



# THE SOCIAL RETURN ON INVESTMENT (SROI)

Hungarian Social Farm Association

(Hungary)





## 1. The Social Return on Investment (SROI)

### 1.1. The process of the SROI

We adjusted our SROI research to our long-term, and at the same time, most important goal, so we measured and examined the investments in creating a minimum-sized social farm by using the method. Regarding the questionnaires, we first asked the farmers participating in the pilot event, we used 2 different questionnaires for this purpose: one was filled out by farmers who do not yet know/have no experience in the world of social farms (therefore, it was filled out at the very beginning of the 2-day program), the other questionnaire was addressed to those who already know the beneficial properties of social farms and/or have experience, 1 of the participants in the program was such a farmer (Márk from Kemence Association). Both questionnaires were about the beneficial effects on the well-being of farmers working on social farms, the thought(prospective) or experienced(retrospective) answers had to be indicated on a scale of 5. After the program, the two questionnaires were sent to additional potential respondents.

Beside the 2 questionnaires for the farmers, there was also 2 questionnaires for the local community. These questionnaires were also about the advantages of a social farm but from a local community member's aspect: someone's opinion on the advantages, who has already known about the operation of a social farm, or even become involved in a social farm in some way, and the other (the prospective one) was about someone's opinion on the advantages of a social farm, who hasn't been involved yet, by imagining to start a social farm or getting involved into one.

Regarding the forecasting template, we added information about the costs and time investments of a minimum-sized social farm, starting from an already existing farm with two farmers(not disabled). The main concept was the assumption that the farmers and the farm are going to become accredited employers after the first year, as they employ disadvantaged people. This would mean a significant amount of state subsidy for them, which would cover the costs of the disabled employers' salary. This helps to focus on the tools, production and the employees' well-being, and of course helps to become a sustainable farm, which on its own contributes to the workers' well-being.

Firstly, we thought, that seeking for pilot participants will be the most challenging of the whole project, but it surprisingly went really quick and well, the number of the participants reached the maximum capacity of the guesthouse on the social farm serving as the location of the program, within a few days. We believe, that the connection with the other association members helped us a lot, just like the social media posts. As we experienced through this program(too), the social media is one of the best ways not only to invite people for programs but also to ask for help and to share the experiences of the different projects, meetings and programs about the farm, especially if the given social media interface has many followers.





## 1.2. The SROI outcomes

The prospective SROI Impact Map for the Social Farming SIs is given in Table 1 below. In addition to 12 farmers and farm businesses and 120 farm workers, around 90 members of the wider community are forecast to benefit from this SIs over a 5-year benefit period.

Value generation arising from this SIs is fairly evenly spread across four kinds of wellbeing - Social and Community Wellbeing (23%), Relational Wellbeing (20%), Economic Wellbeing (30%) and Personal Wellbeing (25%). Environmental Wellbeing also features (1%) through the increased understanding of food production and farming life expected to be generated by the SIs for the wider community.

The economic wellbeing benefits that are forecast to be generated for farmers arise through not only prospective increases in farm revenue as a result of social farming and diversification activities, but also the additional opportunities that are likely to be generated through the social farming SIs – for farmers in the form of learning, innovation and access to training and other sources of knowledge, and for farm workers in being more readily able to join or be retained in the local labour market.

While these economic benefits which have secondary implications for wellbeing might be expected from a social farming initiative, the extent of additional wellbeing impacts for individuals and communities is perhaps more surprising, and demonstrates the power of the social farming model in improving the lives and fortunes of the agricultural community, and those adjacent to it. While focused in and around farming, the social farming SIs is clearly expected to have a broader reach of impacts into the surrounding rural community, and in so doing address a number of observed challenges by generating greater respect and understanding of farmers and affording opportunities for international networking between farmers, thus opening the door to the generation of new knowledge and ideas.

And despite the inherent social focus of this SI, the potential for it to improve the lives of farmers, their families and their workers shows up strongly in the findings – with personal and mental wellbeing impacts in the form of confidence, engagement, purpose and self-esteem helping to confirm the case for investing in social farming as a grassroots innovation to address the challenges around farmer wellbeing.





**Table 1: Hungary Forecast SROI Impact Map (SI: Social Farming)**

Impact Pathway	Outcome	Stakeholders (No.)	Indicator/s of Change	Outcome Change (%)	(ID No.) Financial proxy (Value €/Unit)	Present Value (€)	Present Value (%)
Social and Community Wellbeing	Improved social responsibility (social and environmental awareness)	Farmers (12); community members (90)	I am more aware of social and environmental issues facing society and my local community	77%	(18) Annual price difference of buying food from a farm shop compared to the supermarket (€ 349.00 per person p.a)	€ 37,448	23%
	Improved social wellbeing	Farmers (12); farm workers (120)	I often help the community or get involved in community events	91%	(13) Average annual household spend on recreation and culture (€ 843.00 per household p.a)	€ 139,247	
	Improved community cohesion and collective awareness	Local community (90)	There are now more opportunities to participate in local community events and initiatives; there is a greater sense of connection and confidence in the community	90%	(13) Average annual household spend on recreation and culture (€ 843.00 per household p.a)	€ 93,898	
	Improved links between farmers and local communities	Farmers (12); farm workers (120); local community (90)	There are strong links between local farmers and the local community	79%	(13) Average annual household spend on recreation and culture (€ 843.00 per household p.a)	€ 202,019	
Relational Wellbeing	Increased respect and understanding of farmers in the community	Farmers (12); farm family members (12); local community (90)	I feel respected by people in the local community; I feel understood by people in the local community	80%	(8) Valuation for improved emotional well-being arising through the Common Assessment Framework (€ 400.51 per person p.a)	€ 50,072	20%
	Increased national and international networking with other farmers	Farmers (12)	I am networking more with other farmers in Hungary; I am networking more with other farmers internationally	89%	(15) Cost of a networking / training event and one hour of time devoted to networking at the average hourly earnings rate	€ 13,212	





					(€ 48.00 per person p.a)		
	Improved sense of trust and belonging	Farmers (12); farm workers (120); farm family members (12); local community (90)	I feel close to people in my local area	87%	(4) Value to an individual (25-45) of feeling like they belong in their neighbourhood (€ 1,242.75 per person p.a)	€ 345,909	
Economic Wellbeing	Improved life and work skills	Farmers (12); farm workers (120); farm family members (12)	I have opportunities for new learning and innovation in my business	84%	(9) Cost of employability skills training in regular sessions with counsellor / coach (€ 899.58 per person)	€ 38,815	31%
	Improved accessibility to training and other sources of knowledge	Farmers (12)	I have greater accessibility to training and other sources of knowledge	84%	(9) Cost of employability skills training in regular sessions with counsellor / coach (€ 899.58 per person)	€ 3,235	
	Improved business resilience through succession planning and quality trade marks	Farm businesses (12)	My farm business is resilient to external market or policy factors	80%	(20) Utility bill savings through increased resource efficiency (per farm business) (€ 68.99 per farm)	€ 236.26	
	Improved revenues through diversification	Farm businesses (12)	I have been able to generate additional revenue through diversification of farm activities	69%	(5) Value of increased and safeguarded sales for agriculture and forestry through LEADER (AXIS 3) (€ 725.31 per farm)	€ 2,142.28	
	Improved financial situation	Farmers (12); farm workers (120); farm family members (12)	My farm revenue has increased as a result of my social farming activities or status	73%	(22) Employment incentive costs (€ 2,157.00 per person p.a)	€ 311,802	





	Improved reintegration into labour market	Farm workers (120)	There are now more opportunities for farm workers to join or be retained in the labour market	79%	(22) Employment incentive costs (per person p.a)	€ 281,191	
Personal Wellbeing	Self-esteem	Farmers (12); farm workers (120); farm family members (12)	I feel optimistic about my future	80%	(6) Cost of Cognitive behavioural therapy (CBT) to build psychological resilience and self esteem (€ 765.18 per person p.a)	€ 121,216	25%
	Improved mental wellbeing	Farmers (12); farm workers (120); farm family members (12)	I feel optimistic about my future	80%	(6) Cost of Cognitive behavioural therapy (CBT) to build psychological resilience and self esteem (€ 765.18 per person p.a)	€ 121,216	
	Improved competence, engagement and purpose	Farmers (12); farm workers (120)	I feel optimistic about my future	80%	(33) Cost of BSY professional development course in self awareness (€ 145.89 per person p.a)	€ 21,185	
	Improved self confidence	Farm workers (12)	I will try something even if there is a chance it might not work	86%	(33) Cost of BSY professional development course in self awareness (€ 150.00 per person p.a)	€ 21,287	
	Reduced social isolation	Farmers (12); farm workers (120); farm family members (12)	I feel close to people in my local area	88%	(4) Value to an individual (25-45) of feeling like they belong in their neighbourhood (CCP) (€ 1,242.75 per person p.a)	€ 216,557	
Environmental Wellbeing	Increased understanding and awareness of food production and farming life	Local community (90)	I have a good understanding of how food is produced and marketed	55%	(18) Annual price difference of buying food from a farm shop compared to the supermarket (€ 349.00 per person p.a)	€ 23,756	1%
<b>Total Benefits</b>						<b>€2,044,444</b>	
Total Investment						€804,622	<b>100%</b>
<b>Benefit-Investment Ratio (BIR)</b>						<b>€2.54 : 1</b>	

