

Analyzing Tourism Influence on Agricultural Products' Market: A Case Study of the Mestia Municipality, Georgia*

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Abstract: Mestia Municipality is a high mountain district of north-west Georgia, is located in the Greater Caucasus Mountain range. On the one hand, tourism is relatively new and rapidly growing economic activity in Mestia, but on the other, traditional economic activity of the population is agriculture. Analyzing linkages between tourism and agriculture is a vital part of sustainable development process of the municipality. The purpose of this paper is exploring and analyzing links between of tourism and changed/diversified agricultural market in Mestia municipality. The paper applies a triangulation method – qualitative in-depth interviews and desk research. MAXQDA is used for data processing. In-depth interviews were conducted with two targeted group: 1) Representatives of local community-driven economic activities; 2) Representatives of the tourism industry who operate in Mestia municipality. In total, 59 interviews were collected. The fieldwork revealed three main tendencies: 1) Tourism has impact on agricultural product's market in Mestia municipality. Agricultural products were sold mainly outside municipality before developing tourism. Now, tourism has created a great chance to realize productions inside region. 2) With the development of tourism, agricultural cultivated lands are decreasing in Mestia. 3) Rural tourism is emerging in the villages of Mestia Municipality.

Key words: tourism-agriculture nexuses, Mestia, agriculture, rural tourism.

1. Introduction

Tourism can generate many opportunities for local communities. It provides jobs to local people and also creates demand for local agricultural products (Anonymous, 2015). Tourism industry is also regarded as a tool for economic diversification and rural development, especially in developing countries and mountain areas (Gugushvili, *et al.*, 2017; Fwaya and Obonyo 2012). Therefore, exploring and clarifying the relationships between tourism and agriculture is important for future decision making process and sustainable development. Revealing these nexuses is exclusively considerable for Mestia Municipality for which tourism is relatively new economic activity.

Mestia Municipality is located in north-west Georgia, in Samegrelo-Zemo Svaneti province and belongs to the historical-geographical region – “Upper Svaneti” (Zemo Svaneti). It is surrounded by Greater Caucasus Mountain Ranges. Here is the village Ushguli, which is one of the highest permanent settlements in Europe (at an elevation of 2200 m). Mestia, the townlet, is located at an elevation of 1500 m. It is 128 kilometres away from Zugdidi (the capital of Samegrelo-Zemo Svaneti province) and 456

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kilometres away from Tbilisi, the capital of Georgia (Anonymous, 2019). According to the last Population Census (2014) the population of the municipality is 9 316 (there is no latest data).

People's traditional economic activities were farming and land cultivation in Mestia Municipality. We can see that through the flashback to the first Agricultural Census 2004 in independent Georgia. According to the Agriculture Census results (2004) 73.5% of region's holdings main activity was agriculture. Despite highlands typical natural limitations, agriculture (with forestry) was a major source of income for locals. Mestia Municipality has relatively better agronomic capacity for meat, potato, dairy products and beekeeping. Agro products were sold outside municipality, mostly in Zugdidi, before developing tourism industry in this region. This situation was related to extra costs of products transportation and other difficulties. So, this way of realization was uncomfortable and had low economic profitability.

Tourism is a growing industry both in Georgia and in Mestia municipality. According to Georgian National Tourism Administration, tourism share in country's GDP increases yearly as well as number of tourists. Local farmers in Mestia Municipality began to see tourism as an advantageous business and some of them decided to live traditional agricultural activity and go into tourism sector. As a result, the demand for local agricultural goods was created inside municipality. The emerged customers are: tourism food industry representatives, tourists and locals who abandoned or reduced agricultural activities. Thus, realizing products inside region makes farmers life easier.

Integrating with tourism, agriculture has a potential to generate increased growth and development in rural areas (Rogerson, 2012). Creating synergies between these traditional and contemporary economic activities should be the best option for inclusive economic growth in Mestia Municipality. Without any organized plans or politics, tourism has already created opportunities for domestic agricultural earnings. Such a huge impact requires detailed exploration. Especially that, interaction between these sectors is not necessarily positive because of competition for land and human capitals (Rogers and Taufu, 2012). Two less compatible situations – first, shifted and stimulated agricultural market and second, growing numbers of uncultivated agricultural lands – make this relationship very complicated.

There are sufficient numbers of studies relating to agricultural-tourism linkages at the international level. Most of them consider the cases of developing countries and classify the main factors, barriers and opportunities which influence the strength and type of the abovementioned relationship. Some of the revealed findings and considerations are familiar to Mestia Municipality - for example, the locals' lack of ability to guarantee supplies of high quality, competitively priced products on a consistent basis (Rogerson, 2012); absence of direct supply channels connecting customers and sellers in order to share information (Anonymous, 2015); relatively low returns offered by agriculture with respect to other sectors; local agricultural products' connection to other markets (Anonymous, 2010) and like that.

For ensuring the mutually reinforcing of tourism and agriculture, researchers suggest incorporation of tourism activities into rural life, such as agricultural tourism, community based tourism, and the nature based tourism. It is believed that those rural regions with unique cultural and natural charms can be tourist destinations themselves and attract tourists (Fwaya and Obonyo 2012). Mestia Municipality definitely has a special charm, because of the stunning landscapes and population living there, Svans, that is a linguistic and cultural subgroup of Georgians.

Researchers also examine and categorize the main types of relationships can exist between tourism and rural communities, namely: a) conflict; b) coexistence and c) symbiosis or 1) weak; 2) ambiguous and 3) strong linkages (Gurung, 2012). They use international examples to provide a realistic account of what meditations and partnerships are possible, including that challenges that both sectors may face (Anonymous, 2010).

There is no similar study about Mestia Municipality, but there are several researchers who work on tourism-driven economic changes and socio-cultural aspects of tourism services in Kazbegi, other high mountain region of Georgia. Georgian high mountain regions have many in common: limited economic potential; fragmented economic development; and consideration tourism as an engine of income and source of employment which can improve other related industries such as agriculture (Gugushvili et al, 2017).

This paper explains and analyzes the complex case - linkages between agriculture and tourism. It is interested in: tourism influence on changed agricultural outputs' market; how proactive is tourism industry in utilizing local products; if the local farmers are ready to meet tourism demand for quantity, quality, regularity and safety standards requirements in Mestia Municipality.

2. Material and Methodology

The present paper is related to the interdisciplinary research project – “Links between tourism and community-driven economic activities: shaping sustainability in mountain regions” – which was conducted in two high mountain regions of Georgia (Mestia and Kazbegi) in 2018. The project was initiated by Tbilisi State University in collaboration with the University of Giessen.

The research applies a triangulation method – qualitative in-depth interviews and desk research. The qualitative methodology is best suited to evolve understandings of local perspectives. In-depth interviews were conducted with two targeted groups, representatives of: 1) local community-driven economic activities and 2) the tourism industry that operate in Mestia Municipality. Respectively, two separate interview guides were prepared before field work and after a pilot study. Maximum variation purposive sampling was used to select respondents. It is not a probability sample. Respondents' selection process is based on characteristics that are relevant to a particular phenomenon. The purpose of this sample is to provide as much evidence as possible into the topic under study. In total, 59 interviews were collected (average duration of each interview was 30 minutes). The research area covered the center of municipality and other villages in 15 communities.

The research uses the Grounded Theory approach which is widely used in qualitative researches across a widespread of disciplines. Its main focus is not on testing existing theory, but focus on collecting data from the real world as a resource to be used in developing and building new explanations (Gugushvili *et al.*, 2017).

MAXQDA-qualitative data analysis software is used to data processing.

Secondary data were collected from various sources such as published journal articles, theses, workshops, conference reports and etc. The major statistical information about agriculture and tourism in Mestia municipality was requested and received from the National Statistics Office of Georgia and Georgian National Tourism Administration.

MAXQDA and Photoshop were used for data visualization.

3. Research Findings

Tourism food service sector created demand for agricultural products in Mestia Municipality. The fieldwork revealed that main locally-produced agricultural goods in order to realize are: meat; dairy products, namely, cheese for Khachapuri (Georgian national food) and local cheese “Svanuri Sulguni”; potato and honey; relatively less – “Svanuri Salt”. The region is almost a completely rural settlement. Only Mestia has a status of townlet. So, the locals' traditional and major economic activity was agriculture. Because every family had the same products, there was not a chance to realize agricultural outputs inside market, within the municipality (honey is the exception, it was and is sold both inside and outside market by reason of beekeepers comparably small number). Consequently, local farmer sold their agricultural products outside market.

After emerging tourism industry, the situation has changed considerably. With the growth of tourist's number, the hotels, guest houses and other types of lodges have appeared in the municipality. Other employment opportunities were generated outside the agricultural industry. Thus, a possibility of selling agro products inside region was created. This research made clear the specificity of each above mentioned products' realizing process.

During field work, official food safety regulation was strictly required for meat. Due to match this requirement, there is one licensed animal slaughter in Mestia. So, tourism industry representatives can purchase and locals can sell meat products in the region. But there is a big deficit. The capacity of farmers to meet the needs of tourism industry is quite limited. The number of cattle decreases while the demand increases (Figure 1).

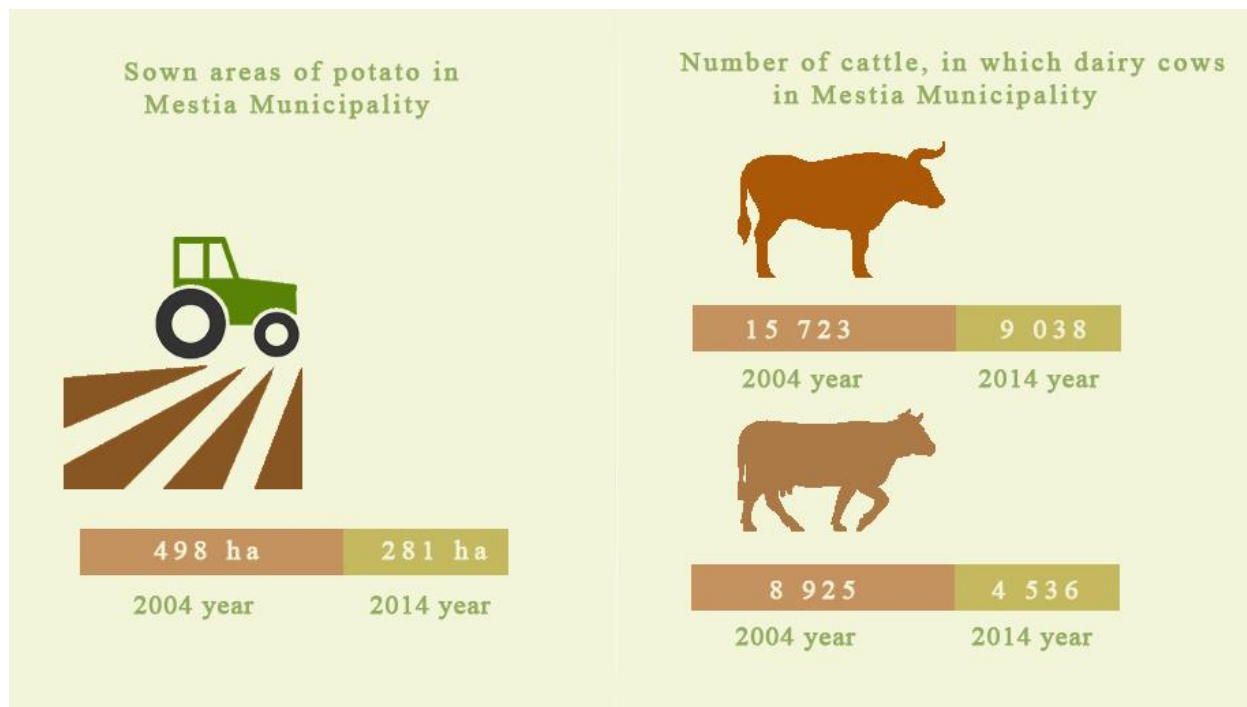


Figure 1. The sown areas of potato and the number of cattle in Mestia Municipality in 2004 and 2014 years.
Source: National Statistics Office of Georgia.

Figure 1 shows the results of the last two Agricultural Censuses hold in Georgia (there are only two Agricultural Censuses in independent Georgia). We see that the capacity to produce the Municipality's main products is dropped sharply. There is no latest statistics, but based on the in-depth interviews, the numbers are likely to be lower.

As for dairy products, cheese, most local producers shifted realization markets from outside to inside municipality. But some farmers living peripheral villages with respect to Mestia and Ushguli (the main tourist destinations) still sell their goods in Zugdidi or other markets. Meanwhile, the tourism industry and the entire municipality are face to the shortage of local cheeses. Buyers fill this deficit from other regions or by even imported products.

It is noteworthy that local potato is characterized by high seasonality. As a result of highlands inclement, local potato can be used in fall, not in summer, during the boom of tourism. So tourism industry mostly is dependent on outside products. On the other hand, during potato season in the municipality, they buy local ones. Also, the "distribution cars" come to the region to sell or exchange

goods in the natural barter way. This circumstance is also advantageous for the residents; they can realize their products even without leaving homes. *“My parents brought potatoes to Kutaisi and sold them there. Then they bought flour, oil, sugar, products which family needed for winter supplies. Now the “distribution cars” come to our homes and we can exchange these products easier.” (Female, Age 31)*

Step by step, tourism is expanding to villages. While in Mestia most people left agriculture and moved to tourism industry, villagers lead them both. It seems to be the beginning of the rural tourism development. Host locals offer tourist to get involved in cuisine, the process of making local specific foods or some rural activities. This encourages direct sales of farm products to tourists. Guest houses in villages were likely to consume more local agricultural products as they required smaller quantities which could be easily provided by local farmers or themselves, by the owners of the lodges who lead agriculture too. As a result, livelihoods which are involved in both sector, are producers and consumers of agro products at the same time.

On the base of the fieldwork, tourism does not give stimulus to agriculture in terms of product growth. Its impact is reflected in the changed realization market yet. *“For my family, the volume of produced agricultural products has not changed after tourism development. But now, doing agribusiness is more enjoyable and appreciated.” (Male, Age 68)*

Due to the scarcity of produced agricultural goods and the absence of food safety evidence, local farmers are not regarded as the stable supplier for tourism food industry. Nevertheless, local products are widely perceived as high quality and tasty ones. Accordingly, the demand for them is also high.

One of the main reasons of the mismatch between supply and demand is the absence of intermediaries. Finding potential buyers or sellers is absolutely dependent on social network and informal relationships.

On the one hand, tourism representatives think that the priority is purchasing local agro foods, but they face to several barriers. On the second hand, among people, agriculture is not considered as an economically profitable sector. *“Agriculture is hard working, time-consuming and unprofitable. Do you know how hard is working as a farmer? Mowing, feeding the cattle, they need to be in the different pastures. Every day you have to take care of them, follow them and it is very labour-consuming. I am very experienced man and believe me, agriculture has never been profitable.” (Male, Age 60)*

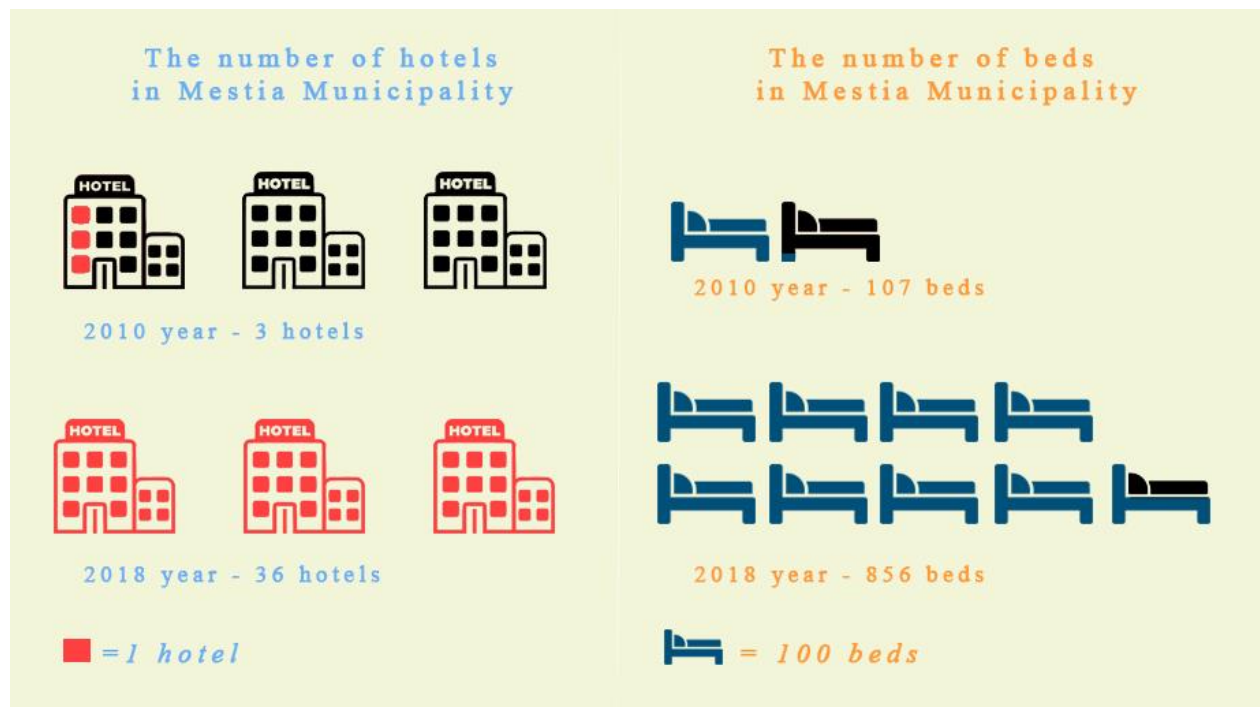
Apparently, tourism has a great influence on agricultural products' market, but they do not develop coordinately and equally. If the tendency of losing agricultural lands and reducing rural activities keeps going, it will be self-destructive for tourism industry too. So, the municipality has to make reasonable plans, reinforces agriculture to meet the need of increasing tourism sector and catches all the positive possibilities which are made by tourism development.

4. Discussion

Tourism-driven demand for greater variety and higher quality food should encourage farmers to increase productions (Torres, 2002), but this is not the case in Mestia Municipality. Georgian agriculture and farming system in general, which is characterized by land fragmentation, should explain the inability of local farmers to fulfill completely tourism-driven demand for agro products. Small and scattered lands could not be the best basis to effective and sufficient agribusiness. More, without technology and modern approaches agriculture is doomed to loss. According to the Agriculture Census results (2014), there are only 32 holdings owning working tractors or hand tractors in the entire Mestia Municipality. Highland's natural limitations make this disadvantageous even worse. Another barrier is unsatisfactory inter-municipality infrastructure (roads connecting the villages) and the absence of inter-municipality public transport.

Considering all this factors, tourism competition with agriculture for land and labour seems to be ended with tourism's favor. *"The half of agricultural lands is uncultivated. People do not want to expend physical energy for agribusiness. They prefer to use resources in tourism or tourism related activities. Also, it seems that imported food is cheaper and affordable."* (Male, Age 60)

Agricultural land loss is common in Mestia after emerging tourism. "Figure 2" shows the numbers of hotels and beds in Mestia Municipality. This data is not comprehensive because it does not include



other types of lodges. However, it clearly explains the tendency. Almost every family in Mestia is able or wants to be able to host tourists.

Figure 2. The numbers of hotels and beds in Mestia Municipality in 2010 and 2018 years.
Source: National Statistics Office of Georgia

In result, many traditional practices and foods are not being followed and are in danger of being lost. According to the respondents' thoughts, Mestia and Ushguli are the core destinations for tourists, so, other villages should maintain agriculture and become regular suppliers. Tough, actually, almost every grant and credit possibilities for locals are used to develop or create tourism business. *"Since then, credits became available for the population, everyone did two things – first of all repaired houses and made them as guest houses and secondly, they bought "Delica" (the car). That way is an easy source of income. When someone earns 200 Gel (the currency of Georgia) per day by using only "Delica", he does not lead agriculture which is like fortune – either there will be a good harvest or not."* (Female, Age 40)

Despite of this complex situation, local products still remain widespread respect. *"If local farmers have sufficient volume of products, I will purchase them with a great pleasure. Using local agricultural goods is my hotel's prestige"*. (Male, Age 25) Most of the tourism representatives are aware of the fact that consumption of local food is recognized as an essential part of their activity because local cuisine and culture are attractions themselves and shape the tourist experience (Anonymous, 2015).

As for farmers who are still selling products (particularly, "Svanuri Sulguni"), outside the municipality, there are several explanations: 1. The main outside market Zugdidi is a capital of a historical

province Samegrelo. Mingrelians (people live in Samegrelo) have special traditional meals for which “Svanuri Sulguni” is a perfect ingredient. So, in Zugdidi the demand for this cheese is constant. Also, Zugdidi is a bigger city and has more opportunities to distribute and to consume products; 2. Before selling, farmers accumulate the whole cheese throughout the year, then go to Zugdidi (or other bigger city) in fall or in winter, when the prices are higher and realize all of them. In return for, they bought essential goods for their families. So, they pay extra transportation cost only once and sell the whole product; 3. Hotels required good quality, regularity of supply and agreements. This requirement is recognized as difficult and they choose the simple traditional way of realizing products.

On the base on interviews, tourists have a desire to try authentic locally produced food and like interactions with local people in the villages. Rural areas are perceived as healthier, offering fresh air and the opportunity for outdoor recreations (Irshad, 2010). This interest is well matched throughout guest houses in the villages. Rural tourism development can provide farmers with an alternative income source. It can also serve social purposes by keeping farmers on the land (Che *et al.*, 2005). Rural tourism is also an integral part of various government organizations and their strategic documents (Dax *et al.*, 2019). But local farmers think that doing both type of business is very challenging and difficult to accomplish it.

To sum up, without technological advances in agriculture and promoting farmers with essential knowledge about marketing issues, agribusiness in Mestia Municipality will be disorganized and less competitive. Filling existing gaps in agriculture increases tourism contributions to local community. Improved agriculture sector makes chance to build strong and positive linkages between them which can produce sustainability in both industries. Also, creating some kind of cooperation platform for customers and product producers, for example websites, will provide supply chain efficiency.

5. Conclusions

The research shows that indeed tourism has a huge impact on local community, both in a positive and negative way.

Positive influence is reflected in generating revenues and creating chance to local farmers to sell their products inside municipality. Despite that agriculture in Mestia municipality has lots of defects and is not sufficiently developed, tourism industry is interested in locally produced foods. But due to ineffective communication system and agriculture shortcomings, opportunities created by tourism are not wholly handled by local farmers.

The negative side is that these two industrial sectors are developing chaotically. A boom in tourism resulted in abandoned agricultural lands and reduced products. This way of development is extremely risky. Instead of diversified economy and promoted local natural products as niche of the municipality, it may bring loss of rural activities and environmental charms on which tourism is dependent.

To counterbalance the negative unfavorable effect, emerging rural tourism in villages seems to be hope to viable agriculture and synchronized improvement of these major sectors. To embody that hope organized cooperation is needed involving locals, experts, government bodies, tourism and other economical industries, NGOs and other stakeholders.

Acknowledgements

This paper is written under the framework of the interdisciplinary project - “Links between tourism and community-driven economic activities: shaping sustainability in mountain regions”. The work was supported by Shota Rustaveli National Science Foundation of Georgia (SRNSFG) [FR17_485].

I want to express my gratitude to the project coordinator Temur Gugushvili and junior scientist Gvantsa Salukvadze for giving me the opportunity to be involved in the research project.

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