



**Council of the Baltic Sea States Expert Group on Sustainable Development, CBSS-Baltic 21**

**Funding activities and projects in cooperation with civil society actors in Belarus and in Russian Federation**

In cooperation with the Swedish Ministry for the Environment

**Project title: Formation of new local food markets**

**Project acronym: FOOD**

## **Case studies of the best practice examples from Lithuania, Belarus and Kaliningrad district (Russia) of local food market formation**

### **1. Case study “Cheese-makers house” (LT)**

*Who was the main initiator to create the local food market?*

The author and originator of the idea is Valdas Kavaliauskas, who decided to move from Vilnius to Darguziai Village to raise goats and to produce goat cheeses. He was looking forward to collaboration with supporters of the idea that would strengthen cooperation ties between the rural and urban population and would offer outstanding dairy products to urban citizens. Valdas Kavaliauskas and other cheese producers who joined this activity founded Viva Sol, an association to address relations between producers and consumers and between urban and rural areas. They decided to set up a Cheese Farm Market in one of the cafés of the capital city and a Cheese House in Darguziai Village. The main objective of VivaSol is to improve liveliness through rural areas. With this aim in view, the association assists the survival and establishment of small farms by inviting urban citizens to come to the village and to join the activities organised in rural areas, their festivals and farm work. Furthermore, rural people are encouraged to visit the city, to learn about the city life, the activities of urban people and to understand what people distanced from the natural environment think. All that establishes have a close link between rural and urban areas. Different tools used in pursuance of this objective include various events in rural settings, lectures, discussions, and farmers' meetings with urban consumers when they sell their products in the urban environment.



The underlying concept of the association, which has already become a propelling slogan, is May the Rural Areas be Alive! The members of the association describe their philosophy in five key words:

- Relationship between the consumer (an urban citizen) and producer/grower (a rural citizen).
- Solidarity between all members of the association and supporters of the association members' ideas.
- Certainty and stability, i.e. the consumer should know at all times how and where to obtain a real home grown and handmade product.
- Trust among consumers and producers. The members of the association believe that it is highly important for the producer to know the consumer and vice versa as this gives birth to something highly important, which is trust.
- And therefore the association is always ready to talk about its activities.

Association Viva Sol has 11 members, including 5 farmers and 6 end consumers. There are 7 women and 4 men. Furthermore, the activities of the association involve 8 other farmers and 400 consumers.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

The need for high quality and delicious food, which the initiators of the good practice would not have been able to satisfy if they lived in the city and participated in the conventional food system, was one of the most important factors that led to their decision to create a market of local food, to move to the countryside and to turn to farming. On top of that, the initiators put forward another important factor - the urge to be close to the nature and to enjoy the feeling of freedom. Such needs can be effectively met by the pattern of their life in the countryside where they practise small farming. Valdas Kavaliauskas, the initiator and pioneer of cheese-makers' activities, says that his participation in Darguziai Village community action and his experience to a certain degree empowered him, acted as a driving force, and encouraged him to develop his activities and to bring like-minded people together. Other two important aspects are changes in the needs of Lithuanian food consumers and foreign experience. They strengthened confidence that such pattern of relationship between the producers and the consumers may exist. For ten years the originator of the

initiative Valdas Kavaliauskas would come to his farmhouse at weekends only and almost six years ago he moved permanently. Currently the family farm has 15 goats, two milking cows, and 15 ha of pastures. The farm does not use any machines. The man, who considers himself as a cheese-maker and a citizen of Darguziai Village, used to live and work on a farm in Normandy, North France for three years, where he learnt the secrets of cheese-making. Then he worked for a large international company for several years. Over and above goat milking, cheese making and direct selling of cheese in his farm and the aforesaid farmers' market, in summer 2010 the cheese-maker, in cooperation with fellow people, opened a Cheese House on his farm. Here you can buy cheeses made by themselves, taste dishes made of local products, and get useful advice on places of interest in the neighbourhood. Moreover, the Cheese House organises celebrations of public holidays, community volunteering, open door days, discussions, encourages sharing of farming and life experience, and invites volunteers, who are willing to learn about the farming and cheese-making process.

The birth, development, and implementation of this idea were set in motion by a similar world-view of the participants and examples of comparable practices in other countries. Here the initiators of the idea relied on the French practice. You could say that the Lithuanians did not only bring home French cheese-making secrets but also adopted the idea of solidarity and openness. They long to see rural areas alive with their crafts, businesses, and agriculture. Moreover, the cheese-makers believe that rural viability highly depends on the relationship between rural and urban citizens. Association Viva Sol, which means "long live the earth" in French, was founded by both rural and urban people, who cherish similar values. Initially they were encouraging others to develop relationship between urban and rural citizens. Later, when they settled themselves in Darguziai and started producing and selling cheese, the cheese-makers became an example of such relations.

*Which target groups of producers and consumers were chosen for the local food market formation?*

The target group of producers includes small farmers, who work towards producing high quality and tasty food. The target group of the consumers embraces urban citizens who appreciate and look for high quality and tasty food.

The legal status of the producers is a small partnership *Sūrininkų namai Dargužiuose (Cheese House in Darguziai)*, the founders whereof are farmers: cheese-makers Rasa Ilinauskaitė and Valdas



Kavaliauskas. The activities of the small partnership include catering and retail of cheeses and other products of small producers.

The small partnership *Sūrininkų namai Dargužiuose* has quite a considerable number of partners that can be broken down into 3 groups:

- Small partnership *Sūrio ekspertai (Cheese Experts)* engaged in cheese wholesale and retail and organisation of events and tasting.
- Cooperative *Mūsų sūriai (Our Cheeses)*.
- Farmers cheese-makers.

The target group of users includes urban citizens, amounting to approximately 400.

*How the local food market functions? (please, describe the organizational construction and who coordinates the process).*

Two organisations were set up for the purpose of the local food market development: a small partnership *Sūrininkų namai Dargužiuose* which is a manufacturer, and an association *Viva Sol*, which seeks to establish relationship between the producers and the consumers and between urban and rural areas as well as to ensure the sales of the products. The main initiator of both organisations is the originator of the idea *Valdas Kavaliauskas*, who invited other like-minded persons to join the process.

The members of the small partnership *Sūrininkų namai Dargužiuose* describe their organisation as a live farm of farmers cheese-makers, which offers the following services:

1. sales of local food products. The shop of local products sells a large variety of cheeses, bread, cream, caramel and other delights produced by the cheese-makers.
2. catering: you can order different locally made dishes (e.g., a hot vegetable soup, a Cheese-maker's casserole, salad from home grown vegetables, home-made ice-cream for dessert and refreshing kvass, which is a drink made of bread).
3. other services provided by the Cheese House include:
  - cheese tasting;
  - demonstration of the fermented cheese manufacturing process to groups of visitors;
  - a sight-seeing tour around *Darguziai Village*;



- various voluntary work on the farm (e.g., goat herding and other farm work);
- accommodation services and participation in activities, outdoor sports (cycling, kayaking).

The main activities of the association Viva Sol include:

- promotion of the survival and establishment of small farms by inviting urban citizens to come to the village and to join the activities organised in rural areas, their festivals and farm work and
- encouraging rural citizens to visit the city, to learn about urban life and activities of urban population

Different tools used to implement the said activities include various events in rural settings, lectures and discussions, and farmers' meetings with urban consumers when they sell their products in the urban environment.

#### *How benefits producers and consumers involved in this local food market?*

The key benefit of participation in the development of the local product market derived by the producers involved in this good practice is the opportunity of independent life in rural areas by creating a model that does not require large investments or credits. The initiator of this activity says that while residing in town he had a choice of two alternatives: after taking a bank credit for the purchase of a house/flat he could either work without cease for forty years to repay the loan or tighten his belt. With reference to the benefits for the producers, Kavaliauskas further emphasises that people, who want to settle down in the countryside and to start their business, do not need to take credits to be comfortably off.

Another important benefit is the direct link between the producer and consumer. The producers advocate personal, social, and environmental responsibility. According to the originators of the initiative, they have such aspirations and they wish that there were more like-minded people and initiators of similar activities. They want small farmers and small craftsmen to establish themselves all over Lithuania. The initiators encourage small farmers and craftsmen to establish links with the consumers and seek expansion of such activities. They believe that the model of such development should focus on the emergence of new initiatives and farms rather than on business growth and development. Kavaliauskas says: "I don't have the objective of raising one thousand goats and

supplying food to large numbers of people. However I want that there were many people like me. That would give us some certain weight. And the model we develop is an increase in numbers rather than size”.

Regarding cheese production and direct selling of their products at the Cheese Market, the disseminators of the good practice emphasise the dominance of social aspects over economic ones. The financial gain is nothing more than a tool to live the life one chooses. Moreover, the idea of direct selling leans on the willingness to establish a relationship between the producer and consumer that does not exist in the conventional food system, to feel the linkage with the consumers and to enjoy moral satisfaction when it comes straight from the consumers' mouth that the cheese was mouthwatering. The farmers seek to develop a different understanding of their Cheese Market: they want it to be seen as a place where the farmers sell high quality products made by themselves. The producers make a point that from the marketing perspective their private label or trade mark is “me”, i.e. the farmer's face and eyes and his or her relations with the consumer. Currently, five informally cooperated cheese-makers are selling their products at the Cheese Market. As the group is small, there is no need for strict written rules or certificates: the farmers simply commit themselves to produce and sell high quality products. The farms are independent and the cooperation that facilitates their efforts takes place at the stage of sales: the farmers go to the market together and rotate at the counter. The cheese-makers insist that the key element in their relations is mutual trust, while the existing relationship of trust can only be maintained in a small group of people.

Consumers are also clearly benefiting from their participation in the development of this local food market. Firstly, they are offered a possibility to get high quality and tasty food made of local products, the quality whereof is guaranteed by the farmers who sell the products. Secondly, the consumers can directly communicate with the farmers who make those products and thus reinforce the relationship of trust. Thirdly, direct communication and other activities resulting therefrom can contribute to the implementation of other goals and objectives, e.g. the consumers can volunteer on the farm, learn about the production process, take part in various events and other activities of the association.



*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

Human, financial, and other resources are necessary to create the market of local products. All of them are discussed in greater detail.

*Human resources.* Human resources represent the key element in the development of the local product market. It is extremely important to have an idea, initiative, like-minded people, and willingness to create and to make one's contribution to building sustainable environment by using other essential elements. In the case of this good practise, human resources were the keystone in the successful implementation and further development of this initiative, attracting new like-minded people and a large group of consumers, i.e. creating an informal network.

*Financial resources.* Financial resources are necessary at the beginning for buying land, livestock and machines for production, unless there is initial capital (e.g., land, equipment, farm animals). According to the originators of the initiative, they did not need big financial resources to start their activities as in the rural areas of Lithuania land and other inventory are not expensive and thus it is not necessary to take big credits or to assume other liabilities that would render this activity less attractive.

*Intangible resources.* Intangible resources, such as establishment of informal relations among the producers and between producers and consumers, innovative marketing campaigns, promotion of direct sales, selling to people visiting the farm, consumer involvement in different activities, events, etc., play a major role in seeking successful operations.

The cheese-makers of Darguziai Village spare no effort to preserve their autonomy and to remain independent from the support of external organisations.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

When the originators of the idea launched their initiative and started to develop the local food market, they encountered certain problems, in particular with regard to the opinion of such activities among different social groups and public authorities. In the big agricultural or food system the farmers believe that they occupy a marginal position due to the fact that their activities do not rely on the experience and practice of the industrial agriculture but, on the contrary, they seek and



propose new forms of activity, promote informal cooperation, establish new social relationships, and implement the principles of the short food chain in practice. Another problem is related to adapting to the new life in rural settings and the attitude of local rural citizens to newcomers that may be both positive and negative.

The experience and example of the originators of the initiative prove that small farmers can get sustain themselves by producing and processing milk, making and selling dairy products. This choice of their lifestyle and activity was somewhat of a gut-feeling, but the most proactive participants found themselves in the forefront of sustainable development and ecology. The farmers of Darguziai Village seek to promote a different model of relationship between the producer and consumer, personal responsibility, and nature-friendly behaviour. Their motto is: “Do it yourself: produce raw materials, process them, make products, and sell”. According to the cheese-makers, common values are the key factor in a successful operation of the small farmers' network. Due to the difference in values the farmers were forced to part with a goat farmer who had entered into an agreement with one of the largest retail chains in Lithuania.

The farmers recognise that rural areas are often idealised as actually there are not many people who are open and consider the farm without reservation or get engaged in environmentally friendly farming. Farmers cannot manifestly consider the present rural population to be a positive rural element as people are rather sedentary, cautious, and envious. The originator of the initiative says that at the beginning local rural population did not understand their choice to live in the country and to take up farming, however after the Cheese House was established, the activities of the urban citizens became clearer and more understandable to the locals. Currently the relations of the cheese-makers with other rural residents are ambiguous. It can be said that there are two opinions. Some people tend to keep the newcomers at arm's length and to demonstrate their dissatisfaction with them being there. Others, on the contrary, want to cooperate and communicate.

The initiator says that Darguziai Village has undergone visible changes during the six years, at least externally. These days Darguziai Village is identified with cheese-makers. That is a village among a few in Lithuania where people can buy locally produced goods or have a dish made of locally grown vegetables at the Cheese House. The new public space promotes viability, mobility, and establishment of relations. Recently two young women were employed by the Cheese House, which is a proof that young people are getting to understand that people can work and have an interesting



life in the village. Visitors and cyclists also bring liveliness to the village. The residents of Darguziai Village have a chance to look at their routine from a different perspective as the visitors find things, which the locals do not appreciate, interesting and exciting. The implementation of this initiative generates benefits to other residents of the village, who supply the Cheese House with vegetables grown locally by other farmers and organic milk and thus the rural area gains economic benefits. However the six years did not see an increase in the number of cheese-makers in Darguziai, and therefore farmers conclude that they make a greater enabling influence on those who are prepared and open to changes, i.e. the younger rural generation.

The social and economic effects in the rural area stem from the individual interest of the cheese-makers in rural viability and their chosen lifestyle. Subconsciously, the originator of the initiative feels that sometimes people consider him to be the leader of the village, who can be approached or followed.

*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

A similar experience or model of the development of a local food market can be used in other countries. The important thing is to have initiators of the idea, to attract like-minded people, i.e. potential suppliers or consumers, who would be willing to join in developing an informal cooperation network.

In the next stage it is important to determine the availability or acquisition of resources required for this activity by using necessary financial resources. Then it is necessary to decide about the venue: to choose the place for business or production.

The third stage should deal with the sales of the products and innovative relation forms between the suppliers and consumers that would create a food chain with the smallest possible number of intermediaries and a close relationship between both participants of the system. Different other activities would ensure close cooperation, such as a possibility to visit the farm and to become familiar with its operations, volunteer support to the implementation of some of the activities, participation in the events, etc.

We wish a successful transfer of this good practise and its implementation in other countries!



*Author of the text dr. Živilė Gedminaitė-Raudonė*

*More information:*

*Small partnership Sūrininkų namai Dargužiuose: [www.surininkunamai.lt](http://www.surininkunamai.lt), [suris@vivasol.lt](mailto:suris@vivasol.lt)*

*Breeder, producer, and consumer association Viva Sol: [www.vivasol.lt](http://www.vivasol.lt)*

## **2. Case study “Mobile Farmers Markets” (LT)**

*Who was the main initiator to create the local food market?*

In 2008, the Chamber of Agriculture of the Republic of Lithuania, an umbrella organization of non-governmental organisations of farmers and rural citizens representing common interests of all rural population, launched a project “Promotion of Lithuanian farmers' products during trade fairs”. Previously farmers, who wanted to contact the consumer directly and to sell their products without intermediaries, used to face a lot of obstacles. Thus the project was designed to encourage and help farmers to process their products and to sell them to the final consumer. The steering group visited rural areas to persuade farmers to start processing their products telling them that it was a really gainful business.

In 2009, the project ideas were further developed and it was decided to set up an agricultural cooperative, which was called “Lietuviško ūkio kokybė” (*Quality of the Lithuanian Farm*). At the beginning of the project only six farmers decided to try the new form of their product sales. After reassuring information about the success of the first participants of the project became available, the numbers of farmers willing to sell their products in the mobile markets gradually increased.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

Some added value of the farmer's product goes to the processor. Furthermore, if farmers do not process their products they become dependent upon the processors and therefore can hardly influence the terms and conditions of their cooperation agreements or negotiate the buying-in prices of raw produce. Those problems became particularly apparent when the economic crisis



unfolded and consequently the farmers started to look for solutions. It was particularly difficult for dairy the farmers as the buying-in price for milk was sagging while the prices for finished products remained fairly stable. Thus dairy farmers took the most active approach in searching for alternative forms of sales.

Moreover, the economic conditions prompted the main idea of the most favourable form of sales. Under the pressure of the crisis there was a clear need to establish a retail network controlled by the farmers themselves, which would bring the products as close to the consumers' homes as possible. Following analysis of the farmers markets in Lithuania and the opportunities and weaknesses of this form of sales, a new model of a mobile market, based on the principle “farmers at the customer's place”, was suggested and launched. That was something in-between a traditional farmers market, where the buyers come purposely, and a yard sale, which is often illegal and unsafe. The idea rooted from an analogue, when mobile shops come to small villages and sell basic food products and household goods produced by the industry. This sales method was adapted for sales in the city to offer farmers' products to the urban citizens.

*Which target groups of producers and consumers were chosen for the local food market formation? How the local food market functions? (please, describe the organizational construction and who coordinates the process).*

Small and medium farmers showed the greatest interest in mobile markets. During the crisis they found it very difficult to work their way up to the sales phase as all major farmers markets in Lithuanian towns and cities were overfull, there were quite frequent cases of abuse of farmers' names, retail chains were failing to meet the payment terms and to pay when due.

It was decided that the first consumers would be the citizens of major cities, who enjoyed a greater purchasing power but had the worst access to fresh fruit and vegetables. The first mobile markets emerged in Vilnius.

As soon as the project started, measures were taken to address certain problems. The project implementers, in cooperation with the National Consumer Federation and farmer's farm administrators, started a dialogue with the State Food and Veterinary Service. Their concerted efforts lead to a compromise that provided for less stringent, easier to implement, cheaper and more realistic requirements for farmers producing smaller quantities of products. Jonas Milius, the



director of the State Food and Veterinary Service, argues that owing to the project farmers and small or family business representatives are offered good conditions to start and develop their business and to sell their products directly to the consumers. “Requirements for farmers willing to sell milk, cheese or curd, meat or its products, eggs, honey and other farm products were reviewed, assessed and simplified. Farmers and gardeners were provided for the possibility of selling their vegetables, berries and fruit directly to the consumers, without excessive bureaucracy. The implemented national business consulting system has also been proven to work,” says J. Milius.

Another objective of the project was to ensure that products produced by the farmers satisfied the needs of the end consumers, i.e. buyers, and enjoyed popularity among them. Therefore the project looked for ways to check whether the quality of products directly sold to the consumers was really good and whether the products come from a Lithuanian farm.

The Ministry of Agriculture adopted legislation governing sales in mobile markets, which says that only producers or persons hired thereby are allowed to sell in those markets and they can only sell farmers', beekeepers', and gardeners' products. Resellers are banned from the mobile markets. The board of the cooperative closely monitors the compliance with this requirement.

The head of the cooperative “Lietuviško ūkio kokybė” M. Maciulevičius emphasised that food safety and quality go hand-in-hand. The level of cooperation with the State Food and Veterinary Service therefore remains high. Trucks converted into mobile farmers markets are typically geared for outdoor shopping and they comply with all food safety and hygiene requirements. The production is also strictly supervised: the farmers are required to obtain a production permit from the veterinary service and to meet respective requirements, which depend on the production volumes. The State Food and Veterinary Service controls the farmers at the sales points, too.

The cooperative has launched an additional control mechanism: those who want to sell their products must have registered their farm and declared what and how they grow on their farm. Then management of the cooperative organises farm visits and check the used fertilizers among other things. Six administrative staff members are engaged in organisational work.

The members of the cooperative pay frequent visits. The purpose of such visits is to control as well as to share experience. “All this paves the way to improvement. In the long run, the farmers transform into a community as everyone has visited other farmers' farms and seen what they grow,” talks M. Maciulevičius about the emergence of the cooperative community.



The members of the cooperative are also looking for other forms of cooperation, e.g. they jointly perform tests of their products for certain chemical indicators.

To strengthen the cooperation with the consumers, the members of the cooperative decided to organise events designed to promote Lithuanian products. A lot of unique products are grown or made in Lithuania, however they often remain unappreciated because the awareness level is insufficient. During big events those products often remain unnoticed in the abundance of other goods. Therefore it was decided to organise product-related events of different farm sectors. In cooperation with the Lithuanian Beekeepers' Association, such event called All Colours of Honey was successfully held in Vilnius next to the shopping and entertainment centre Acropolis in 2012. 20 beekeepers from different regions of Lithuania participated in the event and presented more than 30 types of honey and honey mixes. During the event people could meet the farmers who were selling their products and get all the answers to their questions about the different types of honey, its nutritional characteristics or origin. As the event proved to be very popular, the cooperative decided to organise more similar events, e.g. a feast of apples called All Colours of Gardens aimed to introduce all the varieties of apples grown in Lithuania (about 50) so that the consumers could choose the ones they like best and ask the gardeners any questions they may have. In the future such events are going to become traditional.

#### *How benefits producers and consumers involved in this local food market?*

At length the cooperative developed into a some kind of incubator of small and medium farmers engaged in direct sales. At the start of 2014, there were 25 mobile markets in Vilnius, 14 in Kaunas, and one in Šiauliai. Most of them are located near major supermarkets and shopping centres. It is very convenient for the buyers, who can get everything they need in one place. Furthermore, the cooperative supplies products to retail chains.

At the beginning of 2014, the cooperative already had almost 400 members. The farmers appreciate such form of sales because they get the money for their products straight away. The market was naturally rearranged. Large farms keep working in the wholesale market while the farmers markets offer a very attractive alternative for small and medium farms.

Although there is no accurate accounting of products sold in the mobile markets, the head of the cooperative estimates that they have a turnover amounting to approximately 0.1 percent of that in



the major retail chains. A constantly growing number of such farms and the statistics of consumers' complaints evidence the safety, quality, and popularity of the farmers' products. Over 3000 consumers' complaints regarding food products have been filed with the State Food and Veterinary Service, but there has not been a single valid complaint about farmers' products.

By the beginning of 2014 the cooperative had created more than 1000 jobs, which play a major role in reducing unemployment in rural areas.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

Initiative and willingness to cooperate and to volunteer are the key prerequisites in this type of projects.

Organisational work is done by six administrative staff members.

Most of the cooperative members used the EU support for 2007-2013 to purchase their processing equipment or vans and trailers for outdoor shopping. Measures of the rural development programme.

Cooperation with Vilnius and, at a later stage, Kaunas Municipalities, the State Food and Veterinary Service and the Ministry of Agriculture made an important contribution to the success of the project.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

There was a period when there were quite a number of resellers offering products made by others and that started to damage the image of the cooperative. Therefore ordinary members of cooperative joined forces to monitor food quality and fair trade to make sure that the consumer is offered only products grown in Lithuania. Before a farmer signed an agreement on trading at a farmers market, other members of the cooperative joined the management on their farm visits. Director Mindaugas Maciulevičius says: "We are a community but not inspectors. Farmers have experience and they know what the vegetables should look like. There have been cases when a farmer was growing different species than those he was selling. In such event we simply say thank you and good-bye. Forasmuch our objective is to promote growing. So the farmers must sell products grown on their farms rather than those from a neighbour's garden or a wholesaler.

Persons who are allowed to sell in our farmers markets are those who grow or process their products and those who hold certificates of national heritage, exceptional quality or organic products, including legal persons, if they are holders of any of those. During the peak vegetable season, owners of large green-houses can afford to drop the price. Then owners of smaller greenhouses grow angry about those cut-down prices. However we do not interfere. Price competition must exist as that makes products more affordable for the buyers. Our aim is to ensure that all of them sell Lithuanian products grown by themselves. When a new or suspicious seller comes into play, we go and visit his farm. And then everything comes to light. That is not some sort of denouncing as it is a matter of honour of all the members of the community to maintain the declared quality.”

Furthermore, to preclude pseudo-farmers, the members of the cooperative introduced more stringent control of the points of sale.

*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

The main advise the cooperative management would like to give to those who are considering a similar trading system in other countries is related to cooperation. A mobile farmers market should function as a cooperative. “The problems of both labour force and material resources can be successfully resolved in cooperation with several neighbours,” says M. Maciulevičius. Cooperation is supported by the state. Different sources of financing are available at the initial stage. Cooperation reduces both the financial burden and the risk. Furthermore, activities can be easily shared by deciding who will be in charge of the production process or sales. One of the potential sources of financing is support to rural communities: several successful rural community projects have already been completed in Lithuania and small processing enterprises have been put into operation.

Collaboration with a great variety of institutions plays a major role in launching and developing mobile trade, including but not limited to

- retail chains,
- local authorities,
- the Ministry of Agriculture or other similar institutions,



- non-governmental organisations (different farmer associations, an association of rural tourism, the chamber of agriculture, etc.)
- food quality control institutions;
- different companies and organisations located in the city, which can offer a site for the farmers market on their territory and thus provide their staff with an opportunity to get high quality food in their workplace.

On top of that, it is extremely important to foster cooperation between the farmers. Farm visits and experience sharing contribute to building a team where everyone feels responsible for the quality and origin of products made by themselves as well as other members of the cooperative.

Whereas farm modernisation is less important than many can think it can be achieved gradually. The most important thing is to regain the consumers' trust in the farmers market and to produce products that are marketable and in great demand. Therefore it is essential to use the most diverse forms of the dialogue between the supplier and the consumer. Various events can successfully serve this purpose. They can be dedicated to a specific type of food, e.g. honey, apples, potatoes, tomatoes, etc. During such events potential buyers can not only be introduced to the range of products but they can also find out the advantages of certain types or species and benefit from direct communication with the producers, who are conversant with all the subtle aspects of manufacturing and consumption. Whereas in the future some mobile farmers market sites might grow into stationary shops that will be possibly located in the same supermarket or shopping centre.

*Author of the text: Dalia Vidickienė*

### **Further reading:**

Website: <http://www.mobilusturgelis.lt/>

Address: Donelaičio g. 2, Kaunas

Director Mindaugas Maciulevičius

Tel. +370 699 17283, e-mail: paštas turgelis@zur.lt





### 3. Case study “Lithuanian Natural agriculture network”

*Who was the main initiator to create the local food market?*

One of the main initiator to create the local food market is Laimis Zmuida. Local food market is realised via Lithuanian natural agricultural network.

Initiator of this network Laimis is resident of one ecovillage in Lithuania. Life in an ecovillage gave a good opportunity for him to start natural agriculture and further to create this network. An as-of-yet unnamed ecovillage is situated in Ukmergė district, near the village called Vepriai, 20 km away from the town of Ukmergė. Ecovillage residents have been practising natural farming methods in their own fields in this area for seven or eight years. The experimental kitchen gardens are intended to satisfy the needs of residents and also to further develop the principles of natural farming. Two small straw houses of approximately 20 sq. m. in size are situated in the village, which is 4 hectares and includes land, forest and two ponds. The ecovillage is small, occupied only by two young families who own their homesteads and live according to the ‘kin’s domain’ concept. Almost all inhabitants are highly educated in various fields, though the professions they have obtained are not used in their daily life. One of the ecovillage residents earns his living by organising and leading seminars on natural farming. The inhabitants are all former city dwellers who have moved to the countryside seeking a good, joyful, rich, free and happy life. Since the village is based around individual homesteads there is a possibility for several more families to settle down nearby in the future.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

Nowadays the methods of agriculture, which help to grow more qualitative, healthy products and do no harm to nature, are getting more and more popular. Natural agriculture is on the top of the list by these criteria. Inhabitants of Lithuanian ecovillages established national network joining enthusiasts of natural agriculture methods.

Natural agriculture is different from conventional and organic farming because it is based on purely natural processes. In conventional and organic farming soil is continuously being emaciated and

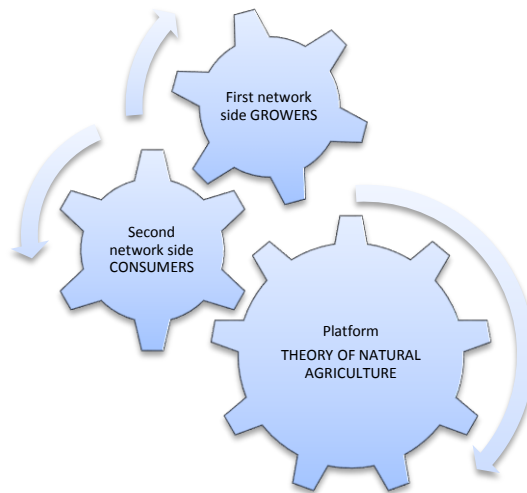
destroyed, whereas in nature soil its fertile layer is constantly growing, due to yearly weed harvest. Weeds fall down to the soil, are being decomposed by various microorganism and becomes natural fertilizer and food for the agricultural plants. Surplus is being conserved as humus. Contrary to conventional farming in natural agriculture there is no digging, scratching or hoeing. This lets the soil create its own natural structure, which ensures good air circulation, humidity and wealthy environment for live microorganisms. Processes of nature could be imitated by covering soil surface with the mulch – old organic materials like: dry grass, leaves, sawdust, etc. (balancing humidity or weakening the weeds is only the side, not the main effect). Bacteria and fungi, which are decomposing organic cover, releases carbon dioxide to the soil. CO<sub>2</sub> is heavier than the air, meaning that it is observed by the soil, where it melts down and becomes fertilizer for the plants. By using this method of agriculture the quality of products as well as the environment is better and healthier. Moreover, eventually the harvest in such areas should be bigger than in ploughed ones. Finally, there is no need to buy fertilizers, insecticides or pesticides, as the balance of microorganisms in the soil create barrier for plant diseases and pathogenic organisms.

*Which target groups of producers and consumers were chosen for the local food market formation?  
How the local food market functions? (please, describe the organizational construction and who coordinates the process).*

In 2008 new-generation network was created by the members of Lithuanian Ecovillage Movement. It was decentralized two-side network connecting producers and consumers of vegetables and fruits grown by natural agricultural methods.

Producers mostly are members of Lithuanian ecovillage movement practicing natural agriculture methods in their farms. Consumers are city residents willing to receive fresh products grown by permaculture principles.

Main principle of two-sided network of natural agriculture is provided below.



*How benefits producers and consumers involved in this local food market?*

Producers participating in this network firstly can share their ideas and results between network members to socialise themselves and to implement ideas in the practice they are willing to follow in their living practice. Additionally to this, they can ensure earning from the activities they are enjoying and to provide healthy food for consumers.

Consumers involved in this local food market can create relationships with growers to receive healthy food with high confidence where and how this food was grown by having possibilities to participate in some events as seminars and tasting feast to hear more about techniques how it was developed and to share their experiences.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

The first step was creation of the website [www.gerazemdirbyste.lt](http://www.gerazemdirbyste.lt) as the platform of the network and the forum of natural agriculture enthusiasts in ecovillages. However the number of the network members was rapidly growing, due to the society's interest to use natural and healthy vegetables and fruits. Better part of new network members does not identify themselves as members of Ecovillage Movement. For the ones, natural agriculture is beneficial in financial means as to grow

your own food is cheaper than to buy. For others, quality of the food was the issue, as it differs if you buy products in shopping centres, markets or grow it by yourself using natural agriculture method. Most of these people not only care for their health and eating habits but also want to live in sustainable manner, by not violating nature's law and supporting Ecovillage Movement ideas.

Initiators of the natural agriculture network do not use any local and national authorities support for the project.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

During informal virtual communication between people who strive to use the techniques of natural agriculture, the need for seminars appeared, where interested ones or practitioners could exchange knowledge and share their experiences. Due to this need, *lectures and practical workshops* were started to be organized also the consultations, when the experts of natural agriculture come to the certain village, explain principles of natural agriculture and help to adapt them to the local particularities. Several inhabitants of the ecovillages are expected that in the future, such seminars and consultations will become their main activity and livelihood.

Collaboration between network members helps to gather best practises and experiences of natural agriculture as well as to improve the technology, convert theoretical knowledge into practices and to adapt it to Lithuanian conditions. One of the initiators of this network and the lecturer Saulius Jasionis says: "People who want to use new agricultural methods are scattered all over the Lithuania, but when they come together they have a possibility to share their experiences. When all the experiences and the best practice examples are put together, analysed and systemized, the result could be achieved much faster. Also, for some people it is more convenient to follow known and examined techniques, than to experiment by their selves. The network helps for them by lectures and practical workshops".

In the beginning, enthusiasts of natural agriculture in Lithuania relied on N.I Kurdiumov books, which propagate gardening with no soil work. Though eventually, by experimenting, gathering knowledge and adapting his advices to practice, *the new unique theory was created*, which

supplemented N.I Kurdiumov teaching and suggested the techniques mostly suitable for Lithuanian climate.

The network serves not only for collaboration and communication among users of natural agriculture methods and products, but also as an informational tool for those, who want to buy products of natural agriculture. From 2011, *the commerce system of natural agriculture products was established* and growers have started to sell their products. Information about the sellers is provided on the website.

Network members have *prepared requirements for the products certification*, including obligatory growing conditions, strict agro-technique control and products expiry date. According to natural agriculture certification rules, products should be sold in a period of 24h, counting from the moment, it was picked. Most of the products are sold in the growing places, when berries, vegetables and fruits are picked only when the actual customer comes. It helps to ensure that the product is the most fresh and in the best quality, especially, if we take into account that berries lose the part of its vitamins and other bioactive elements after few minutes, fruits – after 1 hour. Some vegetables are fresh for a longer period, but on the whole it is not possible to buy fresh vegetables in the shop, as it loses its freshness and part of valuable elements while it is being brought to the shop, stored, distributed, packed and sold to the end user.

Members of this network are continuously searching for new attractive ways how to spread knowledge on natural agriculture. As an example, *“Tasting fest” of natural agriculture products* was organized. The idea was suggested by one of the Lithuanian ecovillage representatives Laimis Žmuida. He wanted to select the most delicious potatoes for the future growing and started to taste 13 different kinds of potatoes, grown by him. So he cooked them, fried them, compared the tastes and made notes. “I loved the process of tasting, so I thought that it would be a good idea to share such experiences with others and to organize a public event” – says Laimis. The first Tasting fest in restaurant “Gurmė” situated in Kaunas was organized with doubts, excitement and a bit of fear – what if nobody likes it? Though the fest went great, because participants were those who are interested in natural agriculture and those who care what they eat. Because of this reason, these people could easily distinguish the differences between potatoes. 9 different kinds of potatoes were prepared for tasting. Participants were served 9 pieces of different cooked and 9 pieces of fried

potatoes. Potatoes were cooked and fried without any salt or oil. It was done on purpose to reveal the real taste of the potatoes. Even though the main aim of this event is to discover natural taste of the product, later the participants could try these potatoes with spices or butter as well. Tasting fest took around 3 hours. Event helped for its participants not only to choose which potatoes are the best and worth to grow in the future, but also to gain valuable knowledge in this field. During tasting breaks, 3 specialists were giving lectures. The initiator of natural agriculture in Lithuania Saulius Jasionis talked about origins and history of potatoes, and different ways of growing them. The host of the event Laimis Zmuida told stories about special kind of potatoes and the owner and head chief of restaurant Nerijus Vasiliauskas shared advices how to taste food in order to feel its special taste. As the event went great, network members are going to create the tradition and organize more Tasting fests with tasting not only potatoes, but also carrots, peas, salads, tomatoes and radishes.

*The event of exchanging seeds and sprouts* became an annual tradition. The idea of the event is to exchange between network members seeds and sprouts of good quality, examined and grown in own garden. Sometimes people bring for exchange imported seeds unknown for most Lithuanians. Seeds are the main currency in the market and only in rare cases you can buy desirable seeds for the real money, as all participants want to exchange their seeds into some new plants for their garden.

*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

Similar initiative of natural agriculture network can be easily implemented in other countries. Firstly, it is important to have an initiator who wants to start to implement this activity and to find members who want to cooperate together. Natural agriculture enthusiasts should agree on main principles and activities they are willing to provide for the customers. Secondly, they should agree what tools they want to use for creating second part of the network – list of consumers and the platform they want to use (it can be website, direct contacts, etc.). Finally, they can discuss what additional activities they are willing to introduce to expand their activities based to the needs of growers and consumers – as seminars to share experiences, as some tasting events where consumers can try their products and socialise themselves, etc.

*Authors of the text: dr. Dalia Vidickienė and dr. Živilė Gedminaitė-Raudonė*

### **Further reading:**

Website of the network: [www.gerazemdirbyste.lt](http://www.gerazemdirbyste.lt)

## **Case studies (Belarus)**

Within the framework of the project we have analyzed various initiatives in order to create a local food market. We chose three projects initiated by the government, producers and consumers and in each case specific features, advantages and disadvantages can be traced.

The first project is an initiative to unite buyers and farmers to supply and market organic food. The second project is an initiative of farmers to cooperation in order to marketing their products jointly. The third project is an initiative of the State and non-governmental organizations to create a market of agro-tourism in the country.

### **4. Case study “Farmers and organic food “Ecaeja” (BY)**

*Who was the main initiator to create the local food market?*

The project on marketing environmentally safe (green) products made by private farms for people who care about their health and think about as they consumed foodstuffs. The main initiators of the project were consumers – a young Minsk family that started with satisfying their own needs for environmentally safe products making sure this segment of products in the Belarusian market is absent.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

Unlike the European Community countries and the United States, where organic food occupies an important place in human nutrition (e.g. Austria about 72% of the population buy green-labeled products) in Belarus, this market segment has not yet received appropriate development, however, more and more people think about their health.

A number of years ago, a young Minsk family considered environmental issues and reasonable food diet, starting with a healthy diet (phased out various sausages and semi-finished products, decided to buy only meat and vegetables) have moved to a thorough quality control of products. Constantly communicating with farmers' representatives at the market, they found out that vendors often lie: in order to sell their products they would not hesitate to say exactly what you want to hear. That is why there emerged an idea of working directly with producers, established their own store of farmers' environmentally friendly products. The couple liked wandering around the market, carefully choosing products, chatting with salespeople. It is exactly because of this love the idea of launching the project, and they wanted to gather in one place the goods, the quality and the origin of which would no longer be a mystery for a buyer. It all started with a little survey of projects, the idea of which – searching for and marketing of farmers' products. While they have not yet thought about your own business - they were just curious. It turned out that these shops - a fairly common phenomenon not only in the Western countries, but in Russia and Ukraine as well.

After studying foreign experience, initiators of the project started its implementation. They began preparing and collecting all necessary information to choose suppliers. The project started on 19 July 2012.

*Which target groups of producers and consumers were chosen for the local food market formation?  
How the local food market functions? (please, describe the organizational construction and who coordinates the process).*

The aim of the project is to link consumers and producers of environmentally safe products. The lack of clear regulations in the Republic [of Belarus] regarding ecological food, forced to develop their own ones: so, a farmer who is involved in agriculture, should not use chemicals to protect products - herbicides, pesticides and inorganic fertilizers; those involved in animal husbandry should not use feed, at least purchased from outside the farm. It turned out that very few people believed that without “chemistry” one can anything grow, so the process of searching for producers





took quite a while. First they have been directly calling producers based on businesses directories, voicing their ideas and requirements (As well, they called executive committees or tax authorities looking for these people). Young guys travel “to countryside” to see how the food is grown. Most often, farmers, supplying the products are not indigenous villagers. These people have good education and clear position in the society. Now the project is cooperating with 15 farmers, and is actively searching for new suppliers.

The customers: - consumers of environmentally friendly products are most often young families with small children who are primarily interested in high-quality food products that are needed for harmonious growth and development of children. Recently, however, more and more people of older generations become project clients.

Customers are found through social networks and Internet, however, the main influx is observed by means of the so-called “word of mouth” advertising, or more precisely through the “sandbox”, as the main customers are people with small children. Many constrains are caused that at the moment delivery is only once a week, at the same time one has to take into account that in Belarus both customers and environmentally friendly agricultural producers are not a wide-spread phenomenon, so it is close to impossible to hope that orders would be executed, on the “day-to-day” or “the next day” basis. This is the reason for poor development of such projects in Belarus, so just a couple is implemented in Minsk. On top of this it is worth noting “Biomarket.” At the same time it is more difficult to start such projects in other regions more, although the province is much easier in terms of finding producers.

The project implementation results in thousands of Minsk residents receiving environmentally friendly products every week. The basic principle of the project is openness. The project provides details about the farmers that offer products. Each farmer’s webpage contains a story about its activities and products. Farmers, alongside with the organization bear responsibility for quality. In case of no satisfaction with the product, the customer is getting the money back.

*How benefits producers and consumers involved in this local food market?*

Producers operating in the project in the first place have direct sales channel for their products, whereas previously they could only sell it through their usual channels, and their products were mixed and blended with the whole mass of products. In this project, they are individualized,

products are sold under the [brand] name and it is green labeled as it corresponds to their ideas and objectives in organizing their production, as well as obtaining appropriate profit from their activities. Secondly, they could communicate with like-minded people, gain new knowledge, there are certain types of support offered and provided to environmentally friendly producers. Consumers get healthy foodstuffs, know conditions of the producer and the technology used to make it. In addition, the products are delivered to the door as it is convenient for families with small children.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

The project has started with its quite modest capital of US\$ 5,000 (a car; means to rent premises, procurement of containers and moderate working capital). Joint efforts resulted in creation of a website - ecaeja.by – major trading facility of the project.

Initially, the project involved only one family, however, with time as the number of users has been constantly increasing, and the number of farmers and their geography expanded considerably, now the staffing is estimated at 3.5 persons.

It is worth noting that the state seemed to express interest in organic farming, at the same time the project did not get any support from its side, most probably because no one tried seeking for it.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

In the process of getting organized everything seemed not very complicated, however the study of legislation showed fallacy of the first estimate. Initiators of the project began cruising around different departments and offices. They had to find space in compliance with sanitary rules and regulations, with a particular area, water and electricity supply, with surface of walls, amenable to cleaning and disinfection and with certain number of doors. Initially, they were lucky as they managed to get quite a lot of space at a low price, but since the building was intended for demolition later they were forced to leave it. Now they occupy three times less paying for it three times larger sum, recalling the start, they say that to promote a business now could have been impossible if it were not for luck with the room at the beginning.

Project managers say that at the stage of its implementation all problems can be divided into two categories: first - selection of suppliers, still failed to find suppliers of green-labeled pork and some other products, accounting for high proportion in the diet of the Belarusians. Large territorial dispersion of suppliers leads to high transport costs. Second - finding customers, despite successes that can be noted in running the project, the clients' base is developing very slowly. Morally though more financially people are not prepared to pay more for foodstuffs, even "green-labeled".

*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

Similar initiatives could be implemented in other countries. However, to succeed it is necessary to have comprehensive development and a link "consumer-producer of green-labeled" products, if the community is not yet mature for paying more for the clean products, when there exist serious problems of food security, such initiatives could not be implemented. Secondly, the project was initiated by the consumers and therefore it needs an initiative group that would be ready to overcome difficulties of the launch period (the first year the project worked to zero [profit], sometimes even at a loss) and develop the project. Third, it is necessary to determine in what form the project would run, and what tools will be used to promote products. In our case a web site, but as the analysis of such initiatives shows that direct sales, specialized shops, sections in department stores and others tools are quite effective. Fourth - it is necessary to have information support for the project, in this case, it means that they have to constantly inform people, both existing and potential customers, as well as other people about the benefits of the proposed products. In our case it was a large number of articles about the project, the benefits of healthy diet in the media, as well as leaflets and detailed information about the farmers and production technologies at the project's portal.

If additional information is needed visit the following website: [ecaeja.by](http://ecaeja.by)

## **5. Case study "Farming enterprise "LANA 97" (BY)**

*Who was the main initiator to create the local food market?*

Creation of a local food market was initiated by a family of farmers who moved from Minsk and founded ecological production to meet the challenges associated with product sales. For 18 years Farming Enterprise “Lana-97” had been engaged in livestock activities, the farmstead is situated in a picturesque location in the “Zbarovichi” village (Minsk District). There are no highways, polluting plants and factories, so people appreciate the farm’s products, because it is environmentally friendly. Healthy, eco-friendly, fresh and high quality products - these are the priorities that owners have determined.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

For several years there has been a tendency of people switching for a healthy diet. In times of genetically modified organisms (GMO), bio-active food supplements, non-natural products, food additives and colorants, production of the farm remains out of competition with other products. According to farmers, the first customers still buy and recommend the same rabbit meat to their relatives, friends and acquaintances.

The farm used various channels for marketing products (consumer cooperatives, direct sales, retail chains, online stores, internet-trade, catering services, etc.), but brand-name trade trading was identified as the most effective. Considering that the main factors influencing the choice of buyer - is the freshness, quality, reasonable price, good service and product range.

Farmers stated that they could ensure the first four factors whereas problems emerge with the range of products; it is not economically feasible to keep the sales outlet trading only rabbit and lamb. Therefore the farming enterprise approached the neighboring farms and offered joint marketing. So brand-name trade is supplemented with meat of ducks, chicken, turkeys and domestic pork. The owners tried to market those types of products that are not produced by large farms, taking a free market segment.

*Which target groups of producers and consumers were chosen for the local food market formation?*

*How the local food market functions? (please, describe the organizational construction and who coordinates the process).*

Producers did not receive any special requirements for their foodstuffs, animal products are of good quality and it is desirable to maximize the range's diversity. The largest trading market Zhdanovichi has been selected because the marketed products are not traditional for Belarusian consumers (rabbits, lamb, etc.). Such measure would result in maximizing diversity of the enterprise's clients, residents of the city of Minsk and its surroundings.

The first form of association was setting up a private enterprise engaged in marketing of agricultural products, but the enterprise has encountered problems - different interests of the farmers, lack of a clear mechanism for distribution of income and anonymity of products. Therefore, the enterprise has been closed and currently the Farming Enterprise "Lana-97" markets all its products under its own brand. This forced to have a more responsible approach, both to choice of partners and quality assessment of products to be marketed. Here veterinary education of the Farming Enterprise landlady turned to be handy and personal responsibility has led to personal quality control.

*How benefits producers and consumers involved in this local food market?*

The main advantage for producers involved in the association, is the ability to market their products to a wide range of customers, reducing costs associated with marketing (division into several product groups). Secondly, a wider range and good quality products attract more customers.

For consumers, the main advantage is quality control that is carried out by the enterprise, as well as a wide range of products. They are free to choose their favorite product.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

Production and supply of products is carried out by the owners, members of the Farming Enterprise and an additional person to market the products. No additional financial investment is required, only rental payments and wage to the vendor.

The project has not received any state support at any stage – organization of production, search for channels of sales. However, the enterprise enjoys preferences for farming (tax breaks, [subsidized] tariffs and prices of resources).



*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

The enterprise did not experience organizational issues related to opening of the outlet, at the same time changes in the legislation adopted in 2012-2013, resulted in difficulties in product sales as well as to slaughtered animal products. The new requirements have been set as to large industrial meat-packing plant, but not relating to quality, which corresponded to the highest requirements: it was organization of slaughtering facilities. However, amendments to the sanitary norms caused by the volumes of slaughtering were not accepted.

The problem of differences of interests and anonymity of products described above.

*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

These initiatives of associations of farmers aimed at marketing their products can be easily implemented in other countries.

To do so: firstly, association of several farms engaged in production of different types of foods, association of farmers engaged in production of similar products only makes sense if there is a wide distribution channel and insufficient internal capacity to achieve it. Secondly, it is necessary to have a proactive producer in the group ready to take on all difficulties associated with marketing of products, and first of all ready to be liable for it with its name, because of additional quality control function. Third, one needs to select the shape and tools for sales.

Such initiatives are typical for the established food markets.

## **6. Case study “Development of farm (Agro-Eco) tourism in Belarus” (BY)**

*Who was the main initiator to create the local food market?*

Until 2006, as such the agro-tourism had not existed in Belarus - only about 30 households had been providing such services from time to time. At the initial stage of development of rural tourism it is necessary to have a kind of organizational principle, which would unite people, determine the “rules



of the game”, protect and promote their interests. That is why non-governmental organizations, voluntary associations, alliances - non-profit, non-governmental organizations aiming to promote development of rural tourism are emerging in the European countries.

In our country these functions have been assumed by two non-governmental organizations - NGO “Agro and Ecotourism” - a regional organization set up on 20 November 2002 and the Belarusian Public Association “Leisure in the Country” – a national organization, established on 16 October 2003 whose activity covers the whole country.

It should be noted that the government made initiatives in support and development of rural tourism. This issue would be described in a more detailed way below.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

Farm tourism is a new sphere of activities for our country, is aimed to maximize the use of natural and human potential of the Belarusian village for the benefit of its citizens, all citizens of the republic and foreign guests. Tourism in rural areas contributes to diversification of local economy, creating demand for local goods and services, emergence of new sources of income for farmers and individuals, energizing the rural population to get involved in a new activity.

Agro-tourist attraction of Belarus is determined by its geographical location, climatic conditions, presence and availability of historical and architectural monuments in rural areas, maintaining and conservation of traditional crafts, national mentality of the Belarusians.

The first rural tourist estates in Belarus had appeared in 2003. Then NGO “Agro and Ecotourism” created in November 2002 had started development of tourism in rural areas. By 2005 the number of estates has increased, but the legislation did not regulate provision of such services. However during the 3 years of work serious problems that rural tourism was faced with in Belarus have been solved.

Firstly, a large information campaign to promote ideas of rural tourism among the general public was successfully carried out. Tourism in Belarusians village is no longer a kind of exotic for potential tourists.

Secondly, it was possible to initiate creation of enabling legal environment to get involved in development of rural tourism. In order to develop the market of rural tourism, steps were taken by



the state and Presidential Decree № 372 “On Measures to Develop Rural Tourism in the Republic of Belarus” was adopted on 2 June 2006. The Decree specified that activities of individuals and agricultural organizations to offer services in the field of rural tourism are not entrepreneurial. This would involve active part of rural population into rural tourism. Presidential Decree № 185 “On Certain Issues Related to Activities in the Field of Rural Tourism” and the “National Program for Development of Tourism in the Republic of Belarus for 2006-2010” were adopted.

Thirdly, a significant impetus for development of rural tourism activities has been the support to entities of rural tourism, carried out within the framework of “Belagroprombank” participation in the development of rural tourism in the Republic of Belarus since October 2007. This support included preferential lending to rural tourism entities, holding training seminars for them, publication of the annual directory of farmsteads, holding of specialized conferences and contests “Best Agro-Eco Farmstead of the Year.”

The “Belagroprombank” right to issue loans for projects in the field of rural tourism for the period 2010 - 2020 is stipulated in the new edition of the Presidential Decree № 372 “On Measures to Develop Rural Tourism in the Republic of Belarus” (dated 26 November 2010, №614).

*Which target groups of producers and consumers were chosen for the local food market formation?*

At present farm tourism in the Republic of Belarus is successfully developing in three main directions.

The first involves creation of tourist villages with traditional folk architecture based on existing settlements located in the scenic area. The objects of this model include: Museum of Ancient Technologies and Crafts “Dudutki”, the Belarusian Museum of Architecture and Life “Strochitsy” Ethnographic Museum in the vicinity of Mogilev “Belarusian village”. Such agricultural theme parks make rural tourism more inclusive and multi-faceted.

The second direction of agro-tourism in our country is creation of agro-complexes based on agricultural production cooperatives. Facilities of this model include: Agro-Eco Tourist Complex “Nightingale Grove” based at Agricultural Production Cooperative “Novoselki-Luchay” in the Postavy district, “Devino” Municipal Unitary Agricultural Enterprise “Greenhouse” in the Orshansky district, “Vygoda” at Agricultural Production Cooperative “Pervomaysky and Co” at the Smolevichsky district and others.





It is worth noting that development of rural tourism in the first two forms, yet is slow, whereas the dominant model of development of agro-tourism in our country is still organization of rural tours with accommodation and meals in the village houses and estates (small family hotel industry). Its main advantage is that for not much money it maximizes the spirit of the Belarusian village, [offers an opportunity to] learn traditions and life of peasants, to enjoy beautiful Belarusian nature, traditional forms of recreation for Belarusians.

Evolving in parallel, these three basic models complement each other and contribute to development of a distinctive tourism products.

Tourists, both local and foreign are the target consumers of services. Potential agro-eco tourist categories are:

- families with children under 12 years;
- pensioners;
- families without houses and relatives in rural areas;
- people who are not advised to be subjected to abrupt change of climate;
- people interested in spending a weekend in the countryside (hunters, fishermen).

However, it is worth noting that farmsteads are very actively used as an alternative to hotels, especially in regions where the apparent lack of the latter.

Specificity of the market of agro-eco tourism services in our country is in high demand for so-called organizational services at agro-eco farmsteads (organization of holidays, family and corporate celebrations, banquets, seminars), so another important category of tourists in rural areas are organized groups of tourists (relatives, colleagues, partners).

*How the local food market functions? (please, describe the organizational construction and who coordinates the process).*

Rural tourism is a sector of tourism industry, which uses natural, cultural, historical, social and other resources to the countryside to create a comprehensive tourist product. It includes all kinds of outdoor activities in the countryside: pilgrimage, hunting, fishing, etc. A prerequisite of this type of tourism is night accommodation for tourists in the countryside.

In Belarus agro-tourism and eco-tourism are the most widely used of all types of rural tourism. Agro-eco tourism is understood as temporary residence of citizens of the Republic of Belarus,

foreign citizens and stateless persons in the rural areas of the Republic of Belarus for leisure, recreation, learning about the natural potential of the republic, national cultural traditions, without involvement in paid labor, business or other activities.

Main objectives of rural tourism: rest, recreation, opportunity to get acquainted with natural tourist potential of the republic and national cultural traditions. The object of rural tourism is a rural homestead - a house in the countryside with well-furnished rooms and isolated kitchen. As a kind of agro-tourism farms, rural homestead is a mini-hotel in the countryside.

*How benefits producers and consumers involved in this local food market?*

Value of this kind of tourism for the state in general, rural residents (service providers) and tourists comes in many aspects that can be traced back from the Table below.

Table. Value of rural tourism for the state, rural dwellers and agro-eco tourists

<b>For the State</b>	<b>For Rural Dwellers</b>	<b>For Agro-Eco Tourists</b>
Replenishment of budget	Additional revenue	Active leisure in rural area
Reduction of unemployment	Creation of new jobs	Consumption of fresh products
Energizing activities in rural areas	Infrastructure improvement	Direct contact with nature
Promotion of national cultural traditions	Energizing activities	Involvement in rural life
Use of resources that are mostly not related to costs, first of all, natural, socio-cultural and historical heritage	Impetus for development of other branches of economy (transport, construction, trade, culture, arts and crafts)	Studying history of the region, its historical and cultural heritage
Influx of additional investments and revenues	Conservation of culture and historical heritage in rural areas	Acquiring new skills and life experience in rural areas
Cutting off destructive strata being oriented for creation of conditions for successful development and quantitative growth of the local community	Acquiring new knowledge, skills, retraining to be able to meet guests in rural areas	Studying cycle of production, overseeing domestic animals
Development of business and cultural relations	Increase of self-assessment of rural	Cultural enrichment and benefication, promotion of



	dwellers	interest
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Therefore, agro-eco-tourism promotes and assists in diversification of local economy, shapes demand for local goods and services, generation of new sources of income for farmers and natural persons, revitalization local community in developing new types of activities.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

As a prerequisite development of rural tourism as a promising direction of the country's economy requires:

- a) presence and availability of free or relatively free housing in rural areas;
- b) sufficiently high level of comfort and good condition of the housing stock;
- c) systemic state support to agro-tourist farms: a political decision to support rural tourism as the services sector;
- d) organizational support: creation of special structures that have a systematic assistance and are dealing with organization of this segment of tourism industry, as well as the introduction of information technologies, which allows creating a large-scale agro-tourism market in virtual form;
- e) organization of association of entities of agro-eco-tourism supporting portals with databases about the agro-tourist sector;
- f) regulatory and legal (adoption of relevant laws, regulatory framework documents and governmental programs), advertising and information support to promotion of combined national and regional agro-products;
- g) financial support (the system of preferential credits or subsidies to agro-farms).

Compliance with these requirements would make farm tourism perspective strategic direction of the rural areas and countryside, a type of non-agricultural productive business profitable for both rural dwellers, villagers and local authorities, as the developed tourist infrastructure is beneficial for economic and social life of [these] areas capable of increasing tax revenues to the local budget.

An important condition for organizing activity is the development of rural tourism accommodation facilities in rural areas. This implies either presence of rural free or conditionally free of housing



facilities: houses, mansions, cottages that originally had not been [intended for use as] hotels, but suitable for conversion into accommodation facilities for tourists, or the construction of special agro-tourism facilities - accommodation facilities for tourists (“national village”, “hunter / fisherman house”, “cultural centers”, “agricultural parks”, etc.), performing the function of accommodation in rural area.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

In general, experience of development of rural tourism in our country has shown both promising outlook of this kind of activity and revealed a number of problems:

The current legislation has a number of gaps and inaccuracies, which slow down development of rural tourism entities;

Lack of specialized training for individuals wishing to establish agro-tourist enterprise, as well as training with specialized secondary and vocational education to work in the field of rural tourism;

In some areas [there exist] problems with infrastructure of rural settlements, especially in terms of repairing and replacement of access roads to rural tourism facilities;

Difficulties with creating conditions for cooperation of subjects of rural tourism and protected areas, forest hunting and hunting farms in order to create a comprehensive travel programs to accommodate agro-eco tourists following their promotion by tourism enterprises;

*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

Over 7 years of active development of rural tourism in the country, with governmental support, the number of rural households that take tourists has increased from 34 to 1,881, i.e. 55 times, whereas the number of tourists has increased 300 times.

Currently, in our country there are the most favorable conditions to involve in development of rural tourism among all CIS and foreign countries.

This experience is a very positive example of dynamic development, and can be used in other countries. A necessary prerequisite for its implementation is a tripartite understanding between the



state, the society (through NGOs) and peasants, as the main provider. If any element falls out of the three that would mean that the project is not implementable.

In addition, it is worth noting the main points resulting in possibilities of such dynamic development of agro-tourism in the country:

1. A clear statutory definition of the status of farmsteads, simple organization and registration;
2. Preferential conditions for functioning (tax breaks, government subsidized concessional lending);
3. State aid to develop and maintain infrastructure;
4. Help associations in advertising and promotion services;
5. Initiative of rural dwellers and residents (or residents who would like to move to a rural area or a village).

The following recommendations to improve functioning of agro-tourism sector can be offered:

- To introduce certain changes to the already existing regulations, to eliminate existing gaps and inaccuracies therein that would allow stakeholders developing rural tourism and providing services in this area more efficiently and in strict compliance with the law;
- To conduct training and retraining of persons wishing to establish agro-tourist enterprise, as well as training with specialized secondary and vocational education to work in the field of rural tourism;
- To establish public information resources in the field of agro-tourism. This applies both information for potential owners of rural estates, and availability of statistical information that would contribute to research in this area;
- To ensure maximum level of cooperation in the field of rural tourism at all levels;
- To improve quality of the existing rural estates, this can be achieved by introducing certification of rural tourism facilities;
- To improve infrastructure in rural settlements, especially in repairing and replacing access roads to the objects of rural tourism;
- To ensure further development of information support to rural tourism (installation of information boards and signs at the entrances to towns and settlement, as well as international, national and local roads, production and distribution of promotional and informational literature);



- To develop integration and cooperation in agricultural and ecological tourism by creating greenways, resorts and agro “mini-hotels” network based on rural estates and farmsteads;
- To create conditions for cooperation between rural tourism entities and protected areas, forest hunting and hunting farms in order to create a comprehensive travel programs to offer leisure and rest to agro-eco tourists following their promotion by tourism enterprises;
- To maximize the use of material base of agricultural production cooperatives to create agro-complexes;
- To create a specialized research center for scientific and marketing research in the field of rural tourism. Activities of the center should involve experts from various fields: economists, lawyers, geographers, ecologists, anthropologists, tourism sector specialists etc.

## **7. Case study “The possibility of applying the principles of «slow food» in the implementation of farm milk” (RU)**

Milk is one of the most important products in the diet of mankind. The history of the use of milk is the story of the development of human civilization. Milk is the main product, which has beneficial effects on the human body of any age, is an important source of fat, protein, carbohydrates, vitamins and minerals that affect the development of tissues and the whole human body.

The share of cow milk, is currently predominates in the total consumption of animal milk. This is primarily due to the mass industrialization of its production that applies not only to large agricultural holdings, but also small-scale farmers. Thus the cow's milk, as in the case of use in raw and in the case of using it as a base for the production of other dairy products and dairy additives, is most widely used in Russia.

In accordance with the Codex Alimentarius (Latin for "Food Code"), which is a set of international food standards, guidelines and codes of practice, the main purpose is to protect the health of consumers and ensuring fair practices in food trade defined the fundamental role of milk protein as one example of the "reference proteins". The provisions recorded in the Codex Alimentarius, are the basis for many national food standards and related rules and regulations.



A comparison of the essential amino acids of milk proteins with the composition of the "ideal" of a protein indicates the substantial absence of their amino acids, limiting the biological value of proteins.

One gram of «ideal» protein in accordance with FAO/VOZ (adopted in 1973) contains (in mg): isoleucine - 40, leucine - 70, lysine - 55, sulfur-containing amino acids (methionine+cystine) - 35, aromatic (phenylalanine+tyrosine) - 60, threonine -40, tryptophan - 10, valine - 50. Milk proteins satisfy these requirements

Three main properties of milk as a food product:

- easy digestibility,
- ability to excitation the digestive system
- better absorption of nitrogen milk compared to other nitrogen products. Digestibility of milk and dairy products ranges from 95 to 98%.

«Slow food» - is the intersection of ecology and gastronomy, ethics and pleasure.

In different countries, the principles of this movement are treated with some differences, but the basic gist of their lies in the following:

- freshness of products - the use of seasonal fruits and vegetables, dairy and meat products of local manufacture.
- subsistence production - products grown without the use of chemicals, in natural conditions.
- justice and fairness - affordable and reasonable prices for consumers.

Currently, packaging materials have become one of the most problematic issues regarding the establishment of a fully green product. The bulk of farm milk packaged in plastic containers. In the best case, the manufacturer has a plant for the production of PET, but more often buy ready-made plastic bottles. From the standpoint of environmental packaging products currently preferred to use glass containers. Historically, in many European countries, dairy products were stored in ceramic ware. However, modern ceramic manufacturing technology suggest that in the glazes and paints harmful metal salts include: zinc, lead, boron, barium, cadmium, cobalt and others. When they enter the food in small quantities, it is not dangerous, but if the surface is damaged by glassware, their concentration increases several times.

Pottery workshop of Dronov V. S. restored the old technology of pottery, which can be subjected to modern methods of sanitization. As a result of his research were pottery for storage of milk of the so-called "of boiled" technology. These ceramics do not absorb moisture, well washed, can be sterilized.

Farming enterprise of Sergei Zaets specialize in production of dairy products. Conditions of cows, feed and primary processing of milk correspond to the European standards of environmentally friendly products. Farmer considers his products to be the "premium" class. However, the lack of quality packaging that meets not only environmental criteria, but also having the right look. In his opinion, the packaging should cause the buyer associate products with farmers, rural products. This fact suggests that the combination of production of their milk and packaging in pottery will help to develop ecological farming segment of high-quality dairy products.

To assess the impact the kind of packaging on the shelf life of raw milk samples were studied.

As the containers were used: plastic bottles, glass jars, ceramic pots, glazed, "of boiled" ceramic pots. All types of containers subjected to the same sanitized. Raw milk was stored at a temperature of 15 ° C in the light, no direct sunlight. Quality assessment conducted by standard organoleptic quality and safety indicators.

#### Conclusions:

- It is preferable to keep fresh raw milk in ceramic ware made by boiling. Storage in a glass container appropriate only when kept out of direct light.
- Storage in plastic containers leads to spoilage of milk on the second day.

#### *Who was the main initiator to create the local food market?*

Sergei Zaets created first farm more than 15 years ago, he was main initiator of local food market.

#### *How the idea to create the local food market was born? Did the experience of other similar projects was used?*

After learning about farming in Denmark and Germany Sergei decided to buy several cows with good pedigree, and started to grow forage for them locally. That way he was able to produce high quality, eco milk products which was nearly absent on Kaliningrad market.





*Which target groups of producers and consumers were chosen for the local food market formation?*

This farm sells its products to big production facility, regional administration and to private clients that order his products by phone or internet. All this clients have been buying his products for long time and they satisfied by quality of his products, but wish it was packed in more eco-friendly package.

*How the local food market functions?*

Local food market is controlled by government organisation responsible for safety of food products. Any famer can sell his products if he has certificate. There are special designated places for selling farm products: stationary markets, specialized shops. In Sergei case - he sells his products from specially prepared car, two times a week.

*How benefits producers and consumers involved in this local food market?*

Consumers receive high quality products and Sergei spends earned money on improving his tools and popularization of eco-products.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market?*

Sergei takes part in government farm support program ("family farm"). To pack milk products in eco-friendly package its necessary to equip pottery with new tools for producing eco-safe package for milk.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

In the beginning main problem was buying cows and acquiring good forage. Right now Sergei faces problem that many clients want to buy more of his products, but he doesn't want to widen his production, but want to producing different types of milk products and for this he needs new equipment.



*Recommendations how this local food market model can be implemented in other countries based on market initiators, food producers and consumers experiences.*

Farm milk is produced in many countries, usually it is packed in glass or plastic package and to pack it in authentic eco-safe package, not only farms should be improved but pottery shops too.

*Authors of the text: dr. I. M. Titova, dr. V. V. Kafidov*

## **8. Case study “Zaetc farm” (RU)**

*Who was the main initiator to create the local food market?*

The main initiator to create the local food market in Kaliningrad region is Sergey Zaets. Base for Zaets business was eco and country tourism. Sergey bought 40 ha rural land with ruined old forester’s house (Nesterov district, Kaliningrad region). After the Second World War here were settled several families displaced, and in the 1999, building was a pitiful sight. Zaets had to try to bring it into the proper form, to invest a lot of money in repairs and now the house is very nice – as outside so inside. This country guest house offers cozy rooms in the old-German style. First of all Zaets decided to provide natural agricultural product to Kaliningrad (milk and meat), because his family has got not more than 10 cows. Own milk products Zaets selling through a friend in Kaliningrad. However, it was very economically disadvantageous, and was considered by owner only as a method of distribution of milk.

*How the idea to create the local food market was born?*

His idea was to produce natural milk products for local food market, especially for visitors his eco farm near Rominten (Kaliningrad’s region Nesterov district). Over time Zaets decides to create a network of sales of agricultural products in nearby towns. At the same time, he bought meat and dairy cows. These cows produce not only milk, but also bred for meat. Realizing that the sale in Kaliningrad cannot serve as the basis for a real business, Zaets bought 200 hectares of land on which to grow corn and other crops. Corn produces good yields of milk and cattle rooted. Farm products used in the preparation of homemade food for rural tourists visiting the Zaets house. Meat

and dairy products are also sold in local markets Nesterov district. Nowadays natural agriculture is more and more popular. Consumers understand difference between eco farming and conventional and organic farming. Therefore, in the Kaliningrad region, natural agricultural products are gaining popularity.

*Which target groups of producers and consumers were chosen for the local food market formation?*

However, the problem is the reliability of organic agricultural products sold in the region (including Nesterov district). Solution of this problem can contribute to the direct sale of agricultural products producers to consumers. This eliminates the possibility of consumer fraud sellers. At the same time, from an economic point of view, reduced logistics costs and the cost of the product, as consumers buy products within local markets. So interested target groups of the Zaets project are local consumers of his products, he himself as a producer, as well as rural tourists, visitors to his farm.

Note that only in the complex of consumers (tourists and locals), Zaets farm functioning effectively.

*How the local food market functions?*

Zaets farm sales on the local market are based on trust of local residents to products of the Zaets farm. At the same time, locals consumers are not only customers, but some of them are involved in the process of production, because Zaets farm expands and creates new job places. Involvement of local people in the farm promotes ecological way of farming in the area is an increasingly extensive network of sales on the local market, as well as contributes to the growth opportunities of rural tourism.

Note that according to Sergey Zaets among tourists visiting his farm, a growing number of visitors to the Kaliningrad region from other parts of Russia, tourists from large cities (Moscow, St. Petersburg etc.).

*How benefits producers and consumers involved in this local food market?*

Thus, we can say that locals get organic food produced on the farm Zayats, increase their knowledge in the conduct of ecological agriculture, and have jobs, and the opportunity to develop their own



agricultural and tourism business. This business can include: sale of souvenirs and handicrafts, transportations of tourists and their baggage, and other services. In this case, because Zaets farm is organic farming, there is no depletion of land as in intensive agricultural production. The farm is located near the Rominten forest and Vyshtenets lake. It is wonderful places for recreation, hunting and fishing. Therefore, the possibility of the development of tourism are very broad. There are possibilities to create a greater number of places to stay, and therefore the expansion of organic farming, which makes the project very attractive for the local community.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

For starting of this project was a desire and faith Sergey Zaets and his family in that organic farm can be a successful business. Financial costs included money for rebuilding of the old foresters house, purchase cows, equipment, construction of sheds and other buildings. Then it was necessary to attract tourists and development of the local distribution network of farm produce. The latter included the acquisition of the trust of local people to farm produce, their involvement in the production, co-operation with other producers of agricultural products.

Note that Zaets received the support of the local authorities in the form of loans and grants, participation in exhibitions to acquire the necessary livestock, seeds and equipment. With the development, the farm has come to represent a growing number of products and services. For example: increased quality and quantity of food offered to tourists, expanded range of agricultural products. At the beginning Zaets was selling milk only, and later he began selling meat and dairy products, as well as some crop production. With the development of this project, the local authorities also helped Zayets promotion and awareness of people about his farm. This was done by inviting presenters TV travel programs and placement of articles in the local and nationwide press.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

At the beginning of the project the main problem was the lack of money, says Sergei Zayats. Then began to show a lack of knowledge about how to farm, to serve visitors, milk the cows, prepare food for tourists, to grow plants etc.



Now the main problem is the number of tourists and expansion of sales markets. Because the involvement of local people in project as employees requires an increase in sales for tourists or residents. For example: price for one person – 2 thousand rubles a day – including food. To reduce this cost necessary to produce cheaper products or increase the scope of its sales. The last to do is quite difficult because farm products environmentally friendly and therefore are restricting access to increase volumes of milk, meat and plants.

*What advices for initiators of similar projects could be given?*

According to the organizers of the project, the only alternative to increase the efficiency of such projects is the increasing involvement of local people, both as a manufacturer of environmentally friendly products, as well as buyers that means to extend the range of the local food market net.

*Authors of the text: dr. Inna Titova, dr. Vladimir Kafidov*

## **9. Case study “Network of organic farm Kluken” (RU)**

In the village of Clucvennoe Kaliningrad region located organic farm Kluken. The farm is located on the site of the former German estates Kluken.

*Who was the main initiator to create the local food market?*

Organizers of the farm were Sergey Mikhailov and his wife Galina. Deciding to take up private farm Mikhailovs started with goat breeding, since they had no experience with cattle.

*How the idea to create the local food market was born?*

Organization of the farm was originally built on the principle of the local food market. Farm products are gaining popularity among the locals. However, as the farm became apparent that the only breeding goats and selling goat milk is impossible to recoup the cost of repair of an old German manor. Therefore Mikhailovs began to acquire and breed cows, which in turn required the cost of



barns, land for pasture, equipment and so forth. Growing economy needed more investment money, manpower and other resources.

*Which target groups of producers and consumers were chosen for the local food market formation?*

Sergei Mikhailov learned that in England there is a special educational program to teach children in boarding basics of agriculture and life in the village. He decided to use this experience in own way. By the time when this idea came to Mikhailov, the farm had cows, impressive size stable, with arena for dressage and goat yard, park rare ornamental plants and three fruit garden, because Mikhailovs were started to invite tourist on their farm.

*How the Mikhailovs farm functions?*

After analyzing the opportunities and the need for the marketing of farm produce in the local market, Mikhailov came to the conclusion that the English learning experience of children is quite applicable to its economy. Of course it took some extra investing money to buy the necessary equipment, furniture, ponies, horses, development of a football field, golf course, swimming pool, trampoline and so on. However, it increased number of consumers in the farm. Now consumers of eco-friendly farm products are not only the residents near the settlements, but also children who come for the summer and winter holidays on the farm.

*How benefits producers and consumers involved in this local food market?*

This program is implemented for 15 years. Children from 7 to 14 years, coming to Kluken get an interesting activity to each of them. In this case, the farm is able to product sales not only among the locals but also provides meals for children eco-friendly products. At first, the children came from the nearby city Zelenogradsk. Then from the more distant cities Svetlahorsk. Now parents send their children to shoot all of the cities of the Kaliningrad region. Note that this program is aimed at teaching of urban children, who are often in contact with the rural life for the first time.

Maximum farm takes 25 children. At the same time, as during the program «Educational Holidays», and in the rest of the time, the farm produces environmentally friendly products, which sells in the local market.

Benefits that accrue to all participants of the program are as follows:

- city kids have a great vacation on the shores of the Baltic Sea, learn the features of rural life, gain experience working with animals and plants;
- local residents have the opportunity to purchase organic food, as well as work on the farm (the number of jobs during the implementation of the program increases because children need wait staff, chef, teacher riding teachers).
- farm owners receive a guaranteed sales of their products and business expansion at the expense of earning extra money from the children's program.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

Note that at the moment, by the standards of the Kaliningrad region, Kluken is very attractive place for recreation for children and non-formal education. There is a renovated historic building with a central hall, soft furnishings and modern multimedia systems, a library with Gothic arches, fire hall, lounge-dining room, bath with jacuzzi, swimming pool, etc.

At the time of the implementation of children's educational program, the participants are invited to 6 meals a day from organic local produce (making a bet on a variety of delicious and wholesome meals meat of its own production, goat milk and cheese, dairy products made from cow's milk, preserves and jams, fruit and berries, eggs, pickles, homemade bread, etc.).

In this case, the farm has the proper infrastructure for the safety of children. Safety is also guaranteed distance from highways and major cities. Real country life!

In Klyukene implementing a special medical program and insurance. It is important to note that due Owned child education programs, the project has received support Mihajlovyh local authorities (Department of Education of the City Zelenogradsk, and then all power to the city).

At this point, according to Sergei Mikhailov, a children's program has been internationalized, as for the third time farm welcomes guests from Europe (England and Germany). It turns out that from different countries are able to communicate, to study the natural world around us, to explore the unknown, to make friends, share cultural values and to get acquainted with the traditions and customs of each other.

Now the project of child education programs is being implemented:

- English Club «English club»;



- Horse Riding «Pony club»;
- Own farm «FarmVille»;
- Hiking and biking «Wanderung»;
- Natural School «Outdoor Education»;
- Culinary Academy «Master Chef»;
- Film studio "Kluken-TV."

At the request of children there are daily trips to the sea in the village Yantarniy, which is about 15 min. drive from the estate, with the best in the field of wide beautiful beaches. Bathing children – only under constant supervision of counselors. Shallow sandy bottom, exciting team games in the fresh sea air (football, beach volleyball, etc.), the search for amber on the beach, prepared for children organized bicycle tours and hiking with a tent to the sea.

While continuing to operate the local market sales of farm products. Image that earned farming among the local population, it can successfully compete with larger food producers. Experience of making cheese, yogurt, other dairy products, baking homemade bread, to cover the demand of neighboring villages and even sell products in some cities: Amber, Svetlogorsk, Zelenogradsk.

Sells products in two ways:

- Consumers come to shop at the farm;
- Produce, at certain hours delivered in town.

In this case, the second scheme is organized with the involvement of local residents, who themselves form the clientele in his village, and according to demand take the necessary range and volume of farm production.

*What advices for initiators of similar projects could be given?*

As farm products are quite diverse: chickens, eggs, dairy products, meat, vegetables, herbs and fruits, it allows you to create a local market is not only the width of coverage, but the depth of satisfaction of local residents. At the moment, the farm does not expand the number of consumers of its products, it sells more variety of foodstuffs. From the positive experience of this project may be noted the successful combination of organic production of agricultural products in the local market, with the involvement of the urban population, both as consumers of farm produce, and as participants in the training program of rural life. Almost all participants of educational programs for





children and their parents have become consumers of farm produce. Part of the parents began to try themselves in farming, often collaborates with Kluken farm. Thus on the face of not only the organization of the local food market, but also promote his ideas.

## 10. Case study “Home bakery “Lastochkino Gnezdo” (RU)

*Who was the main initiator to create the local food market?*

The main initiators to create the local food market were Aleksander Lepkov and Valerya, his wife. They came to Polesk, a small city near Kaliningrad, seven years ago from Crimea, Sudak. Their choice for a settlement was not so random as it usually happen with other people who come to Kaliningrad region. Aleksander, 50 years old, passed his military service in Polesk in the mid 90<sup>th</sup>, so he had a good vision of a nature and surrounding of Baltic region of Russia.

Just after their arriving Aleksander found a job as a driver, and Valerya started her work in the kindergarten. Their son Il’ya left their parents and found a job in St. Petersburg. In 2010 the company, where Aleksander worked, became a bankrupt because of the very low demand for logistic services in the region. Valerya was the only person in a family which was able to earn some money for a family. Nevertheless, that could not last forever as her salary was not enough even for covering the utility bills.

*How the idea to create the local food market was born? Did the experience of other similar projects was used?*

A majority of the world’s population now live in urban areas. This is the result of rapid growth of cities and peri-urban areas over the past few decades. The culture to consume a healthy food is very popular among some classes of the society. The idea to create a home bakery “Lastochkino Gnezdo” came to Valerya. As Valerya say, their family always was vegetarian and they had a lot of recipes for cooking the vegetarian food. So, the family got some law and business information from the local ministry of economy how to create a private enterprise via a regional program of a business assistance. That was not so difficult to start a bakery: in order to get some state subsidiaries in Kaliningrad region the initiator of a business have to present and to defend a business plan via a



special commission. The maximum amount of a subsidiary may be equal to RUR 68000 (approx. EUR 1500). The key obligations for such a private enterprise were as follows: to use the subsidiary solely for product line and to create two working places minimum. Furthermore, Aleksander became a participant of a special educational business program for former military men with a duration of 11 months.

The idea was as follows: to create a home bakery and to start a vegetarian catering services. A draft preliminary survey of a local market showed that there is a sufficient market segment for their food and that there are too many people in Polesk which would like to buy their products. As Valerya say, the first clients of their family enterprise were their friends and relatives. The main problem was to find a quality products (as ingredients for baking) in the local food stores. Aleksander and Valerya found a small farm near Polesk which was able to supply a bakery with their own products. A wish to eat a quality food became a business idea!

*Which target groups of producers and consumers were chosen for the local food market formation?*

Kaliningrad region is separated from the mainland with the Baltic states and Belarus. Too many kaliningradians have a relatively free access to Poland. Private bakeries and vegetarian food are widely popular in some neighboring states. So, the residents of Kaliningrad region do get some “experience” in such a food and get a will to have the same products in their home cities. Right now the enterprise is using the key principles of a healthy food: Focus on Whole Foods, Eat Plant-Strong, Choose Healthy Fats, Consider Nutrient Density. The enterprise is very interested in receiving the information about their products and is trying to get some feedback from their clients. The beauty, however, comes at a price: The cost a family food is relatively higher than that of other foods.

*How benefits producers and consumers involved in this local food market?*

There are four main sides which get their benefits from Aleksander and Valerya business. First of all, the family is fully employed by their own enterprise. Secondly, their partner farm “Zalesskiy Farmer” got a good market for their products (as “Zalesskiy Farmer” say, Lepkov’s family is not a strategic partner for a farm, nevertheless they spent RUR 100000 (EUR 2300) every month for their purchases (greater market access, improved business and sale). Thirdly, Lepkov’s family had found approx. 500 customers from the whole Kaliningrad region (Increased job satisfaction). Fourthly, the

state had not to support Lepkov's family any longer and, instead of it, is getting some tax and pension payments for itself.

*What kinds of human, financial and other resources are necessary to start and to maintain the local food market? Do the local and national authorities support the project?*

The preliminary financial resources requirements to start a business were approx. RUR 200000 (EUR 4500). RUR 68000 (approx. EUR 1500) were granted by the local authorities, RUR 50000 (approx. EUR 1100) were the private savings of Aleksander and Valerya, and the rest amount had been provided by OJSC "Rosselkhozbank" via a special agricultural program.

*What kinds of problems were met by the organizers of the local food market at the beginning and in the later stages of the local food market creation process?*

There were no any financial problems as Polesk district is under a very strong supervision of the local authorities because of the high level of unemployment. Two main problem emerged: the first was to calculate the capacity of the market segment and the second (which came from the first) was to buy a used bakery oven in Lithuania. Unfortunately, Aleksander and Valerya did not manage to find any information about the potential market segment. Luckily, the Lithuanian seller agreed to sell the used oven on a term basis (the duration was 2 years).

*What advices for initiators of similar projects could be given?*

Aleksander and Valerya would be glad to establish some branches in Kaliningrad, Chernyahovsk on Sovetsk. The family is looking for the couples which would like to start their business under the franchise license and is planning to open a web site in the future.

*Author of the text: Vladimir Chaplygin*