

Croatia – innovation example 3

HNV FARMING AS TOURIST ACTIVITY: SMS VLAHO KOMPARAK, SMS EKO ŠKOJI, OLIVE OIL MUSEUM

Local action group LAG 5 www.lag5.hr

- **Location:** Dalmatian islands
- **HNV system:** mosaic agriculture and extensive grazing, mainly sheep on EU Mediterranean grassland
- **Scale of operation:** LAG Brač, LAG Škoji, LAG 5
- **Timespan:** From 2012 ongoing
- **Keys to success:** a broad spectar of products, tourism as product placement



Figure 1

Problems addressed by this example

Branding and promotion of HNV farmland products. Economic sustainability of HNV farming (HNVf).

Story in a nutshell

This innovation examples gather different stakeholder that have several things in common: they have all return to cultivate the agricultural lands of their ancestor and revitalize their heritage and their biggest shopper are tourists visiting the area. Kruno Cukrov who is the owner of the Olive Oil Museum decided to renovate the old family mill and turn it in a museum. Museum presents the story of his family, visitor that came can participate in the work on the olive fields, sight see or buy and taste local food. Diana Marović, owner of Eko Škoj together with her husband left the capital of Croatia, Zagreb where they both lived and work to open an SMS that is today one of the best rated in the country. Vlaho Komparak, a student of Agronomy during his studies decided to come back to the island and translate all the theory in a practice of his own making.

What does HNVf as a tourist activity achieve for HNV farming?



Economic viability

Figure 2



Preservation of biodiversity

Figure 3



Maintenance of traditional agricultural landscapes

Figure 4

Achievements

Linking HNVf to tourism ensures the economic viability of these practices beyond subsidies and ensure its long term endurance. Presenting HNVf as a tourist activity helps increase its popularity and becomes a “in thing” both in tourism and agriculture.

Economics of HNV farming

Data is not available on the economic impact of the programme for HNV farms.

Maintaining or improving HNV values

These activities didn't come as an output of pro HNV measures but probably had benefits as a result of maintaining extensive grazing systems and reducing scrub encroachment.

The activities could have been adapted to give it a more explicit HNV focus, for example in terms of branding and HNVf labelling.



How does HNVf as a tourist activity respond to the HNV LINK innovation themes?

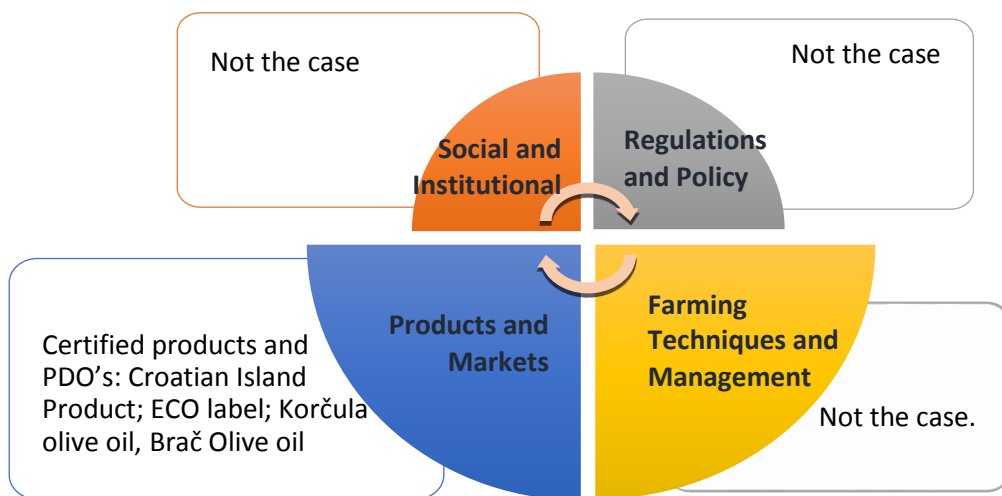


Figure 2 Shows how this innovation addresses the four themes of the HNV-Link innovation framework.

- **Products and Markets:** Tourist demand and the biodiversity on the agricultural holdings helps in the creation of an array of diverse and unique local products that have and added value with the labels such as PDO and ECO label. Additional support is necessary as there is a high unit cost in certification of these products as there are small number of units per product but a great variety of products. The existing administrative and fiscal burden is stopping additional certification that is necessary for creating and added value for these products.

The process that made it happen and critical factors for success

- Inheritance
- Entrepreneurial spirit and creativity
- Demand for authentic tourist experience
- Tourist demand for local products



Figure 3



Figure 4



Figure 5

Actors and roles: Key actors were enthusiasts and entrepreneurs that after a life in the city or schooling in a big city decided to come back to their island and cultivate their agricultural and cultural heritage.

Institutional context that made it possible: Opening of Croatia to tourism that is based on local products and local tradition helped create a market niche that would economically valorise the added value of their agricultural products.

Resources: Major resources was their heritage, their own savings or a credit loan and a lot of their own hard work in the field, in the sphere of marketing and promotion and in dealing with bureaucracy.



Processes: These processes were kick-started in different times in the 2000s and are all still ongoing and improving.

Critical factors for success: Their success is a result of years and years of hard work with the sole support of their enthusiasm and their families. Critical factor being enthusiasm and will to persevere are the initial obstacles.

Limiting factors, actual/potential problems, and how could they be overcome: The administrative burden that has no flexibility for micro scale agribusiness in the islands is a major limiting factor. Lack of organised institutional support and national legislation in different sector (legislation for tourism, business and agriculture differ and there is a need of having different legal entities in order to have low cost legal entities) block a lot of integrate entrepreneurial ideas that would foster viability and promotion of HNVf. Coordinate action of institutional stakeholder on different levels and sphere of government is necessary in order to produce an administrative ease in doing this type of businesses.

Lessons learnt from this innovation example, and its potential replication

- Tourism as a boost for HNVf products
- HNVf as an unique tourist experience
- Tourism as a marketing tool for HNVf



Figure 6



Figure 7



Figure 8

Overall lessons from this example, especially from point of view of HNV farming?

For HNV preservation of traditional landscapes and revitalization of agricultural practices in a way that it answers to the contemporary needs of the locals (incorporation of nature protection, revitalisation of landscapes and sustainable tourism)

Is the innovation unique to its territory and its characteristics, or is it replicable in other areas?

It is an innovation that is replicable and that has been in some extent implemented in other areas such as it has been presented in this example.

Could it be rolled out on a bigger territorial scale?

Existing examples that have been mapped were focused on small to medium scales such is the scale of an SMS.

What would be needed to do this successfully?

Administrative and fiscal easing of these type of HNVf friendly entrepreneurial activities.

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