

**D4.5 National Synthesis Report on
Case Study in Czech Republic:
Tradition of White Carpathians/
Tradice Bílých Karpat**



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Encouraging Collective Farmers Marketing Initiatives (COFAMI)

Background and objectives

Collective action by farmers has played an important role in the history of European agriculture and rural development. During the 20th century the joint actions of farmers in many EU countries gave rise to the foundation of agricultural marketing co-operatives, resulting in better market access, increased farm incomes and regional employment. More recently farmer collectives have made an important contribution to the spread of sustainable production methods.

Now European agriculture is facing a range of new challenges. Farmers have gradually lost control over supply chains, due to the growing power of retailers, and are also confronted with a general decline and reorientation of policy support. At the same time, there is a need to respond to changing consumer demands for food safety, quality and an attractive countryside. Again, collective action may help in finding appropriate answers for these new challenges.

Against this background the COFAMI project studies the potential role of collective farmers' marketing initiatives (COFAMIs) in finding adequate responses to changing market and policy conditions. More specifically it aims to identify the social, economic, cultural and political factors that limit or enable the development of such initiatives. The project also seeks to identify viable strategies and support measures to enhance the performance of collective farmers' marketing initiatives.

Steps in the research

At the start of the research a **conceptual framework** for the study of COFAMIs will be developed. A review of relevant scientific literature and a 'quick-scan' of 8 previous EU research projects which included COFAMI cases will provide the basis for this.

For each study country a **status-quo analysis** of collective marketing initiatives and relevant contextual factors will be made. This involves an overview of existing COFAMIs, their aims, organisational forms and strategies, relations with other supply chain partners, and relevant market and policy environments.

A series of 18 in-depth **case studies** of different types of COFAMIs will be conducted. These will provide more detailed insights into the influence of different factors that limit and enable the development, performance and continuity of COFAMIs. The performance of initiatives in terms of social, economic and environmental impacts will also be assessed.

In the **synthesis** the results of these different research activities will be integrated into general conclusions about the relative importance of various limiting and enabling factors for different types of COFAMIs. Support strategies for COFAMIs and measures to improve their performance and dissemination will also be formulated.

Project results and consultation

Participatory methods and stakeholder consultation will play a key role in all stages of the project, to ensure that research outcomes are grounded in field experiences and policy debates. A National Stakeholder Forum will be established in each participating country. In addition a European-level expert group of scientific and field experts will be formed to broaden geographical coverage beyond the 10 countries represented in the project.

The research will provide farmer groups, support organisations and government agencies with insights into different collective marketing strategies, their success and failure factors, and suggestions of measures that support COFAMIs. Additionally, the project will contribute to scientific and policy debates on the role of farmers' initiatives and new supply chain arrangements in promoting sustainable rural development and the supply of safe and quality food.

All project results will be made available through the project website www.cofami.org

Project partners

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1 INTRODUCTION AND NATIONAL CONTEXT OF THE CZECH CASE

The Czech COFAMIs operate in the field which is outlined by the clash between 2 ideologies: individual laissez-faire approach and collective cooperative approach with roots in socialist movements. Their views on COFAMIs differ. While laissez-faire sees COFAMI as grass-root initiative resulting from the competition of myriads of actors of *homo-oeconomicus* type to improve their position on the market, cooperative movement emphasises state interventions to promote COFAMIs through creation of the set of institutional measures and aims also at bettering non-economic conditions.

“Incarcerated” within the discourse related to these two ideologies there are also two reasons for setting up COFAMIs in Czechia. These reasons can be found in the historical development of the Czech COFAMIs and they exist also in today’s circumstances (moreover, the research found them through the analysis). These reasons reflect the answers to the following questions: do COFAMIs contribute to broader quality of life of all people regardless they participate in COFAMIs (eventually at least does COFAMI contribute to rural development in general) or do COFAMIs only contribute to economic development and benefits of its participants? As the “ideal type” (in reality they are mixed), the first reason of advocating COFAMIs (**sustainable development approach**) is of broader nature and includes also such aspects achieved through COFAMIs (and being inherent in COFAMIs activities) as welfare, social issues (incl. social inclusion), environment protection, and vibrant community life. COFAMI in this sense is supposed to contribute in all aspects of human lives, not only economic ones. The other reason (**economic approach**) is of narrow economic nature – COFAMIs are supposed to improve economic results of participating actors. Their participants do not think in the sense of welfare, community life but about their benefit (profit) which echoes the laissez-faire approach with the ideas of “healing effects of invisible hand of market” (simply speaking economic benefits and economic growth will result in bettering social life, environment etc. but these non-economic issues are not inherently embedded in COFAMIs activities as in the first case). These reasons are also reflected in 4 different types of COFAMIs in Czechia which are developed and defined by various stakeholders (farmers’ representatives, researchers).

There are **4 different types of COFAMI in Czechia**

- 1) COFAMI as marketing cooperative/organization (economic approach dominates over sustainable development approach)
- 2) COFAMI as the agency for farmers (economic approach dominates over sustainable development approach)
- 3) COFAMI as the group of farmers with shares in food processing company (economic approach dominates over sustainable development approach)
- 4) COFAMI as small informal groups of cooperating farmers involved in special production (sustainable development approach is at least equal with economic approach or even outscores the economic approach)

The most developed and the most widespread form of COFAMIs in Czechia are **the marketing cooperatives/organisations**. The composition and the work of this COFAMI is influenced by (1) dual structure of the Czech farming (large corporations + large farms owned by individuals versus small family farms) and by (2) ambiguous ownership structure of the marketing organisations (coops, joint stock companies or Ltd. Companies). The reason for their origin was economic (the start of multinational national food retail chains in Czechia). This form of COFAMI continues traditional marketing coops (which the farmers were not allowed to get back in the restitutions in the 1990s although they were nationalized after communists took power in 1948). Its origin was initiated by the owners of large farms in collaboration with the leaders of farmers’ interests groups. The marketing coops/organisations represent the collectives of corporate farms (mostly represented by their managers) and large scale family farmers who together set up their own organisations in which they participate to sell their products and commodities. It is COFAMI similar to

traditional cooperative type adjusted to contemporary situation – rather than marketing coops they are marketing organizations. This form of COFAMI exists in 2 types: regional and national ones. These COFAMIs have already achieved significant (even dominant) share on the Czech market with some commodities (milk, meat, grain) – that is also why sometime they were investigated by the Czech Office for the Protection of Competition (Anti-monopoly office). They mostly market homogenous commodities instead of specific high quality products. This COFAMI buys commodities from its members and sells them to food processors according to its own decision-making to whom to sell (even abroad to neighbouring countries like Germany). The main aim of this COFAMI is to strengthen the positions of the farmers on market. However, it does not guarantee the stability of marketing channels for the farmers. This COFAMI is not interested in the efficiency of the food-producers and food processors but only in price it can get on the market. The only result it wants to achieve is the maximal negotiated price. Commodities are not pooled in “central place” but they are directly supplied from farms to food processors. Payments go from food-processor to the accounts of these collective marketing organizations and then to farmers. Managements of national marketing coops consist of delegated farmers from regions who are not paid for their work. Representatives of national marketing coops bargain with Czech Ministry of Agriculture to promote and to implement COFAMIs suggestions on the national as well as EU level. However, if management of this COFAMI fails, it generates problems for its members since they do not have other marketing channels for their commodities. There are several examples of such failure in Czechia.

The other three forms of COFAMI are not such widespread examples of collective marketing. On the other hand they are more innovative.

There are a few examples of **COFAMIs which are a sort of an agency for farmers (broker)**. Farmers establish together relations with a commission agent (consignment contract). The farmers as principals set up the organization which works for them as the agent. The farmers are not member of this agency but it was established from them. The agency they established operates for the benefit of farmers as their service but in the mode of independence (farmers are not its members as in previous type of marketing organisations) – there are contracts between the group (association) of farmers and the agency involved in marketing or processing their products and commodities. Such agency represents the interests of the collective of farmers. A commission merchant (broker; commission agent) joins and associates the farmers to achieve the stronger influence on the market. This agent (commission merchant; broker) negotiates the conditions of marketing in behalf of its members (farmers) for agreed remuneration. The payments from the food processors are transferred directly to farmers accounts. Property of this agency is not big – only to provide the basis for the operation, creating the financial reserves and remuneration of the management. This form limits the apprehensions of the farmers from the losses when the marketing coop failure (bankruptcy) as it was the first case. This form of COFAMI is engaged both in generic and specific products (e.g. organic). To some extent the activities of agency overlap with the activities of marketing coops/organizations and it is not widespread form of COFAMI in Czechia.

The third form of Czech COFAMI is very interesting but with limited information about it (these COFAMIs even do not have their own web pages). They are the **groups of farmers (farms) who own the shares in food processing companies**. They either own the majority of shares or minority of shares. Farmers set up a joint-stock company or association of farmers and this company (where the farmers are the shareholders) or association of farmers buys processing firm. Farmers sell through this share-holder company or association of farmers their products (mostly milk and started also with meat) to the processors they control through shares they own. However, only 2 cases representing this form of COFAMI are known to the authors of this report (one – MILKAGRO /about 150 farms/ – controls through shares /51%/ the dairy OLMA /the second largest in Czechia/ and slaughter house and meat processing company MARTINOV /however latest news from December 2008 said this company will be closed down/; MILKAGRO also owns minority share /4%/ in other dairy; there is also the group /association of farmers/ having its minority share in another dairy). Because they

control food processors, it means they also control some markets and they can also influence prices. Such situation can result in negative reactions of other COFAMIs since this form of COFAMI might erode marketing strategies of other COFAMIs. It is because this form of COFAMI controls also marketing channels up to retail sector (controlled in Czechia by TNCs) which was not the case of the first two types (they can influence only the channels to the food processors).

The first three types of COFAMI which form the context of the COFAMI situation in Czechia are based on economic reasons of their origin. The last one is more related to rural development and sustainable development reason. It focuses not only on economic profit but also on social/cultural, environmental issues. It is one of the reasons why we wanted to study particularly this form. It reflects the new paradigm in Common Agricultural Policy and post productivist model of farming. It seems to be very innovative in the sense to bring non-trivial solutions for the problems emerging in rural areas. Their achievements are transferable towards other farmers and rural population. This is COFAMI as a **small group of cooperating farmers involved in special agricultural production**. Such COFAMI usually starts through informal cooperation (even cooperation with non-farming actors) and activities which are not driven by economic reasons but, for instance, by the aim to protect nature, to maintain old species, to promote local culture and traditions, to develop the region). Informal cooperation either continues or it is changed into a sort of NGOs latter. Therefore such associations are originally of informal nature, however some of them change into formalized entities. They are usually composed of small farmers in the terms of the size of farm but they can be also large farms. However, both small and large farms are typified by their specialized production (they do not produce generic products). They can be also joined together with non-farmers (or the farmers can act in various roles – as farmers, as environmentalists, as cultural actors) who have, at least, some common interests with the farmers. Mostly wine making farmers and organic farmers are concerned. The marketing strategy of this form of COFAMIs is to support labeling of their products or regional branding in marketing. It is the way how they guarantee the highest quality of products which is related to the unique selling proposition embedded in region's traditions, specificity of the product etc. Because of their often informal nature, the total number of such initiatives is not known but the authors of this report found about 10 such COFAMIs.

As it has been already outlined, this last form of COFAMI was selected as the area where the case study should be found. Some of the reasons have been already outlined: this COFAMI is not only economically oriented but more echoes the principles of integrated sustainable rural development which is in the accordance with the new paradigm of Common Agricultural Policy. In means it demonstrates how collective farmers marketing can contribute to rural development in its endogenous understanding. This COFAMI is also innovative in the sense of promoting specificity of products and traditions. It means it demonstrates how collective farmers marketing can be useful for the issues which are not in the focus of “main stream” farmers mostly dealing with generic products. The Czech food market in general is still not interested too much in the specific products which are typical by the territorial origin or special quality (expressed in symbolic terms of organic products or special sorts of wine, regional products, for example). The value of such products marketed is still very low¹. But this market grows enormously². However, there is the danger this growing market niche will be “occupied” by the products which are not regional or can be considered as “quasi specific” regarding the national and European context (wines from Australia, Chile, global organic food from China are not related to European farmers and CAP ideas but benefit from the customers' willingness to participate in “healthy and original life-style”). Therefore orientation of Czech regional farming production towards regional specificity might be considered as disadvantage if looking at the structure of the Czech and global market (generic and “quasi-

¹ For example in 2006 the sale of organic foods was 760 million CZK /25 mil EUR/, it means an average Czech spends about 3 EUR per year for organic food – newspaper *Právo* January 4, 2008).

² For example, in 2006 the demand for organic food increased for 49% compared to 2005 and in 2007 it will doubled – newspaper *Právo*, January 4., 2008).

specific products) and the consumer demands (life-style). However, our hypothesis was this disadvantage can be turned out into advantage through this type of COFAMI because it is specific in its nature (it differs from other forms of COFAMI in its locally embedded sustainable development approach). To work with such hypothesis we needed to look at various factors which limit or enable this form of COFAMI. There is also one aspect which was important to look at this form of COFAMI. Some of its examples have as its members also non-farmers. It was therefore interesting to investigate how the general agreement needed for collective action is achieved within the group of heterogeneous members and how non-farmers can act to promote this COFAMI. The findings might be also interesting for other types of COFAMI. They are mostly homogenous as for their membership in the terms of farms' size (the heterogeneity exists as for the legal status of the farm – corporate businesses or family farm). Therefore they might be also interested to know how it is possible to achieve consensus within heterogeneous group. In this way the findings of this case will be transferable to others types of COFAMI.

This case study area fits into general typology of COFAMIs outlined for this project: region marketing overlapping with region food products and food quality and partly non-food market if non-farmers are also members of this COFAMI.

2 ORGANIZATION OF THE CASE STUDY AND MATERIALS USED

The case study draws on data that were gathered within 17 interviews. The interviews lasted from 45 minutes up to 3 hours. The more interviews during the research were conducted, the shorter their time was. It is because the more information was gathered in previous interviews, the less it was needed to repeat some questions and the time was used to confirm or deny working hypotheses elaborated during previous research in the sense to find new information. The interviews were conducted by 2 or 3 research workers (depending on their time availability). It was also important to achieve (if possible) the equal gender composition of the team of interviewers with the respects to those who were interviewed. Together with interviews also the random talks and discussions were recorded. It happened several times to talk with farmers or other people in investigated areas just for several minutes because of random meeting or because they did not have time for longer interview. These talks are not counted in the number of interviews but were also important to provide some information which is also considered in this report since it was validated during the interviews.



The interviewers conducted semi-structured interviews that included questions from the interview-guide. During later stage of the study the questions were re-shaped in accordance with the agreements done during COFAMI project meetings and e-mail communication with other project participants. For each interview one researcher was usually appointed as the main interviewer. S/he asked the questions from the interview-guide, the other team members asked ad-hoc questions reflecting the issues which emerged during the interview. The questions firstly addressed the issues, which have already been known about Tradice Bílých Karpat (TBK) from previous stages of data collection, namely the documentary study about the case, in order to confirm or deny the first findings. These questions were of more descriptive type and therefore focused on the origin and development of TBK, on the characterization of the actor interviewed, etc. Latter questions of “puzzle type” during the interview (second phase of the interviews) were individually tailored to the person/persons who was/were questioned. They were aimed not only to confirm or deny previous information but also to bring new knowledge about the case, in accord with the project’s requirements and position of the interviewed person with the studied case. Therefore within 17 interviews

the distinction was done as for the status and role of the TBK members and other TBK's related actors who were questioned. That is why some questions more tackled to either marketing of apples and must or beef meet. With the non-farming actors the questions of their involvement in TBK were discussed (incl. the relations with the farmers).

In this second phase of interviews the team used so-called heuristic intervention research – a method developed by members of the team in collaboration with the research workers at the Faculty of Social Sciences Charles University in Prague in 1997-1999 during their common research in South Moravian rural areas (see Kabele 1999, Lošťák 2001). After every interview the members of the team worked together to give the meanings to the facts which were recorded during the interview, compared the findings from the completed interview with previous ones and re-elaborated interview guide for the following interviews. Reading their notes and listening again the type-recorded interviews the research team members tried to achieve the general consensus as for the general meaning (sense) of the information they got in just completed interview and to design the future questions. The method of heuristic intervention research also necessitated the public validation of the research findings that was realized in November 2007.

The selection of the interviews implemented within the case study was determined by two important moments. (1) The cross-sectional character of the study resulted in the selection of the actors with regard to their *current* position within the continuously evolving network of engaged actors. (2) Due to the fact that many of the actors performed several roles, their classification on external and internal ones has become blurred. The list of interviewed includes following persons:

- *5 farmers* - one chairman deputy (vice-chairman) of farming cooperative with 660 ha of land, plus 80 ha of orchards; the second farmer – the director of farming joint stock farm company with 520 ha of land, the third farmer - family farmer operating 310 ha of land (210 ha arable land), the fourth farmer - family farmer operating 30 ha of land, and the fifth interviewed was orchard farmer with 4 ha of organic orchards. All the farms, albeit with different ownership structure, were involved in organic farming.
 - 2 farmers (orchard farmer and the director of joint stock company) as the TBK's internal stakeholders
 - 3 farmers (and other farmers in the locality) were considered semi-internal and semi-external TBK stakeholders, i.e. they are not direct TBK members, they treat TBK as a sort of partner to whom they can sell their products
- *1 chairman of TBK civic association* (he is also orchard farmer, internal stakeholder)
- *1 chairman of the TBK Ltd* (internal stakeholder)
- *1 representative of regional organic farmers' association* (internal stakeholder)
- *1 representative of regional farmers' extension service* (internal stakeholder)
- *4 representatives of environmental NGOs* (internal stakeholders)
- *2 representatives of the Foundation Veronica* who is member of TBK and generates economic capital for TBK activities (internal stakeholder)
- *1 representative of the organic food retail shop in Prague* who sells TBK products (external stakeholders)
- *1 manager of similar regional marketing and regional labelling collective initiative in neighbouring to TBK area* who operates in Beskydy mountains (external stakeholder)

All 17 interviews were noted in written form. Twelve of them were recorded as audio files and are available on CD. The reasons why five interviews were not electronically recorded are: (1) during one visit in the locality the recording device was broken; it was not possible to change the agreed interviews for other days, (2) two interviews were conducted with farmers

in their fields and they were reluctant to agree with type-recording, but agreed with recording in written notes.

The interviews were supplemented by continuous documentary research. Main documents studied were TBK web pages, TBK o.s. (civic association) and TBK s.r.o. (TBK Ltd.) annual reports and journals (published irregularly by TBK o.s.). To find out the TBK's impacts, there was also employed content analysis of mass media (in total 60 articles in newspaper and journals in the period 2003-May 2007 were analysed). The content analysis was later developed through all available texts about TBK but this paper (Lošťák, Kučerová 2007) is not part of this text. However, it does not differ from findings presented in this report. .

As the text pointed out, there had been already implemented a sort of mid-term validation of the findings in June 2007 when a few internal TBK related stakeholders (who has been already interviewed in January-April 2007) were asked to provide their views on already existing findings. The main validation procedure of the research findings was implemented in November 20, 2007 in Brno during the seminar (meeting) organised by one of the TBK collective members – NGO Veronica (environmentalists). This validation lasted 4 hours and consisted of, projects presentations, focus group interviews and in-depth discussions (together with brain storming procedure) with representatives of NGOs operating within TBK COFAMI area, with organic farmers, local councillors, and other stakeholders engaged in integrated sustainable rural development, including *Economy and Society Trust* working for NGO Veronica on the impacts of the projects implemented in the TBK geographical area. The interviewed persons from TBK did not participate. Because of the 2 phases of validating the findings (June and November 2007), the idea was to incorporate as many stakeholders as possible. The member of TBK NGO Veronica presented their projects implemented in TBK area. The *Economy and Society Trust* also presented its studies about the impacts of the NGO Veronica projects. The authors of this report presented their findings from the case study. The main discussion was about the impacts of projects implemented in TBK area. TBK members and other participants of the meeting contributed to validate the case study presented in this report and the authors of this report helped them to develop and validate their projects and their impacts. The seminar also worked on suggestions for the future projects related to TBK activities. In this way this meeting had some features of national stakeholder forum, although it was not required for the Czech case in the Technical Annex of the COFAMI project. All together there were about 15 participants (some of them had to leave earlier while other came later – that is the reason why the word “about” is used). The conclusions and issues raised in this meeting (seminar) have been already incorporated into this Czech national case study report. It was a pleasure to hear about the interest of the participants to know more about the case study referred here which they were aware of (they know about our research and were keen to know the results which are provided in this report). We also provided them some practical information (based on the research done in our project) about how to innovate TBK marketing strategies. These suggestions were also supported by other COFAMI project case studies from abroad (especially the Swiss study on Bio Weide Beef). This seminar was considered as the way through which the innovations developed within the COFAMI project (and other projects) were be channelled to the stakeholders for their practical use. Also the results of the satellite case (especially environmental cooperatives) proved to be important and interesting for the future development of TBK and the participants in the seminar.

Generally there were discussed these topics during the validation procedure:

- How to measure the economic impacts of the TBK? The NGO Veronica agreed to make a sort of local monetary multiplication study as for the economic impacts of TBK. Because the NGO Veronica wants to find out how TBK contributes to the local development in economic terms, it wants to search for how the money related to TBK and farmers circulate in the locality and multiply the benefits for the actors involved. This study which will be done in 2008 will highlight some of the impacts of the TBK which were not possible to find out (due to the nature of this project) in our research. The members of the seminar agreed TBK contributes to increase the income of the

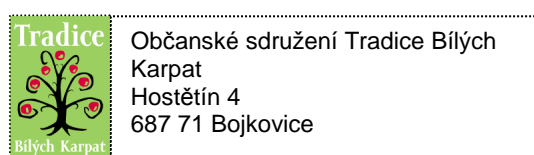
farmers involved which should be also documented by local monetary multiplication survey.

- How to measure environmental impacts of TBK? The ecological (environmental) footprint method was agreed to be used. It will be also developed in 2008.
- How to measure social impacts? It was the most difficult discussion since the participants in the seminar were not satisfied with ordinary and common social impacts as new jobs created by TBK or decrease of unemployment. That is also why the content analysis implemented by the authors of this report was considered as appropriate as for the knowledge about TBK – it speaks out about social impacts in the sense of impacts on the society. Other social impacts of TBK considered was the attractiveness of the area (in and out migration).
- What are the borders of TBK? The conclusions of the discussion favoured not to limit the definition of TBK only to the Czech Republic (since TBK operates in the Czech-Slovak border area). It also suggests that similar forms of COFAMI as TBK can be of international nature. Because TBK processes also apply from Slovak cross-border farm, it means for this COFAMI the networks are more important for defining its borders than geographical limits.
- For the dissemination of TBK projects among those who are interested, it is important to develop the financial background of the activities (“how much does it cost?”). It means for the transfer of ideas, the economic costs and benefits should be provided.
- It was agreed by participants that the role of NGO foundation for attracting the funding is crucial. It shows the links between economic and social capital. Similar COFAMIs as TBK would need to have a sort of NGO foundation as its background for the work.
- The participants provided the authors of this report some data as for the impacts of the TBK. These data were incorporated into this report.

3 GENERAL DESCRIPTION OF THE CASE

3.1 Defining COFAMI and its main objective

Tradice Bílých Karpat občanské sdružení (TBK o.s.) is a voluntary non-governmental and non-profit organization. Its name is derived from the mountains *Bílé Karpaty* (White Carpathians), where it operates. General goal of this association is to support local sustainable development based on specific natural and cultural capitals.



Agriculture, and namely fruit growing, has been the most important part of this region's tradition. Therefore many of the past and current activities of this association have been directly linked with the work of local farmers. Probably the most

tangible result of this cooperation is the regional label (shown on the left) which certifies the products that uniquely represent local traditions. Using this label TBK promotes the White-Carpathian region as a whole.

The studied marketing initiative takes a form of wider territorial network of actors, who jointly seek to promote their region on the basis of its peculiar traditions. This COFAMI can be specifically delineated as the group of actors, who are directly related to the creation and use of the regional label, which symbolically works as the constitutive element of their cooperation within the frame of collective region marketing.

3.2 Members of the TBK association

Due to the territory-based nature of this COFAMI, TBK is compounded of many heterogeneous actors. Their listing can be done in several ways, because the entire initiative is still evolving.

Either way, the most important actor of the collective initiative has been the non-governmental association TBK (civic association), which administrates the regional label now. The association *is not* the COFAMI itself (*per se*), although it is central for the collective initiative. It has been a crucial actor for the local development and it is also going to perform key role for the future of the collective initiative.

The association currently includes 10 members (all members are listed in the Table 1 and in the Scheme 1). As the list of the members suggests, the structure is a blend of various actors



operating in different domains (nature protection, NGOs, organic agriculture, information services and farm extension, fruit farmers) and even in different regions (*CSOP Veronica* and the related foundation is located in Brno, about 110 km from TBK region). Such mix is harnessed through main ideas forming TBK: to maintain and to develop the diversity of natural and cultural heritage in the White-Carpathian mountains. Therefore what gives the shape to the structure is the common interest in activities that contribute

to and develop in long term traditional farming and craft production of the region. Due to the innovativeness of TBK and its members the association was several times investigated in various researches. The association is seated in the village Hostětín.

Two of the enlisted TBK's members are farmers (nr.1 and 2). The first one operates 3.5 ha of organic orchards, the second one farms similar size of field and also operates fruit trees nursery and sells fruit trees. Both are from the locality of TBK.

One person who is director of the joint stock company from TBK locality of operation (520 ha of land) was substituted by Jiří Němec (nr. 3; he is not a farmer) in 2007. But the director of farming joint stock company is now the auditor of TBK o.s., it means he is not formal TBK member but controls its activities.

Remaining seven members are legal persons (collective members). Three of them (nr. 4, 5, 6) are environmentally oriented NGOs³. Two of them (nr. 4, 5) are of local origin: *CSOP Bílé Karpaty*, *CSOP Kosenka* and the third one *CSOP Veronica* is from Brno, about 110 km from the TBK area.

Another member (nr. 7) is Information Centre for the Development of Moravské Kopanice. This centre (*Informační středisko pro rozvoj Moravských Kopanic*) is also a founding member and originally it was the precursor of activities of PRO-BIO in the sense of organic farmer extension in the area of *Bílé Karpaty*.

Foundation *Veronica/Nadace Veronica* (nr. 8) is related to NGO *CSOP Veronica* from Brno and plays an important role within the financial matters of the TBK.

Another member (nr. 9) is the regional division of national organic farmers association PRO-BIO.⁴ Regional division (regional office) of organic farmers association PRO-BIO is the bridge for 27 organic farms (plus 2 farms mentioned among TBK members and one farm of TBK auditor) from *Bílé Karpaty* area to become involved in TBK activities. In wider area of *Bílé Karpaty* there are about 60 organic farmers and in whole NUTS 3 for which regional PRO-BIO works, there are located about 100 organic farmers). These farmers are not direct TBK members but can participate through PRO-BIO representative in its activities. These farmers are flexible non-direct members, who can potentially become members of the COFAMI (as users of the common certificate/regional label). These non-direct farm members range from large-scale farm (former socialist coop: 16 workers, 660 ha + 80 ha of apple orchards, 400 sheep, 280 lambs, 104 caws, 50 calves, 55 heifers) to 26 family farms mostly established

³ NGO called organizations of the Czech union of nature protectionists – CSOP – national umbrella)

⁴ National Czech organic farmers association PRO-BIO is the largest association of organic farmers in Czechia (about 50% of the Czech organic farmers). From national PRO-BIO organic farmers associations derived Ltd. company Probio (sometime uses name PRO-BIO, the same as the organic farmers association), which is now one of the largest Czech national organic food wholesale and processor)

after 1989 with size 13-230 ha (4 farms are organic certified apple farmers and thus are now the most important for TBK apple cider production). One supplier of apples is from Slovakia - it is large scale farm of Ltd type involved in organic apples production. The farm is located on the other side of borders crossing *Bílé Karpaty* Mountains.

The last member (nr. 10) is municipality of Hostetin – *obec Hostětín*. However, according to law, municipalities cannot be members of such association as TBK and therefore the member is formally the mayor of Hostětín as natural (individual) person, but he represents the views of the municipality.⁵

Table 1 List of members of the TBK association

1.	Ekologický zemědělec Zdeněk Ševčík (Organic fruit farmer)	<i>Founding member Chairman of the association</i>
2.	Ekologický zemědělec Radim Pešek (Organic fruit farmer)	<i>Joined later</i>
3.	Jiří Němec (individual person who works as the director of natural protected area Bílé Karpaty)	<i>Joined later</i>
4.	ČSOP Bílé Karpaty (Local Organization of the Czech union of nature protectionists Bílé Karpaty)	<i>Founding member</i>
5.	ČSOP Kosenka (Local Organization of the Czech union of nature protectionists Kosenka)	<i>Founding member</i>
6.	ČSOP Veronica (Local Organization of the Czech union of nature protectionists Veronica)	<i>Founding member</i>
7.	Informační středisko pro rozvoj Moravských Kopanic (Information Center for the Development of Moravské Kopanice; extension services)	<i>Founding member</i>
8.	Nadace Veronica (Foundation Veronica)	<i>Founding member</i>
9.	Regionální středisko PRO-BIO (Regional centre PRO-BIO, organic farmers association)	<i>Joined later</i>
10.	Obec Hostětín (Municipality Hostětín)	<i>Founding member</i>

3.3 Sales and types of marketed goods (nature of products)

TBK o.s. (civic association) is not formally involved in any production now. For this purpose there was set up a Ltd. that operates cider plant in Hostětín. Due to the connection between the TBK o.s. and the TBK Ltd., the apple cider was the first product that has received the regional label.

The TBK o.s. has recently put a lot of effort to convince other local entrepreneurs and farmers to carry out formal certification procedure and to mark their products with the regional label. The idea was to consolidate the actual marketing initiative. They succeeded and in June 2007 the association gave out certificates (regional labels) to other ten persons that met formal requirements. Therefore, nowadays there are 11 actors (including the TBK Ltd.) that are using the common regional label for marketing.

This event confirmed our previous interpretation of the dynamics (search for a new growth phase). However, most of the empirical materials for the case study had been gathered before that event occurred. That is why our main focus was on the TBK o.s., in particular on its previous and present activities that were aimed at cooperation with other actors for the sake of collective marketing of their products.



⁵ During the time of research (2006) the new mayor was newly elected. He was substituted by vice-mayor who also works as the chairman of TBK Ltd because he is more experienced in TBK activities.

TBK Ltd. was established in 2003. In the years 2000-2004 it was the TBK o.s. that officially operated the cider plant. TBK Ltd. successful sale concerns fruit cider (must), mostly of apples (or of other organic vegetable like red beet). 85% of the apple cider is in organic quality. The sale is about 2.5 millions CZK (EUR 90,000).

Table 2. Produce of the cider plant Hostětín in the years 2000-2004 (now operated by TBK Ltd.)

BOUGHT-UP [tons]	2000	2001	2002	2003	2004
Organic Apples (BIO)	85,4	133,4	134,4	154,1	150,9
Apples (Conventional)	121,3	13,0	37,7	29,0	22,2
Organic Red Beet	0	0	0	9,3	11,9
TOTAL	206,7	146,4	172,2	192,4	185,0

TBK o.s. tries to market also other products from the region under the common label (herbal teas, dried fruits and other non-food local products). In 2004 TBK o.s. unsuccessfully attempted to market organic beef. Since the year 2004 there is a catalogue of these items to be marketed via TBK Ltd. However, the catalogue is not known in the public. Possible distribution channels include direct sale from the TBK Ltd. headquarters, through wholesale market, during local festivals in the region at TBK's kiosks. So far, only a part of the catalogue products have received the certificates (regional label).

3.4 Types of joint activities and the degree of collectivity

The structure of the TBK o.s. collective is rooted in the special worldview: living in harmony with nature, which is also applied to organic farming. Organic farmers in TBK o.s. did not consider organic farming and TBK as profit making instrument. This view is now, however, challenged by the TBK development. The original world views dominating in TBK (we label as "idealistic" – harmony with nature, "skies") face now practical reality (we label it as "materialistic" – seeks the economic outcome of activities, "earth"). This is the contemporary curtail question of TBK: how far is it possible to keep up the idealistic approach and to be market-oriented in the same time. This question also challenges the collectivity in TBK because of its composition, which consists not only of specific type of farmers but also environmentalists. We have heard:

"The composition of people working now in TBK does not reflect the demands. There is no salesman (marketing expert). TBK people are not practitioners, when they are asked to transform their ideas into practical measures they fail. Environmentalists are young, as you are, they have good ideas but environmental protection is not the practice of marketing"

The words of NGOs representative support previous words:

"TBK is the train. It runs but somehow slows down. People, who pushed forward TBK, have contacts, experiences but they are now active in many other issues. It means TBK should now work in its own".

As one can see, there occurs a sort of discrepancy between actors within TBK, especially between organic farmers in TBK (they are "grounded in their earth") and environmentalists (whose thoughts are in the "skies"). The solution of this discrepancy is becoming to be crucial for TBK future development. Nevertheless these are the types of joint activities done by TBK:

- Promoting region, incl. its uniqueness and traditions (e.g. annual apple festival in September, label for regional products)
- Sustaining (preserving) local genetic stuff (preserving old species of fruit trees)
- Services + extensions for organic farmers
- Certification and quality control of local products through the awarding local label (with the idea to develop in the future)

- Food processing (cider) through established Ltd. company, this company markets cider (with ideas to market other products done in TBK area) to wholesale

Table 3. Classification of the TBK activities according to the nature of realization related to farmers

DONE INDIVIDUALLY	DONE COLLECTIVELY
<ul style="list-style-type: none"> • Farming (beef, sheep, fruits, vegetable) • Buying inputs for farming • Marketing some products (those which are not marketed via TBK Ltd.) 	<ul style="list-style-type: none"> • Promoting the region (e.g. organization of apple festivals) • Sustaining (preserving) local genetic stuff (old varieties of fruit tries) • Services for farmers and extension of farmers, • Certification and quality control of local products through the awarding local label (with the idea to develop in the future) but not certification of organic farmers (TBK did not worked as umbrella to decrease transaction costs for small organic farmers when certifying their farms) • Catalogue of the products which could be possible marketed under the regional (local) label of TBK • Food processing (cider) in Ltd. comp. developed by TBK o.s. in 2004 • Storing capacities for apples and tanks for cider 42,000 liters • Educational training for adults and children who have limited knowledge about farming, fruit growing and processing (focus on organic ways of farming and processing), providing facilities for such education.

Concerning the degree of collectivity, TBK represents a mix of individual and collective activities. The distinction between what is done individually and what collectively reflects the gap between two approaches embedded in TBK o.s., i.e. between the “skies” of the romantics and idealism of the environmentalists, and the “earth” of the pragmatism and practical reality faced by farmers. Therefore also the degree of collectivity reflects the structure of TBK o.s. and orientations embedded in this structure.

Individually are done mostly “earth” related issues which have often tangible background, while collectively are done the activities related to skies and to more intangible issues, as it shows the Table 3.

3.5 Benefits of the collective action for the members

A) Information-networks benefits: network related information channels are appreciated. Local proximity and long-term knowledge of each other within the network combined with common interests and general views are very important factor which makes very easy any transfer of information in TBK network.

“If I do not know something, I can ask people in the region who are members of TBK. They might be direct or flexible non-direct members. I needed to know how to process sheep skins, I phoned CSOP Kosenka, people there have some experience.”

B) Economic benefits for farmers related to finances: Premium price when selling apples to TBK cider processing plant because it produces organic cider. In 2007 the farmers agreed that their sale of apples increased due to work of cider plant. The purchasing prices for organic apples in 2007 were on the level of Austria, therefore it was not needed to sell apples individually to Austria. TBK also provides access to funds and grants through the networks of the members of TBK o.s. The main actor in this respect is considered CSOP Veronica from

Brno and its Foundation Veronica. It was money generated by Veronica which pushed the ideas of TBK ahead in 1998-2000:

“Before 1998 we collaborated but we missed an economic outcome. It was informal cooperation. However, in the second half of the 1990s somebody from Veronica met Raymond Aenderkerk from Luxembourg. He come here and helped Veronica with getting grant from Hëllef fir d’Natur Luxembourg foundation to reconstruct barns into apple cider processing plant /the barns were originally owned by the uncle of TBK member and chairman – fruit farmer but were not used and Veronica bought them – not of the report authors/. The grant came before TBK was officially established and therefore only Veronica could get it.”

Now also the municipality helps:

“the project funded through the Czech programme of rural renewal submitted by municipality Hostětín helped also the apple cider plant.”

Diversity of actors, their social networks in TBK and outside TBK, skills how to write projects are important factors to get funds from various sources and they bring benefits to the TBK participants.

The cider plant owned by TBK o.s. is rented to TBK Ltd. It will not be possible for local apple farmers to have enough money to construct their own processing plant. Now they operate through TBK Ltd. the apple cider facility in Hostětín thanks to TBK o.s. which founded it. TBK Ltd. operates and rents the apple cider plant from TBK o.s. and reimburses the rent to Veronica foundation. This foundation can thus support other activities (incl. TBK activities).

C) Economic benefits for farmers related to transaction costs and specificity of products:

Cooperation confirms and makes firmer the relations of members, supports their views aiming at improving the quality of life in the region and strengthens their informal relations which brings the benefits and solutions of problems in economic life.

For instance TBK Ltd. has not written contracts with farmers concerning the supply of apples for its cider plant. One of suppliers from Slovakia told them:

“I prefer to sell my apples to you rather than to Germany because I like cooperation with you.”

The existence of not written contracts needs high trust among the participants. But such contracts are crucial because to have written contracts specifying the amounts of apples, which will be supplied to TBK Ltd. does not work in the case of the old varieties of trees. They do not give fruits regularly and their quantity in needed tons for processing (the trees are planted in an extensive way as hundreds years ago) cannot be forecasted. It makes difficult to agree any formal contract. While large scale industrial fruit processing companies (like LINEA Nivnice in the region) need for their operation continual supply of fruits (and therefore they need written contracts with all duties and responsibilities), TBK Ltd. works accepts Polanyi’s (Polanyi 1992) substantive meaning of economy instead of formal one. The network of TBK works as the tool to decrease the transaction costs:

“We cooperate, we help each other. The cooperation continues also when the project funded was finished. We would not be able to start cider plant without money, but now the project is over and the cooperation continues on. I feel that without CSOPs we would miss something, I feel we need each other because we make common things. For instance the building next to the cider plant is new, and it was built by Veronica as extension centre. TBK o.s. here in some activities cooperates with Veronica. In February 2007 there will be courses about fruit growing and permaculture organised by TBK members.”

D) Symbolic benefits (recognition through the regional label) related to marketing: TBK o.s. opposes logistics of national wholesales (that is not environmentally friendly and locally oriented) and wants to use TBK as the tool for marketing regional products. TBK develops its own label.

The label has been registering since 1998. In 2007 TBK o.s. started to use the grant from UNDP (together with similar project in Moravian mountains area *Beskydy*). Because problems in marketing seem to be crucial now, CSOP *Bile Karpaty* started to develop marketing strategy for farmers. A representative of organic farmers insists firstly the organic farmers themselves should be involved in buying organic food:

“What kind of example for other customers is it, if organic beef farmer buys conventional beef in supermarket? Let’s organic farmers first purchase and buy their products in their network, it will also show the prices. That is also how TBK should work”.

Environmentalists would like local people to be proud of their region through the TBK regional label. They would even prefer TBK label instead of organic food certification and they support regional marketing, despite some obstacles, which arise from local traditions:

“You can buy our cider in Brno tea-shop but not in our region. It is difficult to market our products in villages because people are producing their own cider or cheese but we have to have strategy for towns in the region”.

E) „Visible activities“(activities of TBK are reported in media): it is now only via media how TBK and farmers in the region can be “known” and acknowledged.

In 2003-May 2007 60 articles about TBK were published. 50 were in printed media (newspapers, journals) and 10 published by the Czech Press Agency (ČTK). 23 articles were published in national newspapers (one of them was tabloid) however, only in their regional sections and 10 in regional daily newspapers. It means the impacts as for the public can be considered as being only regional (see section 8: Impact assessment). The referred issues (see table 16 in section 8) suggest how TBK and their members can be viewed in public.

3.6 Problems of the collective action for the members

As the text above indicated, the collective action includes problems, when heterogeneous members are concerned and the amount and type of agricultural products are considered. There starts to spring the differentiation in how to interpret the original common sense and ideas rooted in “harmony with nature”. While environmentalists are more “skies” oriented (embedded in the romantics of ideas) and urban oriented, organic farmers are more “earth” oriented (what is the tangible outcome of their activities, related to fields) and rural oriented. That is why the farmers consider the TBK economic capital:

“How they could help us? They have no money. They are poor like mousses in the church.”

Organic farmers do not sometime see the help of TBK in their everyday work:

“TBK is not what gives the NGOs their livelihood, they are involved in other activities, not only in farming. Because it is difficult to certificate small organic farming like orchards, I thought TBK will guarantee this certification. It failed. But it is the way in which small farmers want TBK to help them, not in lectures with power-point presentation how to ask for certification.”

The other problem of collective marketing is in the type and amount of the products. It illustrates this example. In 2004 failed the collective marketing of beef. The reason was the market for beef was very small and even the owner of the outlet (retail shop) in Brno introduced 20% margin to the price for which farmers in TBK sold him the beef:

“Putting the knife into beef in the shop increased its price for 20%”.

However, when the farmers think about collective marketing of beef, they do not want to start with it:

“My beef is of better quality than the beef on my colleague. When we sell together, you cannot distinguish what is yours and what is mine but I want to be proud of my beef”.

The idea of alienation was not the case of apples. While beef is sold only in few items and the cattle can be always traced back to the producer, the number of apples needed, cannot be exactly counted in individual items. It is not possible to trace every apple to its producer. Interested story was told us: one farm sold to TBK Ltd. the apples defiled by cattle that grazed in orchards. I was typical organic farming grazing. The apples were not washed properly (and the chemicals could not be used because of the organic type of production). The apple cider was processed but in the shops the customers found unpleasant odour from battles.

“Even after the distillation into a sort of calvados the odour remained to be felt.”

It looks like the collective marketing is more suitable for homogenous and generic commodities delivered in huge quantities than for commodities and products marketed in

smaller quantities if they are not specific. The issue of alienation in the collective marketing as for the farmers' products should be also taken into consideration.

3.7 What makes the initiative especially interesting / innovative

The innovativeness of TBK (like its own label to enhance the marketing of traditional local products, production of local apple cider /must, non-alcoholic stum/, etc) was the reasons why TBK was several times investigated in various researches.

The innovative aspect comparing to the overall Czech situation is that TBK combines environmental protection with farming and rural development in sustainable way together with focusing on cultural traditions with the aim to improve economic and social conditions of the life. As the another research showed (Lošřák 2007) many of LEADER supported Local Action Groups (LAG) do not see rural development in this integrative view, although they refer to integrated endogenous rural development principles. In the other words TBK is not innovative in what it speaks about but in what TBK does. It means TBK adds into the concept of sustainability its third pillar – social issues and values which is not common in the Czech situation (sustainable mostly means only environmentally friendly in the Czech discourse regardless to social acceptance and economic profits). TBK combines farming and non-farming activities to enhance the knowledge about the region, to support public participation in rural development and to bring additional income to rural areas. It is a live laboratory of rural development, although not operating under LEADER scheme as LAG. The question therefore also is who and why benefits while other rural municipalities and areas are lagging behind.

4 CONTEXTUAL FACTORS AND DRIVING FORCES

4.1 Description of the major influencing contextual factors

The text above has already outlined some of the factors influencing TBK collective marketing. Their summary is given in the table 3 - table 9. The case study indicated that some factors might be both limiting and enabling for the collective marketing (highlighted in orange). Therefore it also means there is a need to make a sort of factors “cross-checking” because if one factors is under certain circumstances limiting (only limiting factors are highlighted in red) and under other enabling (only enabling factors is highlighted in green) it might signalize such factor is influenced by other factors. Therefore we need to work with matrix of factors.

Table 4. Factors influencing TBK collective marketing: descriptive data context

Decriptive data (factors)	In what specific way limiting / enabling?
<i>Proximity/remoteness of the territory to urban center (COFAMI localization in rural or urban areas)</i>	Limiting: marketing not targeted to rural areas (rural people made the products themselves, the do not want to buy them). Belonging to rural areas supports individualism when to be marketed in locality: HIGH Enabling: to succeed in remote cities a background of “large collective” (e.g. through its label) is important: MEDIUM
<i>Natural conditions</i>	Enabling: operation in environmentally protected areas brings people with similar views together: VERY HIGH
<i>Importance of agriculture for regional income and employment</i>	Enabling: farming is considered as crucial element of local economy and culture (it is not industrial area): LOW Limiting: income “to survive” is so important that individualism in marketing is preferred (selling individually to Germany): VERY HIGH
<i>Production conditions</i>	Enabling: especially small farmers need cooperation (it is not possible to have many cows in one farm in the area): HIGH
<i>Density of farms with similar production structure and size</i>	Limiting: Large scale farms do not need to cooperate too urgently but they are the key players (too large to face vital need for collective action); small farmers always farmed individually: VERY HIGH

This table indicates that factors more related to nature and ecological limits are rather enabling this type of COFAMI aiming at the marketing of the region. Operating the farms in environmentally protected areas requires other than intensive approaches. Because they can never be so large as intensive operating farms (they cannot exceed, for instance, certain number of animals compared to those who farm in the non-environmentally protected areas) and because they farm is specific area – LFA (moreover they have specific world view rooted in the protection of nature through farming) it brings them together to face their competitors engaged in intensive conventional farming.

On the other hand, factors of socio-economic nature can be more limiting if looking just for descriptive factors.

Especially the structure of farms operating in locality is important. The larger farm (moreover with the roots in collective farming prior to 1989), the less indication of collective marketing needs. It is supported also by the needs of such farms' management to secure the incomes for the farm's workers. It means they many times prefer individual action in marketing, if it brings them immediate profit higher than they would



achieve via collective marketing. That is why the farm named cooperative farm related to TBK sold in 2005 apples to Germany for higher price than to TBK Ltd and such decision caused the problems for TBK as for the amount of apples needed for the cider processing; the explanation of such behavior was:

“We needed money to pay our workers and to develop our farm, and in Germany they paid us more”.

Large scale farms need cooperation when the immense economic profits from such collective action are evidently higher than when marketing individually because they are too big (the cooperative farm was one of the most important suppliers to TBK, but there were no written contracts between the coop and TBK, therefore the coop could change the marketing channels for individual way. With 80 ha of organic orchards the coop is too big that competing customers are fine just to have the contracts with the coop and who pays this large farm more, wins). The descriptive factors combining nature (like geographical position, farming as the way of the relation to nature) with socio-economic factors are ambiguous. They need a cross checking with other factors which are described in table 4 (importance of agriculture for regional income and employment) and in table 9 (localization in rural or rural areas).

Table 5. Factors influencing TBK collective marketing: socio-political context

Socio-political context (factors)	In what specific way limiting / enabling?
<i>Role of farmers associations in rural policies</i>	Enabling: organic farmers' association Probio is very active in TBK's o.s. activities; association influences also national or regional policy: VERY HIGH
<i>Farmers attitudes to COFAMI</i>	Enabling: high awareness of better chances if marketing collectively for better income and profits: HIGH Limiting: past experience with collective action when higher income and profit could be immediately achieved individually and such experience with collective marketing when an individual farmer loses individual and unique quality of his/her products (sense of alienation): VERY HIGH
<i>Local policies (territory based policies)</i>	Limiting: regional politicians have minimal sympathy for TBK („they prefer large investments of Hyundai and are not interested what crazy environmentalists and organic farmers are doing“) – lack of regional political support: VERY HIGH

This table shows that informal, NGOs' related factors are more favourable (enabling) for the development of the COFAMI of TBK type. It means it is the civic society approach which is

for COFAMI very important. It confirms also the role of the foundation Veronica in TBK. On the other hand formalized structures of governance (like regional government) do not support the activities fully as they could; they are rather limiting factors.

“Regional politicians think environmentalists and organic farmers just muddle along in TBK but they (the politicians – note of the authors of this report) are interested in big business such as how to attract big car company to our region.”

It was also reflected in mass-media (Mladá fronta DNES, 29.03.2004) referring to the seminar organized by TBK o.s.:

The participants concluded the involvement of regional and state administration into similar projects like TBK is very low and lagging behind the situation in Western Europe. “In Western Europe local and regional administration pays a lot of attention to support any similar initiative. The support in our country is relatively small. But I believe in the future we will incorporate into our projects the local administrations in Bílé Karpaty and the regional government from Zlín region” (NUTS 3) said the head of the CSOP Kosenka.

Being captured between such two “mill-stones” the attitudes of farmers to COFAMI are ambiguous. Therefore also the factors related to attitudes of farmers to COFAMI are ambiguous. Farmers have good experience with their associations (especially in the field of organic farming) and they know about increasing their market power via collective marketing but, on the other hand, especially the family farmers started their farms after the collapse of collective farming and they still prefer their individual freedom and have bad memories about previous system of farming. Such anti-collective discourse is also echoed in the regional government which is composed of right wing and center-conservative parties (Christian Democrats and liberal conservative Civic Democratic Party coining laissez faire policy and considering collectivity as tool limiting the freedoms of people). Farmers marketing is related to the importance of agriculture for regional income and employment (table 4). When descriptive factor “to achieve higher immediate profit to survive the farm’s economy” prevails, the factor is limiting. It is also related to individualist discourse when the term collective means to lose individual specificities and previous (before 1989) experience of collective farming. When factor of farming considered as crucial factor for local economy is taken into account, than socio-political factor considering collective marketing as chance to succeed takes place. The other factors explaining this ambiguity will be given in table 6 (the issue of alienation in the collective).



Table 6. Factors influencing TBK collective marketing: institutional context

Institutional support (factors)	In what specific way limiting / enabling?
<i>Formal regulatory framework</i>	Limiting: organic farmers complain about too many regulations and they think it blocks them from working together (they are afraid of risk while taking collective action /“I do not want to lose while founding slaughter with others“: according to organic regulation one actor has to be responsible, s/he is controlled, other farmers only use the slaughter but one operates it; TBK does not want to do it; who will take the responsibility?/) VERY HIGH
<i>Rural innovation approach</i>	Enabling: TBK o.s. organizes in the community of Hostetin “model projects“ (dissemination of traditions and environmentally friendly activities in an innovative way): VERY HIGH
<i>Institutional willingness (not the capacity) to create “protected space”</i>	Enabling: institutionalization of local marketing label through the TBK o.s.: VERY HIGH

When considering institutions as the “rules of the game” we should distinguish two different sets of institutions. Referring to Kabele (1998) they will be normative-controlling institutions and institutions agreed in the game. Institutional factors characterized by bottom-up nature

(corresponding to the institutions agreed in the game when “everything what is not prohibited is allowed”) are enabling ones. They are also close to socio-political factors of informal (NGOs) nature. On the other hand institutions of top-down nature (corresponding to the normative controlling institutions when “everything what is not allowed is prohibited”) are limiting. They are also close to formal socio-political factors (table 4) and to bad experience with collective activities (sense of alienation) – Table 7.

Table 7. Factors influencing TBK collective marketing: socio-cultural context

Socio-cultural context (factors)	In what specific way limiting / enabling?
<i>Tradition of particular agricultural production</i>	Enabling: fruit trees and their specific genetic stuff necessitate involved farmers to cooperate together (that is why Tradition of White Carpathians is the initiative called): VERY HIGH
<i>The values of own quality and own product (the issue of alienation in the collective)</i>	Limiting: the more heterogeneous is marketed product in lower amounts of items (e.g. processed commodities or organic beef in items of number) and less homogeneous commodities marketed in great amounts (e.g. non-processed commodities and apples in items of number), the higher is farmers' reluctance to market together (“we market organic beef in a few items and I do not want my very good quality beef is mixed with my neighbouring farmer whose beef is not so good; I'll rather sell it individually to people who know the quality of my beef”): VERY HIGH .

The socio-cultural factors related to the values of nature are more enabling factors. It corresponds with findings in table 4 about the descriptive factors related to the nature and environment. The socio-cultural factors related to values and norms of the cooperation and collective action seem to be more of limiting factors under certain conditions of considering the products and commodities (social constructivism). It is necessary also to point out that locality of TBK was always typical by strong individualism of the actors (path-dependency in the term of cultural capital) which also explains the factors in table 4 (farmers' attitude to COFAMI). The farmers feel a sort of alienation when marketing certain products through the collective. Alienation in their case is the function of the type and amount of the commodity and products and is embedded in their experience from the past and cultural capita they possess. The more heterogeneous commodity of processed products sold in smaller (limited) amount of items, the more the farmers are reluctant to joint collective activities.



Table 8. Factors influencing TBK collective marketing: economy and market

Factor	In what specific way limiting / enabling?
<i>Type of marketing strategies</i>	Enabling: marketing of the products and their quality differentiation is based on regional label: VERY HIGH
<i>Relations of actors on market</i>	Limiting: large supermarkets are not interested in local products, Czech organic wholesale is not present in the Czech mainstream market (foreign organic food), TBK has no strategic alliance in the market (alliance with one supermarket failed: complains as for TBK from farmers: TBK does not help us with marketing, TBK has no control over marketing channels): VERY HIGH
<i>Importance of local, regional national markets</i>	Limiting: local and regional markets (people make TBK products themselves, they will not buy them): HIGH Enabling: national market: to sell on national market a background of the collective (even in the form of label) is needed: HIGH

Continuing the findings from table 7, the factors related to marketing strategies suggest they are enabling for TBK collective marketing initiatives. They are internal (under TBK control) factors. It is the regional label which can minimize the problems of alienation resulting from marketing specific differentiated products indicated in table 6. It is regional label for the

products of TBK which is crucial for making the TBK to be COFAMI. The label is now what makes delineates this collective farmers marketing initiative. On the other hand external factors which are governed by the other actors on market (in food supply chain - FSC) are rather limiting factors. The other actors in FSC are dominant compared to the collective of TBK. That is why the TBK o.s. develops the regional label to achieve the goals in marketing regional products. Because marketing strategies stress regional products but TBK is not crucial actor on the market the factor of the importance of various markets is ambiguous for TBK. It is also related to the ambiguity in table 4 (localization in rural or urban areas). TBK markets its products on local and regional market with difficulties (it does not concern national market; in February 2007 all production from 2006 was almost sold). It is because the specificity of TBK products is based on local traditions. It also means that local people produce products offered by TBK independently on TBK and distribute them in their informal networks. Moreover formal logistics of distribution is controlled by wholesale agents, not by TBK. It brings other problems. There are 3 main marketing channels (if not considering local informal networks) for TBK agricultural products (now mostly the apple cider): Probio national wholesale, Countrylife national wholesale, organic farm Deblín u Tišnova (also national wholesale). However there are complains about wholesale marketing:

“We are small to market even regionally, to market in city 40 km from our cider plant might be a problem. For example Probio takes bottles of apple cider from our plant, transports them into its wholesale store 200 km far and than brings them back with other organic food. 400 km of transport – is it environmentally friendly to sell the bottle produced 40 km from us? Therefore we would like to supply at least in region of 40 km from Hostětín through our TBK channels”

On the other hand, the organic specificity of TBK’s products needs the large cities (and therefore the long transport from the point of view of TBK members). Within the large cities organic food is not considered to be in harmony with nature and having there its regional roots (as TBK claims) but it considered as a new way of life – new lifestyle. It can make the future TBK activities more vulnerable. Such situation also reflects the discrepancy between “skies” and “earth” in TBK which will be explained in Table 10.

Also the regional labeling might face some problems on the market because there is developed standardized label for regional products in Czechia which is not similar to unique regional label for products from TBK area.

Table 9. Factors influencing TBK collective marketing: learning context

Learning context (factors)	In what specific way limiting / enabling?
<i>Relations of actors to develop learning initiatives</i>	Enabling: learning about environmental protection and sustaining rural traditions of the region: VERY HIGH

Table 10. Factors influencing TBK collective marketing: internal organization

Internal organization (factor)	In what specific way limiting / enabling?
<i>Composition of TBK and the aims of members</i>	Limiting: starting conflict: original romanticism (environmental „skies“) is confronted with practical needs of farmers who more and more participate in TBK (farmers „earth“) LOW YET (factor develops with the time, it is evident in 2007 but can be more limiting in the future)

It is very interesting to join learning context with the internal organization. At the beginning of the TBK work the relations of TBK members to develop learning initiatives were very high enabling factors similar like the composition of TBK members and their aims. Learning context together with internal organization of TBK were enabling factors at the beginning of TBK work. It is because learning was about the environmental protection in the sense to promote harmony with nature. While learning factor is still enabling one, the internal organization in 2007 indicates the first signals of becoming limiting factors of COFAMI (although not in high degree). It is because the farmers are more “earth” (pragmatic) in their attitude to nature which environmentalist are still more “skies” (romantic). It might also

suggest the importance of the more homogenous composition for collection actions is needed.

4.2 How are contextual factors related to the aim and strategy of the COFAMI

When summarizing the factors we can clearly distinguish the limiting and enabling factors depending on the nature of the contexts, on the aim and the strategy of TBK (see table 11).

Table 11 Summary of limiting and enabling factors

Enabling factors and their context	Enabling-limiting factors and their context	Limiting factors and their context
Nature related factors in descriptive context	Mixed (mix of) environmental and socio-economic factors in descriptive context	Socio-economic factors in descriptive context
Informal, NGOs related factors in socio-political context	Attitudes of farmers in socio-political context	Formalized structures related factors in socio-political context
Bottom-up factors in institutional context		Top-down factors in institutional context
Values related to nature in socio-cultural context		Values related to the norms of cooperation and collective action in socio-cultural context
Internal market factors (marketing strategy) related to activities of TBK in market-economy context	Type of market (local, national, etc.) in market-economy context	External market factors related to other actors in food supply chain in market-economy context
Factor of developing initiative in learning context		Factor of internal group composition in organizational context

The factors more related to nature, informal relations, bottom up approach, internal issues controlled by TBK and “soft skills” (like learning) are enabling ones. It also corresponds with nature of TBK built on NGOs related to nature protection. It also echoes TBK goals and strategy which are not purely economic (to market) but it more emphasizes nature and its values (sustainability). For NGOs, environmentally oriented people (incl. organic farmers) such approach seems to be obvious.

Limiting factors, on the other hand, are those which are more related to social and economic issues, they are more to be considered as the external construct of human activities than the enabling factors. They are close to formal structures, top down approach, external market forces and organization factors.

The relation between limiting and enabling factors is a sort of *gemeschaft* vs. *gesellschaft* dichotomy. It is a sort of action and structure dilemma. While action is more freedom and nature related (*laissez faire?*), the structures have power to block the free activities. TBK is grasped in this dilemma.

Between these two opposites, there are various markets for the operation of TBK, farmers’ attitudes and factors of mixed natural and socio-economic background. They are both limiting and enabling factors.

Therefore the **opportunities** for TBK COFAMI development might be developing nature oriented activities and informal bottom up approaches. The **limitations** results from socio-economic issues and formal top down approaches. The bridge can be the ambiguous factors. In the future they might either block or develop TBK COFAMI. The **challenge** is the

factors of both limiting-enabling natures. The way how they will influence the development of TBK will be important for its future.

5 ORGANISATION AND NETWORK RELATIONS

5.1 Description and graphical representation of internal organization of the COFAMI

TBK o.s. legal status is NGO considered as the associations of citizens (*občanské sdružení* in Czech): hence TBK o.s. This legal form and related organizational structure makes the shape of this COFAMI and the form of internal and external relations of the TBK partners flexible, open, not formally rigid. It is the way how TBK gets various grants for its activities in Hostětín municipality. TBK members concentrated in environmental protection NGOs have good contacts abroad and as one NGO representatives said:

“it helps to make Hostětín an environmental star of the Central and Eastern Europe”

In the same time this legal form and related organizational structure makes TBK makes the shape of this COFAMI and the form of internal and external relations of the TBK partners coherent, stable, and partly closed. The fact it is related only to some actors echo the words of one interviewers:

“the other municipalities in the region complain about Hostětín that somebody gives Hostětín money and those who are not from Hostětín are prostrated with their faces down”.

TBK seems to be a sort of mix of Granovetter’s strong and weak ties in a sense of making the advantage of both types of the ties which makes TBK to be innovative and sustainable (aiming to be economically profitable /TBK wants to orient activities towards economic outcomes/, environmentally friendly /TBK wants to be in harmony with nature/ and socially acceptable /TBK has its regional products label and echoes regional ideas and traditions/).

The structure of TBK has its form reflecting the law; however it was not the form of legal status but more social and cultural factors (commonly shared ideas) within TBK which seem to be crucial for its work. One of the interviewee explicitly pointed out this character of ties:

“TBK is a sort of cooperation–non-cooperation”.

It means internal cooperation is not primarily based on formal agreements with internal and even some external partners (however low level of formal written contracts with farmers supplying apples to cider plant, for example, might be the problem in the future – due to the need to have access to the fruits for needed amount of processed apples which would reflect the market demands – in the time of our research the cider was sold in February but market demanded) but rather on commonly shared views and values related to environmental issues and landscape protection which are rooted in original views of environmentalists and organic farmers opposing the full commoditization of nature and tracing back to the old traditions of farming in the region. As one of the respondents stated:

“In the past the farmers in region met, shake hands to confirm the agreement and the business was sealed. The same is valid also for organic farmers – oral agreement and contract is important. It was because we feel our ideas in the same way. However, as more and more subsidies into organic farming started, the “wolfs” entered the field, and the given word was not valid any more”.

5.2 Description and graphical representation of relevant external network relations

The external relations of TBK o.s. consists in buying products from the farmers who are not members of TBK o.s.. Byuing is done through the TBK Ltd. This agent was established in 2003 to facilitate marketing of TBK o.s. Agent operating for the collective is one of typical forms of the Czech COFAMI (see status quo report and the introduction of this report). As for the external relation there was not recorded any hostility towards TBK o.s. from external partners. The external relations are either positive:

“TBK is very important for us”

or neutral:

“they cannot help us, they are also poor as we, farmers”.

While the procedure of buying the apples is based on informal contract also with non-members, the marketing of processed products is formalized into 3 main channels which represent 3 main organic food wholesales in Czechia, because TBK is small business actor. New step in TBK COFAMI development is introducing TBK regional label developing regional branding. Although there is the group in Czechia attempting to establish standardized regional marketing (marketing of region) through standardized label (financed by UNDP fund), TBK prefers individualised label (the project is also financed by UNDP fund). This is the contemporary phase in developing TBK COFAMI after 2006 and its results are not known yet. Internal relations are for TBK more important than external.

5.3 Changes in organization and network relations with different development stages

The investigated collective initiative has been gradually evolving in time. Currently existing TBK o.s. can be placed in the **phase** of the search for the new growth that was preceded by three other phases. There are also 3 **stages** in TBK COFAMI evolution.



Dynamics of the COFAMI with regards to its relevant actors is showed in the Scheme 2. In relation to the project background, it is necessary to distinguish the **dynamics of TBK o.s. (development of phases)** and **dynamics of TBK COFAMI (stages of evolution)**. It is because TBK COFAMI is not always completely similar with TBK o.s. (its composition and aims are not completely identical

with farmers: see “skies” and “earth” conflict). On the other hand to understand the dynamics of TBK COFAMI, it is necessary to understand the dynamics of TBK o.s. since the last is “the fundament” upon which TBK COFAMI grows.

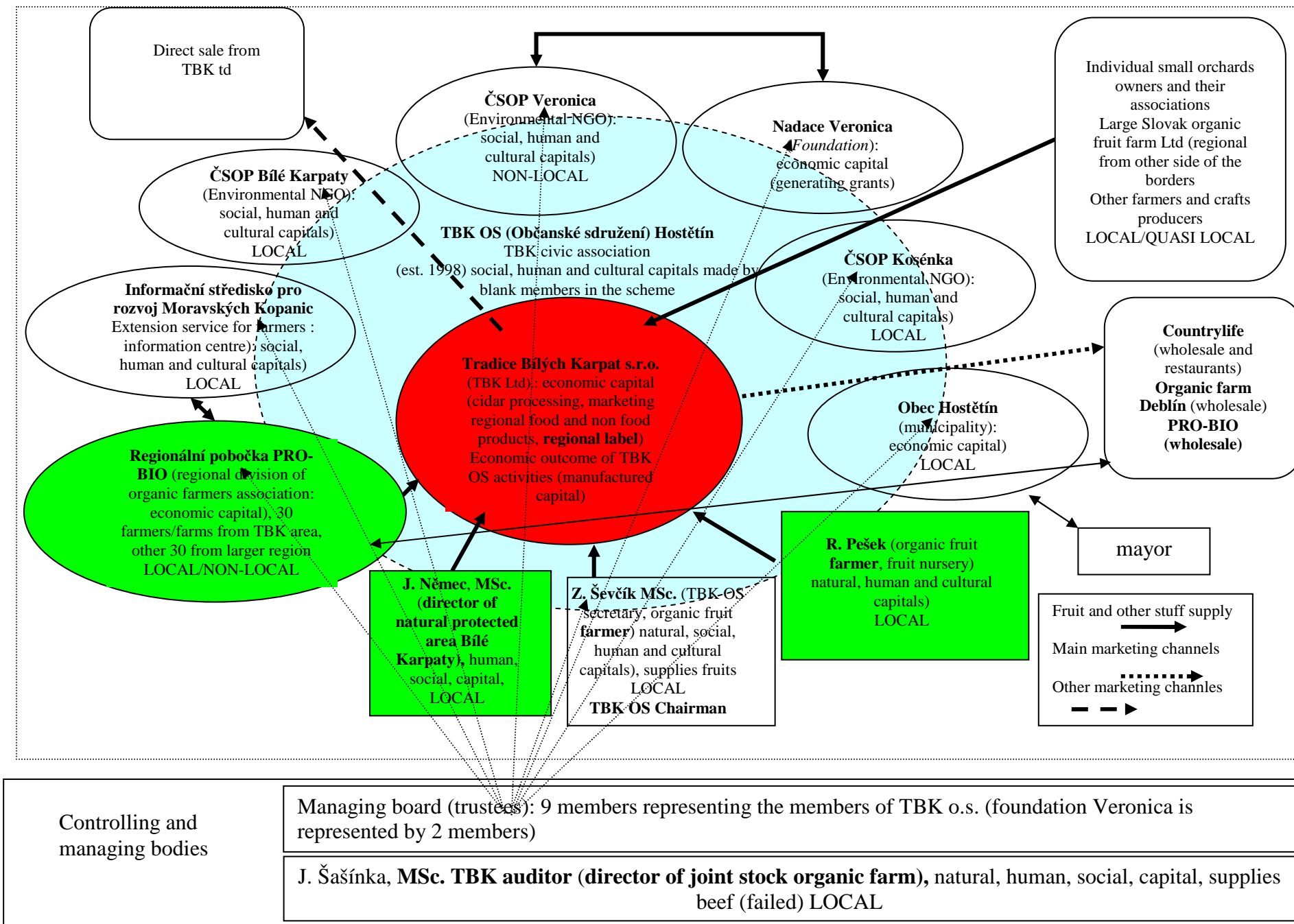
5.4 Explanation of organizational setup

The complicated organization structure of TBK is a result of mix and overlapping various factors. Out of them are the most important those who are presented in the Scheme 1.

Forming TBK o.s. and related TBK Ltd and newly emerging TBK regional label-trademark (TBK COFAMI) are primarily the results of institutional factors (grants, NGOs and extension support) and institutional context combined with cultural and human capitals. They were mobilised to develop contemporary legal shape of TBK. TBK started as civic association. This association developed its TBK Ltd and now works on TBK regional label which is close to TBK COFAMI. The reasons for this type of organization are legal as TBK members explained us (e.g. the Foundation Veronica is TBK o.s. member to channel legally money needed for TBK Ltd. work).

The internal organization (internal relations within TBK) is the result of socio-cultural factors and the existence of social capital. Partly it is also influenced by institutional factors and the descriptive factors (the structure of farms /large-scale former collective farms, new family farms/ and the type of production where the old trees do not allow to forecast the amount of production which limits the possibility to have written contracts on sale as it is required by conventional large-scale drink processing companies).

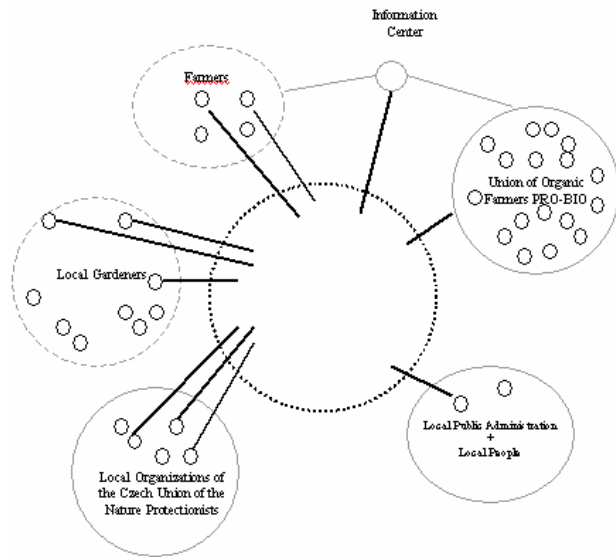
Scheme 1. Graphical scheme of internal and external relations in 2006 (without changes in 2007 after introducing regional label in June 2007)



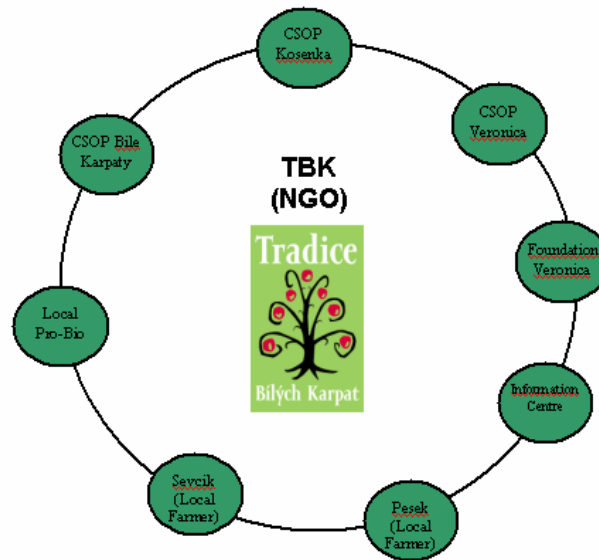
Scheme 2. Network relations in different stages of TBK COFAMI evolution and different phases of TBK o.s. development

Stages of the TBK COFAMI

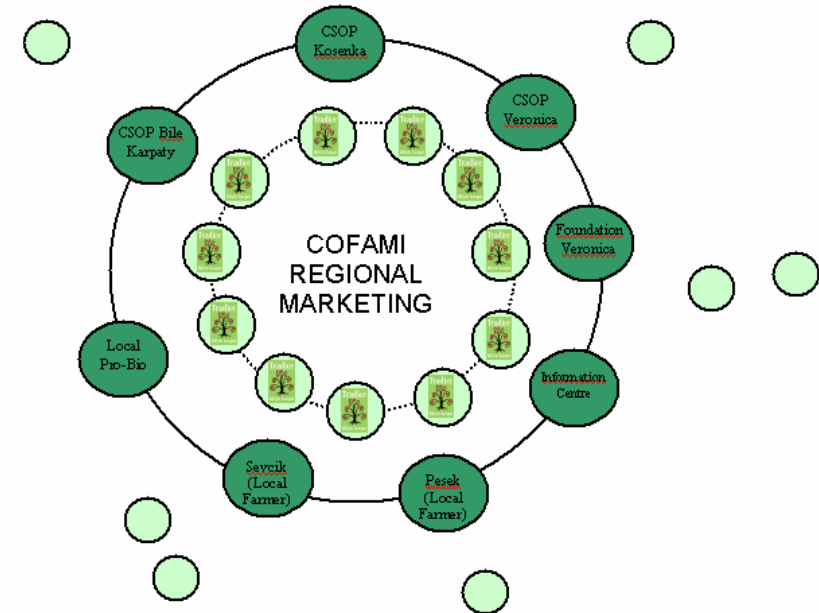
SETTING UP INFORMAL COFAMI



ROAD TO FORMAL COFAMI



DEVELOPING FORMAL COFAMI



Phases of the TBK o.s. development

External organization (external relations between TBK and the non-TBK members /with the exception of the farmers who are not direct members but they are represented by their regional organic farmers association PROBIO) are the result of market and economic factors (the situation on market and food supply chain – 3 main wholesale channels) combined with other factors (proximity to markets, farm structure). The external relations are dominated by market and slightly influenced by institutional factors. Within the market factors all available assets are mobilised.



The other factors are not so important for the organisation setup

Table 12. The influence of factors (contexts) and capital assets on the organizational setup

factors (contexts) and influence of assets		results (impacts on) organizational setup
descriptive factors (nature, proximity, farm production structure.)	Institutional factors + human and cultural capital	TBK o.s., TBK Ltd, TBK regional label (COFAMI): e.g. formal shape and formalised activities of TBK, composition as for managing and controlling bodies (board of directors)
	Socio-cultural factors + social capital	TBK internal and quasi internal (other farmers not TBK members) relations: e.g. no written contracts, close internal relations of familiarity
	Marketing factors + human, cultural, social, natural and physical capital	TBK external relations – organization of marketing outside TBK

Explanation:

-----> Slight (low) influence

6 CAPITAL ASSETS AND CAPACITY BUILDING

6.1 Status of different capital resources

Table 13. Relevance, status and description of effects of different capitals in TBK

Capital	Relevance 0, +, ++	Status Low, medium, high	Description of effects <i>Can be positive or negative</i>
Financial	+	Low	<p>Farmers consider TBK to be poor and the farmers need money. The organization of TBK enables to generate money which the farmers would not achieve if working individually. The access to finances generated by the collective of TBK is important but the farmers do not consider it is enough. The NGO Foundation Veronica (TBK o.s. member) is important in this aspect – it owns the cider plant which was built using money got by the foundation from abroad. Through cider plant which is rented from Veronica by TBK Ltd the profit is generated. The profit is re-used to support TBK activities (incl. regional label now developed by TBK COFAMI). TBK now introduces the fee for the label of regional products (about 50 EUR/year; now 11 products); the reaction were not know during the research (regional label is since June 2007). Foundation also works to attract grants for TBK activities (together with other actors in TBK)</p> <p><i>Financial capital influences TBK COFAMI in the way of being provided by collective activities and making easier to achieve goals than operating individually. However, the farmers do not consider the amount of financial support high. Nevertheless, from outside view, without such support there would not be any</i></p>

			<p><i>COFAMI like TBK. Financial capital is also generated by TBK which rids the farmers of the necessity to search for the money individually.</i></p>
Physical	++	high	<p>TBK o.s. member Foundation Veronica owns the cider plant which rents to TBK Ltd as marketing and processing company. Physical capital is closely related to financial capital and they are interlinked. Without collective action these assets would be difficult for farmers to achieve. NGOs are very important in providing physical capital to farmers involved in TBK COFAMI. <i>Collective physical capital influences the farmers in the form of offering them the possibility to process their products. They do not need to work on establishing their own facilities and to operate them. The facilities are offered to farmers through the agent. TBK Ltd. Through its facilities TBK helps do evolve TBK COFAMI in the form of marketing the region through the label</i></p>
Natural	++	high	<p>Till now natural capital in the form of apples and other regional fruits (or meat) was the most important element for developing TBK COFAMI. Apple tree is also the symbol of the TBK regional label. Most activities rotate around apples (incl. extension). However, TBK cannot help smaller apple orchards owners to participate in apple organic production because for the small farmers it is not possible to certify their few trees for organic standards. However with the development of TBK label, the apples and this form of natural capital will diminish and might be substituted by other forms (wool, wood, meat etc.)</p> <p><i>Natural capital influences TBK marketing in the way of structuring and shaping the possibilities of types of products to be sold. The nature of apples and the nature of the planting old apple trees shapes strategy of TBK</i></p>
Social	+	medium	<p>Within TBK the social capital is important concerning TBK internal relations (no written contracts) but not in the external relations. Therefore, there is well developed bonding social capital. Bridging social capital is available and mobilised only in the area of TBK members' activities (environment, NGOs, grants) but not within food supply chain where TBK operates. Linking social capital is now mobilised in developing the regional label of TBK for shaping TBK COFAMI. The linking social capital will be the most important for the success of TBK COFAMI related to marketing the region through the regional label. Because this activity just already started in significant way (June 2007), it is difficult to measure this form of social capital. The bonding social capital has started to be eroded by latent conflicts between farmers (pragmatic "earth") and environmentalists (romantic "skies") in TBK o.s. Bridging social capital of TBK o.s. members seems to be the most robust now.</p> <p><i>The different types of relations considered as TBK's assets influence in different ways at different development phases of TBK o.s. and stages of TBK COFAMI evolution.</i></p>
Human	++	medium	<p>The TBK members are aware of their skills. The skills of people engaged in TBK are used to develop collective marketing in the form of TBK Ltd in the past and in the form of TBK regional label now.</p> <p><i>The skills and knowledge of people in TBK significantly influence the TBK collective activities and result in TBK innovative strategies.</i></p>
Cultural	0	low	<p>Although TBK members have the knowledge "how to play the game" (they demonstrate certain <i>habitus</i>) this capital is not used to support collective activities. Rather we met statements that in the area, it is typical for people there not to cooperate. It means "habitus" in the locality means to operate individually. Moreover, there are certain differences between habitus of farmers ("earth") and environmentalists ("sky").</p>

Cultural capital in the sense of reflecting the collectivity is low, on the other hand cultural capital related to “social field” of individuality (farmers, environmentalists), is high and might block collective activities.

6.2 How did capitals evolve during COFAMI development?

Financial capital is growing from formalization of TBK o.s. in 1998. It means it was important for road to formal TBK COFAMI stage. During 1998-2003 the grants were utilized. From 2003 till now we can observe continual growth of financial capital thanks to profits generated by TBK Ltd through the operating the cider plant which is owned by Foundation Veronica (member of TBK o.s.). The foundation rents the plant to TBK Ltd and TBK Ltd pays every year EUR 15,000 (10% of the costs of cider plant) to the foundation which can develop and support other TBK o.s. activities (incl. collective marketing and regional label).

Physical capital is growing from formalization in 1998 – 2003 (and therefore from the stage of road to formal TBK COFAMI) because of building the cider plant. In 2005 new storage capacities were developed. Now the ideas about expanding the cider plant and developing facilities for drying fruits are considered for the future. In the second half of 2007 (findings from focus group) new processing facilities (new technological equipments) were introduced. It reflects the stage of developing formal TBK COFAMI. The farmers complain TBK does not want to operate slaughter house. Individual farmers are not willing to start it individually for others but TBK also does not incline to operate this facility.

At all stages of TBK COFAMI evolution and TBK o.s. development the **natural capital** oscillates around the stable amount. But there is one important phenomenon. TBK natural capital is very vulnerable because of the old species of trees. They do not provide apples every year. But large processors require continual delivery of apples. That is why the only market for the smaller apple producers of such kind of trees is the local cider plant which does not use written contracts and therefore makes the situation of small farmers easier (large processors with written contract would require fulfilling the written contract). On the other hand, the large apple producers in the area can market their apples drinks anywhere if they are in organic standards. It would make problems for TBK Ltd because it is too small. Introducing the regional label should change the nature of natural capital (not only apples) and as the result we will probably observe its growth (growing number of TBK members united under regional label will diversify the type of natural products and will increase the amount of different types of natural capital). Therefore in the stage of developing formalized TBK COFAMI, the natural capital will change and increase.

Social capital is also relative stable (oscillates) but its forms are changed at different stages and phases. Before the formalization and at early formalization phase (the stage of setting up informal COFAMI), the bonding social capital was very high. At the beginning of formalization stage and during consolidation phase (the stage of the road to COFAMI formalization) the bridging social capital was the most important for TBK activities and growth. The phase of the search for a new growth (the stage of development of formal COFAMI) which resulted in June 2007 in introducing regional label TBK necessitates the growth of linking social capital.

Human and cultural capitals are very stable. Within TBK these capitals are not changing. TBK through its member (organic farmer extension) only helps to develop these capitals for external actors – organic farmers or TBK visitors (through education and extension the human capital of non TBK members and visitors is developed, and through environmental activities the cultural capital of area visitors is developed).

6.3 How were capitals translated in collective capacities of the COFAMI?

Financial capital assisted to formalize the collective of TBK. It was the grant the use of which necessitated to formalize the relations. The formalization, on the other hand, blocked the informal participants (the old age small tree orchard owners) to work in TBK any more. They considered formalized TBK to be more “business oriented” which was not in

accordance with their ideas. Financial capital therefore changed the form of collectivity. The financial capital enabled the development of the **physical capital** which is used by the collective in the way the individual farmers benefit from (cider plant and possibility to sell apples without contract). It was physical capital which enabled farmers to work collectively. On the other hand because TBK does not want to operate slaughter house it blocks other farmers to join. The solution might be the development of regional label as new and true form of COFAMI. **Natural capital** now represented by apples is in symbolic form (see the logo of regional label) the symbol of the collective. At the beginning the capacities of the collective were developed around this symbol. The question is if this symbol reflects other regional products. **Social capital** is generally in the literature referred as the most important for the collective. However, TBK members still do not fully experience the power of social capital for collective action. It is because of its relation to **cultural capital** which echoes individual sentiments typical for the locality of TBK. The **links between cultural and social capital** do not allow the last one to be fully translated to collective capacities of TBK. Rather than Putnam's type of social capital we can see there some elements of Bourdieu's understanding of social capital (individual benefits instead of the welfare of community). Even TBK members were not persuaded why to market their product collectively under TBK label. The trust is now high and in the case of farmers is influenced by the nature of natural capital (the more heterogeneous products marketed in lower items /e.g. beef, not apples/ the less of trust to other farmers that they have the same quality as questioned farmer).

6.4 Different skills / capacities / leadership needed in different development phases of TBK o.s.

- **START:** innovative ideas, informal leaders (human capital) – **stage of setting up informal COFAMI**
- **FORMALIZATION:** financial capacities, social networks (financial and social capitals) – **stage of setting up informal COFAMI and stage of the road to formal COFAMI**
- **CONSOLIDATION:** organizational skills: company management (human, social and partly cultural capitals) – **stage of the road to formal COFAMI and stage of developing formal COFAMI**
- **NOWADAYS/FUTURE (SEARCH FOR NEW GROWTH):** managerial skills are needed (transition from environmental “romanticism” to the “pragmatism” of farming and regional marketing), marketing strategies are needed and they must be elaborated, links to mainstream markets (not only organic), going beyond farming (regional marketing, marketing of the region): social, human and partly cultural capitals – **stage of developing formal COFAMI**

7 DYNAMICS OF THE COFAMI

7.1 General overview of time-line of COFAMI

Origins of the TBK are traced back in early 1990s. In those times the old fruit orchards owners met the members of local environmental protection organization *ČSOP Bílé Karpaty* and together they pointed out that the Carpathian region is losing old trees, which have traditionally inhabited local landscape and made up its original outlook. They also thought that with the old fruit trees, the region was also losing a part of its natural history, because many of the trees were varieties, which had not been enlisted in official registers.

Local environmental activists therefore started the cooperation with the local growers of fruit (mostly older people), in order to map out those varieties and prevent them for the future. Their common activity initiated by environmental NGOs, which drew on inspiration from Austria, resulted in founding a new “gene” orchard – incorporating the old varieties of fruit trees (attempts to map genetic stuff of the fruit trees in the region). In about 1993/1994 other

environmental NGOs (*ČSOP Veronica and ČSOP Kosénka*) joined the informal cooperation aimed at saving the genetic stuff of the fruit trees in the region.

At the beginning of the 1990s pioneer groups of organic farmers in Czechia were in extreme minority and the organic farming itself was a risky business, but the natural conditions of the White-Carpathian (*Bílé Karpaty*) region and the traditional extensive way of farming accorded with the organic-farming principles.

“People always farmed here as organic farmers now – in the harmony with nature. The peasants in the past worked and farmed here organic, although they had not idea what organic is in today’s standards. But the area here was typical by hoe-farming developed into extensive agriculture.”

Some of the local fruit growers therefore converted their farms or started farming organically right away (certified their production). The latter was the case of Miroslav Ševčík (he was quoted a sentence earlier), who decided to continue family tradition in 1993/1994 in this way. Later on, being awarded as Czech organic-farmer of the year 2000, he has become a very influential person and a close partner of environmental groups. Their cooperation, however, worked on informal basis until late 1990s.

Extended networks of environmental NGOs and their cooperation with local organic fruit growers opened new opportunities. In 1998 the informally cooperating people set up TBK o.s – civic association, which mainly pursued educational goals, with a future vision of setting up a business that would use the tools of regional marketing to enhance local development. The reason to set up the TBK o.s. was the outcome of the grant provided from *Hëllef fir d’Natur* (Luxembourg foundation). The grant came before TBK o.s. was officially established and therefore only Veronica with its foundation could get it but the grant aimed at activities of all actors involved in what was latter established as TBK o.s. This grant is considered by stakeholders as the crucial milestone in TBK development because it resulted in its formalization. After the grant, TBK was and still is more and more pushed from “sky” (idealist approach of the harmony with nature) to the “earth” (materialist and practical approach of the harmony with nature). For instance the old small orchards owners who started the initiative in the early 1990s did not joined TBK o.s. in 1998 although they also have their own association like organic farms have their own.

“They were not able to agree together, there were old and younger people and the small orchards growers. Especially for the older people it was a big change. There is the difference between neighbourhood mutual assistance they were used to be involved in and the work of TBK Ltd as the business” said the head of the TBK Ltd.

Several times we faced the references to different age of actors and stakeholders as explaining the problems in TBK (older farmers with practical interests and younger environmentalists with ideas for example).

One of the most active actors of this association was environmental group Veronica that was (and still is) seating in Brno. It is considered as the main impetus in the 1990s. Their members already took part in the project of mapping old varieties couple years ago, and have been closely in touch with local farmers. In late 1990s (1998) they came with an idea of producing a “local product” that would support work of small growers (described in the paragraph above about the old fruit trees orchard owners who did not want to joint TBK). But these locals did not quite accept the idea and hesitated to take part in the project. TBK therefore decided to realize its plan funded by the grant from Luxembourg in another village – in Hostětín, where – by chance – Veronica bought old barn for a reconstruction (from Miroslav Svecik family). It was also one of crucial factors for the development of Hostětín municipality compared to other villages in region.

This investment was financed by the Veronica Foundation with the money, which they got due to cooperation with foreign partners (grant from Luxembourg). In 2000 the association ended up the reconstruction of the barn, which they turned into cider processing plant. The first year (in 2000) they produced cider mostly from conventional crops. But since 2001 organic fruit prevails. In addition to the apple must, they also produce juice from red-beet in organic quality.

In 2003 the TBK o.s. established and incorporated a business firm (TBK Ltd), which is 100%-owned by the TBK o.s.. This company officially operates the cider house and pays rent to Veronica Foundation, which returns this money back, in order to support continuous development of the project. The TBK Ltd wants to market the regional food and non-food products but only in 2006 they started to develop more extensively the label (existing since 1998 and the apple musts of TBK Ltd use it longer than from 2007) and marketing strategy (in 2007 developing by ČSOP Bílé Karpaty). In 2003/2004 they also marketed beef but this initiative failed due to market factors. The margins of the outlet the farmers sold beef was about 20%:

“The butcher only put the knife into our beef and increased the price about 20%. Who will buy such beef? He destroyed our intentions. Therefore we sold the beef only to our friends. The bull has 800 kilos but we sold only 250 kilos to our friends, it was not good business”

Also social-cultural factors explain the failure:

“Because of the bull breeding practices, we need to slaughter 5 bulls at once but the market does not want so much organic beef and there are also other beef farmers who also wanted to sell their bulls; finally there were more bulls than the demands of the market and every farmer claimed he trusts only his beef because it is the best”

The degree of collectivity was not high.

The capacity of the cider house fluctuated through out the years, because of problems with storing. In 2005 there was built a new store, which helped to solve this problem. A year after, ČSOP Veronica built next to the cider house its new information center. The new building belongs to Veronica organization, but it allows other members of the TBK o.s. to use it for extension and education.

In 2006 it was obvious, there is on one side the existing idea of collectivity of TBK (working together), on the other side the farmers and NGOs differ in certain views (NGOs bring young urban enthusiasts into the area to work there; in their free time they harvest the meadows and could experience what does it mean to live in the harmony with nature), farmers consider their work as disaster because they do not master old farming techniques and bring urban way of life:

“They rather damage the nature because they do not know how to use scythe properly; in the evening they have disco in their camp – they make noise”.

There is also disagreement about the marketing, although they are NGOs who work now on TBK marketing strategy (in the opinions of the farmers it had to be done earlier when the farmers advised to elaborate such strategy).

7.2 Turning points and critical events of TBK o.s. and stages of TBK COFAMI

There are four important phases in the development of TBK o.s.: Start (1990-1998) – Establishing (formalization: 1998-2003) – Consolidation (2003-2006) – Search for new growth and new strategies (2006 – on). Correspondingly, there are 3 stages of TBK COFAMI evolution: Setting up informal COFAMI (1990-1999) – Road to formal COFAMI (1999-2005/2006), Developing formal COFAMI (from 2006). The tables 16 and 17 indicate the important events (summarizing critical events and turning points) for the development of TBK o.s and evolution of the TBK COFAMI. The reason for distinguishing 4 phases of development of TBK o.s. and 3 stages of evolution of TBK COFAMI is that TBK o.s. is not the true COFAMI. TBK COFAMI emerges right now but is strongly related to TBK o.s. TBK COFAMI cannot be understood without understanding TBK o.s.

Table 14. Historical Milestones of the initiative

PHASE OF TBK DEVELOPMENT	START	ESTABLISHING: FORMALIZATION	CONSOLIDATION	SEARCHING FOR NEW GROWTH
STAGE OF TBK COFAMI EVOLUTION	SETTING UP INFORMAL COFAMI	ROAD TO FORMAL COFAMI		DEVELOPING FORMAL COFAMI
YEARS	1990 – 1998	1998 – 2003	2003 – 2006	2006 - now
IMPORTANT EVENTS	<ul style="list-style-type: none"> • Mapping old varieties of trees • “Gene orchard” • Several events promoting the region 	<ul style="list-style-type: none"> • Grant from Luxembourg • Foundation of TBK – o.s. (TBK civic association) • Acquisition and reconstruction of a barn in Hostětín • Production of a cider under a common label TBK 	<ul style="list-style-type: none"> • Incorporating business firm – TBK Ltd governed by TBK o.s. • New storing capacities • Attempts to sell organic food (beef) and non-food products • Extension (apple festivals) 	<ul style="list-style-type: none"> • Developing real marketing strategy • Promoting regional label • Buying land for growing own fruits • Differentiation in views of farmers and NGOs • Introducing regional label for 11 local products (2007)
IMPORTANT ACTORS INVOLVED	<ul style="list-style-type: none"> ○ Environmental NGO’s ○ Small Local Growers 	<ul style="list-style-type: none"> ○ Formalized organic producers (organic farmers’ association) ○ Environmental NGO’s ○ Others – ad hoc international partners 	<ul style="list-style-type: none"> ○ Formalized organic producers (organic farmers’ association) ○ Environmental NGO’s ○ Veronica Foundation 	<ul style="list-style-type: none"> ○ Formalized organic producers (organic farmers’ association) ○ Environmental NGO’s ○ Veronica Foundation
CRUCIAL CONTEXTUAL FACTORS	<ul style="list-style-type: none"> ○ Learning factors ○ Social/cultural factors 	<ul style="list-style-type: none"> ○ Institutional factors 	<ul style="list-style-type: none"> ○ Economic and marketing factors 	<ul style="list-style-type: none"> ○ Economic and marketing factors

Explanation of dynamics as the result of contextual factors and capital assets:

- **START (1990-1998):** Informal relations. First collective actions necessitated the natural capital in the form of apples (mapping genetic stuff of fruit trees). Also some sort of human capital (knowledge about the old trees and traditional farming practices combined with cultural capital) and social capital in the form of networks (internal and external) were needed. It means for the beginning the natural (descriptive factors; apples trees) and socio-cultural factors (saving the tradition, environmental values) were important.
- **FORMALIZATION (1998-2003):** Formalized relations, setting up legal TBK organization (officially registered). More social capital (bridging social capital, relations with non-members to get grants) was needed together with financial capital (grants). It reflects the role of socio-cultural factors and socio-political factors and emerging role of market factors (the grants were used to develop marketing).
- **CONSOLIDATION (2003-2006):** Establishing collective agent TBK Ltd to process and market local food and non-food products; formalized rules. Physical capital

(cider plant) becomes important as the result of socio-political factors (the demands of the Czech legal acts as for ownership) and market factors (how to process the apples of the old trees).

- SEARCH FOR NEW STRATEGY (2006-on): partial disagreements in strategy; traditional organic farmers versus reflexive modern versus modern organic farmers and TBK member: tangible (earth) or intangible mission (skies)? Questioning future strategy? Introducing regional label for 11 local products markets in June 2007 shows the possible ways for the new COFAMI development. Market factors together with socio-cultural factors necessitate the emphasis on development of physical capital (expanding the TBK faculties) but also reveal some differences in views of participants (slight change in relations lowering the trust among TBK members due to earth and sky approaches).

7.3 Characterization of main stages and relevant changes in initiative

Changes in the strategy:

- from informal activities to formal activities (initiated FORMALIZATION)
- from environment to marketing (initiated SEARCH FOR NEW GROWTH)

The development of the degree of collectivity:

As for the environmental issues: strong collectivity always. Although there are some different views between farmers and environmentalist in viewing environment (romanticism and pragmatism) the approach to this issues is always more or less typified by a sort of Durkheim's mechanical solidarity (finally the environment is more that the desires of individuals, regardless who are they – farmers or environmentalist).

The great changes in the collectivity is observed in the **area of marketing**: from no collectivity (small orchards owners left, typical individualist approaches embedded in locality for centuries, bed sentiments about collective farming before 1989) to growing awareness of collectivity with problems. Although the farmers ask the question if TBK does really help them (e.g. their suggestion to facilitate certification of organic farming for very small orchards owners with a few trees, and problems with marketing some organic products /beef/: both failed) and they are still waiting for real impetus in collective marketing (who will be leading this marketing?), there is some evidence in the development. It is regional label which now (2007) forms the main type of COFAMI under TBK. The label covers not only farmers but also other local producers.

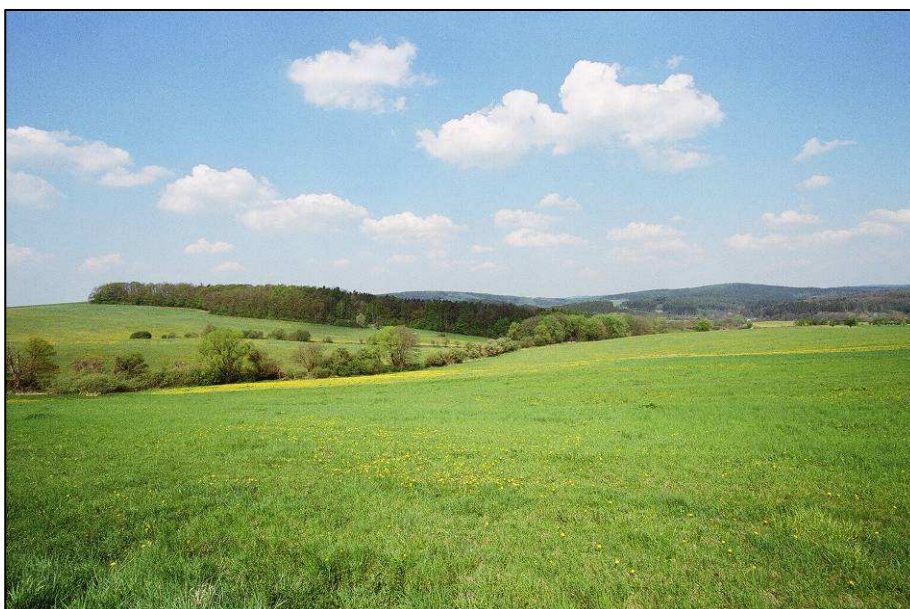
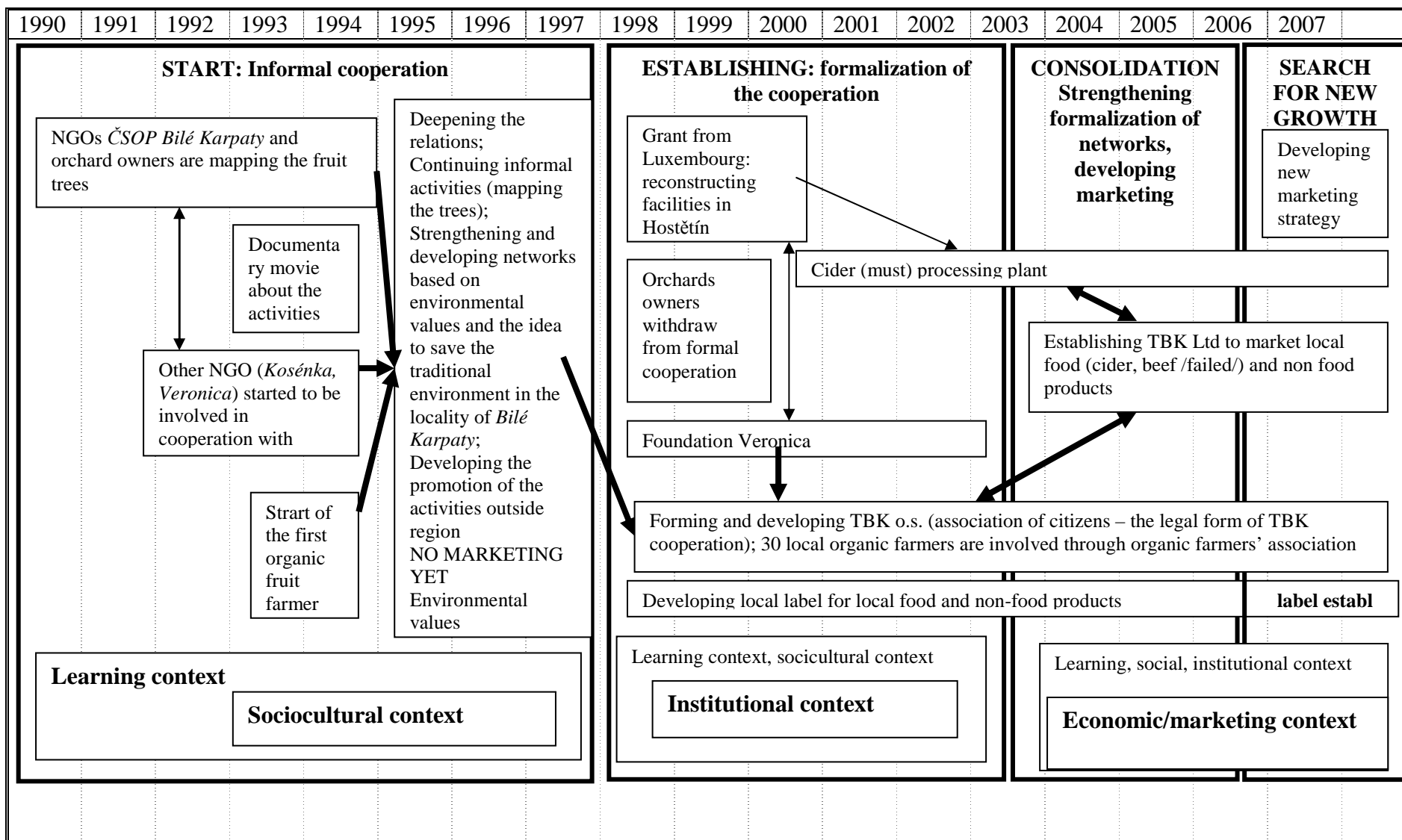


Table 15. Characterisation of main phases and relevant changes in initiative (strategy, degree of collectivity)



8 IMPACT ASSESSMENT

8.1 Indication of the COFAMI's impacts

At the beginning the geographical impacts and impact over particular social groups will be considered. Latter the sector (market, social, educational, etc.) impacts will be addressed.

The materials from mass media were used for the content analysis because they influence contemporary society and its people (McLuhan 1991). It means they can be also used as the source indicating what impacts the referred phenomenon in the media can have over the public. Because of the spatial constrains in this national case study report only the main findings will be addressed here. These findings are based on the paper which is published in 2007 in the journal *Agricultural Economics (Zemědělska ekonomika – Czech)* by the authors of this report (Lošťák, Kučerová 2007).

Based on the content analysis of the texts about TBK in printed mass media it is evident the knowledge about TBK in the public should not be too wide. It is because the mass media mostly refer to annual festival of apples in September and they do not cover the operation of TBK regularly and in continual way. It also means the impacts of TBK are more regional and of very limited nature. Moreover, even people from the TBK operation regions should not know about this initiative. For instance between 2003 – April 2007 the Czech daily newspapers (*Právo* /Czech capital controlled, left liberal/, *Mladá fronta DNES* /German capital controlled, right conservative-liberal/, *Hospodařské noviny* /German controlled, economically oriented newspaper/ and the tabloid *Blesk*) published 33 articles about TBK. However only 25 articles fully addressed TBK activities. This frequency is not high to promote the awareness about TBK in the public. Moreover, 20 papers were published in regional newspapers or in regional sections of national newspapers (the exception is tabloid *Blesk*). It means geographically the impacts can be more regional. However, even in the region, the initiative is not well known. By chance we asked some students of the Czech University of Life Sciences Prague (former Czech University of Agriculture) about TBK. Two of them who study programme in economics and management had no idea about TBK, although one lives in the village where the farmer interviewed and supplying to TBK operates (they know each others); the second is from regional capital (which is not part of TBK area), he had just the idea about village Hostetin, he works as police officer. On the other hand, the students of the programmes in agro-biology and rural development knew this initiative. It suggests TBK can have impacts on special groups of people (see below).

As it has been just stated, the impacts of TBK over public in the sense of its awareness are not high. If there are any impacts, they are of regional nature and they are related to the specific groups. If the people have some awareness about TBK than it is related mostly the knowledge about apple cider processing or apple products in general (see table 16 below). The apple cider was awarded as the best organic food in 2002. It means the impacts of TBK will cover the groups of specialists involved in organic farming, rural development and groups of people preferring organic food (including these with life-style oriented to healthy nutrition) plus the environmentalists. The other social groups will not be probably addressed by this initiative too much (if at all).

To have the idea about the sectors in which TBK can influence the public, the table 16 shows the main categories reflected in analyzed media. It means, if people have some awareness about TBK it will be related with this categories. Based on these categories, the influences in particular sectors can be ranked.

Table 16. Addressed categories in newspapers and Czech Press Agency releases about TBK in 2003-April 2007 (based on the sample of articles provided by Newton Information Technology Ltd)

CATEGORY	FREQUENCY
TBK apple products and their processing	49
TBK facilities	39
Organic farming related to TBK	35
Extension and education done through TBK	34
Products of local people for the Apple festivals organized by TBK	21
Local fairs selling TBK products	18
Amusement related to Apple festivals organized by TBK	17
TBK environmental projects not related to farming	13
TBK regional label, regional products	12
Marketing, collective marketing	11
Non-farmers TBK members and their activities	8
Awards given to TBK	6
Sheep, organic beef	4
Crafts, tourism, entrepreneurs	4

When considering the impacts of TBK, we distinguished the **internal impacts** (for TBK members /especially the farmers/) and **external impacts** (impacts TBK has for the public). While the internal impacts were found during the interviews with the TBK members, the external impacts were developed through content analysis of mass-media.

The table shows the external market impacts of TBK are mostly related to apple cider and the processing facilities. Because the cider production is not high compared to large Czech and international fruit drinks producers, TBK can influence only organic market. It means the market impacts of TBK are low generally (if considering the whole food market) and higher in the area of organic food (high impacts especially for small farmers – internal market impacts). It is confirmed by the fact the TBK cider plant is the market for small fruit farmers in the region (the existence of this facility increased their sale). It means, although the external (for public) market impacts of the TBK in general are low, TBK as the COFAMI (internal market impacts for its members) has significance for smaller organic fruit farmers (for them the market impacts of TBK COFAMI are high: the small farmers have niche to sell their apples). It is because the small farmers are losing in the competition with large farms and TBK collective provides these farmers better conditions on the market.

The apple is the symbol of TBK which is also reflected by the frequency of addressing in mass-media (external impacts). The external market impacts can increase as the regional TBK label will be introduced and more developed. Ad hoc analysis of mass media in May-June 2007 confirms this hypothesis, because all papers, radio and regional TV reports about TBK addressed introducing regional label and the first 11 items sold under this label. It might be the label which will be in the future the main addressed category. It could increase the external (for public) impacts of this initiative and support its new marketing strategy. Even today, they are apples and apple cider which is the “flagman” of the TBK marketing strategy, the products labeled by TBK regional label (an interesting fact is we have recorded criticism of the farmers as for the label on the bottle of apple cider; not the outlook of regional label which also holds apple tree).

Compared to market impacts, the external environmental impacts of TBK are very high, especially among the environmental groups (public). It is interesting that TBK in mass media is more visual in activities related to organic farming than to non-farming environmental activities which TBK is also involved in (biological waste water treatment plants using roots, solar panels for heating). It also means organic farming might be crucial for concerning the TBK presentation in the public. On the other hand, what also influences external environmental impacts it is the fact that it is easier to measure environmental impacts as for the non-farming activities (like the biological waste water treatment plant using roots) than of organic farming which is more related in public with “healthy life-style” than with

environmental protection (the example /not the case of TBK/ is organic yogurt in plastic cup – it is healthy but not environmentally friendly). However, even measuring environmental impacts of TBK non-farming activities still faces problems when related to economic terms (what is more economically efficient – conventional treatment or biological water treatment needs to elaborate detailed cost benefit analysis which is still missing as it was documented during focus group). Because TBK is closely related to organic farming, this initiative has high positive internal environmental impacts both for the participating farmers (organic regional production; it corresponds with their views) and for the general public – external environmental impacts (environmental activities of TBK). It means TBK generates positive externalities in the environmental terms for its members and non-members (internal and external environmental impacts).

TBK has also high (mostly regional) external (for public) educational impacts. For instance, its annual Apple festivals in September are visited by more than 1000 visitors. They can see apple processing, drying the fruits in traditional ways. TBK also organized various schools for children and adults (permaculture training for adults, weekly schools for children). TBK has also its educational impacts for its farmers-members (internal impacts), although they are not as high as external educational impacts. It is based on the internal networks when the participating members can get the information from other TBK members (the importance of social networks is crucial) when they need. They can get easily the needed information from the specialized members who are “in the know”. It decreases their transaction costs to search for the information in information asymmetry situation.

TBK’s external cultural impacts are very high. It is not only because of amusement related to popular culture during the Apple festivals. It is also because of sustaining the tradition of typical old ways of farming in the region. In this way TBK’s internal (for participating farmers) cultural impacts are very high because the reason to sustain traditional old trees and traditions was in the origin of TBK. TBK thus protects traditional values and norms (reconstruction of 200 years old fruit drying facility which is used for visitors to see traditional ways of drying the fruits in the region) of and for both members (internal) and non-members (external public). Although the traditions are concern they are used for innovative development. TBK documents how cultural traditions can be used for economic development in modern sense.

Social impacts, similarly to educational impacts, they are high only regionally (even locally high) but not national (or larger regional) wide. They are mostly of external nature. TBK activities promote local employment (however new technologies do not need more jobs), development of entrepreneurship and tourism. Internal social impacts are more related to the latent function of the TBK which maintains the trust through the support developed in the network (the non-existence of written contracts based on trust enables the small fruit farmers to supply their apples planted by old tree varieties in irregular way to be processed). On the other hand TBK still does not eliminate the alienation resulting in the farmers’ belief that their “beef is better than the beef of other farmers”, therefore they do not want to market collectively. In means internal social impacts of the TBK are lower than external because there is still the evidence of the alienation in the collective. TBK also supports local identity (for instance local people always during the Apple festival want to present something extraordinary: extra long apple strudel /more than 40 meters/ etc. In this way TBK contributes to the sense of the community feeling of embeddedness and has social impacts in the locality (although not only for its members).

TBK has no external or internal impacts as for the political performance of TBK. On the other side, during the focus group we found out TBK related actors try to develop the facts (indicators) to lobby for the measures promoting activities which are similar to those done by TBK. External political impacts are limited because regional politicians do not consider TBK too seriously.

There is the short summary of the TBK impacts in external (for public) and internal (for TBK members) sense:

- Market impacts external (for public): **0**
± (in the case of organic market)
- Market impacts internal (for members): **++** (as for the market for the small organic fruits producers in the region with old trees who do not fit into the strategy of the large drink producers /they need sustainable supply of fruits/, the TBK cider facility increased the sale of the fruit farmers);
- Social impacts external (for public): **±** (but only local; includes creation of local jobs – 2-3 full time jobs in the apple cider plant, and up to 15 season jobs in the apple processing season; the project reduced the unemployment in the village of Hostětín however contributed only to this village; new technologies are labour saving not creating);
- Social impacts internal (for members): **0 (+/-)** (supports social capital – no written contracts for the supply of apples from old tries but does not eliminate the alienation among the farmers)
- Educational impacts external (for public): **++** (regional in wider sense – Moravia region about 2000 visitors during the year, including pupils; different forms of extension related to other projects were TBK is not the main actors)
- Educational impacts internal (for members): **±** (access to the information and knowledge due to network composed of various actors with their expertise)
- Cultural impacts (internal and external): **++** (supporting traditional values and norms in the community and using them for the development, annual apple festival attended by about 1000-1500 visitors, sustaining traditional apple trees);
- Environmental impacts (external): **++** (the highest impacts but mostly among the environmentalists; there are also non-TBK related projects);
- Environmental impacts (internal): **++** (TBK fosters the sense of environmentalism among the farmers because of its orientation to locality /endogenous model/ and organic farming)
- Political impacts (external and internal): **0** (with potency to lobby in the future using the networks of NGOs)
- Economic impacts (internal): **0** (TBK does not increase the income of farmers but it guarantees the possibilities to market)

9 SATELLITE CASE – DUTCH ENVIRONMENTAL COOPERATIVES

9.1 Background and rationale, justification of central question(s) for the satellite case analysis

The interest in the satellite case was related to the mechanisms existing within the collective which concert the various views and interests of the collective members. In the other words within the main Czech case we found out that there is certain degree of disagreement between the members of the investigated COFAMI. TBK is made of various members who are not all farmers (even the farmers are heterogeneous as for the size of their farm and type of production). There are also environmentalists who are represented by 3 NGOs, municipality or farmers' extension services.

During contemporary critical moment (called "search for a new development") there are emerging disagreements between farmers (albeit they are organic farmers, they are also interested in making the profit – they are more pragmatic, we called their views "earth") and environmentalists (they are more urban based and more than profit they prefer the protection of nature – they are more romantic, we called their views "sky"). The nature of this emerging conflict might endanger in the future the whole TBK COFAMI. To look at this conflict can help better understanding of the mechanisms within various COFAMIs. It can be used in policy recommendation and in developing the strategies of the farmers marketing together.

Given to the second pillar of CAP the question can also sound: is not COFAMI (since it is the collective where also various actors can participate) also the way how to bring together farming and environment if both farmers and environmentalists work together in the case of marketing. If they work together how do they concert their views and interests when they are from different backgrounds (economic profit making rationality of farmers and environmental value oriented attitudes of environmentalists)? It means the main question behind comparing national Czech case study and Dutch satellite case is how the collective capacity among members with diverse individual interests/strategies is created (achieved), how the actors with different backgrounds (farmers and environmentalist) concert their interests/strategies within the collective. Such insight could highlight the future of the COFAMIs since EU Common agricultural policy will me more and more about multifunctionality which also means to bring more heterogeneous actors (not only the farmers) in the focus.

9.2 Material used: justification of selection satellite case, description of available material

Since the Czech case generated question outlined in previous section, the other cases of bringing farmers and environmentalists (or environmental issues) together were studied. The material was provided by the Dutch environmental cooperatives (EC) studied by the members of the Rural Sociology group at University of Wageningen, the Netherlands in 1990s and 2000s. This satellite case highlights the mechanism of cooperation between farmers and non-farmers in the issues bringing together farming and environment. As Franks and Mc Gloin (2007: 473) document ECs represent "an entirely new way of working together: they were a new form of social organisation. EC are self-help groups with a voluntary membership that pays an annual subscription fee, but secure other funding, mostly through the activities they organise and promote." The activities of ECs are not identical with TBK but there is certain degree of similarity since both provide expertise in order to support members' activities. Moreover, in many of EC, the members are not only the farmers⁶ (e.g. EC VEL/VANLA about 200 members, out of them 160 farmers; EC De Lingestreeg 100 members, out of them 50 farmers; EC Zwartemeerdijk 16 members, out of them 15 farmers; EC den Haneker 950 memebtrs out of them 350 farmers). It suggests ECs are heterogeneous as for the members (farmers and non-farmers) with diverse interests and strategies what is similar with TBK.

⁶ The data are published by Franks and Mc Gloin (2007).

The documentary study was used to analyse the issue. The findings from the case studies about ECs described in per-reviewed papers published in journals and reports of the survey among the Dutch environmental cooperatives was used to get the first information. The information was analyzed by the Czech team and finally the findings and interpretations regarding the main question were discussed and validated with some authors of referred papers. Also internet search was used to get additional information on the environmental cooperatives.

9.3 General description of the satellite case(s) in relation to answering the central question

Environmental co-operatives (ECs) in the Netherlands are example of the new rural development paradigm 'in the making' (Wiskerke, Bock, Stuiver & Renting 2003). It means they are the example of joining farming with the environment. The authors refer to Vereniging Easternar's Lânsdouwe (VEL) and Vereniging Agrarisch Natuur en Landschapsbeheer Achtkarspelen (VANLA) – environmental cooperatives founded in 1992. These cooperatives are regional groups of agricultural entrepreneurs, in some cases including citizens and other rural stakeholders (e.g. environmental organizations, local authorities, and animal welfare groups). Such composition is very close (even similar) to the composition of the Czech case of TBK. "Their aim is to integrate environment, nature and landscape objectives into the farming practice from a regional perspective. They do so in a pro-active way and do not wait for specific government directives. As such, environmental co-operatives are examples of both rural development practices and new expressions of rural governance." (Wiskerke, Bock, Stuiver & Renting 2003: 9). However, although the term cooperative is used in common due to the early phase of this form, many of these collectives are not cooperatives in the proper sense of the word but they are raters associations or societies. It brings considering ECs closer to the variety of COFAMIs.

"The activities taken up by environmental cooperatives are highly variable. In most cases they involve nature and landscape management and the reduction of environmental pollution on member farms, but may also cover water management, agrotourism, regional quality production and organic farming" (Renting, van der Ploeg 2001: 87). The operation of these associations could be considered as successful since in 2004 they covered 55% of the total Dutch farmland (Oerlemans, van Well & Guldemon 2004). It suggests ECs case is very good example demonstrating the multifunctionality of agriculture and relations between farming and environment, among farmers and other groups. Most of these associations are situated close to National Ecological Network (TBK also operates in nationally protected area). In 2004 the number of non-farming actors in these associations was about 2400, the number of farmers represents about 10% (about 7500) of all Dutch farmers. The ECs also collaborate with external partners (such as regional farmers' organizations, provincial /regional/ authorities and the umbrella of agri-environmental associations, National Forest Service etc.). It shows that the associations which are in their nature more open (in the sense of incorporating both farmers and non-farmers) indicate also large number of external contacts and relations of collaborations. Being not closed only into "inner world" of the collective (which is a sort of Granovetter's strong ties) but also being embedded in broader external networks (a sort of Granovetter's weak ties) might be seen as one of the conditions how to concert the various views within the COFAMI.⁷ It might be the external world within

⁷ Similar conclusion can be drawn upon the ongoing research "*Ekonomika zdrojů českého zemědělství a jejich efektivní využívání v rámci multifunkčních zemědělskopotravinářských systémů*" (Economics of the resources of the Czech agriculture and their effective use in the frame of multifunctional agri-food systems) funded by the Czech Ministry of Education under the number MSM 6046070906. There are 2 farms in the investigated locality – both are collective farms. One (cooperative) is closed relying only on its inner networks. It enables it to "survive" profound changes of external environment because the people are united under "common beliefs". But the farm does not develop itself and its managers have no idea "what is going on" – they have limited external networks (bridges). The other farm (share-holder company) has strongly developed external networks (bridging social capital). They help the farm to develop itself and help to accord the views within the farm. In the second case it is not the inner world but the external world and wide networks providing bridges to "other worlds" which necessitate harmonizing various interests, views and strategies of the stakeholders in this joint stock farm company.

which the associations (ECs) operate and collaborate which stresses the need for agreement within the associations. Moreover, having positive experience from external networks ECs expand their external contacts. They collaborate in joint projects, fundraising, influencing policy makers and in consultancy (a sort of extension services). The associations mention (Oerlemans, van Well & Guldemond 2004) the most positive effects from the co-operations in increased understanding of other parties' points and view of interests. Collaboration results in higher consensus, better contacts and recognition of other parties' work. Collaboration also increases the level of support for the associations (both among communities and local/regional administration).

It is interesting the report (Oerlemans, van Well & Guldemond 2004) does not mention among the problems faced by studied ECs partial disagreements among various members of the associations. The most frequently mentioned problem is related to the government agencies (rigid legislation, time-consuming procedure, red tape, bureaucracy and frequent changes of persons which mean they have to deal with new contact persons). On the other hand the report (Oerlemans, van Well & Guldemond 2004) tacitly supposes that the reason of growing interest of farmers to join the associations of ECs type is the financial support to landscape management provided by environmental schemes ("they have started to carry out more paid nature and landscape management tasks"; "probably because these areas offer the greatest opportunities for paid nature management by farmers"). If this hypothesis is valid, it means also within the case of environmental cooperatives there might be the gap between economic rationality (in this case in the terms of rent seeking behaviour) and values of environmental protection. Probably this problem is more shadowed by and hidden under the problems emerging from the contacts with authorities (e.g. to re-establish relations with changing contact persons might be difficult and the disagreements with other association members' could be considered as marginal).

Environmental co-operatives are considered as a means for the farmers to create more room for self-regulation in order to develop locally effective means to realize environmental objectives. The main characteristics of the environmental co-operatives (VEL and VANLA) studied (Wiskerke, Bock, Stuiver & Renting 2003) which are typical by self-regulation and self-organization (typical for NGOs) are:

- The integration of environment, nature and landscape is seen as an essential part of the farming practice.
- The integration of these objectives into farming practices is a collective responsibility.
- Starting point are the local conditions and insights about farming, environment, nature and landscape.
- Environmental co-operatives are symbol and practice for a new contract between local, regional and national authorities and farmers.

From the point of view of the central question of this satellite case, environmental co-operatives are a means to overcome the contradictions and distrust at local level by actively creating new social networks of farmers and other rural stakeholders (Wiskerke, Bock, Stuiver & Renting 2003). In this way the ECs explicitly stand up against the idea of growing and inevitable conflicts of interests between farming, nature conservation, tourism and infrastructural development for living, industries and transport. "At the local level, environmental cooperatives frequently emerge as vehicles or mechanisms capable of overcoming existing contradictions and distrust. They do this by actively creating new networks and coalitions between the farming population and other rural interest groups" (Renting, van der Ploeg 2001).

On the other hand Franks and Mc Gloin (2007: 482), show there are the conflicts within the ECs and they echo the main question of this satellite case related to TBK problem between environmentalists' romanticism and farmers' pragmatism): "It was generally acknowledged that farmers and nonfarmers do not always share common goals and this can lead to conflict." However, compared to TBK "A common compromise was to exclude non-farmers during the EC's start-up phase, to allow farmers to develop the EC's portfolio of activities, and then open-up membership more widely." The non-farmers were accepted latter when

they demonstrated their participation added value for ECs. TBK on the other hand was initiated not by farmers but by the non farmers (NGOs). Non-farmers were the most active in developing the portfolio of TBK COFAMI activities. What is however obvious from ECs it is that “uniting different interest groups into ECs helps farmer’s image, and increases the possibility of developing mutual understanding that may make compromise easier, and may lead to identifying winwin solution” (Franks and Mc Gloin 2007: 482).

As the reports from the research in the environmental coops suggest the interests of different groups are joined together to open new perspectives for the region and its inhabitants. By building bridges between different rural stakeholders and different rural activities, environmental co-operatives attempt to overcome distrust and conflicts and try to build new alliances (Wiskerke, Bock, Stuiver & Renting 2003).

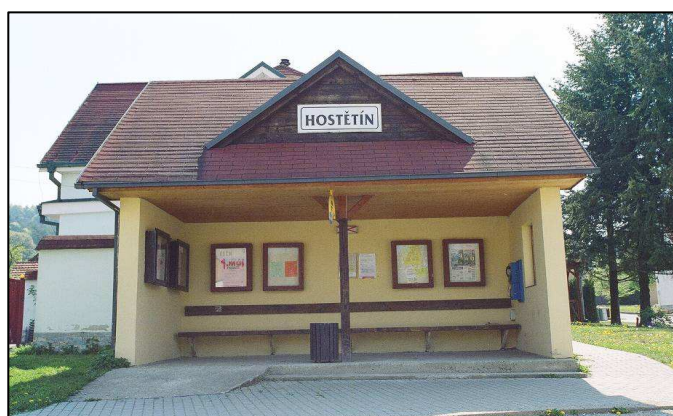
The research in the environmental coops in the Netherlands also indicates the gap between local (regional) nature of the coops and the national regulations. Because public opinion and the Dutch parliament continued to support further development of environmental co-operatives, the Ministry of Agriculture expressed more and more doubts about the shift towards local governance. Ministry started to question whether further development of local governance could be adequately administered and the results sufficiently monitored. This was the start of a long period of internal struggle and debate within the Ministry, which tempered much of the initial enthusiasm of the co-operatives (Wiskerke, Bock, Stuiver & Renting 2003). It seems the debate between local coops and national government helped to foster the common interests within the group and to minimize the internal conflicts within the group, moreover when the non-farming members’ participation “encouraged government to trust EC, and to take them more seriously, perhaps because the additional inclusivity would mean a wider range of views and proposals would be considered before an EC agreed to follow a particular initiative” (Franks and Mc Gloin 2007: 482).

The necessity to deal with the external world (“struggle with Ministry”) together with accepting non-farmers members (who bring value added in this respect) can be considered as other tool how to support the internal coherence of the group albeit the group is composed by various actors. Hypothetically, the more external conflicts (in the case of the environmental coops it meant the lack of institutional support from the government and the reluctance of the government to provide such support), the more internal coherence is needed for the success in the external relations (the enthusiasm and willingness of farmers and environmental cooperatives to continue to create and sustain room for self-regulation).

10 CONCLUSIONS ON CONTEXTUAL FACTORS WITHIN NATIONAL CONTEXT

The Czech national case study focused on the civic association *Tradice Bílých Karpat* (TBK; Tradition of White Carpathians), which has created, promoted and is currently using, regional label that frames the existence of collective initiative focused on regional marketing. The case study is based on data gathered from 17 interviews supplemented by other short-time discussions and interviews in the region. The conducted interviews were focused on participating farmers, representatives of the studied organization and several external stakeholders. The case study was supplemented by the satellite case of the Dutch environmental coops which helped to highlight the clues found during the research in TBK.

TBK is a voluntary non-governmental and non-profit organization. This context seems to



be crucial for understanding its origin and development. It is a sort of NGO driven COFAMI. This fact suggests that COFAMIs today are not just the farmers' issues as it was also documented and supported by the satellite case of the Dutch environmental cooperatives. The involvement of non-farming civic sectors (NGO, other associations of non-farmers) in the COFAMIs should be taken into account also in the policy recommendations since it reshapes original goals of COFAMIs which are, however, already strongly emphasized in the Czech public and political discourse (COFAMI considered only as the tool how to increase the farmers profit and position on the market). TBK challenges the nature of traditional COFAMIs of cooperative type. **The investigated COFAMI is not purely economically oriented to increase the profit of the farmers but it echoes the principles of multifunctional agriculture which also means engagement of various stakeholders. Such COFAMIs are new form of collective marketing in the period of late modernity.** TBK markets not only farmers' products but also non-farmers' products, TBK is involved in landscape protection and aims at retaining regional traditions. Such situation of multiplicity may also probably explain the problems and conflicts emerging within COFAMI (search for new growth, gap between farmers and environmentalists). It is because of the new situation of the context of late modern diversity and complexity. The "singularity" typical for the modernity is transferred into the "variety" but still holding certain degree of complexity through relatively stable networks of internal members (and flexible networks of external actors) which differs from the postmodern situation that is only fragmented. Such context brings the necessity to search for the new ways of doing business which differ from traditional "one way" oriented COFAMIs of the cooperative marketing organizations' type which emerged in Czechia in the 1990s (after the period 1948-1989 when they were suppressed). TBK is the example that the notion of COFAMI is changing and the change reflects the changing society. It means not only traditional COFAMIs (although they are powerful, strongly lobbying and helping the farmers) should be targeted in various measures but also different sorts of newly emerging types of COFAMIs should be taken into account. The reason is not to preserve the old schemes and sometime inefficient frames rooted in the past but also to learn from contemporary development to set up gradually the institutions for the future.

General goal of this TBK is to support local sustainable development based on specific natural and cultural capitals. The marketing initiative takes the form of wider territorial networks of actors, who jointly seek to promote their region on the basis of its peculiar traditions. The COFAMI in this case is delineated as the group of actors, who are directly related with the creation and the use of the regional label TBK. Considering the development of the COFAMI the existing TBK COFAMI initiative is closely related to the activities of the TBK association. This also the reason why the national report pays attention to both TBK o.s. and TBK COFAMI. Since it is sometime difficult to distinguish TBK o.s. and TBK COFAMI, we use only the word TBK if the division between both is not significant for understanding the context.

The structure of the TBK is a blend of various actors operating in different domains and even in different regions (together with TBK region). The engaged actors share a common view that is based on the idea to maintain and to develop the diversity of natural and cultural heritage in their locality (White Carpathian Mountains). Variety of actors, however, also results in certain ideological tensions that have recently become visible within the discussion about a future development of the association, respectively of the marketing initiative (its result is the period of the search for the new growth). The clash between the perspectives of actors was also described as the opposition between idealistic ("skies") and materialistic ("earth") approach to collective action. The solution of this discrepancy is becoming to be crucial for their future development since it concerns the gap between farmers and environmentalists who are both the members of TBK (similar problem is faced within Dutch environmental coops between farmers and non-farmers). Such gap also reflects the problem which has been already mentioned by Karel Galla (1937) in the 1930s and which still dominates the Czech national context. It is the division between what Galla calls real (proper)

and unreal (improper) coops⁸ and what is now the division between modern (economic profit and the attempts to strengthen the position of farmers driven by their private and individual interests) and late modern (multiplicity of actors, not only profit but also environmental, social and cultural issues of rural development in general driven by the interest of the collective of citizen made of individuals) COFAMIs.

Activities of the TBK are clearly divided according to the above-mentioned prism of modern (unreal) and late modern (real) COFAMIs. Individually are done mostly “earth” related issues which have often tangible background, while collectively are done the activities related to “skies” and to more intangible issues. **It would suggest the farmers (however not equally but depending on their type of production) would still prefer traditional (modern) forms of COFAMIs (the more generic and productivist oriented farmers the more inclination toward such form of COFAMI) while citizen (NGOs) incline to the new (late modern) forms of COFAMIs (the more specified and non-productivist oriented farmers, the more sympathy /but not always necessary real involvement/ in this form of COFAMI).** The reason of motioned sympathy but not always really involvement is explained in the Czech context by other factors, especially the individualistic sentiments resulting from experience with collective farming in 1948-1989 (it was represented only by the “caricature” of improper, unreal coops in the Galla’s understanding) and the sense of alienation when producing products of higher quality and specificity if such products are to be marketing together with the products of other farmers under “collective roof”. Due to the heterogeneity of actors, the collective action is not unproblematic. In particular, the collective action includes problems, as it has been just mentioned, when heterogeneous members (farmers and environmentalists) are concerned and the amount and type of agricultural products are considered (e.g. the unwillingness to sell beef collectively since individual actors are afraid they will lose individual specificity of beef related to any individual farmer which is not the case of apples). The problems are because the actors cannot agree on common interpretations of important categories related to their activities (such as to keep their activities up with “harmony with nature” – the interpretation still differs farmers even organic/ and non-farmers /environmentalists/). **To overcome these limiting factors of collective marketing could be the room for the COFAMIs like TBK.** Such COFAMIs can demonstrate by their work the farmers can handle through them with these problems (it is not done fully by TBK yet, however). **The background for such handling is in the nature of TBK-type COFAMI** when NGOs involvement goes against alienation, brings different groups together and concerts their views. Also late-modern type clearly differs from the coops developed during collectivized agriculture 1948-1989 with forced collective membership and emphasizing univocal view.

Association of actors in TBK brings many benefits to its participators and it this way TBK has already started to demonstrate its possibilities in overcoming the limiting factors mentioned above. The main positives of cooperation within TBK are: (1) access to

⁸ In the sociological analysis of cooperative movement in the Central-Bohemian village Sány (about 50 km east from Prague), Galla (1937) identified two types of the cooperative initiatives: real (proper) and unreal (improper) ones. When a cooperative was formed as a community of consumers and small producers, whose goal was the social welfare which meant that the benefits for local people originated from increased social standards of small owners in economic, hygienic and moral terms we should have in mind real/proper coops (Galla is influenced by Raiffeisen Cooperative’s idea “to realize Christianity in economic life”). The real (proper) cooperative initiatives were of apolitical nature. They were more citizens’ driven. It is because they fought (pursued) for something (an enhancement of their members’ standards, which resulted in economic, social and civic development of the village). They did not fight against something (the system), or someone (against other actors). The unreal (derived, imaginary, improper) cooperatives were those, which were created by putting together socially strong actors. They included large producers, entrepreneurs, traders, marketers who realized the cooperative organizations (collective action) should bring them (and not to other) various economic advantages. While in case of the so-called real (proper) collective initiatives of farmers (and rural inhabitants) non-economic aspects of their activity were obvious (non-economic factors were the most important for this type of COFAMIs origin), in case of the unreal (improper) cooperatives we can mostly see the economic aspects as the main factors influencing of their activities and origin.

new information, (2) economic benefits for farmers with regards to production and transaction costs (market for small producers with specific products /old varieties of organic apples/); facility that would not be possible to organize for any individually operating farmer is developed by TBK – it could eliminate the negative sentiment rooted in collectivized agriculture), (3) symbolic benefits based on presentation of their work in public (can help to eliminate the sense of alienation if the marketing strategy is more elaborated towards the real symbolic value represented by unique selling proposition of TBK products).

As TBK case and satellite case suggests the coexistence of non-farmers and farmers COFAMI members is “clearly a sensitive issue. It can be a source of conflict but may increase opportunities to develop additional income streams” (Franks and Mc Gloin 2007: 483). These issues might be faced by many COFAMIs and are related to organizational factors. The coexistence among farmers and non-farmers within the various COFAMIs might be the key debate because it affects the nature of the collective and can play an important role as for the limiting or disabling factors for the work of COFAMIs moreover when multifunctional nature of contemporary agriculture, its relation with environment and society are considered. As Franks and Mc Gloin 2007: 483-484) write “the debate about non-farmer members goes to the heart of each EC /environmental cooperatives/ reason to be.” When developing their ideas into the conditions of COFAMIs like TBK they “**must be a ‘community of interest’, consisting of voluntary members supporting projects that deliver mutual benefit.**” The experience from Dutch environmental cooperatives how to concert the views and strategies, “how to protect their common interest was to allow each member to participate in those projects they supported, and to opt-out of others. This flexibility ensures only those projects with sufficient support actually go ahead” (Franks and Mc Gloin 2007: 483-484).

The analysis pointed out several factors, which were classified according to their nature and impacts. Factors that **strongly support** the collective action are those ones:

- Operation in environmentally protected areas and in organic farming
- Small-scale of farming
- Activities of the Probio organization (association of the organic farmers)
- High awareness of an opportunity to increase profit through facilities that are not available to individually operating farmer
- Innovative approaches developed by TBK (it makes TBK to be attractive for others and TBK serves as the “best practice”); such visibility (mostly local) makes TBK attractive for other to join
- Educational activities organized by the TBK association and the access to the knowledge through TBK
- Institutionalization of the label by the TBK (regional marketing)
- More homogenous products to market (apples, not the beef)
- International support through the grants
- The work of NGOs (NGOs can generate the financial capital and provide facilities needed for the work of the farmers; can bring various groups together through the networks and help to eliminate the alienation)

On the other hand, among the **limiting factors**, there were identified:

- Disinterest of large farms to cooperate if the cooperation does not bring them immediate profit in monetary term (they have to pay their employees)
- Generally low incomes that support individualistic strategies in marketing (to find the market with immediate best price regardless future contracts agreed through the collective)
- No political support from regional authorities
- Extensive national regulations that increase transaction and production cost of collective actions; the amount of regulations makes the institutions (rules of the

- game) unclear and difficult to be oriented in them (that is also why farmers are not willing to cooperate since related administration is high)
- The measures related to COFAMIs are more utilized by large scale farms and those who are “in the know” how to operated in these measures
 - Inability to cooperate with large retail stores (the disinterest of these markets in the supply which cannot guaranty the amounts and times of delivery the large retails want)
 - Conflicts between the participating actors about their strategies (skies vs. earth – environmentalists vs. farmers)
 - Bad sentiments from the past collectivist history (1948-1989)
 - Individualistic sentiments typical for the area of TBK operation (including the sense of alienation in marketing special products through the collective).

Considering the network structure of the TBK, it seems to be a sort of **mix of Granovetter’s strong and weak ties in a sense of making the advantage of both types of the ties, which makes TBK to be innovative and sustainable. This is very positive factor for TBK.** TBK has flexible internal ties (taking advantages of both strong and weak ties due to diversity of actors; however the diversity might result in some conflicts between environmentalists and farmers: “sky and earth”). Internal networks are based on informal relations and commonly shared views related to harmony with nature.

In the external environment, TBK is accepted either neutrally or positive. Buying staples (agricultural products) from farmers is often non-formalized, collective marketing is done in formalized way using **newly established agent TBK Ltd**, developed with the help of participating NGOs. Future external relations will depend on the development of TBK label (experiment between TBK individualized regional label and development of standardized Czech label for regional products in other regions did not bring the outcome during the time of the research but the failure of individualized label might the problem for TBK in the future because of the proliferation of the labels in Czechia. TBK label can finally be “one of many unknown labels” which might again deepen the alienation. It means more development of “the story behind TBK” /or unique selling proposition/ in marketing terms is needed⁹.

The whole development of the TBK o.s. and the TBK COFAMI has been shaped by the volume and nature of present capitals combined with different contexts (the context also reflected the changes in the Czech policy and society). Forming TBK o.s. and related TBK Ltd and newly emerging TBK regional label-trademark are primarily the result of institutional factors and institutional context combined with cultural, human and financial (grants) capitals. The internal organization (internal relations within TBK) is the result of socio-cultural factors and the existence of social capital. External organization (external relations between TBK and the non-TBK members /with the difference of the farmers who are not direct members but are represented by their organic farmers association/) are the result of market and economic factors.

The summary of the main issues resulting form the Czech case study has been already provided in the section “4.2 How are contextual factors related to the aim and strategy of COFAMI” This section point out that the factors more related to nature, informal relations (NGOs), bottom up approach, internal issues, internal organization controlled by TBK and “soft skills” (like learning) are **enabling factors**. It also corresponds with nature of TBK built on NGOs related to nature protection. It also echoes TBK goals and strategy which are not purely economic (to market) but it more emphasizes nature and its values (sustainability) related to social and cultural conditions. For NGOs, environmentally oriented

⁹ The observation done before Christmas 2007 in the organic food shop in Šumperk (200 km from TBK area) showed people were not buying organic apple cider from TBK but bought bottles of organic drinks from Austria or Germany. When they were asked why do not they buy cider form TBK they could not answer. They insisted on healthy life-style which is in their opinion related to foreign organic products and had no idea about TBK. It shows TBK needs to work more on public awareness of their products which is only regional as content analysis demonstrated. For instance, the assistant in the shop in Šumperk had no idea about TBK could not tell any “story behind TBK apple juice” but informed about nutritional facts and impacts on health of juices from Germany.

people (incl. organic farmers) such approach seems to be obvious, therefore no wonder it is the enabling factor of TBK-like COFAMI within the Czech context.

Limiting factors, on the other hand, are those which are more related to social and economic issues (trust, alienation, public sentiments about the past in social terms, immediate income, logistics of market, market power of other actors in economic terms), they are more to be considered as the external construct of human activities than the enabling factors. They are close to formal structures, top down approach, external market forces and organization factors. In sociological terms they are more of Durkheim's social facts – something that constrains human actions.

Generally speaking the main factors influencing TBK in the Czech context are outlined below. It is interesting that at the beginning of TBK development they are not of pure economic or marketing nature but they highlight the complexity of collective marketing when market and economic factors become more important in contemporary phase of development. Here are the main factors:

- **Organizational factors related to the composition of the collective and its governance (the whole period of TBK development):** TBK demonstrates that COFAMIs can be originated and developed also through the work of non-farmers. On the other hand such situation might create the problems emerging from the relation of various actors with various interests (in the case of TBK farmers and environmentalists). This issue might be important for the future development of the other COFAMIs (if thinking about multifunctional nature of farming). It might be assumed that not only farmers will participate in COFAMIs since COFAMIs should attract higher societal support which means to incorporate also non-farmers into their activities. It means to cross over sectoral (farming) approach towards territorial approach (various sectors and stakeholders) which reflects the nature of endogenous rural development. The Dutch environmental cooperative satellite case shows that the membership of non-farmers in COFAMIs is more efficient when portfolio of COFAMI is already developed by farmers the first. Although it does not prevent the conflicts between farmers and non-farmers its scope can be minimized through already existing frames of activities. When COFAMI is initiated by non-farmers (like TBK), the non-farmers might tend to enforce their interests and strategies in the detriment of farmers through the frames of activities and ideas they (non-farmers) have already established. On the other hand latter incorporation of non-farmers into COFAMI gives COFAMI the credibility for external partners and supports diversification of views. Farmers should develop the COFAMI if they want to minimize the conflicts and then open-up membership more widely. Nevertheless both Czech and Dutch cases suggest the mix of farmers and non-farmers is generally fruitful for the work of COFAMI, if there are developed ways how to minimize the conflict resulting from different views and interests. To achieve such situation integration of objectives and projects within COFAMI is supposed to be collective responsibility. In minimizes the conflicts when the collective (not its members) is responsible. Only the projects, strategies and interests which have sufficient support by all members should be implemented. It also means COFAMI necessitates new forms of their internal governance (to be flexible) reflecting its late modern nature.
- **Social factors related to the networks of the members and their social capital (the whole period of TBK development):** the Czech case demonstrated the significance of NGOs and their links to the foundations which are operated by NGOs. These foundations provide money to develop COFAMIs. Without such background the farmers (especially the small ones) would not be able to achieve the money needed for developing common facilities for collective marketing. TBK demonstrates how NGOs which is TBK members develops through its foundations (also TBK member) the processing facilities for farmers. They are rented by the collective of farmers who pay rent which goes back to the foundation. The foundation can use the money earned in this way to facilitate other activities agreed by the collective. The farmers are continually the owners of the facility (paying the rent also means to buy the facility continually) and the foundation gets other

finances to fund other (new) projects. The most important in this sense is to get initial funding, once the collective gets it, it can develop described mechanism. To get the initial funding social capital, human capital and cultural capital are crucial. Development of various networks (NGOs have rich such networks) especially those to external partners (bridges) are important to attract funding but also to mitigate the conflicts and disagreements within COFAMI (the latter is confirmed by the Dutch satellite case). The more open networks there are between COFAMI and external partners (after its creation and establishment – important is the life cycle phase), the better access to funds and fewer conflicts exist within the COFAMI. Through these open external networks the COFAMI is experienced to live in the “world of different interests, strategies etc” and therefore can better cope with different interests and strategies within its internal organization. COFAMI can get also more important information from outside and transfer it inside (including the information about grants and funding).

- **Socio-cultural factors related to the issue of alienation and regional traditions (latter period of TBK development):** TBK shows that for the COFAMIs with specific products (not generic ones) there might be the problem with marketing specific commodities. When marketing the products where it is difficult to distinguish who is the producer (it usually concerns the commodities of many items like apples), the COFAMI works without problems. However, when TBK was to market the commodities like meat which could not be sold in large quantity the farmers were skeptical to market through the collective. Every farmer believed his beef is better than the beef of others but within the collective he will lose this quality. The cultural capital of farmers is strongly influenced by individualistic sentiments (they are very weep rooted in the area of TBK where also the collectivization of farming in 1948-1989 was not fully done. It is also problem to market the products in the region of TBK since the possible consumers produce the stuff offered by TBK alone (it is the tradition in the region to have own home made apple cider). In this way TBK is still lagging behind and needs to develop new strategies. Up to now TBK cannot provide “best practices” in this respect but its members are aware of the necessity to cope with such problems.
- **Economic and market factors related to the problems faced by TBK in contemporary phase of development (contemporary period of TBK development):** The problems outlined in previous paragraph were of socio-cultural nature but they are closely linked with economic and market factors. The contemporary phase of TBK development is called the “search for the new growth” and the growth reflects the economic needs (to make the profit) of the members involved (farmers). It means TBK now reflects its economy and marketing strategy (e.g. in the term of regional label increasing the chances on the market through supporting the regional unique specificities). However to do it, TBK has to consider previous factors which strongly influence the economy and marketing. The outcomes of the “search for the new development” will be important for future activities of TBK. It will be also a sort of experimental period from which other similar COFAMIs might learn. Therefore TBK is worth to be studied also in the future if to fully understand the mechanisms of similar COFAMIs. This report which was provided to TBK and TBK related partners attempted also to highlight some insights into the future of TBK. They were discussed within the focus group session and the author of this report believe they will help TBK to develop its strategy for the benefits of its members and region TBK operates.

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