FARM' IN

INCLUSION THROUGH
SOCIAL FARMING

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Chapter 2 – Business Models and Social Farming

Detailed presentation based on theoretical and applied tools.

Social farming, in order to achieve its dual objective — economic functionality and social impact — requires financial sustainability and strategic utilization of available resources. This can be achieved through two key pillars:

- *Access to diverse sources of funding.*
- *Diversification of income and activities in order to reduce dependency on a single revenue stream.*

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What is a Business Model?

It addresses the questions of value, target, distribution, and revenue:

- What do I offer? **(Value)**
- To whom? **(Customer Segment)**
- Through which channels? **(Channels)**
- How do I generate revenue? **(Revenue)**

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Business Model Canvas – Social Farming

Example application of the 9 fields:

- **Value Proposition:** Local organic products + social inclusion
- **Customer Segments:** Municipalities, schools, families
- **Channels:** Farmers’ markets, e-shop, events
- **Customer Relations:** Community engagement, partnerships
- **Revenue Streams:** Sales, donations, grants
- **Key Activities:** Cultivation, education, tourism
- **Key Resources:** Land, staff, volunteers
- **Key Partners:** Local authorities, social cooperatives, NGOs
- **Cost Structure:** Operating expenses, salaries, promotion

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Sustainability and Hybrid Model

- The modern model of social farming is hybrid: it combines a social mission with a business-oriented approach.
- It does not rely solely on subsidies.
- It is not exclusively profit-driven.

➡️ The goal is autonomy through social entrepreneurship.

📌 **Hybrid Sustainability Model:**

- Revenue from products + social services
- Partnerships with municipalities for funding/facilities
- Promotion in local markets with a social message
- Community engagement through activities

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Financial Management Tools

- Financial management in a social enterprise, requires tools that combine accounting accuracy with social accountability.

🧾 **Tools:**

- *Operating budget (cost per activity)*
- *Cost per beneficiary (for reporting & evaluation)*
- *Annual report (including both social and financial data)*
- *Cash flow planning (weekly / monthly)*
- *Use of CRM or Excel / small business software*

📌 A social initiative without a solid financial structure will struggle to convince stakeholders or to survive.

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Evaluation: SROI, SWOT, AHP

- Combined evaluation of social and economic impact:
- **SROI** – Social Return on Investment
- **SWOT** – Strengths, Weaknesses, Opportunities, Threats
- **AHP** – Analytic Hierarchy Process for criteria-based decision-making

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SROI – Social Return on Investment

What is SROI?

- A method to measure and account for broader social, environmental, and economic value.
- Goes beyond financial returns, focusing on outcomes for beneficiaries and society.
- Expressed as a ratio (e.g., 1:3 → every €1 invested generates €3 of social value).

Key Steps in SROI Analysis:

1. Identify stakeholders.
2. Map inputs, outputs, and outcomes.
3. Assign monetary values to outcomes.
4. Adjust for deadweight, attribution, displacement.
5. Calculate the SROI ratio.
6. Report and use findings for improvement.

Example (Social Farming Enterprise):

- Inputs: €50,000 funding for training and farm activities.
- Outcomes: 10 vulnerable people employed, improved community well-being, organic farming benefits.
- Calculated social value: €150,000.
- SROI ratio = 1:3 (for every €1 invested, €3 created).

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SWOT Analysis – Social Farming1/2

What is SWOT?

- A strategic analysis tool that helps an organization or enterprise evaluate its internal situation and external environment.
- Focuses on 4 dimensions:
  - **Strengths:** Internal advantages that create value or competitive edge.
  - **Weaknesses:** Internal limitations that reduce effectiveness.
  - **Opportunities:** External factors that can be leveraged for growth.
  - **Threats:** External risks that could harm the enterprise.

Why is it useful?

- Provides a complete picture of the position of an enterprise.
- Supports strategic planning and informed decision-making.
- Connects internal aspects (strengths/weaknesses) with external perspectives (opportunities/threats).

Key Steps in SWOT Analysis

- Gather information about the enterprise and its environment.
- Identify Strengths and Weaknesses (internal factors).
- Identify Opportunities and Threats (external factors).
- Combine findings to define strategies.

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SWOT Analysis – Social Farming 2/2

Example (Social Farming Enterprise):

- **Strengths:** Strong community support, diversified activities (farming + education + agri-tourism).
- **Weaknesses:** Dependence on grants, seasonality of production.
- **Opportunities:** Growing interest in agri-tourism, availability of EU and national funding programs.
- **Threats:** Climate change, economic uncertainty, competition from larger enterprises.

📌 SWOT helps social farm managers to develop strategies that:

- Build on strengths.
- Minimize weaknesses.
- Exploit opportunities.
- Counteract threats.

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AHP – Analytic Hierarchy Process

What is AHP?

- A structured decision-making tool for prioritizing alternatives with multiple criteria.
- Developed by Thomas Saaty, based on pairwise comparisons and consistency checks.
- Widely used in project evaluation, resource allocation, and stakeholder decision-making.

Key Steps in AHP:

1. Define the goal (e.g., choosing the best diversification strategy).
2. Structure the hierarchy (Goal → Criteria → Alternatives).
3. Conduct pairwise comparisons of criteria and alternatives.
4. Calculate weights and consistency ratio.
5. Select the alternative with the highest weighted score.

Example (Choosing Diversification Strategy):

- Goal: Best option for a social farm.
- Criteria: Profitability, Social Impact, Sustainability, Feasibility.
- Alternatives: Agrotourism, Direct Sales, Educational Programs.
- Pairwise comparisons show Agrotourism scores highest (financial returns + community engagement).

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Statistics – EU & Social Farming

Indicators highlighting trends at the European level:

- 1.3% contribution of agriculture to GDP (2024)
- €234 billion gross agricultural value (EU)
- Decline in the number of farms, increase in productivity
- 29–33% of agricultural holdings owned by women

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Drivers & Barriers in Social Farming

Drivers and barriers affecting implementation:

- ✓ **Drivers:** Funding, environmental awareness, social policy
- ✓ **Barriers:** Infrastructure, training, legal gaps

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Accessing Funding

Why is securing funding critical?

A social farming enterprise often:

- Undertakes social work without immediate financial return.
- Needs to invest in training, infrastructure, and human resources.
- Faces liquidity constraints (e.g., delayed sales, seasonal production).
- For these reasons, it is essential to have funding sources that do not rely solely on the market.

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Practical Funding Sources:

- **Regional Programs – e.g., LEADER**
  Local development programs that support:
  - ❑ Creation of social enterprises in rural areas.
  - ❑ Investments in agricultural infrastructure with social impact.
  - ❑ Development of local partnerships (e.g., farms, tourism, education).
    Often implemented through Local Action Groups (LAGs), offering flexibility and in-depth understanding of each region's needs.
- **National Social Economy Programs**
  E.g., funded by Ministries, Regions, or Operational Programs (such as EPAnEK in Greece):

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Practical Funding Sources:

- ❑ Support for Social Cooperative Enterprises (KOINSEP).
- ❑ Programs for integrating vulnerable groups into employment.
- ❑ Funding for fixed assets, operating expenses, or payroll.

- **European Programs – Erasmus+, EaSI, Interreg, etc.**
- **Erasmus+:** Funding for educational and social initiatives, such as youth exchanges, beneficiary training, and empowerment of target groups.
- **EaSI (Programme for Employment and Social Innovation):** Support for social enterprises through microfinance and social innovation initiatives.
- **Interreg:** Cross-border cooperation for sustainable development — ideal for social farms in border regions.

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What is LEADER?

LEADER (Liaison Entre Actions de Développement de l'Économie Rurale) is a European approach to local rural development with the following characteristics:

- **Participatory (bottom-up):** Local communities decide on their own needs.
- **Flexible:** Adapted to the specific characteristics of each area.
- **Collaborative:** Involving municipalities, NGOs, social cooperatives, and local producers.
- **Innovative:** Funds pilot projects of social, environmental, and economic value.

📌 Implemented through **Local Action Groups (LAGs)**.

- **Funding – Where does it come from?**
- **EAFRD – European Agricultural Fund for Rural Development**
- Through Greece's **Rural Development Programme (RDP)**
- Specifically under **Measure 19: Support for local development via LEADER (CLLD)**

Who can apply?

- Social Cooperative Enterprises (SCEs)
- Non-Governmental Organisations (NGOs)
- Local Authorities (Municipalities)
- Agricultural & development cooperatives
- Small and Medium-sized Enterprises (SMEs)
- Cultural/Environmental Associations

What does LEADER fund?

- Creation or upgrading of infrastructure in social farms
- Equipment, training programmes, and social services
- Networking among stakeholders for local partnerships
- Promotion of sustainable and inclusive rural development

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What is the LEADER tool?

LEADER and Social Farming – An Ideal Combination

LEADER is an ideal support tool for social farms because it:

- Funds small-scale, local interventions
- Emphasises social inclusion and the employment of vulnerable groups
- Strengthens collaborative and cross-sector partnerships
- Promotes green and sustainable practices

How to Get Started

- Contact the Local Action Group (LAG) in your area
- Get informed about the open calls for proposals
- Receive support in drafting your proposal
- Submit your application online via **OPSAA** (Integrated Information System for Agricultural Development)
- If approved, begin implementing your project

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Where can someone apply in Achaia/Greece for the LEADER programme?

In the Achaia region, the LEADER programme is implemented by:

🏢 **ACHAIA – Development S.A. of Local Authorities**
(Development Company of Local Government Organisations)

📍 **Head Office:** Aratou 20 & Ag. Dionysiou, Patras
📞 **Telephone:** +30 2610 622730
📧 **Email:** info@achaiasa.gr
🌐 **Website:** www.achaiasa.gr

📌 **What ACHAIA S.A. provides:**

- Information on current LEADER calls for proposals
- Support in preparing application dossiers
- Technical assistance for Social Cooperative Enterprises (SCEs), municipalities, NGOs, and farmers
- Investment support in:
  - Social and cultural infrastructure
  - Environmental and agrotourism projects
  - Innovative social farming initiatives

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Where can someone apply in Achaia for the LEADER programme?

- **Management of European Programmes – Patras**
  (Management of European Programmes of Western Greece)
- It is the main development agency supporting investments and implementing European projects (ESPA, LEADER, INTERREG, Erasmus+, etc.) for:
- Small and Medium-sized Enterprises (SMEs)
- Social Cooperative Enterprises (SCEs)
- NGOs, municipalities, associations, and agricultural organisations

🏢 **Contact Details:**
📍 **Address:** Othonos Amalias 24, 2nd floor, 26223, Patras
📞 **Telephone:** +30 2610 622714 / +30 2610 623123
📧 **Email:** info@diachiristiki.gr
🌐 **Website:** www.diachiristiki.gr

📌 **Services Provided:**

- Information and consulting on funded programmes (ESPA, LEADER, CLLD, etc.)
- Drafting and submission of proposals
- Project management and monitoring
- Specialised support for innovative social initiatives (such as social farming)

🧩 **Combination with LEADER:**
Management of European Programmes works in cooperation or complementarily with Local Action Groups (e.g., ACHAIA S.A.), especially in the case of multi-sector or inter-territorial projects.

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What is EPANEK?

🔷 **EPANEK = Operational Programme Competitiveness, Entrepreneurship & Innovation**

- It is one of the sectoral operational programmes of the NSRF (National Strategic Reference Framework - Greece's National Development Plan).
- Funded by the European Regional Development Fund (ERDF).
- Focuses on strengthening entrepreneurship, innovation, and sustainable development.

🎯 **Objective**

- To improve the competitiveness of Greek enterprises, enhance innovation, and promote the transition to a sustainable, green economy.

🧩 **Areas of Intervention**

💡 Research – Development – Innovation
🏭 Small and Medium-sized Enterprises (SMEs) – support and establishment
🌱 Green economy and circular development
🌍 Business extroversion and internationalization
🧑‍🤝‍🧑 Social economy & social enterprises

💶 **What does it finance?**

- Investment projects for new units or expansion
- Equipment procurement
- Digital upgrading
- Energy efficiency improvement actions
- Hiring and training of personnel
- Promotion and marketing
- Innovative and green products/services

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🏡 Connection with Social Farming

EPANEK is complementary to LEADER because it:

- Supports innovative business ideas in both agricultural and social contexts
- Provides larger funding amounts than LEADER
- Is not limited to rural areas

🎯 **Ideal for social enterprises that want to:**

- Develop a processing unit for agricultural products
- Create a social farm with a visitor-friendly character
- Promote agrotourism with a social dimension

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What does successful inclusion in programs require?

- Solid understanding of funding tools and calls for proposals.
- Clear social and environmental objectives.
- Ability to draft comprehensive proposals and manage projects.
- Collaboration with organizations experienced in funding applications and project management.

Tips:

- Seek partnerships with municipalities, NGOs, or universities that can act as project partners.
- Monitor information platforms (e.g., NSRF, europa.eu, social structures).
- Create a timeline for application submissions — many programs have fixed cycles.

Diversifying Income Sources

Why is a single revenue source not enough?

A social farming enterprise faces:

- Uncertainty (weather conditions, changes in demand).
- Periodic needs (seasons, harvests, program breaks).
- Unforeseen costs (equipment breakdowns, increases in raw material prices).
- Relying on a single income stream (e.g., only subsidies or only sales) makes the enterprise vulnerable.

What does diversification mean?

- The development of multiple, complementary activities that generate revenue and make full use of the farm’s resources.

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Indicative Ways to Diversify:

Agri-tourism
Connecting agriculture, hospitality, and experiential activities:

- Visits by schools, tourists, or families.
- Workshops on traditional cooking, natural farming, recycling.
- Creation of guesthouses or hospitality facilities.
- Harvest festivals and community events.
  Generates income while enhancing the farm's visibility.

Direct Marketing
Selling without intermediaries: at farmers' markets, local grocery stores, cooperative shops.

- Development of an e-shop or subscription services (e.g., weekly produce baskets).
- "Pick your own" activities where visitors harvest and pay directly.
  Increases social interaction with consumers and profit margins.

Social Programs & Services

- Providing educational programs for schools and vulnerable groups.
- Collaborations with municipalities for counseling, integration, and training.
- Organizing activities for people with disabilities, the elderly, or migrants.
- These services are often eligible for funding while strengthening the enterprise's social mission.

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Income Diversification

Sustainability is achieved through multiple income streams, including:

- **Agricultural production:** sale of products.
- **Services:** e.g., social support, educational programs.
- **Agri-tourism:** accommodation, guided tours, experiential activities.
- **Funding / donations:** institutional or individual.
- **Sale of social value:** CSR partnerships, “social products.”

📊 **Example of Revenues:**

📌 The more diversified the model, the less vulnerable it is to disruptions in income streams.

Source	Revenue Percentage	Features
Vegetable sales	40%	Steady stream from the local market
Educational programs	25%	With schools and institutions
LEADER Subsidy	20%	Infrastructure Development
Donations / fundraising	15%	Community campaigns

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International Trends in Social Farming

Comparative analysis:

- **Netherlands:** Network of over 1,200 social farms, strong institutional support.
- **Ireland:** *Kerry Social Farming* – collaboration model with local services.
- **Italy:** Social farming legislated since 2015, combining agri-tourism and education.

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Best Practices & European Framework

Approaches from countries with successful models:

- **Netherlands:** Cooperative agriculture
- **Italy:** Social farming with a legal framework
- **Ireland, Belgium:** FarmElder, CSA, CISOMA

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Example of an Integrated Model

A social farm:

- ✓ Produces and sells organic vegetables.
- ✓ Hosts schools and tourists (agri-tourism).
- ✓ Trains individuals with intellectual disabilities and integrates them into agriculture.
- ✓ Collaborates with NGOs and receives funding through LEADER and Erasmus+.
- ✓ This model ensures sustainability, social impact, and the full utilization of the farm’s space, people, and vision.

Case Study – Social Farm in Greece

Example of a sustainable hybrid model:

- Produces organic vegetables and olive oil
- Organizes educational programs for students
- Collaborates with NGOs to integrate vulnerable groups
- Funded through LEADER and Erasmus+

Social Farm Implementation Guide

From idea to reality:

- Research local needs and opportunities
- Develop a Business Model Canvas
- Identify and secure funding
- Establish strategic partnerships
- Train staff and beneficiaries
- Pilot implementation and evaluation
- Scale up and improve

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Conclusions

A successful social farm does not "live" on subsidies, but survives and grows through:

- Strategic thinking
- Balancing financial and social objectives
- A network of partnerships for resources and revenue
- Continuous adaptation of its economic model

💭 Social farming needs "heart," but also "costing" to endure.

The financial stability and resilience of a social farming enterprise depend on two key factors:

- Active access to a variety of funding tools, supported by preparation, strategy, and partnerships.
- Creative diversification of revenue sources, transforming the farm into a multifunctional social and business hub.
- Linking these factors to the business model (as reflected in the BMC) is essential for transforming a good idea into a sustainable social enterprise with meaningful impact.

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