from natural food products, outdoor recreation, visiting sights, sacred places, getting to know the work of local agricultural producers (67% of respondents each). Moreover, this is the only age group that expressed a desire to get acquainted with the work of local agricultural producers.

Respondents aged 41 to 50 equally highlighted outdoor recreation, berry picking, and the purchase of fresh village food. In a group aged 51 to 60 years, 100% of respondents want to taste delicious rustic food made from natural foods.

Respondents from groups of 31-40 years old and over 60 would like to combine their trip with visiting sacred places, and respondents aged 31-40 years would like to see different types of animals and get acquainted with rural life, which is probably due to the presence of this age groups of children aged 6 to 10 years.



**Figure 02.** Structure of respondents' answers to the question “For what purpose would you like to visit the countryside?”

An agro-tourism offer, taking into account regional, national and other specifics and the active development of this new sector, could help in solving not only the challenges facing the tourism industry, but also in solving a number of socio-economic problems in rural Russia. Municipal entities with appropriate tourism potential can and should become actively involved in this process.

Evaluation of the offer on the agritourism services market was carried out by questioning experts in the field of agritourism development. Based on the opinions of experts, promising areas for the development of agritourism in the Irkutsk region were identified, which are reflected in table 1.

**Table 01.** Prospective directions for the development of agritourism in the Irkutsk region

| <b>Destinations of tourism</b>              | <b>Potential areas of the region</b>   |
|---|--|
| Agritourism with elements of ecotourism     | Irkutsk, Olkhonsky, Zalarinsky, Usolsky, Slyudyansky, Nizhneudinsky, the territory of the Ust-Orda Buryat district.  |
| Agritourism with elements of ethnic tourism | Irkutsk, Olkhonsky, Zalarinsky, Usolsky, Slyudyansky, Nizhneudinsky Bratsky districts, the city of Bratsk, as well as the territory of the Ust-Orda Buryat district. |
| Agritourism                                 | Irkutsk, Olkhonsky, Zalarinsky, Usolsky, Slyudyansky, Nizhneudinsky Bratsky districts, the city of Bratsk, as well as the territory of the Ust-Orda Buryat district. |
| Agritourism with event tourism elements     | Irkutsk, Olkhonsky, Zalarinsky, Usolsky, Slyudyansky, Nizhneudinsky Bratsky districts, the city of Bratsk, as well as the territory of the Ust-Orda Buryat district. |

The types of tourist services that business entities in the rural areas of the Irkutsk region can offer: familiarity with rural life, various types of pets and birds, delicious rustic food from natural foods, outdoor recreation, visiting local attractions, sacred places, fishing, picking berries and mushrooms, familiarity with the work of local agricultural producers, the purchase of fresh rural food, accommodation in guest houses, sightseeing tours.

Interviewed experts on a 10-point scale evaluated the factors restraining the development of agritourism in the region: lack of living conditions for guests (9), lack of specialized transport (8), lack of information about this type of tourism activity (8), remoteness from potential consumers of services (7), poor staffing (7), underdeveloped infrastructure (6), poor promotion of tourist products (6), lack of clearly developed programs and step-by-step recommendations for the development of rural tourism in rural areas (6), unprepared spine locals to the business organization (5), administrative barriers (5), the lack of attention of authorities to the development of rural tourism as a real way to replenish the local budget (5), poor hospitality traditions (3).

In the Irkutsk region, agro-tourism services with a long stay of tourists are provided only in the Vepsky estate (Slyudyansky district, the city of Baikalsk), the rest of the tours to the countryside are almost all one-day except ecotourism in Olkhonsky district (there are more than 100 camp sites, although they are located in rural areas, but they are not involved in agriculture due to natural conditions and existing restrictions in the territory of the national park).

It's not the first year that gastronomic festivals have been held in the Irkutsk region aimed at attracting tourists and their acquaintance with the agri-food potential of municipalities. This is the Victoria Strawberry Festival (Baikalsk, Slyudyansky District), the Taiga Gifts Festival (Usolsky District), the Pie Festival on the Stove All Wealthy People festival (the village of Maslyanogorsk, Zalarinsky District), the

Varennikov Parade festival (section of Pikhtinsk Municipality “Khor-Tagninskoye” of the Zalarinsky district), the regional festival “Pan Varenik” (Batama village of the Ziminsky district), as well as a festival of hunters, fishermen and travelers in the village of Khor-Tagna of the Zalarinsky district (the festival program includes a competition of fish dishes “FISHING CATCHES” et al.

Based on the fact that business entities in the region are geographically divided in the agro-tourism services market, offer differentiated services depending on the characteristics of the territory, and the agro-tourism market as a whole is at a formation level, competition in this market is poorly developed.

Having studied the state impact on the development of the agritourism services market in the region, it can be noted that in the Irkutsk region there are no direct measures of financial support for agritourism. Such experience is available in the Altai Territory. In this region, applications for subsidies for rural tourism are being accepted. The Altai Krai state program “Tourism Development in the Altai Krai” provides for rural entrepreneurs to support rural tourism by subsidizing part of the costs incurred by them for the construction and reconstruction of rural guest houses, including work related to gas, water, sewage and electricity.

However, in the Irkutsk region, the agro-tourism business is being actively popularized among the population by conducting field seminars by employees of the Tourism Agency in the Irkutsk region with the participation of representatives of the Ministry of Agriculture of the region and scientists of the Irkutsk State Agrarian University named after A.A. Ezhevsky. Such seminars were held in the Kachugsky district and the Ust-Orda Buryat district, and it is planned to lead in the Usolsky, Zalarinsky, and Tulunsky districts.

According to the respondents' answers, the most attractive duration of the tour is 2 days, on which they are ready to spend an average of 3600 rubles.

One of the most important points in the formation of the concept of agritourism is the question of optimal pricing, which will be maximally oriented both on the estimated demand for this type of tourism product, and on its offer, taking into account income for agritourism providers. At the same time, to date, the demand for agro-tourism services is quite problematic to predict, since it depends more on the strategy of promoting the product on the market and on pricing policies. However, when determining the price range of the agritourism services market, it should be borne in mind that, initially, agritourism in the context of Russian reality is positioned as a relatively inexpensive vacation, unlike its western counterparts.

Based on the pricing principles developed in the field of tourism and the hotel industry and taking into account the results of our survey, we made an attempt to determine the lower and upper price limits for an agro-tourism package of services.

The lower limit of the price of an agricultural package per person will consist of the sum of the following components: the cost of utilities; service cost; cost of food; the cost of delivering a tourist to the place of rest and back, increased by 10%; recreational deductions (if agritourism is carried out on the territory of the nature protection zone);

The optimal price is the sum of the lower price limit, the percentage of the entrepreneur's profit and the seasonal premium (discount), which is calculated in the amount of 10% of the optimal price.

The selling price adds a percentage for the services of a tour operator (travel agency) and tax deductions.

Thus, the price of an agro-tour package can be calculated using the following formula:

$$C = (C + Pr + CH) + (C + Pr + CH) * PT + BUT, \quad (1)$$

where C is the price of an agricultural package for 1 person; C is the lower price limit, i.e. the cost of providing agro-tourism services; Pr - entrepreneurial profit; CH - seasonal allowance (discount); PT - percentage for the services of a tour operator; BUT - tax deductions.

Moreover, the final price should not exceed the upper price limit, determined solely by the demand for this type of service.

## 7. Conclusion

Difficulty of transport accessibility, high fare, lack of infrastructure, insufficient promotion, presence of administrative barriers, inaction of local authorities and local authorities, high taxes on guest house services, distrust, lack of knowledge, lack of information, training and advanced training, strict control requirements - supervisory authorities applied to small accommodation facilities - the main problems of the development of agritourism.

To solve these problems, we propose to include in the federal tourism development programs rural, ecological and agricultural tourism as a separate direction for an application with preferential investment conditions.

To develop and annually hold mini-grant competitions for rural residents, including individuals, to organize activities in the field of rural tourism.

Hold competitions to support local rural tourism initiatives.

To ensure the development of domestic and inbound tourism by including all entities with potential in the development of rural tourism in the list of regions that receive subsidies from the federal budget for state support of tour operators.

Despite the difficulties encountered in the development of this market, agritourism is a promising type of non-agricultural activity in rural areas, which allows increasing employment and incomes of the rural population. The proposed algorithm allows you to determine the prospects for the development of agritourism, can be used in other regions and in developing programs for the socio-economic development of the region.

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