

Business case ID Card

Title: Multifunctional agriculture - Värpinge

Name of the company: Värpinge Golfbana och Gårdsbutik

Country: Sweden

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Background

Värpinge Golf Course and Farm Shop is located in western Lund, Skåne in Southern Sweden. The farmland dates to 1910 (grandfather), but ownership was acquired in 1992. There were a lot of thoughts around sustainability and ecosystem, and based on that, Per Håkan Rasmusson, the owner of the company, started his activity designing a golf course. He was familiar with the business since he had enough experience working on other farms. However, knowledge from university studies such as Agricultural and Rural Management, Club Management, Soil Science, and Turf-Science for Golfers also facilitated his career.

Before long, walnut trees, stone piles, and watersheds were introduced to create wildlife habitats, and new species appeared on the land. The land provides resources such as grass for the sheep and the golf players which means that the grass is fertilized by the sheep and the sheep eats the grass. Therefore, the sheep grazing omits the need for lawnmowers on the golf course and creates the conditions for improved habitat for both flora and fauna compared to machine cutting.

Today, the supplier of an organic golf experience with the aim of redefining and expanding the definition of the crop, grows over 200 varieties of crops including heirloom grains with a mill. In addition, the company manages a **CSA (community-supported agriculture)** with a box scheme, runs a farm shop, sells sheep meat, and produces honey. Besides, they carry out social integration projects and have farm-based biochar production for CO2 sequestration. In other words, multifunctionality has been the main objective of the company in which they use existing infrastructure for multiple purposes to be more efficient and add value to the products and services while reducing carbon footprint as much as possible.

Main activities

The company follows the CSA model in its farming system and translates it as "local participatory agriculture". CSA is new in Sweden and in general, is an alternative socio-economic model of agriculture and food distribution that connects the producers and consumers allowing the latter to share the harvest of a farm or group of farms. In other words, in a CSA constellation, the consumer is connected more



closely with the company as breeders and creates good conditions for a close and constructive conversation. This system allows producers and consumers to share agricultural risks as well. On the one hand, the consumer/member can influence what grows and pays for things like transparency and environmental oversight, and on the other hand, financial security is created for the company as a producer.

The company also uses the golf course infrastructure for new products, for example, planting walnuts, apple trees, asparagus, and rhubarb. And in addition to greenhouses that provide buildings for vegetable production, there is also a parking lot near the club that also serves as a farmer's shop.

Håkan's wife and a co-worker work full-time at peak hours. In addition, the company has trainees, mostly students with garden qualifications, who come in the harvest time (of course, depending on the workloads, Håkan sometimes hires seasonally and hourly workers). Besides, as a host (based on WWOOF; Worldwide Opportunity of Organic Farms) the owner welcomes farmers and people that need structure in life to be able to continue into work after being on the farm.

Market

There are several branches of the company that is organised in different business structures such as social enterprise, smallholding, and CSA. In the CSA model, consumers pre-order and pre-pay organic vegetable boxes delivered to a delivery point (for the 2021 season, the company has decided to take orders/payment for each delivery instead of pre-payment for the entire season). The owner also considers the golfers as an interesting variation of CSA and argues that it has made the company dynamic and with mutual communication. According to Håkan, the company makes most of its profit from the golf course and has been making revenue since the golf course opened.

A computer with excellent internet access and communication through mobile phones have facilitated the relationship between the company and its customers. Moreover, Facebook is a very important medium even though the direct meeting is preferred. Furthermore, convenient roads for transportation and access to the city by public transport allow customers to reach the farm by bus or bicycle from Lund, as the farm is located in a peri-urban area. Signs on the road communicate directly with the public as well. As the owner says, customers are coming to the company step by step since they enjoy playing on pesticide-free courses that are so close to the Lund.

It has been important for the company to continuously redefines and develops its product portfolio. Therefore, apart from neighbors, local golfers, and the local public who are aware of organic products, constant dialogue with and get feedback from innovative inspirators (the persons in Lund who advise Håkan) have enabled the company to operate mainly in the local market. An important tool to create the market has been the storytelling: talking about the versatility of the farm and explaining the ecosystem approach to interested consumers has been an important way for Håkan to attract new customers.



On his farm, Håkan uses old-style cultivators and combines, and the latter enables him to produce his own seeds. If consumers or other farmers want to grow what he does, he provides them with seeds so that they can sow and reproduce them themselves.

An additional product in the portfolio is selling off the surplus wind energy. Overall, multifunctional activities are providing a good turnover (for instance, 2.5 to 3 million Swedish Kronor in 2018) for the company.

Challenges and solutions

There are different certifications and control processes for each product type. However, there are no regulatory rules or government support whatsoever facilitating multifunctionality. According to the owner, he has always had many questions from different people and argues that he has been inspired by them to solve the challenges and develop his business. For example, when he got into the bakery business, he tried to see how someone else did it. He adds: *“once I see and understand how others do it, I start and develop it to reach a unique position in the market. I have used this philosophy in all key activities”*.

Funding

The company has invested between 3 to 5 million Swedish Kronor in the first year and invests half a million annually. Apart from that, Håkan has got a project funded by Leader (CAP) in 2013-2014, and the agricultural part of the farm receives EU funding as well.

There are other investments as well, such as marketing, advertising, and customer relations. However, money has been a bit obsolete in Håkan's point of view, and according to him, investing in time, effort, and passion is more important than money.

What makes this case innovative?

The key to the success of the company is in its multifunctionality. The interest in consumption of locally produced organic food, picking up old traditions of using sheep grazing, the large varieties of vegetables grown on the farm, as well as offering work to socially challenged persons that need something useful to do in order to get stability in life, have been critical for the company's viability. The golf course part has been successful in spite of the fact that there are 18 other golf courses nearby (none of these are, however, pesticide-free).

The company's modified CSA (as Håkan calls it), as well as selling vegetables and heirloom grains in Lund have helped Håkan to follow what he interprets as the “Blue Ocean Strategy”. He emphasizes that simultaneous updating and adding unique activities to open up new market space to create new demand has made competition irrelevant for his company. With this intention, he believes that no one can surpass



his company in the future and says: *“competitors may see my company as a competitor since I offer what they do not do, however, I see no one against myself”*.

Key takeaways / Lessons learnt

The business is continually developing and changing to use resources more efficiently and strengthen sustainability from ecological and social aspects. The CSA model has created a direct consumer contact and replaced the middlemen. Therefore, consumers take an active part in food production and learn about agriculture as well.

As the owner says, although he had learned this trade by himself, he was a little slow doing this and believes that he could have been faster if he had gone to the bank. However, the company works hard to increase interest in sustainable food production and ensure the growth of local farmers in the future. As stated by Håkan, the food production has the potential to expand if the demand increases. He has recently started a farm bakery and aims to develop the food production with one more mill to produce both fine and course flour from the farm-grown cereals in five to ten years. Connecting people even closer to the farm, as well as diversifying the crops to avoid the extinction of rare types of cereals with special nutritional properties, are the other future goals that he mentions. Besides, new kitchen facilities will be built for increased volumes of honey, jam, mustard, etc.

Furthermore, since the company is building up its public profile as a sustainable business, they are interested in attracting more consumers and golfers, and as the owner notes, the golf might be used as a rehabilitation tool as it has so positive physical and mental effects. Along with those, there are also evolving projects with school children and students, new Swedes learning Swedish, and more.

Although Håkan is now 61 years old and wants to pass this business on to the next generation, he will never give up his work philosophy of increasing social responsibility, as he says. According to him, if other golf courses/farms want to replicate this concept, it would be interesting to provide services as a consultant.

Impact

The company has made an economic impact in the region through employee salaries and the local circular economy. Providing jobs for socially exposed people, CSA social networking as well as golf, which is good for health, is very valuable for individuals and customers. Apart from those, the replacement of fossil fuel by sheep grazing results in more diverse flora and fauna. In fact, this promotes the survival of a rich fauna with a balance of beneficial insects and pests. Organic production also excludes pesticide use as well.

