



**VIABLE BUSINESS / INVESTMENT
PROPOSAL / MODELS**

AGRITOURISM



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LIST OF ACRONYMS

Acronyms	Descriptions
FBR	Federal Board of Revenues
FDI	Foreign Direct Investment
FY	Financial Year
ITZ	Integrated Tourism Zone
KPBOIT	Khyber Pakhtunkhwa Board of Investment and Trade
KPCTA	Khyber Pakhtunkhwa Culture and Tourism Authority
KPEZDMC	Khyber Pakhtunkhwa Economic Zones Development and Management Company
MIN	Minutes
NPV	Net Present Value
P&DD	Planning and Development Department
PBS	Pakistan Bureau of Statistics
PKR	Pak Rupee
PSU	Planning Support Unit
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SME	Small and Medium Enterprise
SMEDA	Small and Medium Enterprise Development Authority
Sq Km	Square Kilometer
STPF	Strategic Trade Policy Framework
UN SDGs	United Nation Sustainable Development Goals
UNDP	United Nations Development Programme
US\$	United States Dollar
USAID	United States Agency for International Development (USAID)

Executive Summary

This report explores potential for agritourism in Khyber Pakhtunkhwa, identifying opportunities to integrate existing potential of agriculture with tourism sector to drive economic growth, sustainable development, and community engagement. KP's natural landscapes, agricultural diversity, and cultural richness can be leveraged to create a thriving agritourism sector that benefits local communities and attracts domestic and international tourists.

Key objectives of the engagement were to assess KP's potential for agritourism development, identify key investment opportunities, and provide actionable recommendations for implementing agritourism projects. The scope included evaluating existing farms and potential sites, creating business models, and forecasting financial outcomes for agritourism ventures. Special focus was placed on gender-inclusive opportunities, allowing women to play a significant role in leading and managing agritourism enterprises.

The methodology involved market surveys, field visits to key agricultural regions such as Swat, Nowshera, Abbottabad, and Haripur, and consultations with stakeholders including government authorities, district administration and attached departments, farm owners and other related stakeholders. The assessment included analyzing farming techniques, visitor engagement potential, infrastructure, and revenue-generation models. Financial projections and business models were developed based on these findings to ensure a comprehensive strategy for agritourism development in KP. Some of the key insights are summarized as follows:

- i. Agriculture is a key economic driver in KP, contributing approximately 30¹% to the province's GDP and employing a significant portion of the rural population. The region is renowned for its diverse agricultural output, including fruits such as apples, peaches, and citrus, which position KP as a prime location for agritourism. Existing tourism infrastructure, including road networks, hotels, and historical sites, supports the influx of over 2 million visitors annually to popular destinations like Swat and Abbottabad.
- ii. Past events such as the Swat Peach Tour and KP Olive Day have successfully combined agriculture and tourism, demonstrating the potential to scale these activities into regular, large-scale agritourism events. Leveraging KP's agricultural and tourism assets will strengthen rural economies and enhance the province's reputation as an agritourism hub.
- iii. Agritourism Potential in KP: KP's diverse agricultural landscape—ranging from the apple orchards of Swat to the citrus farms of Haripur—provides ideal settings for agritourism. Each region offers unique opportunities for activities such as fruit-picking tours, farm stays, and workshops on sustainable farming. These activities not only attract tourists but also educate them about rural life and sustainable agriculture. Establishing themed agritourism zones, such as "Citrus Villages" and "Peach Villages," could further enhance visitor engagement.
- iv. Market Survey & Potential Sites: The survey identified several promising sites for agritourism development, which are considered rightly situated and positioned to offer family-friendly experiences, educational programs, and hands-on farming activities. Other farms in Swat

¹ [https://kpbos.gov.pk/publication/KP GDP Estimates 2022-23](https://kpbos.gov.pk/publication/KP_GDP_Estimates_2022-23)

and Haripur, already equipped with basic infrastructure like guest accommodations and event spaces, are also well-suited for agritourism expansion.

- v. **Business Models and Financial Viability:** Several business models have been proposed to attract investments as well as enhance revenues of farm owners, including profit-sharing where farm owners share a percentage of revenue of the agritourism business, and fixed-lease models that ensure a stable annual income. Initial development costs for agritourism farms, estimated at PKR 30 million to 35 million for a 10-acre site, are offset by multiple revenue streams, including entry fees, farm product sales, accommodations, and event hosting. The projected return on investment (ROI) for these ventures exceeds industry benchmarks, making agritourism an attractive proposition for investors.
- vi. **Gender-Inclusive Opportunities:** Agritourism offers a unique platform for engaging women in the economic development of rural areas. Women-led businesses, such as farm resorts, traditional crafts, and organic food production, can significantly contribute to both agritourism and the local economy. Promoting financial incentives and training programs for women in agritourism is critical to achieving inclusive growth.
- vii. **Infrastructure & Accessibility:** Improving infrastructure at agritourism sites is essential for success. This includes developing accommodations, recreational facilities, and transport links to make these regions more accessible to tourists. Additionally, marketing strategies need to be enhanced to better promote these sites and attract visitors year-round.
- viii. **Details of available opportunities in agritourism for investments will be presented at conferences and seminars and shared with potential investors for successful implementation of agritourism projects to achieve economic growth.**

Disclaimer: The information contained in this document have been collected from relevant departments and presented to give a directional view of the investment potential. However, the investment decision by any investor should be based on their own assessments and evaluation of the opportunities. Also, the contents are the responsibility of the government departments and do not necessarily reflect the views of UNDP, USAID, or the United States Government.

1. INTRODUCTION

1.1. Introduction

The United Nations Development Programme (UNDP) through financial assistance from United States Agency for International Development (USAID) has established a Planning Support Unit (PSU) in Planning and Development Department (P&DD), Government of Khyber Pakhtunkhwa to provide technical support and resources to the provincial government

The Advisor Investments Promotion was engaged to coordinate with Khyber Pakhtunkhwa Board of Investments and Trade (KPBOIT) and other pertinent stakeholders from public and private sector to work out viable and sustainable investment opportunities in key target sectors (Tourism & Agriculture) and develop financial/investment models and to develop pitch deck to attract private sector investments. The primary objective of this role was to extend facilitation through enhanced capacities of the KPBOIT by engaging them throughout in the development of investment proposal/pitch deck aiming to attract potential investors to the extensive investment opportunities in Khyber Pakhtunkhwa. Additionally, the Advisor Investment Activity was aimed to yield informed and favorable investment decisions of the investors based on a vibrant, responsive, relevant, and timely simulation of underlying informatics and analytics through a standardized and digitized platform. The role envisages greater integration of the work/deliverables under this domain with other pertinent work streams of KPBOIT.

With the support of KPBOIT, under PSU Investment Promotion Advisory, it was also aimed to establish strategic partnerships with donors, academia, public sector institutes, private sector bodies, startups, Small and Medium Enterprises (SMEs) and relevant industries, plan and organize joint conferences / symposiums and events as an effective platform for joint ventures and scale up of potential partnerships for the investments opportunities. Further, establishing a follow up framework to track and document actualized deals and quantifiable growth orientation was also part of the engagement.

Additionally, in accordance with the scope of work, the financial and investment models to be developed should be flexible yet standardized, allowing for customization to suit various opportunities of a similar nature in different regions. These models will include all essential features, assumptions, revenue sources, and cost structures necessary to facilitate strategic partnerships.

Following consultations with key stakeholders, it was concluded the investment opportunities to be identified should be appealing to SMEs, women-led businesses, and individual investors, hence, the proposed businesses requires total investments below PKR 35 million. Further, the key assumption used in the financial and investment models have been derived from market assessments, inputs from farm owners and based on industry and corporate practices.

1.2. Methodologies Adopted



A step-by-step process for this study was adopted as exhibited above; Key activities undertaken during the study and in development of investments/financial models are reproduced below:



Kick off and planning meetings

- The Project kicked off through a meeting with KPBOIT, PSU, Tourism Department and Agriculture Department to discussed the aims and objectives of the investment promotion activity, mandate to conduct market assessments, develop business/investments proposals and financial models for potential projects, project protocols and information requirements etc.
- Stakeholders were identified both from government, private sector and women led businesses to evaluate investments prospects, potential projects, government's interests in the sectors and projects attracting investors in key sectors Agritourism and value added businesses etc.
- Planned and scheduled field visits for surveys and market studies to get market trends in the sectors and evaluate potential locations/areas to be presented to the investors for likely strategic partnerships.



Secondary Research

- An in-depth review of existing available information regarding feasibilities for various sectors in KP, considering the current data available through Small and Medium Development Authority (SMEDA) and other relevant sources, publicly available data and other relevant research studies was performed.
- Conducted a desktop review of laws, rules and regulation, legal framework governing Small and Medium Enterprises (SME) sectors and key policies in the sectors.
- Discussed and study the bottlenecks for sustainability and general investment needs in the target sectors



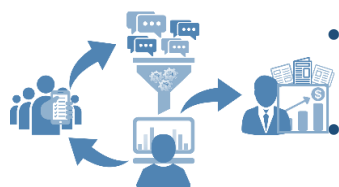
Stakeholders Consultation

- Stakeholders identified during the project inception meeting were consulted seeking their input on project execution strategy, data collection tools, qualitative and quantitative information on projects, tools/criteria etc.
- The stakeholders' insights were sought on high level pitch of specific investment avenues, key inputs required to investors and businesses in high level business simulations and modelling, constraints and opportunities bankability of the proposed ventures etc primarily through Key Informant Interviews. A consultative session and investment show was planned in phase II of the project, which is subject to no cost extension of the project.
- Regarding mapping out credible data sources on business/commercial costing, pricing, financials and feasibilities and to develop template/structure for a digital registry for future use of KPBOIT, was evaluated with the application developer. The structural layouts, key information requirements both for opportunity owners and investors were identified and role defined.



Field Visits

- Visits were performed to potential sites and areas for successful implementation of the investment activity, as identified during inception phase.
- Visits were performed to District Swat (Barikot, Mangora and Madyan), Nowshera (Manki Sharif), Haripur (Ghazi) relating to two shortlisted project vis agritourism and value added business to evaluate the farms locations, accessibility, sizes, key produces, attractiveness, readiness for investment opportunity, opportunities for women led businesses, tourists influx, work environment, overall potential for economic growth etc.
- Meetings with key stakeholders/farm owners were conducted to collect relevant information regarding the business ecosystem, market capacity & trends, key assets, potential project attractiveness for investments, key business drivers & success factors, growth projections in each sector and expected financial returns to assist investors in making informed and favorable investment decisions in the target project(s)/sector(s)



Financial modelling and Recommendations

- Financial aspects of the planned projects were conducted and detailed financial models were prepared;
- All key business/revenues drivers/avenues including the pricing, utilization/occupancy were identified for sustainable operations of the projects. Key cost components including set up costs, direct costs, operational costs and a marketing strategy aimed to approach the potential investors highlighting the unique selling points and SWOT analysis of the projects was elaborated.

2. ECONOMIC OVERVIEW

2.1 Demographic Analysis

Pakistan's population is estimated at 241.5 million as of 2023 while Khyber Pakhtunkhwa with its 40.85 million population stands 3rd largest province with average annual growth rate of 2.8% (Census 2023). Among the divisions, Peshawar leads with over 10 million residents, although it has the lowest growth rate at 1.98%, suggesting a mature urban environment. In contrast, Kohat Division displays the highest growth rate at 2.67%.

Each division's growth is influenced by factors such as urbanization, economic opportunities, and regional development initiatives, necessitating tailored strategies for infrastructure and service delivery to accommodate the burgeoning populations effectively.

Table 1: Division wise Population of Khyber Pakhtunkhwa

Name of Admin Unit	Population (2023)	Growth Rate (%)
Khyber Pakhtunkhwa (Total)	40,856,097	2.38
Bannu Division	3,092,078	2.59
Dera Ismail Khan Division	3,188,779	2.22
Hazara Division	6,188,736	2.55
Kohat Division	3,752,436	2.67
Malakand Division	9,959,399	2.48
Mardan Division	4,639,498	2.51
Peshawar Division	10,035,171	1.98

Source: PBS Census 2023²

The labor force statistics for Pakistan and Khyber Pakhtunkhwa (KP) present an insightful view into the employment landscape. In Pakistan, out of a substantial working-age population of 159.8 million, about 71.8 million are active participants in the labor force, with 49.33 million men and 14.70 million women being employed.

This showcases a notable gender disparity in employment rates. In Khyber Pakhtunkhwa, the dynamics reflect a similar trend albeit on a smaller scale: of the 26.1 million working-age individuals, 15.9 million are part of the labor force. Here too, male employment significantly outweighs female employment, with 12.44 million men employed compared to just 2.33 million women. These figures underline the urgent need for strategies that not only increase employment opportunities overall but also aim at balancing gender participation in the regional workforce.

² kpbos.gov.pk/publications

Table 2: Labor Forces Statistics

Particulars	Working Population	Age	Total Labor Force	Employed Population	
				M	F
	Population in Millions				
Pakistan	159.8		71.8	49.33	14.70
Khyber Pakhtunkhwa	26.1		15.9	12.44	2.33

Source: Labor Force Survey 2021³

The National Labor Force Survey of 2021 also provide an overview of employment distribution across various major industries, highlighting notable differences between male and female participation. Agriculture sector dominate as the largest employment sector, involving 37.4% of the total labor force, with a significantly higher participation rate among females (67.9%) compared to males (28.4%). This reflects the traditional role of women in agricultural activities, especially in rural areas. Some of the key sectors are with labor participation are presented as follows:

Table 3: Industry-wise Labor Forces Division

Major Industry Divisions	2020-21 (%age)		
	Total	Male	Female
Agriculture/forestry/hunting & fishing	37.4	28.4	67.9
Manufacturing	14.9	15.1	14.2
Construction	9.5	12.2	0.4
Wholesale & retail trade	14.4	18.3	1.2
Transport/storage & communication	6.2	8	0.2
Community/social & personal services	16	16.1	15.8
Others	1.5	1.9	0.3
Total	100	100	100

Source: Labor Force Survey 2021

In case of Khyber Pakhtunkhwa, the Labor Forces Survey also depicts similar labor force distribution with higher concentration in the agriculture sector, with over 31% of its workforce engagements. This sector remains a key driver of the province's economy, particularly in rural areas. In addition to agriculture, the construction and manufacturing sectors are also significant, employing 15.19% and 11.11% of the labor force, respectively. These sectors reflect the province's ongoing development and industrial activities. The wholesale and retail trade sector, employing 14.49% of the workforce, further emphasizes its importance in the economic exchanges of both urban and rural regions.

³ <https://www.pbs.gov.pk/labour-force-publications>

2.2 Economic Overview

The Pakistan Economic Survey 2023-24 highlights a challenging yet improving economic outlook. Pakistan's GDP for FY2024 is valued at PKR 106,045 billion (US\$ 375 billion), with a growth rate of 2.38%. Key contributors include the agriculture sector with 24% contribution, which grew by 6.25%. The industrial sector is contributing with 18% saw modest growth at 1.21%, while large-scale manufacturing (LSM) remained slightly negative at -0.1%. The services sector, contributing significantly to the economy with 58%, also grew by 1.21%.

According to the KP Economic Review 2021-22, Khyber Pakhtunkhwa's GDP reached approximately PKR 1,364.9 billion. Khyber

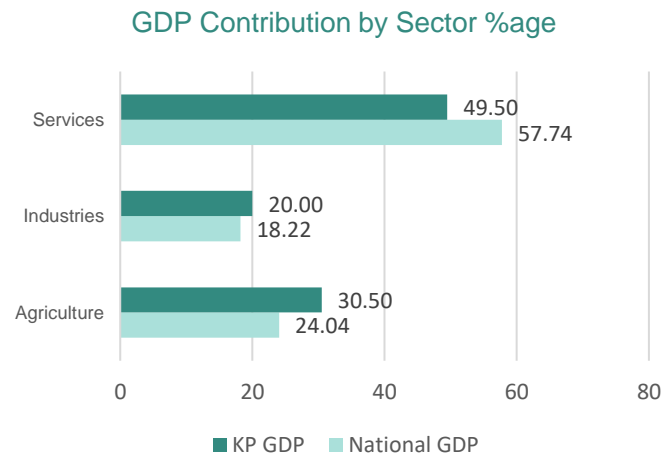
Pakhtunkhwa (KP) exhibits a unique economic profile when compared to the national GDP distribution. Agriculture plays a more prominent role in KP, contributing 30.5% to the province's GDP, significantly higher than the national average of 24.04%. This highlights the province's reliance on agricultural activities, which are central to its rural economy. The industrial sector in KP, while still crucial, contributes 20%, slightly above the national contribution of 18.22%, indicating moderate industrial development. On the other hand, the services sector in KP contributes 49.5% to the GDP, which is notably lower than the national figure of 57.74%.

2.3 Investment Climate

Pakistan follows liberal investment regime and facilitation being its foremost cornerstones for investors' confidence and conducive environment to attract local and foreign investment. The Board of Investment (BOI) is primary investment promotion agency that is mandated by Government of Pakistan to promote, encourage and facilitate both local and foreign investment. The Khyber Pakhtunkhwa Board of Investment and Trade (KP-BOIT) is established for the promotion of trade and investment activities in Khyber Pakhtunkhwa (KP) with mandate to bring economic prosperity in the Province through industrial and trade development. It also acts as a focal point of contact for both foreign and domestic investors providing information and assistance in coordination with other Government Departments and Agencies.

The country envisions to become an upper middle-income country with balanced development. Pakistan Vision 2025 and the Strategic Trade Policy Framework (STPF) 2020-2025 identify Foreign Direct Investments (FDI) as one of the key elements to support the development of Pakistan's economy.

Figure 1 GDP Contribution by Sector



Source: Pakistan Economic Survey 2023-24 and KP GDP Estimates 2022-23

For investments promotions, the Pakistan Investment Policy 2023 identifies new growth areas, aligned with activities identified in the STPF 2020-25. Pakistan Investment Policy 2023 evolves from the Investment Policies 1997 and 2013. The 1997 Investment Policy liberalized investment activities in Pakistan beyond manufacturing, as the country opened services, social, infrastructure and agriculture sectors for foreign and local investors.

Pakistan Investment Policy 2023⁴ under para 11.5 highlights different key sectors for investments which also includes;

- Agriculture and food processing, including fruits and vegetables and fishery products, high value agriculture and advanced services, which will assist downstream activities of Pakistan’s agriculture products
- Tourism,

In order to achieve sustainable and inclusive economic growth under the Sustainable Development Goals (SDGs) of the United Nations, the investment policy encourages investors to bridge the gender gap and adopt the principles of inclusive and responsible business and investment.

Our planned projects promote gender inclusiveness and offer opportunities for women led businesses.

2.4 Agriculture Sector

The agriculture sector continues to play a pivotal role in Pakistan’s economy, contributing approximately 24%⁵ to the national GDP and employing around 37.4% of the labor force. It remains a key sector for food security, rural development, and poverty alleviation

Agriculture accounts for 30.5%⁶ (2022-23) of Khyber Pakhtunkhwa's GDP and employs 32% of the workforce, playing a critical role in ensuring food security. Sector is classified in four Sub-group i.e. Crops, Livestock, Forestry and Fisheries.

Table 4: Land Utilization Statistics

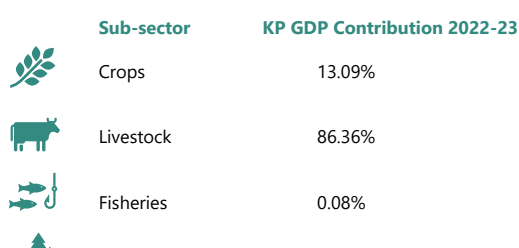
Land Utilization in million Hectares		
Area types	Pakistan	KP
Geographical Area	79.61	10.17
Cultivated Area	22.54	1.82
Un-Cultivated Area	35.34	6.55
Forest Area	3.88	1.2

Source: KP Developmental Statistics 2023-24

2.4.1 Major Crops and Their Contribution:

- **Important Crops:** Wheat, rice, sugarcane, maize, and cotton are considered the main crops, collectively contributing 21.73% to the value addition in agriculture and about 4.20% to National GDP. While in case of KP, major and minor crops contribution stand at 13.09% of Agriculture contribution
- **Other Crops:** Other crops such as pulses, oilseeds, and vegetables contribute 11.53% to the agriculture

Figure 2: KP Agri GDP by Subsector



Source: KP GDP Estimates 2022-23

⁴ <https://invest.gov.pk>

⁵ <https://finance.gov.pk>

⁶ kpbos.gov.pk

sector and 2.23% to National GDP. Minor contribution of KP stands at 32.12% of Agriculture sector contribution

2.4.2 Fruits and Vegetables:

Based on Statistics of Ministry of National Food Security and Research, in 2023⁷, fruit production across Pakistan's provinces showcased notable diversity, with each province specializing in different fruits. This analysis highlights the top ten fruits produced in each province, reflecting their agricultural strengths and preferences.

Punjab dominated fruit production with citrus fruits leading at 2,160,411 tons, followed by substantial outputs of melons (1,763,086 tons) and mangoes (1,393,426 tons). This province also excelled in vegetable production, with Lady Finger as the top crop at 252,422 tons. Other significant vegetable outputs included Bottle Gourd (188,398 tons), Brinjal (60,544 tons), and Bitter Gourd (54,781 tons).

Sindh was distinguished by its fruit production, where mangoes (386,923 tons) and bananas (225,937 tons) were prominent. Dates and melons also contributed significantly to its fruit output. Sindh's top vegetable in 2023 was Tomatoes, with a production of 194,890 tons. This was followed by Carrot at 24,842 tons, Spinach at 11,868 tons, and Cauliflower at 24,416 tons. Lady Finger produced 19,514 tons, and Squash (Tinda) had a production of 12,011 tons.

Khyber Pakhtunkhwa saw peaches as the top fruit with 68,861 tons, alongside substantial production of apples and apricots. Guavas and melons also played key roles. In vegetables, the province's top producers include-d Balochistan excelled in fruit production with apples (744,126 tons) and apricots (191,852 tons). The province also contributed significantly to grape and melon production. For vegetables, Balochistan saw Carrot leading with 69,709 tons, followed by Cauliflower at 33,124 tons, and Spinach with 29,186 tons. Radish contributed 37,078 tons.

Tomatoes produced 60,364 tons. Lady Finger, Bitter Gourd, Brinjal, and Bottle Gourd had outputs of 22,717 tons, 7,596 tons, 19,292 tons, and 8,729 tons respectively. Squash (Tinda) contributed 10,697 tons.

Table 5: Top ten fruit production 2023 – Punjab and Sindh

Top ten fruits production in 2023 (Tons)			
Fruit	Punjab	Fruit	Sindh
Citrus	2,160,411	Mango	386,923
Melons	1,763,086	Banana	225,937
Mango	1,393,426	Dates	219,758
Guava	307,812	Guava	52,918
Pomegranate	7,741	Melons	40,655
Phalsa	4,941	Citrus	33,677
Dates	4,450	Ber	14,330
Peach	3,320	Papaya	3,954
Litchy	1,635	Chikoo	3,617
Others	1,257	Phalsa	2,099

Source: Ministry of National Food Security and Research

Table6: Top ten fruit production 2023 – KP & Baluchistan

Top ten fruits production in 2023 (Tons)			
Fruit	KP	Fruit	Balochistan
Peach	68,861	Apple	744,126
Apple	46,407	Apricot	191,852
Citrus	29,486	Melons	106,623
Plum	23,380	Peach	78,189
Guava	23,046	Grapes	66,690
Percimen	21,809	Banana	58,095
Melons	20,381	Plum	53,225
Walnut	15,026	Coconut	37,873
Apricot	12,177	Pomegranate	33,546
Pear	9,394	Almond	16,770

Source: Ministry of National Food Security and Research

⁷ <https://mnfsr.gov.pk/>

- **Vegetables:** Contributed about 11.52% to agriculture's value addition.
- **Fruits:** Contributed around 1.53%, with citrus fruits leading the sector.

2.4.3 District-wise Contributions:

The province of Punjab leads in agricultural production, contributing over 55% of the total national agricultural output. Major agricultural districts include:

- **Punjab:** Sahiwal, Faisalabad, and Rahim Yar Khan for wheat, rice, and sugarcane production.
- **Sindh:** Thatta and Badin for rice, and Sanghar for cotton.
- **KP and Balochistan:** Known for tobacco, fruits (especially apples and apricots), and vegetables like potatoes.

In KP, districts such as Swat are renowned for fruit production, including peaches and apples, while Mardan and Charsadda are notable for tobacco and sugarcane.

3. AGRITOURISM – CONCEPT & POTENTIAL

Agritourism offers a unique experience for travelers who want to explore rural areas, learn about agriculture and sustainable farming practices, and immerse themselves in local culture and traditions. It offers the perfect platform for visitors to get a glimpse into the world of farming, from harvesting fruits and vegetables to learning about sustainable farming practices.

Globally, agritourism is on a rapid growth trajectory. The global agritourism market was valued at USD 65.6 billion in 2023 and is expected to reach USD 176.6 billion by 2032, growing at a CAGR of 11.45%⁸ Agritourism activities range from on-farm sales, recreation, and educational tourism to hospitality and accommodations, with on-farm sales being a significant contributor. In the United States, agritourism farms generated USD 949 million in sales in 2017, with 28,575 farms involved in the sector. Asia-Pacific is also emerging as a key market, with an anticipated CAGR of 11.5% from 2022 to 2028, driven by a growing interest in sustainable lifestyles.



Figure 3: Agri display at Qadarbakhsh Farms Faisalabad

As an agricultural country, Pakistan is well-positioned to leverage agritourism. With agriculture forming the backbone of the economy, the development of agritourism could open up new revenue streams, bolster rural economies, and enhance sustainable food security. Government and private sector investments in agritourism could lead to the creation of jobs, eco-friendly farming practices, and rural development. As urban populations grow and demand for organic, farm-to-table food increases, agritourism can play a vital role in connecting people with the origins of their food and promoting sustainable agriculture.



Figure 4: women led display at Rana Safari Park

Agritourism is an emerging sector which is rapidly being adopted by countries as a vital survival strategy for SMEs. It is a commercial enterprise, combining agricultural production/processes with tourism in order to attain unconventional mode for added means of revenue generation, expansion of business by attracting the same line of work, SMEs, funded projects, educational/entertaining/hospitality businesses for the same purposes. In turn, the sector enhances the job market by provision of diversification; establishing business to market networks, resources and development of cooperatives.

In Khyber Pakhtunkhwa's rich agricultural landscape and diverse production offer significant opportunities for agritourism. The region's varied fruit orchards and agricultural output create ideal

⁸ <https://www.fortunebusinessinsights.com/agritourism-market-103297>

conditions for agritourism development. The following are some of the key highlights the prospects of Agritourism in KP:

3.1. Suited Orchards for Agri-Tourism:

- **Swat Valley:** Often referred to as the "Switzerland of Pakistan," Swat is famous for its expansive orchards producing apples, peaches, plums, and apricots. With an annual apple production of approximately 65,000 to 70,000 tons, Swat offers breathtaking views and fresh, organic fruits that are perfect for agritourism.
- **Haripur and Abbottabad:** These districts are recognized for their citrus orchards, including oranges and kinnows, with production exceeding 50,000 tons annually. Additionally, Haripur features walnut and olive plantations, enhancing its agritourism appeal.
- **Dir and Chitral:** Known for their apple and pear production, these regions combine rich agricultural outputs with unique cultural heritage and scenic orchards. Swat also contributes around 25,000 to 30,000 tons of peaches and plums annually.
- **Kohat:** With an annual guava production of over 40,000 tons, Kohat stands out for its tropical fruit production. Its central location makes it accessible to tourists interested in diverse fruit experiences.
- **Banu and D.I Khan:** This region's fertile lands are notable for fig and date production, expanded farmland adding to KP's agritourism potential.

3.2. Expected Tourist Influx:

The number of tourists to these sites can vary depending on the development of infrastructure and promotional activities. However, based on current trends and estimates:

- **Swat Valley:** The region already attracts over 2 million tourists annually, many of whom visit during the summer season. Swat's fruit orchards could attract an additional 50,000 to 100,000 visitors each year, especially for seasonal fruit-picking experiences.
- **Haripur and Abbottabad:** These regions see lower tourist numbers compared to Swat, but could expect around 20,000 to 30,000 agritourists annually if orchards are developed for tourism.
- **Dir and Chitral:** These regions may attract around 10,000 to 20,000 tourists annually for orchard tours and cultural experiences.

3.3. Agritourism – key objective

The development of agritourism will leverage the region's agricultural and tourism assets to create a sustainable and economically beneficial sector. By integrating farming activities with tourism, KP can enhance local economies, promote sustainable practices, and offer diverse visitor experiences. The following objectives outline a strategic approach to building a successful agritourism industry in the region.

- Identification of potential farm entrepreneurs, agricultural production and processes linkage with tourism, hospitality and entertainment industry.
- Promotion, support and business model development for agritourism businesses
- Policy and roadmap for assistance for farmers to start agritourism businesses
- Appropriate land use zoning and streamlined planning processes to support the development of agritourism
- Awareness activities and projections to attract more tourists to make agritourism a more profitable and sustainable enterprise.
- Diverse and increased income streams, including reduced seasonality of cash flow
- Development of new markets for farm produce for a sustainable revenue
- Providing additional employment to support adult children and farmers' spouses to remain on the farm
- Increase in livelihood, attractive for women led businesses and most suited for value added industries promoting organic food culture.

3.4. Key strengths

- KP is well-connected through major roads and motorways, including the M1 and M2, facilitating travel to key cities and supporting agritourism development.
- Both the tourism and agriculture departments are backing agritourism initiatives, with strategies in place to enhance infrastructure and promote the sector.
- There is opportunity for small-scale investments in food and fruit processing units that can be leverage through investment mobilization.
- KP's growing number of entrepreneurs in agriculture and tourism is conducive to agritourism development.
- Agritourism offers promising opportunities for women-led businesses, supporting regional gender inclusivity goals.

3.5. Key Risks

- Paid Agritourism experiences would be an innovative concept in this region given the limited knowledge of the SMEs, farmers and investors.
- Lack of govt policy guidelines, compliance process that is supported by a framework on agriculture tourism
- Lack of funding to invest into project and resources (heavy reliance on grants)
- Lack of known food outlets that feature local produce.

3.6. Technical specifications

The Agritourism business has a great potential in Khyber Pakhtunkhwa as this province has diverse climatic conditions with plains and mountainous terrain, with a wide range of orchards. The key orchards include, Peach, Plum, Apricot, Apple, Persimmon, Lychee, Citrus (Sweet orange, lime, lemon etc.), Mango, Dates, Grapes, Guava, Fig, Pine-nuts

Culturally the farmers of KP mostly practice intercropping of agronomic crops (excluding citrus orchard), as a strategy to maximize the use of land and resources, aiming to diversify their income sources and reduce the risk of crop failure affecting their livelihood. This might address the economic challenges but that this approach leads to issues, particularly when it conflicts with traditional farming practices.

With the intervention of Agritourism, this will not only supplement farmer's income, but will result in good healthy orchards and will ultimately enhance revenues from the orchard. The farmers will benefit from direct sales at his farm through enhanced exposure to market thereby eliminating the middle man's role.

A sustainable and empirically structured landscape generates avenues and ability to transform an orchard to be used for Agri-tourism with minimum interventions.

The key interventions include;

1. Provision of facilities

The provision of different facilities enhances the visitor experience by making it more enjoyable, accessible, and comfortable. Consultation was held with Townscape, Consultants Nurseries, and Garden Supplies to assess essential features and associated costs. Their recommendations are outlined below:

- a. Recreation: Recreational facilities in agritourism settings offer visitors opportunities for leisure and enjoyment, often related to the agricultural theme. This could include activities like farm tours, animal interactions, fruit picking, or educational workshops on farming practices.
- b. Kids play areas: Ensuring family environment where children enjoy activities while parents engage in healthier aspects of the agritourism experience. Farm themed playgrounds, fun way to learn about farming, animals, and nature fostering an early interest in agriculture.
- c. Parking areas: Adequately sized to accommodate the expected number of visitors and designed to ensure ease of access to the main attractions.



Figure 5: Refreshment at Farm

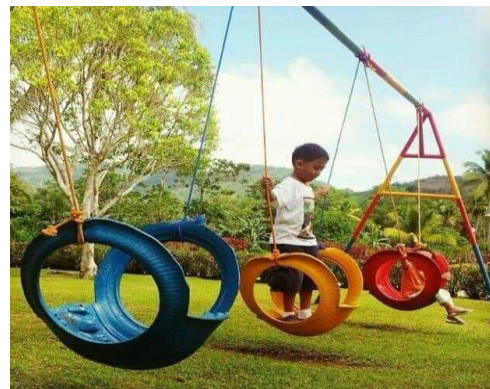


Figure 6: Kid Playing at Farm

d. Sitting areas: Sitting areas to offer spaces for visitors to rest in farm environment, enjoy a meal, or socialize. In agritourism settings, these might include picnic areas, benches, or shaded spots where visitors can relax and enjoy the rural surroundings.

e. Rides: Bicycle or Golf Cart/animal carts rentals to allows visitors to explore the farm or larger areas of the farm or agricultural environment that they might not be able to walk through, providing a more comprehensive experience.

f. Guest suits: Traditional Farmhouse Stays, Stand-alone cabins or cottages located on the farm offering visitors a unique opportunity to stay on or near a working farm or agricultural environment.



Figure 7: Agri-Farm Guest House

g. Display Center: A display center where organic food, crafts, arts and other attractions can be displayed for sales.

h. Restaurant: A café or restaurant can be set up offering both cooking by guests themselves or can order food.



Figure 8: Agri-Farm Guest Seating Area

2. Landscape Improvement:

a. Plantation: Enhance the landscape by planting shrubs, ground covers, and flowering trees in vacant areas to create a visually appealing and vibrant environment.

b. Jogging Track: Develop a jogging track along the border, utilizing materials such as brick kiln sand for a durable surface.

c. Seating Areas: Install seating areas around or under trees to offer shaded, relaxing spots for visitors.

d. Water Features: Incorporate water features to add a calming and aesthetic element to the landscape.

e. Seasonal Flowers: Plant seasonal flowers to provide dynamic and colorful displays throughout the year.



Figure 9: Souvenir Shop at Agritourism Farm

3. Tree white washing

Apply Bordeaux mixture to tree trunks three times a year to protect against pests such as borers and termites while enhancing visual appeal. For small trees like citrus, apply up to two feet from the ground, and for larger trees, extend up to four feet.

4. Regular pruning

Pruning involves the selective removal of parts of a plant, such as branches, buds, or roots and its ongoing, systematic practice at scheduled intervals.

The practice not only beautify a tree by shaping it, but will also improve the fruit quality by enabling the plant to open up, and every part will receive proper sunlight.

5. Control of weeds and grasses through bush cutters

Usually, without intercropping, weeds and grasses infest the fields, if treated properly these grasses can be turned into lush green lawns, thus enhancing the beauty of the orchard

6. Introduction of kitchen garden (at appropriate site)

Mostly farmer grow vegetables for their own use at a corner in the orchard, with very little effort it can be turned into kitchen garden, which then can be used to serve the needs of the customers.

7. Water pond (for fish and water activities)

Mostly, orchards have ponds primarily serve for irrigation and drinking water for cattle. However, these ponds serve raising fish as fresh food for customers.

The ponds built on a raised land used for irrigation purposes. The ponds and water channels can be renovated to serve the beautification as well as water sports activates.

8. Accessibility

The facility should be accessible from the main road, either through carpeted or uncarpeted roads.

9. Security

The whole area should be covered with CCTV camera as well as security pickets (if needed)

10. Garbage management



Figure 10: Decorated Areas at Agri-Farm



Figure 11: Landscape at Agri-Farm

- a. Kitchen waste should be separated (to be used for compost making)
- b. Proper disposal of other waste
- c. The fuel wood from tree trimming can be used for cooking purpose in energy efficient burners as well as for bone fire.



Figure 12:Cultivated Agritourism farm

11. Use of renewable energy (solar)

The orchards are usually located in remote areas, a minor fault can take long time to be located and load shedding further aggravates this situation. The rising electricity prices demands for the alternative source of energy.

The rising electricity prices demands for the alternative source of energy.

12. Use of drip irrigation (if possible)

Where possible, use drip irrigation to conserve water and enhance irrigation efficiency.

4. AGRITOURISM BUSINESS

To harness the agritourism potential in Khyber Pakhtunkhwa (KP), agritourism experts were engaged and conducted a thorough analysis of successful models within Pakistan. KP, with its rich natural landscapes and diverse agricultural base, presents a promising opportunity for agritourism development.

Agritourism offers multifaceted benefits, combining economic growth with educational and social advantages. It provides visitors with immersive experiences in sustainable agriculture and rural life, enhancing their understanding of environmental conservation. For farm owners and local communities, agritourism serves as a valuable tool for income diversification, economic stimulation, and overcoming challenges related to agricultural production and marketing.

One of the most impactful ways to leverage agritourism is by organizing events that attract visitors, raise awareness, and educate the public about agriculture. These events could include:

1. Farm tours
2. Workshops on sustainable farming
3. Harvest festivals
4. Demonstrations of traditional agricultural techniques



Figure 13: Agritourism event for Citrus

These interactive experiences help bridge the gap between urban and rural populations, fostering a deeper appreciation for the agricultural sector and its vital role in society.

Such events not only educate the public about sustainable agriculture but also showcase the vast potential of Pakistan's agricultural products and resources. They provide platforms to display local produce, crafts, and farming techniques, drawing attention from both domestic and international markets.



The exposure helps attract increased investment in the agricultural sector, offering farm owners new revenue streams through product sales, sponsorships, and potential partnerships.

Furthermore, agritourism events create a positive ripple effect throughout the local economy. They generate direct income for farmers and local businesses while simultaneously driving demand for complementary services such as hospitality, dining, and transportation. Festivals, educational workshops, and farm-to-table experiences

offer visitors a unique opportunity to engage with rural life, boosting tourism and contributing to the sustainable economic development of the region.

Besides offering as a platform for organizing events to educate the public, agritourism provide opportunities to opens up strategic pathways for farmers to increase revenue, attract investments, and support the long-term growth and sustainability of rural communities.

4.1. Key events

Khyber Pakhtunkhwa has hosted several agricultural-themed events, demonstrating its potential and support for agritourism. The following highlights showcase the region's capacity and opportunities for further development:

- The Khyber Pakhtunkhwa Olive Day was arranged in September 2020 in Mardan shows a rise in the olive industry across the region.
- The 2nd Khyber Pakhtunkhwa Olive festival was arranged in 2021 shows potential in olive farming and agro-value-added products like olive oils, jams, and cosmetics.
- The Swat Peach Tour 2018 covered fruit picking, nature walking, and experiencing the local culture.
- National Potato Day 2023 was arranged in Swabi projecting awareness on sustainable farming. .



Figure 14: Fruit picking at farm



Figure 15: Citrus event

4.1. Potential events

To create awareness of natural endowments, organic and healthy food, rich culture and potential for economic growth, the communities or the government may designate and design agriculture product theme-based villages like citrus village, guava village, grapes village, apple village, Apricot village, peach village, sugarcane village, dates village, olive village, mango village, strawberry village, peanut village and similarly for vegetables in its producing districts.

The arrangements of events/festivals can be a regular feature with designated months and dates such as Citrus day, Peach day, Dates



Figure 16: Tourists Picking Fruits at Farm

palm day, Guava day, Olive day, Potato day, Peanut Day and celebration of harvesting Agri products.

Specific festivals that could be introduced or adapted for Khyber Pakhtunkhwa include:

- i. National Mango Festival (2023, Faisalabad): Although Khyber Pakhtunkhwa is not traditionally known for mango production, Charsadda produces exceptional mangoes. This festival could be replicated in KP to showcase local mango varieties.
- ii. 4th National Citrus Festival (2022, Chiniot, Punjab): A similar festival in Khyber Pakhtunkhwa could feature citrus picking, demonstrations of value-added products, commercial farming workshops, and other agritourism activities.
- iii. National Cherry Festival (2023): This event could be organized in Gilgit-Baltistan, focusing on cherry-picking, farm tours, and displays of cherry-based products.
- iv. National Apricot Festival: Given that apricots are grown in Swat and Chitral, a dedicated festival could be held in Khyber Pakhtunkhwa to celebrate this fruit.
- v. Theme-Based Festivals: Festivals dedicated to grapes, strawberries, guavas, and gur (jaggery) could be introduced to promote agritourism, encourage healthy activities, and highlight organic food.

4.1. Avenues for revenues generation

Traditional farming generates revenues once or twice a year as against their expenditure continues throughout whereas the agritourism offers avenues for continuous income.

1. Entrance Fees and Admission Charges: Fees charged to visitors for entry to agritourism sites, such as farms, ranches, or agritourism attractions and covers entry fees for farm tours, agricultural exhibitions, or festivals.
2. Farm Tours and Experiences: Revenue from guided tours and hands-on experiences that allow visitors to learn about farming practices, crop cultivation, animal care etc and covers Fees for tours of orchards, vegetable farms, or livestock operations.
3. Agricultural Workshops and Classes: Income from educational programs, workshops, and classes focused on farming techniques, sustainable practices, and agritourism-related skills. This includes Workshops on organic farming, cooking classes using farm-fresh ingredients, or gardening seminars.
4. Farm Stays and Accommodations: Revenue from providing lodging on or near the farm,



Figure 17: Waste Management at farm

including farmhouses, cabins, or glamping options.

5. Food and Beverage Sales: Income from selling food and beverages, often made from farm products, at on-site cafes, restaurants, or food stalls. This includes Farm-to-table meals, homemade jams, fresh produce markets, or farm-based cafes.



Figure 18: Children with fruits at Agritourists farm

6. Direct to Consumer Sales: Revenue from selling farm products directly to consumers, which can include fresh produce, meats, dairy products, or artisanal goods

7. Event Hosting and Rentals: Income from hosting private events, such as weddings, parties, or corporate retreats, on the farm or agritourism site.

8. Souvenirs and Merchandise: Revenue from selling branded or locally produced merchandise such as souvenirs, farm products, and agricultural themed gifts.



Figure 19: Handicraft shop at farm

9. Educational and Research Grants: Funding received from educational institutions, government grants, or research programs aimed at promoting agritourism and agricultural education.

10. Sponsorships and Partnerships: Revenue from partnerships with businesses, organizations, or government bodies that sponsor events, programs, or activities related to agritourism. This includes corporate sponsorships for agricultural fairs, festivals etc

11. Agricultural Product Experiences: Income from offering unique experiences related to agricultural production such as fruit picking, animal feeding, or farm labor experiences.

5. MARKET SURVEY – FINDINGS AND CONSLUSIONS

The market survey included visits to various locations in Swat (Barikot, Mingora, Madyan), Nowshera, and Khanpur/Ghazi, where a range of traditional and innovative sustainable farming techniques were explored. Many of these sites offer opportunities for interactive agritourism experiences, such as guided tours, hands-on farming activities, and local food tastings.

The field visits revealed that each location possesses distinct attributes with significant potential for agritourism. These features provide an authentic connection to rural life and offer valuable educational opportunities about agriculture.

Moreover, the visits to existing agritourism farms highlighted several key strengths that could be leveraged to develop successful agritourism ventures. Farms with well-maintained facilities, such as guest accommodations, recreational areas, and spaces for events, were particularly promising. The potential to host seasonal events, educational workshops, and farm-to-table dining experiences was evident, offering multiple revenue streams and opportunities to engage visitors. By capitalizing on these strengths and addressing areas for improvement, such as enhancing visitor amenities and marketing strategies, these farms could become leading destinations in the agritourism sector, attracting both local and international tourists while supporting sustainable agricultural practices.

5.1. Key Potential Projects

Following are key potential sites as identified during initial survey;

1. Research Farm, University of Agriculture, Peshawar.

The University of Agriculture, Peshawar owns and manage a huge farm of 250 Acres and have agreed to offer the farm for such investments. The Asset Management Unit and a committee has been formed for this transaction.

The concept of was initially discussed with the department of Agronomy for planned utilization of the farm for tourism with more focus on families, research as well as education of the school children and awareness of the community. Subsequently, meeting was conducted with the committee, where after detailed discussion on transaction modalities, the committee agreed in principle and the case will be presented to the Vice Chancellor. Being situated at the center of



Figure 20: Research Farms at Agri-university Peshawar

the city and prime location, this is considered as most suitable which can also attract more women led businesses.

Following are other potential areas as identified during field visits.

2. Charsadda

Location	Charsadda
Distance From Peshawar	25 Kms, 30 min
Distance from Islamabad	160 Kms, 1 hour 30 Min
Distance from Motorway M1 Toll Plaza	10 kms, 10 Min
Area	996 a
Populations	1,611,000
Nature of Agri Farms	Citrus, Lemon, Mangos, Strawberry
Tourism Strengths	Archeological Tourism and river sightseeing

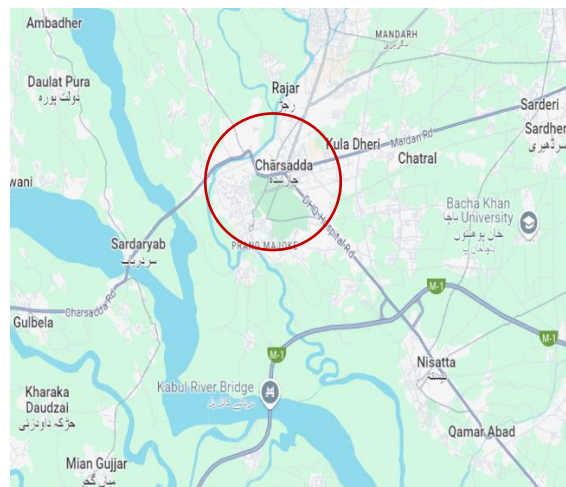


Figure 21: Potential Site Map Charsadda

3. Nowshera

Location	Nowshera
Distance From Peshawar	50 Km, 1 Hour
Distance from Islamabad	50 Km, 1 Hour 50 Min
Distance from Motorway M1 Toll Plaza	25 Kms, 30 Min
Area	1748 Sq Km
Populations	1,521,000
Nature of Agri Farms	Citrus, Lemon, Olives, Strawberry
Tourism attractions	River sightseeing

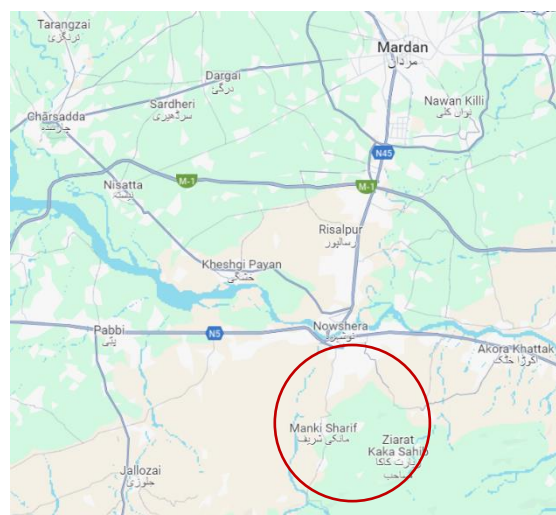


Figure 22: Potential Site Map Noshera

5. Swat

Location	SWAT
Distance From Peshawar	200 km, 3.25 hours
Distance from Islamabad	240 km, 3.5 hours
Distance from Chakdara interchange, Express way	60 Kms, 1.25 hours
Area	5337 Sq Km
Populations	2,309,000
Nature of Agri Farms	Peaches, Apple, Apricot, Plum, loquats
Tourism attractions	Natural tourist attractions, hill stations, river sight seeing,camping & trekking



Figure 23: Potential Site Map Swat

6. Kanpur

Location	Khanpur/ghazi
Distance From Peshawar	160 Km, 2 Hours
Distance from Islamabad	65 Kms, 1.5 hours
Area	1775 Sq Km
Distance from Motorway M1 Toll Plaza	20 Kms, 24 Min
Populations	1,002,000
Nature of Agri Farms	Citrus, Lemon, Guava, Loquat
Tourism attractions	Watersports, adventure sports, Archaeological Tourism

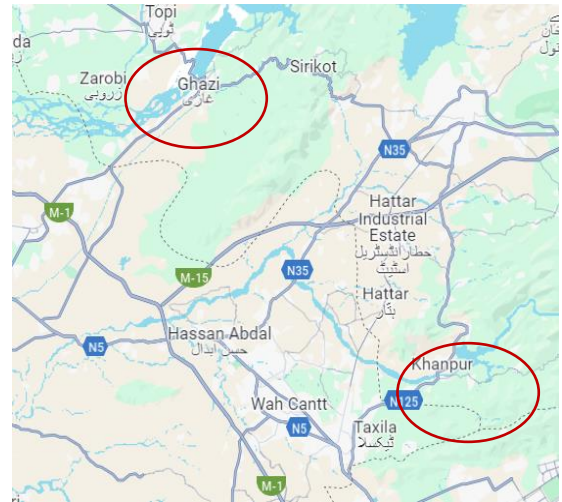


Figure 24: Potential Site Map Hazi and Khanpur

Following are some of the farms, who conveyed their willingness for the agritourism investment opportunities. Few others have confirmed, however, inwriting confirmation is pending till finalization of the report.

Details of Potential Agritourism Sites are given as **Annexure B**

6. INTEGRATED AND GENDER INCLUSIVE BUSINESSES

Khyber Pakhtunkhwa, with a total population of approximately 41.85 million (Census 2023), with men comprising 20.85 million and women 20.01million, highlighting a near-equal demographic split. However, a significant disparity exists in literacy rates, as highlighted by the Pakistan Social and Living Standards Measurement (PSLM) Survey 2019-20, where literacy for men is at 71%, while for women, it is markedly lower at 35%. This gap points to critical barriers in women's access to education and subsequent economic opportunities.

6.1. Economic Participation and Traditional Engagement

Economic participation based on PBS Census 2017 illustrates gender divides in the workforce. Only 4% of women in KP are engaged in work, including unpaid family roles, compared to 46% of men. Furthermore, just 5% of women are actively seeking work, much lower than the 45% of men looking for employment. This indicates not only limited job availability but also significant barriers that women face in accessing these opportunities.

In urban settings such as Peshawar, many women participate in traditional sectors such as beauty salons, clothing, and stitching, which provide essential income sources but limited growth potential. In contrast, rural women primarily engage in agriculture and livestock management, which, while vital for household sustenance, rarely connect to broader market economies or result in substantial income.



Figure 25: Handicraft shop at farm

6.2. Women Stakeholder' engagements

A consultative session was conducted on August 8, 2024 where leading business women from Chamber of Commerce, Academia and social activist were invited to share insights. The team from KPBOIT, PSU, UNDP also participated in the event. The points discussed in general and specific to Agritourism sector are summarized in the following section.

There are a number of factors limiting women economic empowerment, however, some of the systemic issues aggravate these disparities:



Figure 26:Glimpses from stakeholders' workshop

Focused Skill Development: Government initiatives often emphasize traditional skills for women, like sewing or handicrafts, which do not align with the emerging sectors that could provide more significant economic independence and societal impact.

Lack of Infrastructure: Even urban center of the province lack supportive infrastructure, such as working women's hostels and daycare centers, which are critical for enabling women, especially mothers, to participate in the workforce.

Cultural Norms: Persistent cultural norms restrict women's roles primarily to domestic spheres, limiting their access to formal employment and entrepreneurial opportunities.



Figure 27: Glimpses from stakeholders' workshop



Access to Finance: Due to lack of assets ownership by women, operating in informal business, and limited financial literacy, there are limited avenues for women to access finance, despite public and development sector efforts to improve access to finance hindering their ability to start or scale businesses.

Market Access: Limited exposure to markets and networking opportunities stifle the growth potential of women-led businesses.

Women Chamber of Commerce and other platforms are not yielding the desired outcomes.

6.3. Leveraging Agritourism for Women Economic Empowerment

Agritourism offers a promising avenue for leveraging KP's rich cultural and natural heritage to foster women economic empowerment. The following can be likely engagement of women in agritourism activities;

- i. **Managing Farm-Based Resorts:** Women can take the lead in managing farm-based resorts, overseeing guest services, and ensuring a memorable agritourism experience while showcasing the region's natural beauty and cultural heritage.
- ii. **Kitchen Gardening:** Women can engage in kitchen gardening to produce fresh, organic produce for local markets and farm-to-table restaurants, promoting sustainable practices and enhancing food security.
- iii. **Growing Nurseries:** By establishing and managing plant nurseries, women can contribute to the cultivation and sale of local flora, supporting both environmental sustainability and local horticultural industries.

- iv. **Setting Up Value-Added Industries:** Women can spearhead value-added industries, such as producing jams, pickles, or herbal products, leveraging local agricultural produce to create high-quality, marketable goods.
- v. **Traditional Cuisines:** Women can create and manage displays that showcase traditional crafts and offer culinary experiences featuring organic, locally sourced foods, thereby promoting KP’s rich culinary heritage.
- vi. **Selling Local Crafts:** Women can set up and manage craft stalls or shops, selling handmade local crafts that reflect the region’s culture, providing economic opportunities and preserving traditional artistry.
- vii. **Offering Culinary Experiences:** Women can offer unique culinary experiences that highlight traditional cuisines and organic food, enhancing the agritourism appeal while sharing KP’s cultural heritage with visitors.



Figure 28: Stakeholder Interview Session

Efforts to enhance women’s roles in this sector should include:

Policy Initiatives: Collaborative efforts by governmental and non-governmental organizations, Women Commission to create policies that facilitate women’s participation in agritourism are crucial. These should focus on providing startup grants, simplifying business registration processes, and ensuring equal property and land rights.

Infrastructure Development: Establishing supportive infrastructure within agritourism hubs, such as safe transportation, accommodations, and childcare facilities, can make these opportunities more accessible, particularly for women from rural areas.

Training and Development: Implementing skill development programs through TEVT Institutes, private sector and development sector in eco-tourism and hospitality management can equip women with the necessary skills to thrive in this sector, aligning with market demands



Figure 29: Academia Stakeholders Engagements

7. INVESTMENT MODALITIES

7.1. Investment Models

Multiple investment modalities were evaluated during field visits and discussion with field farm including;

- A. **Revenue Sharing Model:** The investor funds the developmental costs and the farm owner provides the farm's use with some involvement's management. The generated revenues are sharing on agreed terms. This is most suited investment model in Agritourism projects which combines the skills and resources.
- B. **Farm Lease:** The farm owner leases the farm to the investor against certain fixed amount per annum. The investor finances the structure, layouts and other developments and also manages the business. This has been implemented in some projects in Punjab, hence presented as one of the proposed model.
- C. **Equity Model.** A new entity is set up where investor contributes capital for structure, layouts and other developments, while the farm owner contributes the land. The operational management is shared mutually as per equity sharing. However, in this case the land ownership is transferred to the new entity and therefore this is usually not suggested in projects with smaller investments.

Based on current market practices, similar projects (Lahore Agri Village Park) and trends with a focus on balancing the interests of both investors and farm owners in agritourism projects, the following two models are suggested;

Table 6: Comparative table for business models

Key areas	Model 1: Fixed Lease Rent	Model 2: Profit Sharing
Income	Guaranteed fixed income with an annual increase for farm owner.	Variable income based on profits
Control	Investor retains full control over the business and revenues.	Profits are shared based on agreed ratio.
Risk	Low risk for farm owner and investors takes all risks	The business risk is shared mutually; still less for the farm owners
Growth	The farm owner is not benefited with the growth in business	The growth in business is shared mutually through sharing increased profits

7.2. Proposed key terms and condition for both models

Based on market survey, discussions with the farm owners and investors, the following is proposal under each of the model;

Revenue Sharing; The farm owners continue to receive income from their routine agricultural produce, while the additional income from agritourism activities is shared between both parties against offering his farm for agritourism activities.

Given the average income from the financial model for the agritourism project, *it is considered that 15% - 20% of the net profit shall be shared with the Farm owners*, which is initially equal to fixed rate, however, will increase with the growth of the business.

The Farm owners gains additional revenues from the agritourism business in addition to the usual income from farm produce. The potential for increased income grows as the business succeeds, allowing the farm owner to benefit from the project's success. The farm owners do not guaranteed income from agritourism introducing uncertainty and financial risk as his cash flows depends entirely on the project's performance.

The investors align interests with the farm owners, creating an incentive to maximize profitability. There is no obligation to pay a fixed rent, reducing financial pressure in the event of low initial returns.

Fixed Lease Rent; It is considered that a fixed lease payment of **PKR 50,000 – PKR 100,000 per acre per annum with annual increase of 10%** should be charged by the farm owner, however, the farm owners shall not receive any share from the business revenues. This will be in addition to his revenues from sale of farm produce. The Farm owners income is guaranteed and is relieved from all business risks, however, farm owners do not benefit from growth in business.

7.3. Agriculture produce sale:

The Agritourism Project is envisioned to be implemented in already well-established fruit orchards, where the fruit plants are mature and already in production. In joint venture investment models, the farm owner provides the orchards, while the investor funds the development of facilities and activities that align with the agritourism concept. These enhancements will attract tourists, generate additional revenues, promote local culture and traditions, and educate visitors about rural life and organic food.

The concept is designed to balance the interests of both the farm owner and the investor. Importantly, the farm owner's existing income from fruit production will remain unaffected, and the project will provide opportunities to generate additional income. The essence of agritourism will also be realized by offering visitors an authentic rural experience.

It is considered that 25% of the total fruit plants will be allocated for visitors' engagements, allowing guests to pay for the experience of picking fruit directly from the plants. The investors will initially procure such 25% portion of the orchard at a rate as offered to buyer for balance 75% of the produce, which is usually executed through annual contracts. This 25% portion of the orchards will be allocated and offered to visitors for fruit-picking activity against charging a fee and will generate revenues for the investors.



Figure 30: Tourist at Agritourism event

The revenues from this fruit-picking activity will be incorporated into the overall income of the project for subsequent sharing between both the parties. This model allows the farm owner to maintain their usual income from fruit sales while benefiting from the growing trend of experiential tourism. Meanwhile, the investor profits from the added revenue streams created by the agritourism activities, which also serve to promote the local culture and agricultural practices.

This approach ensures that both the farm owner and investor benefit financially, while providing an enriching experience for visitors, all without compromising the farm's primary source of income.

7.4. Termination of the Contract Agreement:

The joint venture arrangements should be structured to protect interest of both parties and the following may be some of the essential conditions;

1. Duration of the JV agreement shall be initially for 15 to 20 years and extendable on mutual consent.
2. The revenues sharing, costing, layouts and quality of developments and importantly, roles and responsibilities of each party shall be clearly defined and agreed.

The termination terms and conditions both for investors and farm owners given their positioning and bargaining powers are different as given below.

A. Termination by investor

The investor will offer the project to farm owners at costs or business value whichever is less. In case the farm owners do not agree to buy the project, the same will then be offered to outside party with prior concurrence of the farm owner.

B. Termination by Farm Owner

Termination before 5 years

The farm owner will be obligated to pay the investor the costs plus interest on investments from the date of agreement till the date of termination using the State Bank rates of interest or current

market value of the business along with goodwill calculated based on the projected income of the business through professional firm, which ever is higher.

Termination after 5 years

The farm owner will be obligated to pay the investor the current market value of the business along with goodwill calculated based on the projected income of the business through professional firm.

C. Completion of tenure

At the completion of 20 years period, either party may terminate the agreement with mutual consent or may extend for another term as mutually agreed. Alternatively, the business may be offered to the farm owners using forced sale value of the business calculated based on the projected income of the business through professional firm.

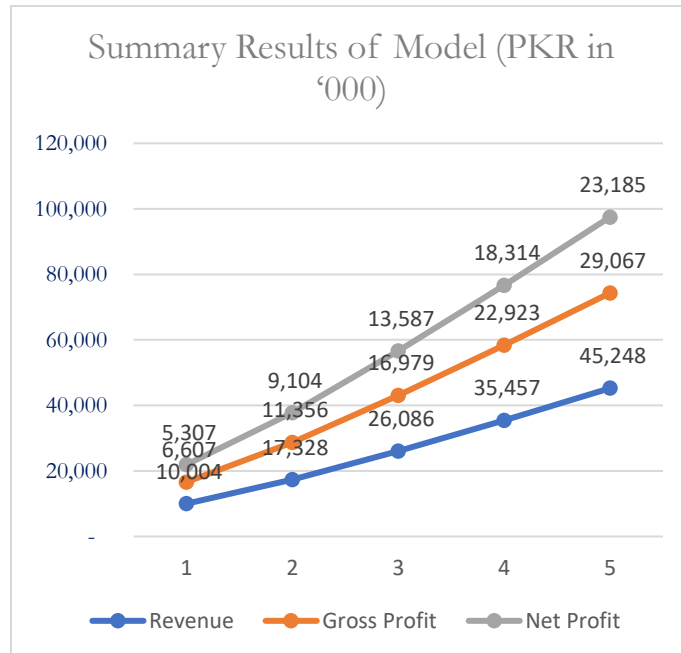
8. FINANCIAL MODEL

8.1. Project Summary

The project is estimated at total investments of around PKR 33.2 million with completion time of 6 months to 1 year assuming that the set up will be made in an existing fruit farm.

The business is expecting to generate profits soon after set up and can generate net profit of around PKR 5.3 million in Year 1 and thereafter it can achieve growth both in number of visitors and activities. Key revenues sources are entry fee, restaurant income, play land. Stay charges have been kept at minimum with only 3 guest rooms.

The financial projections indicate a pay back period of around 3 years and thereafter significant income is expected from the business provided an effective marketing and branding strategy is designed and implemented.



8.2. Project Costing:

An extensive assessment has been conducted engaging multiple sector specific experts and visiting various field locations to identify the most feasible site for project execution. During these visits, the current condition of the farms were evaluated and assessed the required level of development and improvements needed before finalizing the project costing and projected revenues.

The following experts provided valuable insights into the project design, costs and implementation:

Summary Cost	Total Cost PKR
Land improvements	19,900,000
Equipment	8,550,000
Furniture & Fixture	3,450,000
Computers & equipment	1,300,000
	33,200,000

- Dr. Wahid, Assistant Professor, Agriculture University:** Dr. Wahid brings extensive qualifications and relevant experience in the design and execution of landscaping, farm development, and Agritourism projects.

2. **Mr. Arbaz Khan Afridi:** An expert in constructing rooms, restaurants, canopies, entrance gates, and fencing using bamboo materials, Arbaz Khan Afridi specializes in creating structures that evoke a natural, traditional village ambiance. He has successfully implemented numerous projects of this nature.
3. **Mr. Noor Ul Haq:** A seasoned expert in the construction and development of houses, fountains, swimming pools, and related structures. He has a strong track record in executing complex projects.

Based on consultations with these experts, the project components have been identified, and the corresponding costs have been determined.

8.3. Land Preparation and Infrastructure:

The following key activities have been identified for this phase of the project:

- A. Farm Design and Planning
- B. Field Landscaping
- C. Plantation and Gardening
- D. Irrigation Planning
- E. Walkways Construction
- F. Waste Management

The experts suggested for an estimated cost at **PKR 500,000 per acre**. Consequently, for the preparation and infrastructure development of 10 acres, the total estimated cost is PKR 5 million.

8.4. Farm Design & Planning:

Farm design and planning are critical components at the initial stage of any agritourism project, as they lay the foundation for its overall success. Engaging professionals with relevant qualifications and expertise in farm design, agricultural infrastructure, and project planning is essential. Alternatively, experienced firms specializing in this domain can be hired to ensure the project is executed efficiently.

This phase includes the creation of detailed blueprints, as well as 3D visualizations, to provide a clear and holistic view of the project's structure. These tools not only help stakeholders visualize the final outcome but also aid in optimizing space, ensuring sustainability, and aligning the design with the principles of agritourism.

The design should account for essential elements such as water management systems, pathways, visitor access points, parking, accommodation room's structure, restaurants, canopy design and service areas while incorporating the natural landscape into the farm's aesthetic appeal. Furthermore, farm design and planning are instrumental in accurately determining the project's costs, as they provide a clear understanding of the required resources, materials, and labor. Proper planning at this stage ensures that the project remains on budget and meets the desired quality standards.

8.5. Field Landscaping

Field landscaping is another crucial component of the agritourism project, contributing significantly to the aesthetic appeal and overall experience for visitors. The goal of field landscaping is to enhance the visual beauty of the farm without compromising the natural integrity of the existing environment. It is essential to maintain the authentic feel of the rural setting, especially when dealing with established orchards or agricultural fields.

In agritourism, the landscape design should focus on minimal intervention, allowing the existing fruit orchards and farmland to remain largely undisturbed. This approach helps preserve the original charm and ecological balance of the farm, staying true to the core concept of agritourism. Elements such as pathways, rest areas, and visitor-friendly spaces can be seamlessly integrated into the landscape in a way that complements the natural surroundings.

Careful attention should also be paid to the arrangement of plant species, trees, and garden features to enhance the visual flow of the farm. Landscaping elements such as water features, picnic areas, and shaded seating spaces can be introduced to create inviting areas for visitors to relax and enjoy the natural beauty of the farm.

Effective field landscaping not only attracts tourists but also adds to the overall sustainability of the project. By incorporating native plants, sustainable irrigation systems, and natural materials for construction, the farm can maintain its environmental integrity while offering a pleasing and immersive experience for visitors. In turn, the farm's authentic aesthetic will help strengthen its brand as an agritourism destination, encouraging repeat visits and enhancing word-of-mouth promotion.

Ultimately, thoughtful farm design and landscaping are key to developing a successful agritourism project. By ensuring that both the infrastructure and the natural environment are carefully planned and integrated, the project can achieve a balance between functionality and beauty, providing a unique and sustainable experience for visitors while safeguarding the farm's ecological heritage.

8.6. Plantation and Gardening

Plantation and gardening are essential for the success of an agritourism project, enhancing both its visual appeal and sustainability. Involving specialists to select appropriate plants and design layouts ensures that the farm's natural beauty is maintained while providing visitors with an immersive rural experience.

Incorporating diverse plant species, including flowering plants, fruit-bearing trees, and seasonal crops, adds charm to the farm. A kitchen garden can further enhance the experience, offering fresh produce for on-site dining and opportunities for visitors to engage in farm-to-table activities.

Prioritizing native plants and sustainable practices such as composting, organic pest control, and rainwater harvesting promotes environmental responsibility. Thoughtful placement of greenery and ornamental features creates an inviting atmosphere, contributing to visitor satisfaction and relaxation.

8.7. Irrigation Planning

Irrigation planning is vital for the success and sustainability of agricultural farms, especially in agritourism. A well-designed irrigation system ensures optimal crop growth, enhances the farm's

visual appeal, and conserves resources, particularly in water-scarce regions. Modern techniques like **drip irrigation** play a key role by delivering water directly to plant roots, reducing waste, and improving plant health while supporting environmental sustainability.

In agritourism, irrigation not only aids farm productivity but also contributes to the farm's aesthetic by maintaining lush landscapes and incorporating features like ponds or streams. Efficient irrigation planning promotes year-round crop production, essential for seasonal attractions such as harvest festivals or fruit-picking activities.

Furthermore, incorporating eco-friendly irrigation systems enhances the farm's reputation for sustainability and provides educational opportunities for visitors on water conservation and sustainable farming. Ultimately, proper irrigation planning ensures farm profitability, long-term viability, and the success of any agritourism venture.

8.8. Walkways Construction

In an agritourism project, maintaining the natural aesthetics of the farm while integrating visitor facilities is essential. Walkways, for example, should be designed to blend seamlessly with the landscape, with minimal intervention to preserve the authentic rural environment. The pathways should follow the natural contours of the land, weaving through orchards and fields without disturbing existing vegetation or altering the farm's natural layout.

8.9. Waste Management

A comprehensive Waste Management Plan will be implemented to ensure the agritourism project maintains a clean and well-organized environment. Effective waste management is critical to preserving the farm's natural beauty, enhancing the visitor experience, and promoting sustainability. The plan will include waste segregation, recycling, and proper disposal methods, with regular cleaning schedules in place. This approach not only ensures cleanliness but also aligns with environmental stewardship, reducing the farm's ecological footprint and supporting its long-term sustainability goals. A clean, well-maintained farm fosters a positive impression, ensuring a healthy, attractive environment for visitors.

8.10. Organic farming activities:

Organic farming is a central element in developing the Agro Tourism concept. The following key farming activities were identified for the Agro Tourism Project:

- a. Fish Farming
- b. Cattle Farming
- c. Dairy Farming
- d. Poultry Farming

These activities will not only enhance the natural, organic appeal of the site but also serve as major attractions for visitors, contributing to revenue generation. The cost of implementing these farming activities has been carefully calculated in consultation with civil works and farming experts. The total estimated cost for this component is PKR 4.1 million.

a. Fish Farming

A fish pond will be constructed covering an area of 300 square feet at a cost of PKR 4,000 per square foot, bringing the total construction cost to PKR 600,000. The pond will initially be stocked with 150 fish, with the cost of the initial inventory amounting to PKR 52,500.

Fish ponds are an important feature in an agritourism project as they enhance both the visual and recreational appeal of the farm. They provide a serene and scenic environment, attracting visitors interested in nature, relaxation, and aquatic life. Additionally, fish farming adds an educational component to the agritourism experience, allowing visitors to learn about sustainable aquaculture practices.

Moreover, fish ponds can serve as a supplementary revenue stream, offering opportunities for activities such as fishing experiences for visitors, fresh fish sales, and even farm-to-table dining experiences. Incorporating a fish pond into an agritourism project not only boosts the farm's attractiveness but also contributes to its economic and ecological sustainability.

b. Cattle Farming & Dairy Farming:

A barn for cattle will be constructed, covering an area of 150 square feet at a cost of PKR 2,000 per square foot, bringing the total construction cost to PKR 300,000. Additionally, a fenced area of 200 square feet will be built at a cost of PKR 200 per square foot, totaling PKR 50,000. The cattle farm will initially be stocked with 200 cattle, each costing PKR 40,000, amounting to a total livestock investment of PKR 800,000.

Separately, the Dairy farm in addition to the cattle farm will be constructed, covering area 200 square feet square feet at a cost of PKR 200 per square foot, bringing the total construction cost PKR 400,000/- The cattle farm will initially be stocked with 5 cattle, each costing PKR 350,000/-, amounting to a total livestock investment of PKR 1,750,000/-

Cattle farming is a valuable addition to an agritourism project as it offers multiple benefits. Visitors are provided with a hands-on experience of rural life, including learning about livestock care, dairy production, and sustainable farming practices. Cattle farming enhances the overall visitor experience by offering educational tours, live demonstrations, and even farm-to-table experiences through fresh dairy products.

Moreover, cattle farms serve as an additional revenue source for farm owners, through direct sales of dairy products, cattle breeding, or even offering tourists the opportunity to participate in activities such as milking. Integrating cattle farming into an agritourism project strengthens its appeal, adds diversity to farm operations, and promotes local agricultural traditions.

c. Poultry Farming:

A poultry farm will be constructed, covering an area of 100 square feet at a cost of PKR 2,000 per square foot, bringing the total construction cost to PKR 200,000. Poultry Farming will also add in additional revenue generation and providing organic food to the visitors.

8.11. Building & facilities:

The following are the key components identified for the Building and Facilities segment of the Agro Tourism Project:

- A. **Construction of Restaurants and Furnishing**
- B. **Construction of Three Guest Rooms**
- C. **Children's Play Area**
- D. **Swimming Pool**
- E. **Canopy Construction**

These facilities are designed to attract visitors and generate revenue for the farm. The estimated cost for this component, determined in consultation with relevant experts as mentioned earlier in the report, is PKR 15.2 million.

i. Construction of Restaurants and Furnishing

The Agritourism Project will include construction of one restaurant to provide organic quality food to its customers/ farm visitors. A Restaurant will be constructed, covering an area of 2500 square feet at a cost of PKR 1,620 per square foot, bringing the total construction cost to PKR 4,050,000/-. The restaurant will be constructed from the bamboo materials to give more natural and traditional view. The contractor specializing in bamboo based construction was involved in the estimation of the construction cost.

ii. Construction & Furnishing of Three Guest Rooms

The Agritourism Project has been planned with three rooms for the purpose of giving facility for short stay or night stay with charging the per day/ night stay from the guest. The covered area of per room will be 300 Square Feet with total covered area of three rooms will be 900 Square Foot and the total cost will be PKR 2,250,000/- The guestrooms will be constructed from the bamboo materials to give more natural and traditional view. The contractor specializing in bamboo based construction was involved in the estimation of the construction cost. With addition to construction of rooms the furnishings of rooms including furniture, chairs, dining table, TV etc. will cost PKR 500,000/- per room and total cost will be PKR 1500,000/-

iii. Children's Play Area

The Agritourism Project will also include designated area for the Children Play area for making it more attractive for the family visits and will be generating the additional revenue by some additional charges. The total budgeted cost of the Children Play Area is PKR 1,500,000/-

I. Swimming Pool

The Agritourism Project will include construction of one Swimming Pool which will be constructed, covering an area of 300 square feet at a cost of PKR 5,000 per square feet, bringing the total construction cost to PKR 1,500,000/-. The facility of swimming pool will also help in attracting the customers specially in summer season and will generate additional revenue.

II. Canopy Construction

The three No. of canopies will be constructed as per the designed layout plan finalized by the specialized Architecture for Agritourism project. The Canopy will be constructed from the bamboo material to give the natural and traditional look suitable for the agritourism concept. The costing of per Canopy will be PKR 150,000/- therefore, total cost of Three Canopies will be PKR 450,000/- The Canopy will have seating arrangements for the visitors to get relaxation and natural view of the agri farms.

8.12. Utilities & additional features;

This section encompasses the following essential components for the Agro Tourism Project:

- A. **Electricity & Lighting**
- B. **Air Conditioning**
- C. **Generator Installation**
- D. **Solarization**
- E. **Fountains**

These utilities and features are crucial for ensuring the comfort and convenience of visitors and guests. The estimated cost for these components is PKR 5.35 million.

A. **Electricity & Lighting**

As Agritourism Project include the accommodation rooms, restaurants, play areas, walking pathways etc. therefore, the whole farm will be electrified as per the design of the structure and infrastructure. The budgeted cost for the project electricity and lighting is PKR 1 million.

B. **Air Conditioning**

The Agritourism Project rooms and restaurants will be properly air-conditioned install one AC in each room and three air conditioners (ACs) in Restaurant and remaining two AC will be installed in display Center. Per 1.5 tons AC will cost PKR 150,000/- the total cost of Air Conditioning will be PKR 1,050,000/-

C. **Generator Installation**

Mostly, the remote areas having the long hours electricity load shedding therefore, one standby generator will be installed with costing PKR 500,000/- included in the project cost.

D. **Solarization 25 KW On grid**

Due to the long hours load shedding in remote areas and increased cost of the electricity consumption, the Solarization has been included in the Project. The 25 KW solarization would be able to operate Air Conditioning, lightings, fans and tube well. The budgeted cost of the Solarization project will be PKR 2,500,000/-

E. **Fountains**

Three No. of Lawn Fountains will be constructed and installed as per the designed agritourism project. The cost per ton will be PKR 100,000/- and total costing will be PKR 300,000/-

8.13. Revenue & Operating Cost

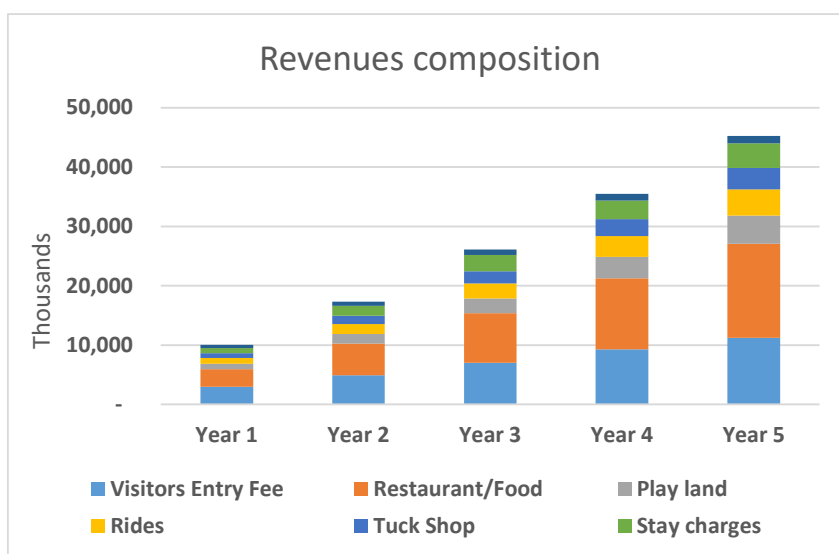
5 years projection of revenues and operating costs have been developed to provide potential investors with a clear understanding of the project's long-term financial performance. The revenue streams and associated charges have been determined based on planned activities, visits to established Agri-Tourism projects, and consultations with industry experts.

Following is the Revenue and Cost Analysis;

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenues	10,003,500	17,327,520	26,086,332	35,456,505	45,248,020
Cost of revenues	3,396,375	5,971,118	9,107,779	12,533,022	16,180,553
Gross profit	6,607,125	11,356,403	16,978,553	22,923,483	29,067,467
Gross Profit Ratio	66%	66%	65%	65%	64%
Indirect cost					
Administrative cost	800,280	1,386,202	2,086,907	2,836,520	3,619,842
Marketing cost	500,175	866,376	1,304,317	1,772,825	2,262,401
	1,300,455	2,252,578	3,391,223	4,609,346	5,882,243
Operating profit	5,306,670	9,103,825	13,587,330	18,314,138	23,185,224
Tax	1,061,334	1,820,765	2,717,466	3,662,828	4,637,045
Profit after tax	4,245,336	7,283,060	10,869,864	14,651,310	18,548,180

Table 7: Revenue and Cost Analysis

The revenue has been projected based on the assumptions of the No. of Visitors visiting the Agri-Tourism Farm and No. of visitors availing the other services within the farm i.e. restaurants, swimming pool, accommodation rooms and other services. 1st year the projected profitability is PKR 4.245 million and increased up to PKR 18.548 million which may be considered significant increase. The increase in the revenue is due to increase in No. of visitors over the years and increasing the Charges.



Following assumptions has been used for the calculation of revenue and costing;

NO. OF VISITORS PROJECTION

For the first year, a minimum of 100 visitors per day has been projected. This number is expected to grow in the following years through continuous improvements and strategic marketing efforts. The projected revenue across all streams is based on the estimated annual number of visitors.

Below is the projected data for the daily visitors:

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Average no. of Visitors/ Day	100	150	195	234	257
No. of Visitors/ Months	2,200	3,300	4,290	5,148	5,663
No. of Visitors/ Annum	19,800	29,700	38,610	46,332	50,965

Table 8:Daily visitor estimation

1. VISITORS ENTRY FEE:

The primary revenue stream for our Agri-Tourism project will come from visitor entry fees. Revenue projections have been developed based on anticipated annual visitor numbers and the entry fee structure over a 5-year period. Both visitor numbers and entry fees are expected to increase progressively. To maintain operational efficiency, the cost of managing the entry fees is projected to be 10% of the revenue generated. This approach ensures we effectively balance revenue growth with operational expenses.

Below is the projected revenue and related costs for the entry fee:

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Visitors Entry Fee	150	165	182	200	220
Annual increase in fee	10%	10%	10%	10%	0%
Total visitors' fee income	2,970,000	4,900,500	7,007,715	9,250,184	11,192,722

Table 9:Visitor fee estimates

2. CAR PARK FEE:

Parking fees will serve as an additional revenue stream for the agri-farm. The revenue projections are based on the estimated number of annual vehicles and the parking fee structure over a 5-year period, with expectations for both vehicle numbers and fees to rise over time. To ensure efficient management, the operating costs associated with parking fee administration are projected to be 25% of the revenue generated. This strategy supports a balanced approach to revenue growth while maintaining effective cost management.

Below is the projected revenue and related costs for the entry fee:

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Parking fee	50	55	61	67	73
Annual growth in parking fee	10%	10%	10%	10%	0%
Total car parking income	148,500	196,020	258,746	341,545	450,840

Table 10: Parking Fee estimation

3. INCOME FROM PLAYLAND:

To enhance the environment for families, it is proposed to establishment of a playland. With an anticipated 30% of our visitors being children who will use this facility, it is aimed to offer a range of engaging activities.

The playland will feature three distinct activities, each with a fee of PKR 150. To keep pace with inflation and rising costs, it is estimated to increase the fee for each activity by 20% annually.

Additionally, it's projected that operating costs for managing the entry fees will constitute 35% of the revenue generated from this source. This approach ensures a sustainable model while providing valuable services to our younger visitors.

Below is the summary projections:

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
No of users	5,940	8,910	11,583	13,900	15,290
No of activities	3	3	3	3	3
Fee per activity	150	180	216	259	311
Annual increase in fee	20%	20%	20%	20%	20%
Total revenues from playland	891,000	1,603,800	2,501,928	3,602,776	4,755,665

Table 11: Activities revenue estimation

4. TUCK SHOP:

It is anticipated that 20% of our visitors will purchase snacks and other items from the tuck shop, with an average expenditure of PKR 200 per person. To ensure smooth operation and maintain service quality, the projected operating costs for the tuck shop are estimated to be 35% of the revenue generated. This approach balances customer satisfaction with efficient cost management.

Below is the summary projections:

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Users as a percentage of vis:	3,960	5,940	7,722	9,266	10,193
Average sales per visitors	200	230	265	304	350
Annual increase in sales (no's and prices)	15%	15%	15%	15%	15%
Total revenues from Tuck shop	792,000	1,366,200	2,042,469	2,818,607	3,565,538

Table 12: Tuck-shop revenue estimation

5. RIDES:

To enhance the visitor experience and provide convenient access to tour the orchard, it will offer golf cart services along designated walkways and routes. It is projected that 10% of the visitors will utilize this service, with a charge of PKR 500 per person. To account for inflation and increasing operational costs, the fee will rise by 15% annually. Operating costs for this service are estimated to be 30% of the revenue generated, ensuring a balance between quality service and efficient cost management.

Below is the summary projections:

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
No of users	1,980	2,970	3,861	4,633	5,097
No of rides	2	2	2	2	2
Fee per activity	500	575	661	760	875
Annual increase in fee	15%	15%	15%	15%	15%
Total revenues from rides	990,000	1,707,750	2,553,086	3,523,259	4,456,923

Table 13: Rides revenue estimation

6. RESTAURANT/CAFÉ:

It is anticipated that 20% of our total visitors will take advantage of the restaurant and café services, generating an estimated revenue of PKR 500 per person. To ensure a sustainable operation, the projected operating costs for this service are estimated to be 50% of the revenue generated. This model allows us to provide a high-quality dining experience while maintaining efficient cost management.

Following is the projected details;

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Visitors	4,950	7,425	9,653	11,583	12,741
Average sales per visitors	600	720	864	1,037	1,244
Annual increase in sales (no's and prices)	20%	20%	20%	20%	20%
Total revenues from food services	2,970,000	5,346,000	8,339,760	12,009,254	15,852,216

Table 14: Restaurants revenue estimation

7. ROOM RENT:

It is proposed to construct three rooms to offer overnight accommodation for visitors. The rental rate will be set at PKR 5,000 per night, with plans for annual increases to reflect rising costs. Operating expenses for these rooms are projected to be 35% of the revenue generated, ensuring a well-managed and sustainable lodging service. Keeping in view the demand by visitor, the number of rooms may be increased in the future.

Following is the details;

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Total Available Rooms	3	3	3	3	3
% of Rooms Occupied	30%	50%	70%	70%	80%
Room Rent per day	5,000	5,750	6,613	7,604	8,745
Annual increase in stay charges	15%	15%	15%	15%	15%
Total revenues from rooms rental	891,000	1,707,750	2,749,478	3,161,899	4,155,639

Table 15: Room rent revenue estimation

8. SWIMMING POOL:

It is anticipated that the proposed swimming pool will be in use for up to 3 months during the summer season. Consequently, the projected visitor numbers for a 3-month period. It is estimated that 5% of the total visitors during these 3 months will use the swimming pool facility. To manage this effectively, the operating costs for the swimming pool are projected to be 25% of the revenue it generates.

Following is the projected detail;

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
Users as a percentage of visitors	198	297	386	463	510
Opening months	594	891	1,158	1,390	1,529
Fee	500	500	500	500	500
Total revenues from swimming pool	297,000	445,500	579,150	694,980	764,478

Table 16: Swimming pool revenue estimation

9. DISPLAY CENTER INCOME:

It is proposed, constructing three display centers to showcase farm products and traditional items from the region. Each display center is anticipated to generate a monthly rental income of PKR 2,000. The operating costs associated with these centers are projected to be 15% of the rental revenue. This setup will effectively highlight local offerings while ensuring manageable operational expenses.

Following is the summary of projections;

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
No of display centers	3	3	3	3	3
Rent per month per center	2,000	2,000	2,000	2,000	2,000
Total revenues from display center	54,000	54,000	54,000	54,000	54,000

Table 17: Display center revenue estimation

Costs of Services

To simplify the financial model, the associated costs of each service has been evaluated and it was considered appropriate to determine as a %age revenues. Hence, the following rates have been arrived given the industry average profit margins in similar services

Cost of services	%age of revenues	Year 1	Year 2	Year 3	Year 4	Year 5
Visitors Entry Fee	20%	594,000	980,100	1,401,543	1,850,037	2,238,544
Parking facility	25%	37,125	49,005	64,687	85,386	112,710
Play land	35%	311,850	561,330	875,675	1,260,972	1,664,483
Rides	30%	297,000	512,325	765,926	1,056,978	1,337,077
Tuck Shop	35%	277,200	478,170	714,864	986,513	1,247,938
Restaurant/Food	50%	1,485,000	2,673,000	4,169,880	6,004,627	7,926,108
Rooms	35%	311,850	597,713	962,317	1,106,665	1,454,474
Swimming Pool	25%	74,250	111,375	144,788	173,745	191,120
Display	15%	8,100	8,100	8,100	8,100	8,100
Total direct cost		3,396,375	5,971,118	9,107,779	12,533,022	16,180,553

Table 189: cost of services

These costs/profit margins are arrived based on cost of direct input costs, supplies, staffing/labour, complexities and administration supervision required for allocation of overheads etc. On average, the total costs computes to around 40% of the services thereby generating profit margin of 60%.

Other indirect administration costs, marketing costs and mainly taxes computes to around 20% of the revenues, hence, the business is expected to generate net profit of around 40%, which is much higher than profit rates as offered by financial institutions on deposits.

The financial model is attached as a separate document as **Annexure A**

Annexure B – Details of farms available for agritourism activities

Location	Produce	Size and Annual production	Tourists in seasons	Facilities	Farm Name	Owner
Charbagh, Swat	Pears	Size: 1-10 Acres Produce: 1-5 tons	Tourists: 1000-5000 Season: Summer	Good road condition with access 1-5km	Murad Khan Orchard	Murad Khan
Peshmal, Swat	Cherries	Size: 1-10 Acres Produce: Less than 1 ton	Tourists: Over 10,000 Season: Summer	Road condition not very good with access less than 1 km	Cherry Farm	Hamid Khan
Nowshera, Manki Shareef	Oranges, Lemon, Mangoes, Loquat, Mitha & Peakons Nuts	Size: Over 100 Acre Produce: Over 10 Tons	Tourists: Less than 1000 Season: Winter	Good road condition with access 6-10 km	Jamilabad Farms	Mian Yahya Shah Kakakhel
Nowshera, Ziarat Kaka Sahib	Orange, Olive, Plums	Size: 1 to 10 Acre Produce: 1 to 5 Tons	Tourists: 5,000 to 10,000 Season: Winter	Good road condition with access less than 1km	5 M Orchards	Noman UI Haq
Manki Shareef, Nowshera	Oranges Lemons	Size: 11 to 50 Acre Produce: Over 10 tons	Tourists: 1000-5000 Season: Winter	Good road condition with access not mentioned	Progressive Citrus Orchard Grower	Mian Wisal Khan
Bagh Daire, Swat	Cherries	Size: 11 to 50 Acres Produce:	Tourists: Over 10,000 Season:	Good road condition with access 1-5km	Rolling Hill Farm Kalakot	Dr Ahad

Location	Produce	Size and Annual production	Tourists in seasons	Facilities	Farm Name	Owner
		Over 10 tons	Summer			
Ghazi, Haripur	Oranges	Size: 11 to 50 Acres Produce: Over 10 Tons	Tourists: 1000-5000 Season: Winter, Summers	Poor road condition with access not mentioned	Sher Khan Fruit Farms	Najeeb Ullah Khan
Ghazi, Haripur	Orange	Size: 1 to 10 Acre Produce: Over 10 Tons	Tourists: 1000 – 5,000 Season: Winter	Good road condition with access not mentioned	Khair bara Fruits Farm	Alamgir Tariq
Swat	Peaches	Size: 1 to 10 Acres Produce: Less than 1 ton	Tourists: N/A Season: Spring Summer	Road Condition and Access not mentioned	Peach Farm	Zakirullah
Swat	Persimmon	Size: 1 to 10 Acres Produce: 1-5 tons	Tourists: N/A Season: Spring Summer	Road Condition and Access not mentioned	Persimmon	Asar Ali
Swat	Apples	Size: 1 to 10 Acres Produce: 1-5 tons	Tourists: N/A Season: Spring, Summers	Good road condition with access less than 1 km	Apple Farm	Khan Mahmood
Swat	Peaches	Size: 1 to 10 Acres Produce: Less than 1 ton	Tourists: Less than 1000 Season: Spring, summer	Good road condition with access less than 1 km	Peach Farm	Fiaz Ali Haq
Hafiz Abad, Swat	Peaches	Size: 1 to 10 Acres Produce: 1-5 tons	Tourists: Less than 1000 Season:	Road Condition and Access not mentioned	Amjad Peach Orchard	Amjad Khan

Location	Produce	Size and Annual production	Tourists in seasons	Facilities	Farm Name	Owner
			Summer			
Charbagh Swat	Plums	Size: 1 to 10 Acres Produce: Less than 1 ton	Tourists: Less than 1000 Season: Summer	Good road condition with access less than 1 km	Barkat Plum Orchard	Barkat Khan
Charbagh Swat	Peaches	Size: 1 to 10 Acres Produce: Less than 1 ton	Tourists: Less than 1000 Season: Summer	Good road condition with access less than 1 km	M Jehan Peach Orchard	Muhammad Jehan
Drab Shahgran, Swat	Peaches	Size: 1 to 10 Acres Produce: 1-5 tons	Tourists: Over 10,000 Season: Summer	Good road condition with access not mentioned	Peach Farm	Zarif Khan
Dhaki D I Khan	Dates	20 acres	Nil	Good road condition	Dhaki Dates Farm	Mr Irshad
Domail Area Bannu	Dates	10 acres	Nil	Good road condition	Dates Farm	Mr Gulfaraz