We strengthen the green sector

Rural development in Sweden
Examples of Swedish rural development

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Swedish rural development

I am proud to be able to tell you that local development work in rural areas has a very long tradition in our country. There is an established development model whereby people come together at a local level, get organised, establish common goals and then, through methodical work, realise their ideas and visions.

Experience has shown that this grassroots approach is definitely productive. It encourages participation and sets a good democratic example.

Recognising and stimulating all the innovative individuals and groups who form the bedrock of local development is very important to the work we do to support development processes. Their creativity must be encouraged. Support for local development can, in fact, be regarded as a resource for development at national level. Local development contributes to the growth of the nation as a whole – even small-scale ventures can make their mark on large-scale projects.

I must stress the fact that rural development is a tool for growth – a broad-based powerhouse which must never be overlooked. Especially today, when issues like climate change, the environment and sustainability point up the need for creativity, innovation and entrepreneurship more keenly than ever.

This brochure presents six examples of Swedish rural development today. All of them have received some form of support from the Swedish Rural Development Programme. As such, they provide a good illustration of the way in which bright ideas, stimulated by the Rural Development Programme, are helping to generate innovative solutions for the future which can only benefit the nation as a whole.

Mats Persson
Director General, The Swedish Board of Agriculture
The power of Swedish rural development

The Swedish countryside is being developed with the help of people's creativity and enterprise, and their desire for change and renewal. Methodological development, network support and financial stimulus from the Swedish Rural Development Programme are boosting the opportunities for success in this work.

- Approximately 35% of the Swedish population live in the countryside.
- Out of Sweden's small companies with 0–9 employees rural companies make up approximately 30% of the total turnover. These companies turned over approximately SEK 550 billion in 2007.
- Rural companies grew in number over the period 1993–2004.
- In relation to urban areas a larger proportion of the population of the countryside run their own companies.

Small businesses characterise the Swedish countryside and Lars Pettersson, an economist at the Swedish Board of Agriculture's Department for Rural Development, points to the phenomenon that small businesses generate further creation of business.

"Swedish and international research into entrepreneurship have shown that small businesses co-vary positively on the basis of the creation of new business. Established financial structures are being challenged continuously by new companies, which bring creativity to the national economy.

The economy of the countryside is very interesting and can contribute to a positive development of the national economy as a whole," says Lars Pettersson.

Budget

The Swedish Rural Development Programme has a budget of SEK 35 billion in total for the programme period, of which the EU finances approximately half. Enterprise and the environment are priority areas.

The following areas are given priority in the Rural Development Programme:
- environment, climate and sustainable development
- value-added factors such as locally produced and organic food
- new products and services including innovations
- training
- diversity

FACTS:
The numerical data in the article is based on the definition of the concept of "countryside" and "towns" used in the Swedish Board of Agriculture's database Regional Balans ("Regional Balance").

Sources:
Board of Agriculture report 2009:02
Economist Lars Pettersson, Swedish Board of Agriculture's Department for Rural Development.

The Swedish Rural Development Programme:
The Swedish Rural Development Programme 2007–2013 is intended to promote growth, competitiveness, enterprise and employment, environmental conservation, as well as local involvement in the development of rural areas. The intention of the programme is to develop the countryside in a sustainable way – financially, ecologically and socially.
The Rural Development Programme is intended to contribute to the attainment of environmental quality targets. Concentrating on value-added factors such as locally produced and organic food stimulates the establishment of new companies and can help to boost those companies that already exist. New products and services, for example tourism and biofuel, also make for more new companies. Through training the result of research and development will reach out to the entrepreneurs in the countryside.

The implementation of the programme is being carried out on the basis of local, regional and national strategies. Strategies are developed broadly in the partnership with the aim of, for example, identifying areas with strong development and growth potential.

Leader
Leader is part of the Rural Development Programme, and a working method to achieve the goals of the rural development programme at local level. In Leader, public, private and voluntary sectors are collaborating, financing development projects jointly. Leader comprises a total of SEK 3.2 billion.

The Rural Network
The Swedish Rural Network comprises 100 or so players plus all of the local action groups in Leader. The aim of the network is to promote collaboration and learning between the operators in the countryside.
Svartådalen (Black River Valley)
The district’s strong resolve makes for local growth

Decades of voluntary work and a strong spirit of enterprise characterise local development work in Svartådalen (Black River Valley). The result is a cluster-like hiving off of enterprise within tourism and small-scale food production in a district with a strong desire to initiate local development.

The approach used in Svartådalen represents a classic Swedish local development model deriving its strength from the grassroots level. The local residents direct the work and have methodically succeeded in turning a negative trend into growth.

“The work really took off during the 1990s, when several local associations were formed,” say Anitha Barrsäter, Lisa Hallin and Camilla Örnberg, three of the entrepreneurs in Svartådalen. The motivation for this voluntary work came from a threat to close schools, with many people leaving Svartådalen and a bleak future in prospect.

Today, more than 10 years later, the trend has reversed. Svartådalen has a cluster-like developmental organisation working continuously on a large number of different development projects. At the centre there is a co-operative for local development. The members are the more than 30 local companies and associations whose common interest in a dynamic district generates a steady stream of ideas for development.

The best ideas are initially developed as projects, financed according to the Leader model with investment from the local level, from the business world and using public funds.

The projects produce results in the form of independent companies and businesses, as well as improved conditions for enterprise and a positive trend in population figures. The players affected can apply for support from the Rural Development Programme.

So far 20 recently established companies and 40 or so jobs can be traced directly to projects that have been implemented. But the dynamic and indirect effects are even greater. The population level of the district is one of those things which indicates this; it is now stable, with an influx of families with children.

The district’s natural resources for tourism and small-scale food production have been utilised in the development work. The rich birdlife of Svartådalen, together with...
its cultural and agricultural traditions have formed the basis for an extensive cultural tourism and ecotourism which currently attracts almost 25,000 tourists a year.

The tourists provide employment for the owners and staff of 20 or so companies, and between 2007 and 2008 alone the number of people staying overnight increased by 30% to more than 4,600, and the expansion looks like continuing.

A further development resource is agriculture which, thanks to development projects, has moved towards local food production with a high degree of processing.

Sales are aimed directly at the consumer, at restaurants, both local and national, and public procurement. Two new brands for local production and organic meat production and sales have gained a foothold in Svartådalen, and at the same time are part of the environmental protection which keeps the beautiful landscape open.

Local food production has also boosted the district’s conditions for local service. One example is the grocery store in Västerfärnebo. It is owned by the local residents, and has taken note of what is most in demand, namely locally-sourced and organically produced food. The local image now means that customers also come from other areas and towns to shop.

Up to 2011 further projects are now ongoing which will build on these successes. One has to do with developing tourism and local tourist enterprise even further. Another is about continuing the work of development in local food production and also involving a school for in-service training in this field. The third has to do with local energy, transports and local adaptation to a sustainable lifestyle.

And with great joy entrepreneurs in Svartådalen can point to a positive development from this development with immigration, new business and increasing tourism.
Renewable energy creates local development

Hydroelectric power, district heating with biofuels and wind power are established renewable forms of energy in Sweden. But there are further examples of how local energy production can increase the vitality of rural areas, at the same time as reducing the net contribution of greenhouse gases to the atmosphere.

Renewable energy make winners of both the climate issue and local development.

At present biogas is the form of energy of greatest interest in Sweden. Here are some up-to-date facts:

- The total biogas potential in Sweden is considerable. A government report shows that Swedish agriculture would be able to produce biogas from animal manure equating to approximately one nuclear reactor. With further cultivation of crops this figure is capable of being doubled. The biogas industry itself also indicates that the Swedish forestry industry could contribute considerably more biogas raw materials if the technology is developed for this.

- In July 2009 the Swedish government commissioned the Energy Agency, the Board of Agriculture and the Environmental Protection Agency with producing a national strategy to facilitate the production, distribution and use of biogas. This strategy should also remove legal and other obstacles to the use of biogas in powering motor vehicles. The strategy should be completed by May 2010.

- The financial support for building biogas plants have been revised and mean that farmers and other rural entrepreneurs may receive 30% to 50% in investment support from the Rural Development Programme for biogas investments.

Even today biogas production has begun at various places in Sweden. In total there are over 200 plants. Most are based on biogas production from sewage sludge and landfill sites. As regards agriculture, there are so far about a dozen plants in operation, but many more are planned, so that individual farmers will be able to utilise the energy resources from manure, waste products and crops.

A more comprehensive example, which receives support from, amongst others, the Swedish Rural Development Programme, is “Biogas Brålanda”. This project is still only at the planning stage, but will combine small scale biogas production in rural areas with large-scale use, without involving fossil-based natural gas. Farm-based biogas plants will be linked to a 50 km long pipeline and will be able to produce a total volume of biogas corresponding to the annual fuel use of 250 cars and 60 trucks and buses. The biogas will primarily be manure-based and can then be pumped from filling stations in towns where vehicle energy use will become part of the natural cycle.

District heating is another topical opportunity as regards renewable energy.
A good example can be found in Hedenäset in the far north of Sweden, where local businesses and forest owners have joined forces to invest in a plant fuelled by wood chips. The raw materials come from the local forestry in the area. “We are nine entrepreneurs and forest owners in Hedenäset who are jointly responsible for this venture. Everything has gone very quickly and surprisingly smoothly,” says Ulf Zakariasson.

The company, Hedenäset Närvärme AB, was established in 2007 and then investments and installations were produced promptly. The boiler was put in place and culverts and pipes were laid to all of the properties of owners who wished to be connected.

All municipally owned properties and housing were connected from the beginning and the interest from the owners of private houses increased when the municipality reacted positively. Now 40 houses are connected, and a further 16 homeowners are in the queue.

2008 was the first complete year of operations for the plant, and it seems that estimates were correct. The company has also become more independent of the supplies from other forest owners since one of the partners invested in a wood-chipping plant, which supplies the boiler with most of its raw materials.

“Some partners have, what is more, sowed reed canary grass. When it is ready to be harvested in some years, we can mix 30% to 35% into the fuel,” says Ulf Zakariasson. A total of SEK 6.5 million has been invested in the plant. The support from the Swedish Rural Development Programme amounts to SEK 1.8 million.

Hedenäset is now a prototype for the whole of Sweden. The example shows how, in both a financially and environmentally efficient way, one can replace electricity and fossil fuels in heating, at the same time as moving energy production out to a local level.
Service design provides local development and prototypes

Coordination is the solution to service in Gagnef Municipality. National, municipal and commercial services are housed under the same roof in a unique solution, which turned out so well that the municipality is now organising its own administrative services according to the same model. “Service design” is the best way of describing the principle for development work in Gagnef.

“Service is one of the absolute essentials if a rural district is to develop. If the local services are sound and work well, long-term, you will have one of the key ingredients needed for positive local development. This is why service issues should be given a central role in all local development work.”

This is what development director John Quick and service director Tomas Hellquist say, and they are able to monitor the effects of the service initiative realised in Gagnef Municipality in 2007. The results are so good that they have coined the term “service design” as a tool for both local development and for how administrative service for a municipal administration should be organised in an efficient way.

Gagnef Municipality has 10 000 inhabitants and is located in what might be called a borderland between Sweden’s industrial areas and the country’s sparsely populated areas. In the south-east corner of the municipality lies Djurås, the main centre. The hubs creating the basis for service are, of course, located there.
But the basis for public services in Djurås faltered and came into question over a period of several years. The local police station, the local service offices for the job centre and the social insurance office were faced with closure, and the municipality called interested parties to a crisis meeting.

During the meeting a vision was developed of consolidating the basis for services with the help of coordination. “The idea was that, if national, municipal and commercial services could agree on both premises and staffing, then the services would be able to survive,” says John Quick.

And this is what happened! In the spring of 2007 the “Centre for Good Advice” opened, which is the solution to coordination. National, municipal and commercial services are to be found on the same premises, which means a reduction in costs.

In practical terms coordination is conducted with the help of the tourist office staff who have been given the general role of “civic information officers”.

“We do everything from guiding tourists to sites worth seeing to receiving reports to the police and making appointments for visits to the job centre or social insurance office,” says Veronica Lindberg.

But creating a role for officials which can correspond to all of those skills required by a range of services of this breadth is something they have not yet completed in Gagnef.

“The competence on the part of the ‘civic information officer’ has been the most difficult aspect in our solution for consolidated service,” says John Quick. The rules and regulations and technical platforms of the respective parties have also involved challenges.

On the other hand the coordinated model has become a prototype for how Gagnef Municipality should reorganise its administrative service within the municipality’s own administration. A new section for service has been created, which will deal with both the services provided by the municipality externally to its residents, and internally within the municipality.

“All of our 14 municipal officials who in some way are working with service functions belong to the section,” says Tomas Hellquist.

The goal is that everyone should have the same service competence, that the routines for services are similar, and that services of all kinds should be accessible irrespective of which official one is talking to.

“What we gain is better service, more efficient administration and improvements in municipal hosting,” he says. Tomas Hellquist’s current challenge is to organise an efficient “service design for municipal hosting". Gagnef’s project for rural development has, therefore, become a cutting edge model for good social services in a considerably wider perspective than merely local services.

**FACTS:**

These are the services found under the same roof at the Centre for Good Advice:

**National services:**
- Police.
- Social insurance office.
- Job centre.
- Systembolaget (Swedish Alcohol Retail Monopoly).

**Municipal services:**
- Tourist office.
- Consumer advice.
- Study and vocational counselling.
- Substitute centre.
- Energy advice.
- Library.
- Cinema, theatre and conference centre.
- Company pilot and rural development advice.

**Commercial services:**
- Grocery stores.
- Restaurant.
- Sale of fuels.

Associated with the Centre for Good Advice there are also:
- Chemist.
- Post Office.
- Travel centre for public transport.

Gagnef Municipality has invested SEK 681,000, and received SEK 430,000 in subsidies from the Rural Development Programme for rebuilding and extending the property where the coordinated service is housed.
The farm that has become its own brand

There is no other farm like Hälje Farm (Hälje Gård) near Umeå in the north of Sweden. Erik and Kristina Johansson have known this ever since they bought it a decade ago. Since then it has become the basis of their own unique rural enterprise. Their business idea has transformed it from just a farm into a fully diversified business and a viable rural company.

Today Hälje Farm sells a balanced mix of over 15 different product and activity types. Its business is so diverse that it is hard to sum up. But everything has been thought through, and the livestock – cattle and sheep – form the heart of the farm. It is around them which most of the business revolves – in one way or another. Together with the personal qualities and skills of the farm owners, a unique totality has been created which has made the farm into a brand. “Our idea is to offer a unique range of experiences and good food in a charming setting,” is the way Erik Johansson, sums it all up.

Hälje Farm was originally a small dairy farm run along traditional lines. But when Erik and Kristina bought the farm 10 years ago a gradual transformation began with three points of focus.

• Small-scale food production and sales.
• Experience tourism as well as arranging parties and conferences
• Biodiversity.

Keeping their own animals is a condition for the small-scale food production and sales, and for keeping the land open and retaining the beautiful environment. But Hälje Farm also collaborates with a number of other farms in the vicinity to acquire sufficient raw materials.

In the farm shop Erik and Kristina Johansson sell meat from sheep and cattle and also locally produced sausage, fish, traditionally baked flatbread, sheepskin rugs, dairy products, potatoes and their own brand of barbecue spice.

Experience tourism and activities is another branch of the business that has proved to be profitable. At Hälje Farm conferences and parties are arranged to order, combined with a unique range of activities. Everything is spiced with humour and a feeling for what is marketable among families with children, the general public and companies in the area near the farm.

One example is the recently constructed restaurant with the possibility of arranging conferences with catering.
according to the farm’s own menu and with locally produced meat.

Another example is private parties which have a completely unique character. For families games are arranged and the children can have contact with the animals. For adults’ birthday parties the former champion boxer Erik Johansson (with two Swedish championship titles) invites the person with the birthday to have a boxing match with him. It is a popular opportunity which means that the birthday boy gets “what he deserves”. Everything of course sensitively adapted to what he can tolerate.

As regards biodiversity, it is once again the animals that do the work. Hälje Farm has more animals than their own pasture can accommodate. This means that grazing animals are rented out to other landowners or to Umeå Municipality, as a resource contributing to biodiversity. The sheep grazing within the City of Umeå are a constant tourist attraction, not least when the animals are released for their first pasturage in spring.

Erik and Kristina Johansson’s fresh ideas have helped make Hälje Farm famous. They have received prizes for their rural enterprise, and the name of the farm has become a concept, its own brand.

FACTS:
Hälje Farm comprises 150 hectares of arable land, pasture and forest. The livestock consists of 120 ewes and 80 cattle. The business turns over SEK 2.7 million per annum and employs the two owners, two full-time employees and three seasonal employees in the summer months.

Hälje Farm has received investment support from the Rural Development Programme for building the farm’s restaurant and conference centre. Here are all of the businesses that are being run:
- Agriculture with crops
- Raising and selling beef
- Raising and selling lamb
- Hiring out grazing sheep
- Farm shop with the sale of the farm’s own and other firms’ local products
- Activities/experience tourism
- Restaurant
- Conference business
- Project management
- Insurance agent
- Sheep shearing (4 000 sheep per annum)
- Construction business
- Forestry, firewood sales
- Machinery rental
- Blasting

To have a boxing match against the former Swedish champion Erik Johansson is one of the opportunities for visitors … (Photo: Calle Bredberg)

Erik and Kristina Johansson have diversified their business so successfully that the name of the farm now acts as its own brand. The unique feature of the farm is the strength underlying the business. (Photo: Calle Bredberg)
Jenny and Johan Gille tried arranging summer theatre performances. They were a success, the business expanded and has become a vigorous company which attracts 20,000 visitors every year.

“We couldn’t have done this in town” the theatre’s owners point out. But in the little village of Lerbäck it was possible to set up and run a completely new theatre in private ownership. What it took was two entrepreneurs and cultural workers who saw the opportunities and realised their dreams of a theatre of their very own ... These two are husband and wife Johan and Jenny Gille who both have a background within the theatre, specialising in children’s theatre.

It all started in 2002 when they bought an old country inn in Lerbäck, a village of only 100 or so inhabitants. They soon began to think about starting up a summer theatre right there on the premises. Their plans took shape fast, and two years later they had turned the lawn in front of the main inn building into an open-air theatre. That year they attracted audiences totalling 5,000 people – a real triumph for the first season of what was just a tentative venture to begin with.

The following year a proper open-air stage was constructed and since then the business has continued to expand into the extensive theatre business of today. It now has a turnover of over SEK 9 million, has 10 full-time staff and attracts 20,000 visitors a year.

“In 2008 we refurbished an old grain store making it into a theatre and restaurant. This means that we can now provide theatre all year round. Outdoors in summer and indoors during the winter season,” say Johan and Jenny.

“Basing a business on culture is a poorly exploited opportunity to create a positive development in the countryside. It works here because the business is being run in...
The actors also take part in sales and service to the visitors. All with the intention of creating a relaxed and positive atmosphere which makes for Lerbäck’s distinctive character and quality.

Animals hired from outside mean that the children gain an experience outside the theatre.

The Gilles are now able to offer outdoor theatre performances right through the summer. These shows are aimed at family audiences, designed to appeal to children and adults alike.

In winter they offer a combination of dining and theatrical performances. Lerbäck Theatre has developed its own concept, which they call "Dinner whodunnits". This involves giving a theatrical performance – a live thriller – right there among the diners. The audience is drawn into helping solve the crime and unmask the culprit.

The food is generally sourced from local suppliers, and the whole fusion of dining and entertainment adds up to a very relaxed and enjoyable experience.

Although right out in the countryside, the Lerbäck Theatre is able to earn income from its own combination of dining and entertainment, even in winter. Accommodation can be arranged for its guests at a nearby hotel, and it can even sell its show scripts to other theatrical businesses happy to follow Lerbäck’s example.

Johan and Jenny Gille feel that people active in cultural fields like the theatre find it hard to see themselves as entrepreneurs.

“We are entrepreneurs and there’s nothing wrong in that. We have seen ourselves grow into the entrepreneurial role, and there is no conflict between culture and business. In fact, we find it useful to be able to think in a business-like way. It helps us to evaluate what we are doing, and learn from it,” they comment.

They point out, however, that they would never have been able to expand so fast at Lerbäck without assistance from the Rural Development Programme. It cost SEK 3.5 million to convert their old granary, for instance.

"Securing a grant of SEK 800 000 was crucial to us. Thanks to this and the rest of our investment, we were able to increase our turnover by 150%.”

As a result of all this, Lerbäck Theatre has also been able to bring extra business to companies nearby, such as hotels, catering firms and small-scale food producers.

The countryside. The environment is one of our key resources," they say.
In summer Lerbäck Theatre goes in for family performances which appeal to both old and young. In winter they offer a combined restaurant and theatre operation.

www.lerbacksteater.se
Higher crop yields and an improved environment

Better harvests of higher quality and improved finances have been the result for the farmer brothers Johan and Anders Heurén. They have gained control over the nutrients on their farm as a result of a project combining rural development and environmental work, which provides both financial and environmental benefits.

“Focus on Nutrients” is an advisory project which was started in 2001. The goal is to reduce the leaching of nitrogen and plant protection products from farms into water courses, the sea and water catchment areas. The results to date show that all of the forms of farming covered by the project have made reductions in their substance run-off levels, and that the farms involved have gained financially from this.

The Heurén brothers are one example:

“We have had at least 5-7% better yields as a result of a more efficient distribution and balance of the plant nutrients that we spread on our fields,” says Johan Heurén. The brothers farm approximately 400 hectares of arable land, close to the sea in south-west Sweden. Their crops include cereals, oilseed, potatoes and sugar beet. They have around 60 dairy cows and breed some 3,000 piglets annually. They rear a thousand of the piglets for slaughter themselves, as well as 30 or so bulls.

Their own supply of farmyard manure provides enough phosphorus and potassium for their arable land, but extra nitrogen is needed.

“We joined the project from the start. But even before that, we had started using a yield monitor on our combine harvester and a nitrogen sensor when spreading nitrogen,” he says.

“We could see that the crop yield varied considerably across our land, even though it looked good to the naked eye. At first we thought that the equipment was giving the wrong readings. But the uneven yield was a fact, and resulted from the incorrect distribution of applications of manure and fertilizers in relation to the soil characteristics.”

The cause of this is that soil types and qualities can vary greatly within a relatively small area. The Heurén brothers’ farm has everything from heavy clay to light sandy
soils. Variation of this kind is common in Swedish farmland, and in some cases, you can go from one extreme to another, all within the same field. This is why it is so important to spread fertilizer appropriately in each area.

“The project provides us with more information and has helped us to draw up a plant nutrient plan, which means that we work in a different way.”

The farm’s fertilizer strategy is now more accurate and discriminating, and is based on the characteristics of the land and the actual needs of the crop. The amount of nitrogen to spread is now determined with the aid of the nitrogen sensor.

The result is less flattened crops and more even and bigger harvests which maintain a high quality compared with previously. This means that the Heurén brothers’ income has increased, and that their use of fertilizers is no higher than is necessary.

“What is more, we have started to use the same thinking when we apply plant protecting agents. In this context too there are both financial and environmental gains,” says Johan Heurén.

He describes “Focus on Nutrients” as a project which has brought both environmental and financial gains as a result of a single measure.

FACTS:

“Focus on Nutrients” was initiated in 2001 and is supported by the Swedish Rural Development Programme. As a result of the project it is estimated that the annual leaching of nitrogen has dropped by almost 2 kg per hectare on those farms that have received repeated advice (up to 2006). This corresponds to a fifth of the total target for agriculture up to 2010, according to Swedish environmental objectives.

Better storage and application of manure has also reduced the losses of phosphorus to water courses and of ammonia into the air. The project also provides feedback to project management at the Swedish Board of Agriculture, as it has meant that systems have been created for monitoring and follow-up of how different measures influence agricultural emissions.

Plant protection treatment has also formed part of the project.

“The nitrogen sensor was an expensive investment, but it has paid for itself several times over,” says Anders Heurén.

The first nitrogen treatment is adapted to the conditions of the soil and is given in association with sowing.

(Photos: Henrik Andersson)