

# CASE STUDY

## Zala Valley Open Farm network (Hungary)



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## 1 The social innovation

In 2018, the farmers, local product producers and agrotourism service providers of Zala Valley formed the Zala Valley Open Farm network with the aim of providing residents and visitors with quality, locally produced products and quality services. The most important commitment of the cooperating farmers is to regularly announce open farm days to give interested people the opportunity to gain an insight into farming. The LEADER LAG was the initiator and has been the heart of the network by doing the majority of organisation and animation.

The networks' activities are based on strong cooperation: joint marketing and application for funds, connected services, joint lobbying and trainings. The network's work already resulted in the short term in the cohesive and retaining power of the community, the mutual assistance, the increased prestige of local producers and the improved professional and interest representation.

### Highlights: The most innovative aspects of the solution

Building a cooperation network between individual farmers, and between the farmers as a group and other local and professional actors is a great **organisational innovation**.

The role taken by the LAEDER LAG such as providing long-term professional animation, management, marketing and administrative background for its members is a significant **service innovation**.

In addition, the ability to offer a rich territorial 'package' of local products, services and experiences for the local consumers and visitors is also a unique **service innovation**.

### 1.1 Key social challenges addressed & objective of the social innovation

Key social challenges and related objectives mentioned during the many interactions can be summarized as follows:

Challenges	Objectives
Economic uncertainty of small - scale farmers;	Increase farmers' financial stability by creating a short food supply chain;
Isolated struggle of small farmers for survival;	Building a trust-based strong cooperation of local farmers, food manufacturers and agrotouristic service providers along shared goals and values;
Local treasures, traditions and knowledge have been gradually forgotten;	Thereby: motivate and inspire, increase and share knowledge, improve prestige and recognition, strengthen lobbying power, save and present local cultural and
Consumer ignorance, consumption of mass products;	
Environmental damage, underutilized or overexploited resources.	





	<p>environmental values, raise environmental and health awareness;</p> <p>Provide quality food and services for local consumers.</p>
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## 1.2 Activities

Erzsebet, the chair of the LEADER Association and the heart of the open farm network summarised in the short film, that the network is active in many ways to help its members thrive, and achieve common objectives. Among others the network is active in

- organising open days on a regular basis as well as being open to demonstrate farming activities;
- receiving and educating visitors (potential customers, children etc.) on healthy living and nutrition as well as traditional ways of farming and food processing;
- submitting joint application for LEADER grant supporting small investments in order to meet or increase the standards of hosting visitors;
- promoting and marketing of the “package” of products, services and events provided by the network members;
- generating financial resources for joint learning based on emerging needs as well as organising events of knowledge transfer;
- representing the network in professional forums;
- organising community programmes for members and locals.

## 1.3 Key stakeholders involved

Animation and coordination are done by the chair and the manager of the Zala Thermal Valley LEADER Local Action Group. Other key stakeholders are local farmers, food processors and tourism service providers of the LAG area.

## 1.4 Main outcomes of the activity

The first main outcome was to find a common base for the cooperation: creating and signing the forming Charter based on common values and objectives.

As a result of number of supported small investments and knowledge transfer actions, 35 small farm and service provider became capable, in terms of both infrastructure and human skills, to host group of visitors, present production activities and have high-quality, marketable products and/or services for sale.

The SROI exercise valued the outcomes defined by the stakeholders though the Journey of Change workshop. The highest present value was calculated in relation to improved relational wellbeing: partnership working as well as social wellbeing: increased respect and understanding of farmers in the community; improved sense of trust and belonging, increased





cultural values of the countryside. More information can be found concerning outcomes in chapter 4.3 and the table presented therein.

## 1.5 Main recommendations

The main recommendations that can be drawn from the social innovation examined are detailed in chapter 5.3.

### Farmer interview questions

Our interviewee – Marianna Horváth - unusually is not a close stakeholder of the Zala-valley Open Farm network, but a farmer with decades of experience in regional and rural development and one of the most active supporters of the other farmers' network involved in the FARMWELL pilot action peer-exchange - the Chamber-tour Association. This association, like the one in Zala, promotes cooperation between small-scale farmers, food producers and tourism service providers. The history, the practices, and the challenges of the two networks have some similarities, but also differ in many aspects. The joint pilot action was very motivating for the members of both networks since they were able to discuss their problems as well as share their successes. Marianna was chosen for the interview because she was actively involved in the FARMWELL pilot action and made valuable contribution to the 3rd European Thematic Meeting. She has deep knowledge of the Chamber-tour Association, as well as her exciting professional background enabled her to reflect on the practices of the other network. She is a horse breeder, a co-owner of a small brandy distillery a part-time regional development expert and last but not least has a very open and cooperative personality. She was asked to share her thoughts about farmers' networks, social innovation, particularly about the Chamber-tour Association.

**Q:** What is the main challenge that the above-mentioned social innovation tries to address?

**A:** At the time of the network's creation, the greatest challenge was that local people did not buy from local producers but preferred to drive to the nearest supermarket. Chamber-tour Association is a farmer cooperation aiming at improving the promotion and sales of local products. It has recently about 40 active and less active members. The motivation and contribution of the members are far not even. It is like see-waves, sometimes there are high tide periods, but there are low tide periods as well.

The official start of the network dates back to 2005, when the Chamber of Agriculture called local farmers for a joint experiment to find answers to the negative effects of desertification on agriculture resulting from a significantly decreasing groundwater level and long periods of drought. This was called the Sand-ridge Target Programme, a pilot experiment on drought-resistant species and cultivation methods. The way the programme involved local farmers was very innovative. The results of the programme were also innovative by recommending making smarter use of internal resources by remaining within their boundaries. It was a great success, because the innovation (working together for the same goal) came at the right time: farmers were willing to learn about a new solution and act for that. Chamber-tour Association was kind of a side effect. However, it took a long time and





effort until the producers realised that joint selling is their common interest. **It is very important that innovation arrives at the right time when the environment is ready to take it.** Innovation must be embedded; this is the condition for its sustainability.

The Chamber-tour Association was established in 2013 and right at the start it faced number of further challenges. According to the court of registration, the legal form of the cooperation (association) was not suitable for its activity since an association was not allowed to make profit and “marketing” meant profit for them. Without any income, the animation and cooperation activity done by the Association was hardly sustainable. It is a kind of vicious circle. The other problem was the rule on VAT: if the product was sold by an intermediary organisation (the association, or another member) the transaction was subject to VAT, unlike when a small producer sells its own product on the market. As a consequence, **it is crucial to find the right organisational form for the social innovation at the beginning of the process.**

**How to make the cooperation and the operation of the association sustainable for a long run is a great challenge.** We at the association have no paid staff. Even the management and secretarial tasks are done on voluntary basis. Volunteers often become overloaded or hindered. In the case of an emerging initiative, it cannot be expected from the members to pay membership fee to the extent that would cover the work necessary to start the operation. If there is no paid labour, the process stalls. Project-based financing is not optimal either since projects end and finances end as well. After an inspiring study tour for example, we were full of ideas and motivation, but when we got home, everyone was overwhelmed by everyday's work. We would have needed someone to assist us to process the information we received and to incorporate it into the association's practice.

**Q:** What do you see as the main innovation of these SIs?

**A:** The main innovation is finding right answers to many different and threatening challenges, such as insecure and low income of small farmers, or limited knowledge and low appreciation of rural and farming life. Mitigating these two challenges has significant impact on the farmers' quality of life.

Cooperation, discussions, and exchange of information is very important in order to see that you are not the only one struggling with your problems, but there are other people dealing with the same issues and luckily, they don't see everything the same way as you do. In the pilot action it was very useful to see the different views, for instance it was very informative to see how the paid staff of Zala-valley Open Farm network built an effective structure to offer local products and rural tourism services in one package in a fairly short time, I mean 3 years.

**Q:** How effective it has been? What do you think works well in the social innovation?

**A:** In some way networking is very effective. For instance, flow of information within the network and, as a result of the pilot, between the two networks is quite effective. I can tell you my concrete example. In our meeting I was advised to contact an agency supplying restaurants, hotels and shops with local products. Based on the recommendation of one of





the network members, I was able to get in touch with the agency and became one of their suppliers. Normally you must work and invest a lot to get to this stage.

**Q:** How does it benefit farmers? Why is it special/ inspiring in your view?

**A:** Feeling not lonely and empathy is very crucial point because it is a very great social benefit that people who are initially competitors, learn that they are partners and begin to trust each-other. This trust-building has very high values in terms of the whole society.

**Q:** What can be improved?

**A:** The financial sustainability is a key issue that should be improved in both networks. Not only the management should be paid but also time to time expertise need to be hired such as mediation, tax advice, legal advice, professional support etc. Now that there is no financial background for paying running costs, everything must be solved within our own borders.





## 2 The pilot action: Incorporating new practices to cope wellbeing challenges in farm networks

### 2.1 What was the pilot about?

#### *Purpose*

In the framework of the FARMWELL pilot action, members and coordinators of the Zala-Valley Open Farm Network from Western Hungary were brought together for a peer-exchange with the long-standing farmer network, the Chamber-tour Association that is operating in Central Hungary.

The main purpose of this workshop was to provide opportunity for the two networks (for members and coordinators) to compare their challenges and applied methods as well as think together about the identified burning issues such as how to make the network operation economically self-sustainable, how to maintain the activity and “energy” level of the cooperation, how to improve members wellbeing.

#### *Running the pilot*

The pilot action was a practical experience exchange and a facilitated discussion with the involvement of the two farmers' networks. The members and coordinators of the two networks with different histories, financial and operational backgrounds and at different stages of development, compared their operational practices, identified problems, and indicated possible solutions.

The two-day pilot started with field visits: farmers and coordinators of the Zala-valley network visited a small-scale family orchard and accommodation provider, an extensive livestock breeding and catering farm as well as a small artisan winery. Field visits provided place for gaining direct experience and discussing farming as well as networking issues.

The main action was the 4-hour guided discussion (peer exchange) focused on challenges and solutions mentioned earlier.

The professional programme ended with a joint dinner.

#### *Target group*

Members and coordinators of both networks were present at the pilot action. Members were engaged through their coordinators.

### 2.2 The main lessons from the pilot

During the pilot exchange the following main findings and learnings were articulated:

- The economic survival, the level of activity and the concrete activities of farmers' networks significantly depend on the actually available grants and projects, which hinders the achievement of long-term goals and steady work.







- In case of the Chamber-tour Association, mostly due to lack of paid staff, the activity of network members is generally not balanced, active members burn out, passive members just „go with the flow“. This inequality is significantly reduced in the case of the Zala-valley network by the permanent assistance paid from LEADER.
- Multiple funding sources and striving for self-sustainability are important conditions for the network's survival.
- Preserving the original mission and quality of the „brand“ in all circumstances is a must, even in passive periods. It should not be a question of money rather a culture.
- Voluntariness can help and should be increased, but the network should (be able to) finance at least one full-time employee.
- Civil organization business model development and training would be useful.
- Increasing farmers' well-being appears mostly as an indirect goal.
- Acting along a common set of values strengthens the sense of belonging to a community, which improves the quality of life of the families concerned, especially in a sector that is essentially solitary.
- Activities „why is it good to be a member“ should be strengthened:
  - *Learning and improving*: „things happen there“, „professionally exciting“,
  - *Community*: „good to be part of this community“
  - *Sales*: recommending each-other, bringing together several producers with a common product range
- One of the key conditions for successful innovation is that the environment is ready to absorb the novelty, e.g. producers should be interested in such opportunity, or the market should be interested in such products. However, there are tools to foster this.
- During the pilot workshop the level of interest and activity was very high. Network members and coordinators had a lot to share and to learn from each-other, which justified the importance and usefulness of such and similar exchanges.

#### Follow ups:

- Both networks were represented at the 3rd European Thematic Network meeting, where the common thinking continued about how to scale-up this social innovation, what should be done to make this model adaptable and widespread.
- The exchange of experience will continue, the Chamber-tour Association will visit the Zala-valley network and learn how the capacities suitable for hosting guests are created.

### 2.3 The main impact of the pilot

Considering the limited time and resources available for the pilot action, we did not have high expectations of its impacts.





A significant direct impact assessed as participating farmers and network coordinators received external confirmation that what they are doing is valuable.

The common learnings and findings listed in the previous chapter were integrated into the participants' thinking, thus increase the networks' self-sustainability as well as result in more conscious actions on wellbeing.

**Farmer interview questions if (s)he participated in the pilot?**

**Q:** What was your experience with the pilot?

**A:** I think events like the pilot are very important. On the one hand, it is useful from a professional point of view, e.g., we learned from the Zala network members how to develop and manage a territorial tourism package effectively, and, on the other hand, listening to participants expressing their views on what motivated them to become members and why membership is good for them, was very instructive.

**Q:** What did you take away from the pilot?

**A:** We have been very impressed by the development and operation of the cooperative service provided for the visitors by the Zala network. It is demand-based and very effective. In our case, it takes a lot of organisational work to agree on who is suitable to receive visitors or organise a programme. It is very good to see a system that works. So with some of our members we decided to visit Zala network again to look closer how this touristic package works, visit their farms, see their facilities etc.





### 3 The Social Return on Investment (SROI)

#### 3.1 The process of the SROI assessment

##### *Exploring change*

The first phase of the SROI process was carried out with the active involvement of the project Practice Group within a two-day practice group meeting hosted by the Zala Thermal Valley LEADER LAG. Due to this arrangement, the active participation of the Zala-valley Open Farm network membership and coordinators was successfully provided. Challenges, solutions and outcomes were discussed and structured in a pre-defined Journey of Change (JOC) structure. Enablers and barriers in achieving the identified outcomes were also listed. In addition to direct beneficiaries (network members), the joint thinking also extended to the potential benefits of other stakeholders i.e. the actors from the wider local/micro-regional community, consumers etc. The SROI groups were led by a head facilitator, assisted by other facilitators, involving various non-farmer members of the practice group, in order to conduct and control the conversation, and to provide questions and ideas that catalyse the workflow. The biggest challenge was the short time available and the need to structure a lot of content according to the logic of JOC. See annex I. for the final version of the JOC.

##### *Evidencing change*

- Based on the outcomes defined in the Journey of Change, the expert team of UGLOS<sup>1</sup> created questionnaires targeting the following tree main stakeholder groups:
  - current and former network members, employees and family members;
  - members of local organisations, civil society, public sector or policy maker;
  - members of local communities, visitors or local consumers.

The finalisation of the questionnaires was a several round iterative process, resulting in improvements and refinements based on the local context. In addition to the AKI staff, the network coordinators also tested the questionnaires and made detailed suggestions for changes. This is how the target groups as well as the response alternatives that could be interpreted in terms of target groups and local context were clarified.

51 validly completed questionnaires were received. The data collection was greatly helped by the network coordinators encouraging members to complete the questionnaires both in writing and in person. For those members who do not use a computer in their daily work, the coordinators delivered the paper version of the questionnaire personally. The motivation of the members and the effectiveness of the coordinators' activation is demonstrated by the fact that 26 out of the (at the time) 29 members of the network completed the questionnaire. In addition, 10 completed questionnaires were submitted by local NGOs or local public decision-makers, 8 were sent in by local residents, consumers or visitors, 5 were received from employees or family members and 2 from former network members.

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<sup>1</sup> University of Gloucestershire





Data collection instrument and method	Informants (n)	Challenges / Opportunities
Self-completion online survey, if necessary paper-based completion with personal assistance.  Additional data was collected from and through the network organizer via email.	Network members (28); family members / employee (5); local people / customer (8); local org. / institution (10)	Prior and deeper understanding of the full data/information needs of the SROI and the logic of data use would have increased the efficiency of data collection.  High response rate thanks to the well-functioning network.

### Valuing change

For the investment side of the model setting up and implementation costs were collected from the initiation till the last completed year of operation. Data included the costs of establishing and running the network as well as the necessary investment and time input made by the network members.

With the results of the study, we can effectively present to decision-makers that investing in local-level facilitating and animating activities is worthwhile in financial terms. In addition, the results also demonstrate that collaborations can have a far greater and wider impact than individual investments, and that they have a positive impact on the quality of life of their members.

## 3.2 The outcomes of the SROI assessment

The summative SROI Impact Map for the Zala Valley Open Farm Network Social Innovation is given in Table 4.3. Wellbeing impacts over a 5-year benefit period (2017-22) were generated for a range of stakeholders who are deemed to have materially benefited from the social innovation created by the network. These beneficiaries comprise 21 farmers (and farm businesses and households); 68 farm family members; 24 farm workers; 63 organisations; 3 county districts and 2,313 local consumers. Derived outcomes fall across 5 wellbeing impact pathways, with social and community wellbeing being a substantive area of value generation.

The SROI findings demonstrate that the investment in the Zala Valley Open Farm Network represents a 423% return to individuals, communities and society with respect to wellbeing impacts for range of stakeholders, including farmers. Over the seven-year benefit period the overall return for each Euro invested has been 4.23 Euros as the health, wellbeing, and a range of social and relational wellbeing factors have improved as a result of engagement with, and opportunities afforded by, the network.

Just under half of this value comes from social and community wellbeing related to increased respect and understanding of farmers and the wider professional recognition and lobbying power of the network. This evident success reflects the community of common interest and values, and the three years of joint thinking and learning on which the network has been built. The collective decision to pursue an open farm network, together with shared understanding and values resulting from a number of training sessions, workshops and study tours, has clearly paid dividends for the Zala valley with respect to its social wellbeing. Indeed, the way that the network operates is fully transparent and democratic, and there is a strong emphasis on





learning, joint actions and regular meetings – the impact of which is clearly reflected in the SROI findings. In time, and with continued investment, one can expect the gravity of impacts around this social innovation to grow further.

Environmental wellbeing impacts that relate to improvements in ecological quality and increased awareness of local produce account for a fifth of all value generated by the open farm network, and benefit both farmers and the wider community – including visitors. This aspect of wellbeing creation is likely to underpin the success and contribution of the open farm model for many years to come, as by its very nature environmental and ecological drivers of wellbeing will sustain wider health and wellbeing benefits for individuals, visitors and communities through environmental and dietary behaviour, for example.

While farmers have benefited greatly in terms of social and environmental wellbeing factors, they have also reaped the rewards of engagement with the network in personal and economic terms. Improved agency, self-esteem and support for their physical and mental health has come from the social and relational engagement with the network, and development of their own knowledge and skills, and associated improvements to the sustainability, efficiency and innovation of their farming practices are also notable benefits revealed by the SROI. Such impacts reflect not only the reach, but the depth and breadth of the open farm network. This has been underpinned by its close relationship with the LAG and its management, which has brought together stakeholders; generated resources and organised joint learning together; managed conflicts; and provided resources for small scale investments necessary for farmers to both join and capitalise on the social and economic opportunities of the network – in turn growing and sustaining a significant base of knowledge and social capital in the area.





**Table: Hungary Evaluative SROI Impact Map** (Social Innovation: Zala Valley Open Farm network)

Impact Pathway	Outcome	Stakeholders (No.)	Indicator/s of Change	Outcome Change (%)	Financial proxy (Value €/Unit)	Present Value (€)	Present Value (%)
Personal Wellbeing	Improved self-realisation, pride, awareness and agency	Farmers (21); farm family members (68)	Agency, confidence and awareness scale (Composite)	78%	(10) Cost of leadership management training course (€ 432 per person)	€ 13,556	8%
	Improved physical and mental health	Farmers (21); farm family members (68); farm workers (24); local consumers (2,313)	Single item physical health measure	12%	(11) Cost of reduced health care to maintain good physical health (€ 135 per person p.a)	€ 41,963	
	Improved self-esteem and support for mental health	Farmers (21); farm family members (68)	Self-esteem scale	79%	(6) Cost of Cognitive behavioural therapy (CBT) to build psychological resilience and self esteem (€ 765 per person p.a)	€ 70,694	
Relational Wellbeing	Improved partnership working	Local organisations (63)	Collaboration / networking scale (Composite)	85%	(12) dfT estimation of business time savings (€ 2,339 per org p.a)	€ 164,616	10%
	Improved social wellbeing	Farm households (21)	Collaboration and networking scale	85%	(13) Average annual household spend on recreation and culture (€ 843 per household p.a)	€ 15,598	
	Increased respect and understanding of farmers in the community - farmer perspectives	Farmers (21); farm family members (68)	Respect and understanding measures	68%	(8) Valuation for improved emotional well-being arising through the Common Assessment Framework (€ 401 per person p.a)	€ 25,126	
	Increased respect and understanding of farmers in the community - community perspectives	Local consumers (2,313)	Respect and understanding measures	76%	(8) Valuation for improved emotional well-being arising through the Common Assessment Framework	€ 308,376	

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Case study: Zala Valley Open Farm network

Social and Community Wellbeing					(€ 401 per person p.a)		46%
	Improved sense of trust and belonging	Farmers (21); farm family members (68)	Community life and cooperation	96%	(4) Value to an individual (25-45) of feeling like they belong in their neighbourhood (CCP) (€ 1,243 per person p.a)	€ 110,067	
	Increased cultural values of the countryside, innovative products and experiences	Local consumers (2,313)	Conservation of cultural heritage scale	88%	(13) Average annual household spend on recreation and culture (€ 843 per household p.a)	€ 255,033	
	Improved lobbying power of network; influences on decision making platforms	Districts in Zala County (3)	Measure of network influence	80%	(14) Cost estimate for local authorities of implementing proposed duty to promote local democracy (€ 26,264 per district)	€ 22,485	
	Wider professional recognition of the network	Farmers (21)	Measure of knowledge exchange	81%	(15) Cost of a networking / training event and one hour of time devoted to networking at the average hourly earnings rate (€ 48 per person)	€ 6,762	
Environmental Wellbeing	Improved ecological quality of the local environment - farmer perspectives	Farms (21)	Ecological quality measure	70%	(16) Cost of agricultural consultant for advice on farm management (€ 902 per farm)	€ 4,748	24%
	Improved ecological quality of the local environment - community perspectives	Local consumers (2,313)	Ecological quality measure	76%	(17) Household Willingness to Pay (WTP) for biodiversity value of woodland (per ha of land managed) (€ 10,080 per household)	€ 60,120	
	Increased awareness of food, agriculture and environment	Local consumers (2,313)	Awareness of local food production issues scale (Composite)	89%	(18) Annual price difference of buying food from a farm shop compared to the supermarket (€ 349 per household p.a)	€ 314,679	
	Improved sustainability of farm practices	Farmers / farm businesses (21)	Farm sustainability measure	64%	(5) Value of increased and safeguarded sales for	€ 32,292	

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Case study: Zala Valley Open Farm network

Economic Wellbeing					agriculture and forestry through LEADER (AXIS 3) (€ 725 per farm)		12%	
	Development of niche markets and tourism provision	Farm businesses (21); local consumers (2,313)	Conservation of cultural heritage scale	88%	(19) Tourism value of heritage (€ 17 per household p.a)	€ 72,545		
	Diversification of farm income; increased financial stability	Farmers / Farm businesses (21)	Financial sustainability and diversification scale (with measure of reduced anxiety) (Composite)	60%	(5) Value of increased and safeguarded sales for agriculture and forestry through LEADER (AXIS 3) (€ 725 per farm)	€ 6,358		
	Improved knowledge and skills	Farmers (21); farm family members (68); farm workers (24)	Enhanced life and work skills scale (Composite)	67%	(9) Cost of employability skills training in regular sessions with counsellor / coach (€ 900 per person)	€ 75,324		
	Improved innovation and efficiency of farm businesses	Farmers / Farm businesses (21)	Farm efficiency improvement scale (Composite)	66%	(20) Utility bill savings through increased resource efficiency (€ 69 per farm business)	€ 6,990		
	Changes to legislation achieved	Farmers (21)	Measure of legislative and regulatory impact	63%	(21) Average size of a charitable donation in the UK (€ 227 per household p.a)	€ 6,063		
						<b>Total Benefits</b>	<b>€ 1,613,396</b>	<b>100%</b>
						Total Investment	€381,785	
						<b>Benefit-to-Investment Ratio (BIR)</b>	<b>€4.23: 1</b>	

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## 4 Implications for policy and farming support

### 4.1 The Challenge & Needs – What is the situation?

Identifying the key challenges and needs, we drew on the findings of the Journey of Change as well as the results of the pilot action and the relevant workshop of the 3rd European Thematic Meeting. For the sake of transparency, we have classified the challenges and needs into six logical groups:

Society:

- poor cooperation culture among farmers, isolated struggle for survival;
- weak social relationships and lack of trust;
- increasing frequency of allergic diseases due to dietary causes;
- weak health awareness, consumer ignorance, consumption of mass products;
- risk of local values being lost, such as traditional production methods;
- quality and healthy food, preserving traditions and natural values - are known, accepted and affordable to a limited audience.

Environment:

- low environmental awareness;
- underutilized or overexploited resources, uncultivated domains;
- in the case of Chamber-tour Association the most burning concrete need for farmers' cooperation was the significantly declining groundwater levels and desertification of the region.

Governance:

- low citizen involvement;
- institutions operating on the principle of authority and power - vulnerability and lack of trust towards institutions.

Economy:

- precarious farm income, economic uncertainty for small - scale farmers;
- small market (few solvent consumers).

Policy

- the added value of these or similar initiatives is not or hardly recognised in the national CAP implementation;
- future uncertainty of LEADER support / the existence of most of the network(s) depend on external funding;
- only few LEADER LAG has the knowledge and the capacity to undertake strategically thought-out, long-term territorial animation;
- support for multi-actor developments (cooperations) is difficult or not possible (at least in LEADER);
- the legal regulation on small-scale production and marketing is too complicated;
- lack of legal background for the sale of each other's products;
- lack of adequate advisory, mentoring or facilitation services.

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Essential local conditions for success:

- well defined shared goals, values, and vision;
- commonly set rules and roles – democratic and transparent procedures;
- transparent and good management/leadership;
- benchmarking;
- motivation - ownership – own issue;
- “give and take” approach;
- “friendly type” quality assurance system;
- respect and trust.

## 4.2 Support framework – What is needed?

During FARMWELL implementation, typically during the preparation of the SROI JOC and the implementation of the pilot action, participants have in many cases articulated how the network helps to address the problems summarized in the previous chapter. In response to the challenges listed under "society" and “environment”, the operation of such network is an effective tool as it activates and empowers the membership and the wider local community to act on their shared values such as preserving local traditions, raising awareness on healthy food consumption as well as environmental issues. It strengthens the culture of cooperation and thus reduces the isolation of the individual small scale businesses. As members stated, being part of a community builds self-confidence by showing that „others are not perfect either”. It was highlighted that sharing knowledge, problems, work, and resources reduces burdens. Sense of belonging to a community with shared values and goals improves quality of life.

Concerning the challenges listed under “governance” participants mentioned that a professionally credible and accepted network has stronger influence on professional issues than the individual members. Moreover, the vulnerability of individual farmers towards institutions is significantly reduced by discussing common questions and problems and through active formal and informal contacts. Concerning the economic challenges, as a result of the network activities, economy of scale and more effective marketing reduces the economic vulnerability of small-scale farms.

Professionally exciting environment, knowledge transfer, learning from external experts as well as from each-other „enables to think out of the box”, increases problem solving and creativity.

Zala Valley Open Farm network has achieved all that is listed in the previous chapter under “essential local conditions for success”.

## 4.3 Recommendations – What needs to be done to realise the support needed?

This chapter reflects on the challenges listed under “policy”. Since the LEADER LAG plays key role in the initiation and operation of the Zala Valley Open Farm network, part of the proposals relates to the implementation of the LEADER intervention.

**As for the implementation rules of LEADER or other rural development measure** providing the possibility and simple implementation procedures for collaborative developments would be essential for promoting cooperations. LEADER LAGs should not only be allowed but motivated (awards, financial incentives etc.) to finance their own, area-based initiatives and take active

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facilitation in order to increase their interest in initiating and implementing area based cooperative solutions.

In general, the simplification of processing rural development applications (administrative and time requirements) is a real need which was mentioned by many stakeholders.

**Capacity building and knowledge transfer** is essential for increasing local animation capacity and the number of LAGs or other local actors that are capable and willing to carry out effective animation and network building as well as better contribution to the growth of social capital. This can be encouraged by the National Rural Networks through organising knowledge transfer focusing on the animation role and skills of the local actors as well as other topics and issues arising at local level. Few examples were mentioned during the pilot action such as brand building, civic organisation business model development, facilitation and communication.

As for the knowledge transfer networks can learn from each other (similarly to Belgian learning network) by being encouraged to

- mentoring scientific issues,
- organise exchange visits, spending time together,
- apply digital tools– trainings,
- organise living labs,
- provide agro coach service (Belgium).

Adaptability and the widespread diffusion of these models can be promoted by

- encourage demonstrating activities,
- real stories from farmer to farmer – communication channels tailored to the target groups (e.g. podcast, best practices in an easily digestible form),
- the LEADER cooperation measure, which is a suitable tool, e.g. online intercultural conferences.

There is a need for improving efficiency of the national rural networks by different ways of knowledge transfer, e.g. “tea group” for NRNs on the subject.

Evaluators should apply methodologies like SROI for identifying and presenting intangible outcomes and results. These results should be better communicated at the local, national and EU level. To make such results visible at local/regional level, it is recommended to enable and encourage the use of such evaluation practices even at local level.

Further simplification of the national legislation on small-scale production and marketing by setting out only the principles in legislation, disseminate the details in clear guidance and advice.

Integrate the issue of collaborative methods, social entrepreneurship and quality of life into agricultural higher education and vocational training.

In the rural development policy making the use of collaborative problem-solving approaches and multi actor pilot programmes such as the Sandbanks target programme should be broadened. This includes providing resources, expertise (including facilitation and

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communication) and time to solve a certain problem with the involvement of the ones effected. Good communication and dissemination of the results is crucial.

### Farmer interview questions

**Q:** What are the main needs of farmers – in the context of the social innovation – that should be addressed through support?

**A:** Innovation needs to fit in with the current regulatory and financial environment, so it would be good if this environment (taxation, legal regulation, support opportunities etc.) would not change too often.

Other important message, which I think needs to be disseminated in Hungary, is that strength has a multiple meaning. When we talk about a strong person, a strong farmer, it means they do not ask for help, they do not speak about their problems and of course they would not speak about their problems publicly. There should be a change of mindset in this regard. Once we visited a pig farmer in Austria who spoke openly about his problems he faced during COVID as well as other difficult periods. He mentioned that he was offered professional mental health assistance paid by the state. We were so much touched by his openness that after the visit, at our dinner table we (12-14 network members) started to talk about our feelings under COVID and other crisis. To have a role model who shows strength in being open and honest about mental challenges, encourages people to think that being strong is not only hiding feelings and pretending strength when using the last energy to survive but being able to face with it. This meeting had a long lasting impact on us, we were still talking about it six months later. The Belgian “Farmers on a crossroad” initiative can be taken as an example; in this case the package of mental healthcare is embedded in a professional advisory service for agriculture. People wouldn't go directly to a psychologist or a coach to discuss mental issues and difficulties in running their farm, but if it is attached to a professional problem and someone is there who is able to reflect from the professional as well as the human side, it could make a difference. Our society is just not prepared to talk about mental problems or any kind of problem. This should somehow be changed.

Our Association applied for a short food supply chain project few years ago. The assessment process has taken so long that prices have changed significantly, and many people have lost motivation due to changing circumstances or have been forced to implement their plans on their own. Therefore, we could not implement the application.

Short supply chain is a good initiation, an innovation in Hungary, but its delivery is burdened with a number of difficulties. It should be handled as an innovation. Lots of flexibility is required if we want it to be successful.

**Q:** What do you think should happen to make similar support actions available to farmers/ social innovations a reality?

**A:** Small scale farmers are short of time. They do the farming, processing, packaging, they deliver, or go to the market, they do marketing and PR, they do the finances and so on. We should consider it when talking about social innovation. If people are willing to put energy into social action, there should be support to substitute their work, so farmers should not have to choose between earning income or contributing to social innovation. People are so





much under pressure of earning income that priorities for daily survival are stronger than long term priorities. A small subsidy for substitution would solve part of the problem.

**Q:** Who should be the organisation / funding or supporting it?

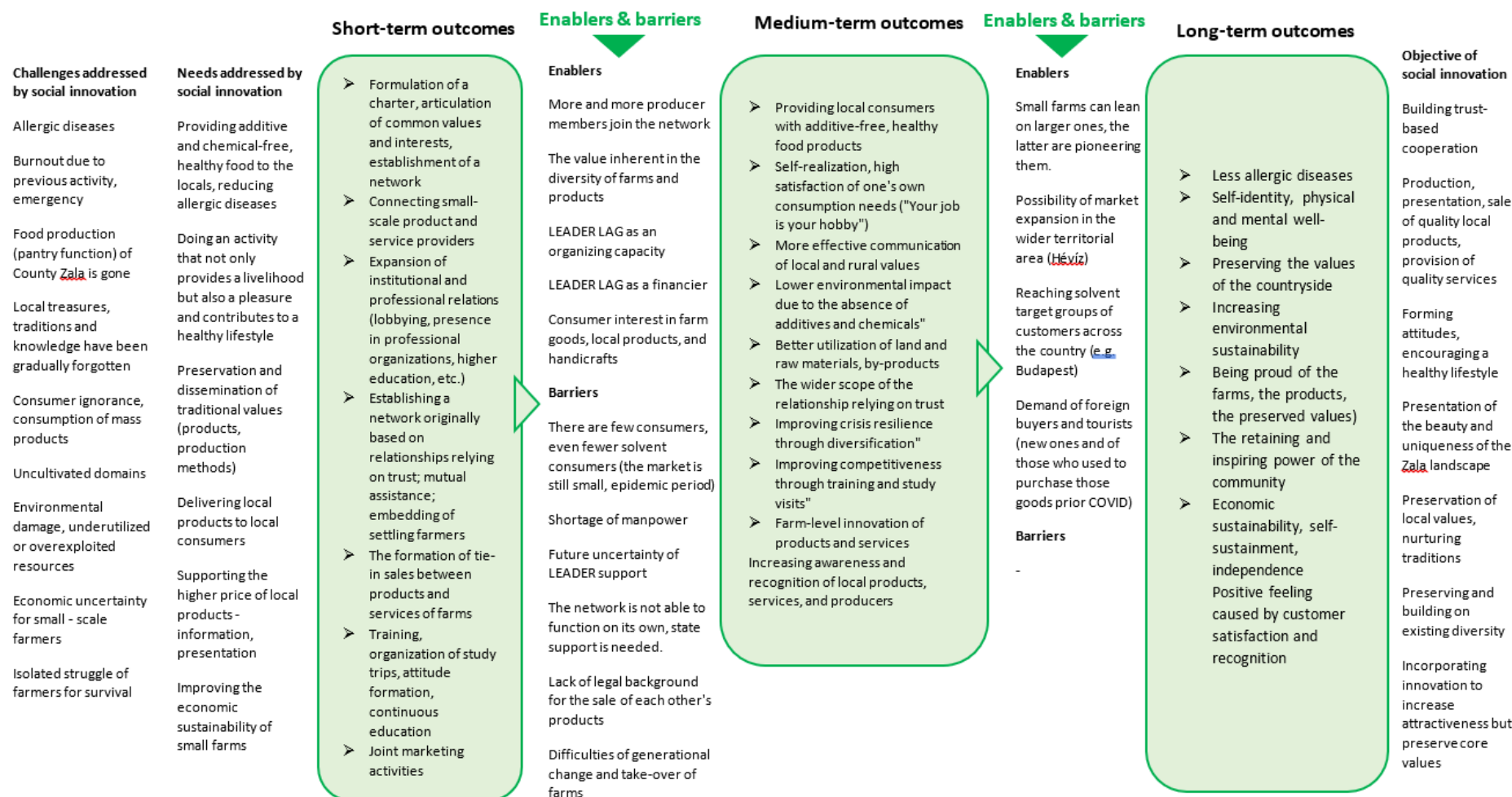
**A:** There are many suitable funding schemes already set under CAP (exchange programs, LEADER etc.) but almost all are too bureaucratic. Their administration requires way too much time than it should be necessary. For example, the study tour I mentioned... our association was the only one that claimed this grant and we have two persons, extremely competent in the administration of grants as well as payment claims and they have already spent hundreds of hours on the application and the payment claim and I don't think this scale of administration is really necessary. Because if it is required, many organisations and cooperations are excluded. We are lucky, we have these two people who have this expertise and offer their services pro bono, but many others have no such luck. On the other hand, I do not think it is fair to expect from our colleagues such input for free.

There are many individuals in the administration who are helpful, who assist you to solve your problem and believes that problems are there to be solved and not to be a reason for sanctioning. These people also struggle in the system. Somehow I feel that there is much good intention pushed in a strange box where these good intentions disappear and cannot spread because the system does not allow. The culture of the implementation system should be changed.





## Annex 1. Journey of Change - Zala Valley Open Farm network



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