



## (New, rural) business models, their mechanisms and impacts

| BM name   | Valorising food heritage and rural lifestyles   |
|---|---|
| Type  | Territorial development   |
| Sector  | Services, agriculture and food  |
| Organisational scale  | Individual/private/family business (mainly farms, but not only).  |
| Short description   | Valorising food heritage refers to the development of novel rural business activities on farms that put in value traditional local food culture: local food, food production practices, tools, traditional culture and rural lifestyles. The new activities can be connected with a range of tourism activities: participatory educational visits, catering, beauty and healthcare services, as well as accommodation and recreational activities.  |
| Mechanism   | The manifold linkages between farming, tourism and rural and territorial development are linked with a wide range of synergies. Some of the linkages are cross-sectoral. It is mainly these synergies (and sometimes the related cost savings) that make the single activities worthwhile or, in conventional terms, competitive.   |
| Innovativeness  | The innovations in this business model are less the products and services as such, but the <i>new</i> applications and the <i>new</i> combinations for traditional food and farming resources that create a market value for these resources.<br>The innovations in this business model are sometimes termed retro-innovations which might be misleading as these <i>new</i> applications and <i>new</i> combinations are demanded in contemporary society and future-oriented (rather than just traditional or retro).   |
| Value creation  | Value creation is mixed.<br>The business model is profit driven but with a smart use of local resources and a recognisable importance of social gains.  |
| Customers, product/service, revenue streams and main cost items | Customer(s): individual customers<br>Product(s)/service(s): typical local food products and tourism services on farms: participatory educational visits, catering, beauty and healthcare services, accommodation, recreational activities<br>Revenue stream(s): payments from individual customers for services and products<br>Main cost items: infrastructure, e.g. for processing and providing tourist services, and marketing.   |
| Societal impact   | Beneficial: <ul style="list-style-type: none"> <li>• Additional farm household and rural income</li> <li>• Increased recognition of farmers' role</li> <li>• Strengthened cultural identities in link to the food</li> <li>• Raised (local) awareness of the value of local food products and traditional (rural) lifestyles</li> </ul> Negative: <ul style="list-style-type: none"> <li>• The risk of prevalence of tourism business over local agricultural and food resources (e.g. replacement of farmer identities by businessman ones, loss of agricultural land for tourism activities, 'fictional' local food to satisfy tourists' demand)</li> </ul> |



|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Competition with other service providers for market shares is a possibility, but under certain circumstances the special offer might also lead to an overall increase in tourism.</li> </ul>  |
| <b>Rural-urban synergies</b>                                   | <p>Development of tourism offer in rural territories that increases tourism incomes, including from urban areas.</p> <p>Reconnecting urban consumers to rural food traditions and traditional lifestyles.</p>  |
| <b>Connections with labour market and employment effects</b>   | <p>The business model contributes to securing or creating rural, farm and farming related jobs. It provides a more positive image of rural life and new perspectives for young people and new entrants into the labour market.</p>   |
| <b>Enabling factors</b>  | <ul style="list-style-type: none"> <li>• Local knowledge</li> <li>• Existence of local (food) products and traditional (rural) lifestyles</li> <li>• People who recognise the value of these and can mobilise others</li> <li>• Networking and cooperation among business operators</li> <li>• Digital marketing</li> </ul>  |
| <b>Limiting factors</b>  | <ul style="list-style-type: none"> <li>• Limited entrepreneurial and business management skills</li> <li>• Regulatory and fiscal regimes that are sometimes less favourable for SMEs. This in turn is sometimes compensated through supportive public programs and funding (e.g. for rural diversification).</li> <li>• Time constraints to co-manage farming and tourism activities, especially those that demand direct contact with customers</li> </ul>  |
| <b>Key partners and actors directly involved</b>               | <p>Individual businesses: primarily farms, but can also be cultural institutions like a museum or cultural centre</p>  |
| <b>Role of (local) government</b>                              | <p>(Local) government can provide support as a facilitator and in providing financial support with initial investments. But this support is often not critical to the success of the business model.</p>   |
| <b>Connections with the institutional / policy environment</b> | <p>EU and national food hygiene regulations when food production and catering activities are involved.</p> <p>National rural development support programmes for diversification of rural economy might be relevant.</p>  |
| <b>Internal/network governance arrangements</b>                | <p>Typically, businesses are developed individually.</p> <p>Many of these businesses are members or a rural tourism association that provides networking, training, information services. However, direct networking or cooperation among businesses themselves tends to be insignificant.</p> <p>Sometimes there are shared online marketing platforms to promote these businesses or rural (tourism) associations where businesses are clustered around gastronomic, rural or on-farm tourism.</p> <p>Tourism routes developed by tourism organisations is another way of connecting these businesses (and other territorial tourism resources and sites).</p> |
| <b>A typical example</b>                                       | <p>Examples of farms valorising food heritage in their business model:<br/> <a href="http://www.indani.lv/content.php?id=sakums">http://www.indani.lv/content.php?id=sakums</a>,<br/> <a href="http://kangari.lv/">http://kangari.lv/</a> ,<br/> <a href="https://www.dieninas.lv/">https://www.dieninas.lv/</a> .</p> <p>Several tourism farms in Latvia have received a cultural label ‘<a href="#">Latvian heritage</a>’ aimed for supporting businesses and initiatives that preserve and promote Latvian cultural and lifestyle heritage.</p>   |



|                      |  |
|----------------------|--|
| <b>BM references</b> | <i>European Countryside</i> , Volume 5: Issue 4 (Dec 2013): Farm Tourism across Europe, Issue Editors: Irma Potočnik-Slavič, Serge Schmitz. Available at : <a href="https://content.sciendo.com/view/journals/euco/5/4/euco.5.issue-4.xml">https://content.sciendo.com/view/journals/euco/5/4/euco.5.issue-4.xml</a> |
| <b>Name</b>          | Sandra Šūmane <sandra.sumane@gmail.com>  |
| <b>Date</b>          | 29-Jun-2020  |



ROBUST receives funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 727988.

The content of this publication does not reflect the official opinion of the European Union. Responsibility for the information and views expressed therein lies entirely with the author(s).