RURAL ENTREPRENEURSHIP AND THE CRAVING FOR ORGANIC FOOD: TWO INTERRELATED MARKET DIMENSIONS. EVIDENCE FROM A SINGLE CASE STUDY

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Abstract

The aim of the paper is to understand the impact of organic agriculture by integrating organic food consumer behavior into the more general impact of rural entrepreneurship on the development of peripheral areas (PAs). The analysis is carried out using the case study approach. The case of Girolomoni Co-op, whose founder is considered the father of Italian organic farming, was chosen for its relevance to the topics to be investigated. The results show how the support of customers, especially foreign ones, who are well informed about the environmental and health benefits of organic food consumption, allows the co-op to successfully apply high value redistribution policies to the entire ecosystem, with particular reference to farmers in the peripheral areas in which the firm is located. The analysis highlights that, although the commitment of the co-op and the ethics underpinning the organization make a great contribution to the resilience of the peculiar socio-economic context in which it takes place, the presence of public support is crucial in order to stem the spiral of depopulation and marginalization that afflicts PAs.

Keywords: Rural Entrepreneurship, Consumer Personal Values, Peripheral Areas, Territorial Development, Organic Agriculture.

1. Introduction

Entrepreneurship influences and is influenced itself by the context (Welter, 2011) in which it occurs. In particular, it has been recognized to be a key factor for the development of Peripheral Areas (PAs) (Malecki, 1986; Korsgaard *et al.* 2015a), i.e. territories

marginalized by the actual path of social and economic development (Barca *et al*., 2014; Pugh and Dubois, 2021).

Among many activities, the one that has always existed in these places is the agricultural one and it has evolved over time as a result of several historical dynamics. The sector, which was culturally despised during the years of industrial development, has today regained the dignity it deserves following the development of organic production, which is one of the central elements of strategies for environmental sustainability.

As organic food consumption is still considered a niche, it is important to study the elements that characterize the consumer profile and, in particular, the values and motives that determine their behavior and choices (Kushwah *et al*., 2019; Sivapalan *et al*., 2021; Sheth *et al*., 1991).

The objective of the paper is to understand the impact of organic agriculture by integrating organic food consumer behavior into the more general impact of rural entrepreneurship on peripheral areas development. It is our aim, therefore, to expand research on this connection by investigating the internal and external processes that enable the local roots of the organizations to relate to the needs, imperatives and opportunities that characterize global markets.

To achieve this aim, the case study of agricultural Co-op Girolomoni is analyzed. Its founder, Gino Girolomoni, is considered the father of Italian organic farming and his entrepreneurial spirit is identified as an example of resilience and reason for the regeneration of Isola del Piano area, a town on the outskirts of the Pesaro-Urbino province, in the Italian Marche region.

The paper is structured as follows: the second section is a literature review on entrepreneurship in PAs, with particular reference to organic farming. Previous studies on the motives and values that determine the choice of organic consumption are also outlined. Methodology is stated within the third section. Sections four and five set out the case analysis - organized in company history, value chain management, target customer and distribution strategy, and territorial impact - and the evidence-based discussion respectively. Finally, conclusions and limitations to the study are exposed.

2. Research Background

2.1 Entrepreneurship in Peripheral Areas

Entrepreneurship is influenced by the context in which it operates, as it provides both opportunities and limits to its actions (Welter, 2011). Among the multiplicity of these, one spatial context that is attracting increasing interest in the field of entrepreneurship research is the so-called Peripheral Areas (Pato and Teixeira, 2016), i.e. those territories far from large population centers, often referred to – but not only – as “rural areas” (Pugh and Dubois, 2021), which have been suffering the effects of unbalanced economic development for years (Korsgaard, 2015a). To counter this ongoing trend (Khün, 2015), the central role of entrepreneurship in regional development processes is recognized (Malecki, 1986; Reid, 1987; Gladwin *et al*., 1989; Huggins and Thompson, 2015; Korsgaard *et al*, 2015a; Korsgaard *et al*, 2015b, Bacq *et al*., 2022), especially by Small and Medium Enterprises (SMEs) (Manzoor *et al*., 2021), which do not require large infrastructures or substantial resources to operate in an area characterized, by its nature, by the scarcity of these elements (Barca *et al*., 2014).

On "rural" entrepreneurship, an important contribution comes from Korsgaard *et al*. (2015b), who emphasize the role that place has on the organizational structure of the enterprise and its role at the local level. Unlike space, a mere set of resources in the profit-making process, place also includes strong social and cultural components that are intertwined with the organizational structure and modus operandi of the firm itself, making its activities unique and not replicable in other territories (Korsgaard *et al*, 2015b; Zamagni and Venturi, 2017; Wright *et al*., 2022). The territory in turn receives benefits from this link in terms of economic development, enhancement of the territory, increased resilience, and containment of depopulation.

Although the topic of place embedded entrepreneurship is well established in the literature, Prashantham and Birkinshaw (2022) point out that the connection between local and global contexts is not adequately studied. Shedding light on this relevant topic would be important due to the fact that such connection may even be problematic in certain businesses, such as organic agriculture. Organic farming is an agricultural method aimed at producing food with natural substances and processes, encouraging the responsible use of energy and natural resources, not using pesticides or chemical fertilizers, with a positive impact on the environment and rural development (European Commission, 2023). However, the support given by various governmental and non-governmental bodies to organic farming (Eyhorn *et al*., 2019; Pe'er *et al*., 2020) clashes with the need for large-scale production in order to meet the ever-increasing consumer demand for organic products (Popescu, 2018; Siebrecht, 2020).

To this aim, there are numerous insights from industrial marketing and purchasing (IMP) studies, which focus on relationships and networks between companies (Håkansson and Snehota, 2006; Håkansson *et al*., 2009). These relationships enable companies, especially SMEs, to access important resources, goods, and knowledge that they would otherwise not be able to achieve on their own. Let us also recall that "networking also means linking (fragments of) existing social practices into new patterns according to what the situation calls for" (Johannisson, 2011, p. 141). Therefore, through these network processes, the boundaries of an organic agriculture venture expand beyond its organizational and territorial limits, allowing, at least in part, the problems of reconciling large-scale production with the dictates of organic production to be resolved.

2.2 Ethical values and motives driving organic food consumption

In recent years, the development of a more environmentally friendly mindset among consumers has been observed, a trend that has affected both advanced and developing countries (Kautish *et al*., 2019; Sadiq *et al*., 2020; Sharma *et al*., 2020). This new breed of consumers is able to make a green mark on the world through the means at their disposal. In particular, they have many product choices and have access to and the ability to use mass media, all of which make them extremely informed (Tariq *et al*., 2019; Wilk, 2012). This "system of knowledge", understood as a system of advice to consumers that can change their purchasing habits regarding food products, has been recognized as a key issue by the promoters of organic food production (Fjellström, 2009; Jørgensen, 2007; Sessou and Septime, 2020). This change has justified the adoption of increasingly green marketing strategies to support the creation of nature-friendly beliefs, both as a marketing opportunity and as a means to promote sustainability (Ghoshal, 2011; Muo and Azeez, 2019; Petrescu *et al*., 2015), even to the point of integrating green into their core business (Melović *et al*.,

2020a). In fact, according to Sarkar *et al*. (2020) "(…) the organizational culture, consumer behaviour, and pressure from the supplier have a significant role in green product developments, which drives the organization to choose green into their (…) business process".

The existing literature suggests different motives behind the consumption of organic food. All these motives can be classified into three different dimensions of values – functional, social, and conditional – using theory of consumption values as a theoretical framework (Sheth *et al*., 1991). The theory proposed by Sheth *et al*. (1991) includes two other dimensions of value – emotional and epistemic – which are not included in the present classification due to their lack of relevance when declined in the context of organic food. More precisely, the perceived ability of a given product to evoke positive or negative thoughts (emotional) and to instill curiosity to seek more information (epistemic) seem to find little or poor evidence when it comes to organic food (Govindasamy *et al*., 2006; Hughner *et al*., 2007; Kashif *et al*., 2021; Kushwah *et al*. 2019; Lin *et al*., 2020; Rahnama, 2017).

The functional values of organic food are defined in terms of its biological characteristics (Rahnama, 2017). According to Kushwah *et al*. (2019), all attributes focused on organic food have been grouped into functional values, which are: quality, avoidance of harmful ingredients, sensory aspect, food safety, nutritional value, naturalness – also referred to as natural content – freshness and health attributes.

Social value is defined as the perceived ability of the organic product to provide the customer with a desired social status, in total opposition to mass consumption trends (Shin *et al*., 2019). In particular, reference is made here to utilitarian attributes such as the preservation of the environment and animal welfare through the support of local/regional farmers and suppliers (Sivapalan *et al*., 2021).

Conditional value refers to the choice of a specific product due to the situation and circumstances of the decision-maker (Sheth *et al*., 1991). Conditional values in the context of organic food that can directly incentivize its consumption are personal health concerns, increased pollution, and collective pressure to reduce the carbon footprint (Kushwah *et al*. 2019). In particular, personal health concerns due to current health problems, together with a proactive approach to maintain good health in the future, seems to be the most important conditional value able to foster the consumption of organic food (Martinho, 2020; Melović *et al*., 2020b).

3. Methodology

To understand the impact of organic agriculture on rural development and food purchase behavior, we adopted a case study approach (Yin, 2018; Tellis 1997). Such an approach is particularly appropriate for its flexibility in the research design (Eisenhardt 1989) and in adopting a variety of data collection procedures (Vissak *et al*., 2017). Furthermore, the case study methodology is particularly suited to investigating new phenomena in which different dimensions interact within a specific context (Patton and Appelbaum, 2003). Indeed, due to the novelty of the topic, there is a need for further empirical insight. Therefore, we decided to adopt an explorative approach in developing the case study which is particularly appropriate to answer how and why questions (Eisenhardt 1989; Welch *et al*. 2011; Yin 2018) when there is little knowledge about the topic under study (Yin 2018).

Moreover, given the aim and objectives of the study, we implemented a purposeful sampling technique (Patton 2001) for the case selection, due to the importance of identifying key informants in the field of research who can help identifying information-rich cases (Palinkas *et al*. 2015; Suri 2011; Patton 2001). Therefore, the case selection involves individuals that expressed their availability and willingness to be part of the research by communicating their experiences (Palinkas *et al*. 2015).

Regarding data collection, we opted for the use of multiple sources of evidence to meet the triangulation principle ensuring the validity of the study (Yin 2018). We collected primary data through a single semi-structured interview (Saunders *et al*. 2019) to Giovanni Girolomoni, son of the founder Gino and actual firm's President, which lasted for one hour and eleven minutes. The interview was recorded and then transcribed and integrated with secondary data sources such as companies' websites and the other material directly provided by the interviewees (e.g., internal reports).

With specific reference to data analysis, after writing the case story, data coding was carried out independently and then discussed among researchers (Ghauri, 2004).

4. Case Analysis

4.1 Company history

The Girolomoni Co-op was founded in 1977, under the name of Alce Nero, in the Montebello monastery, close to the small town of Isola del Piano and to the city of Urbino, in the Italian Marche region. In 1971, the founder Gino Girolomoni and his wife Tullia Romani began promoting the place with initiatives aimed at enhancing and supporting the ancient farming civilization. Thus, the company began its activities, initially producing milk and dairy products, later focusing more and more on the sale of Italian wheat flour and 100% wholemeal pasta. In 1978, the first single-brand shop for organic products was unveiled in Urbino and the first organic farming course of national relevance was hosted inside the Montebello monastery, the company's headquarters, with funding from numerous public bodies. Despite these achievements, the first years of activity were not at all easy, as no specific law on organic products existed and the company often had to deal with serious bureaucratic and administrative problems. Therefore, the company was able to flourish thanks mainly to the development of foreign markets and, in particular, the close collaboration with Joseph Wilhelm, founder of the German organic retailer Rapunzel, who was the first to export Girolomoni products to Germany.

Towards the end of the 1990s, the co-op decided to promote various initiatives aimed at sharing Gino Girolomoni's thoughts on organic farming and the reality it leads. In 1996, the Girolomoni Foundation was established with the primary purpose of preserving, archiving, and disseminating the writings and thoughts of its founder, as well as valorizing the countryside's places between the Cesane hills and the Montebello monastery, in a wide area between the towns of Urbino and Isola del Piano. The Foundation is also responsible for overseeing the production of works on the figure and life of Gino Girolomoni, organizing conferences and exhibitions on his activities and editing the four-monthly periodical Mediterraneo Dossier.

Starting in 2011, the company decided to reduce its environmental footprint by achieving energy self-sufficiency and revising the product packaging on the basis of more ecological and sustainable criteria.

In 2012, Gino Girolomoni died suddenly, and the business was handed over to his sons. The same year, the name of the co-op officially became Girolomoni, in honor of the founder of the company and father of Italian organic agriculture.

In 2018, the goal of energy self-sufficiency is further achieved with the installation of a biomass boiler, chipped from local virgin wood. Then, in 2021, the product packaging is also revised on the basis of more ecological and sustainable criteria

Today, the company exports to thirty countries, of which the largest recipients are France, Germany, and the USA.

4.2 Value Chain Management

The Girolomoni Co-op, entrusted with the task of processing and selling products, is flanked by the Montebello Co-op, which is in charge of sourcing raw materials (mainly cereals) and managing relations with supplier members. In other words, Montebello Co-op manages the integrated supply chain project that goes from the seed to the mill, while Girolomoni Co-op deals with the industrial process of transformation related to pasta production, from the mill to the store. There are about 400 Italian companies involved in this organic supply chain - of which 337 are grain producers - in four Italian regions. However, more than 70 per cent of these companies are based in the Marche region, further confirming Girolomoni's mission to continue developing a culturally, socially, environmentally, and economically sustainable model of rural economy and short supply chain. Following this path, the company makes its industrial competences available to the agricultural suppliers in order to create a final product with a high added value that further enhances the work of all partners involved in the supply chain. This could arise sometimes in frictions and contrasts among partners due to inter-sectoral differences, but the company manages to guarantee the optimal conditions to pursue the market objectives and social achievements.

The Girolomoni Co-op wants to respond to the weakness of localized production with respect to the global market which, in recent years, has been very unstable due to a series of factors ranging from changes related to the pandemic to those arising from current geopolitical tensions. Therefore, it is fundamental to establish a solid supply chain that goes beyond the basic concepts of product traceability and transparency with a common planning of both production and market targets. To this aim, the Montebello Co-op buys from farmers at a higher price than market conditions and also offers a whole range of services, such as joint purchase of seed and pre-financing of sowing. Farmers are also helped to make investments, such as the purchase of machinery. For this purpose, a consultancy company has been set up to help both Girolomoni as the lead company and the farmers in making investment projects with public funds.

The Co-op’s activities and commitment in organic agriculture are recognized with three certifications: Bio Awards, International Food Standard (IFS) and World Fair Trade Organization (WFTO). The latter has an impact on the entire cooperative, as it guarantees fair remuneration for the factory’s employees and partner farmers. An important detail is that WFTO concerns the ecosystem as a whole and not a specific product’s line.

4.3 Target customer and distribution strategy

The Bio-confident consumer represents Girolomoni's target customer. The Bio-confidents represent a broad segment of the population - across Gen X and Y - with a deep knowledge

of the organic world. This type of consumer considers organic food to be a superior quality product with unique organoleptic characteristics compared to mass-produced food available in traditional distribution channels. Bio-confidents are united in their judgement of the superiority associated with organic food, but the same cannot be said for the underlying motivations behind the purchase. In this sense, Mediterranean and North American Bio-confidents seem to diverge from their Northern European counterparts. In the first ones, the hedonistic-functional aspect seems to prevail, coming to define what one eats on the basis of its biological characteristics, both from a sensory and nutritional point of view. In this sense, people prefer organic food because they are confident that it has a positive impact on their health. In the latter, the environmental aspect prevails, conditioning the choice of organic food to a desire to reduce their ecological footprint. Thus the environmental aspect coincides with an altruistic will, i.e. to prefer food produced in an environmentally friendly way (without using pesticides, fertilizers of non-natural origin, etc.).

However, the choice of the target customer was - at least at an early stage - driven more by the choice of distribution channel than by an actual market analysis. In fact, due to the particular type of product marketed, the company decided from the outset to distribute its offer through small shops, specialized in the retail sale of organic products, or within specialized chains, such as Biocoop in France and Rapunzel in Germany. It was only as a result of this choice that it was possible to build the profile of the Bio-confident consumer mentioned above; a profile later enriched by subsequent sector studies commissioned by the company to improve the product offer even on features not strictly related to food characteristics such as the new paper packaging.

4.4 Territorial impact

Regarding the impact of Girolomoni Co-op as a whole on the territory, with reference to the specific case of Isola del Piano and surrounding places, despite the important results achieved by the Co-op in terms of local employment and value distribution, over the years the social fabric that made up the community has been eroded. This risks to be a strong limitation for the Co-op development because it becomes very difficult to draw on human resources from outside the territory. The trend towards polarization of the current economic as well as institutional system is recognized, leading to an impoverishment of the rural social fabric and, in the long run, to its disappearance. In fact, while on the one hand organic agriculture has restored dignity to the farming profession after years of cultural disavowal, on the other hand the demographic collapse and the removal of public services in peripheral areas undermine entrepreneurial activity in these places.

Some local companies try to stem the problem with private initiatives and, with this in mind, Girolomoni supports with his foundation the Co-op “Articolo 32”, which offers healthcare service in remote communities, even free of charge for the lowest ISEE brackets. In the same vein, the cooperative actively collaborates with the Marche Polytechnic University and several other research institutes and bodies, both national and international. The declared objectives are to foster: i) the dissemination of the concept of Agroecology, i.e. the application of ecological principles to food production, as a new development model; ii) innovation in the cultural and technological field, through the progressive implementation of the principles of precision agriculture; and iii) the digitization of the supply chain.

5. Discussion

The Girolomoni Co-op was established with the mission of bringing agriculture back to marginalized lands and territories. In fact, the hills of Montebello and its monastery, the historical Co-op headquarter, were completely abandoned places in the 1960s. Organic farming was developed here as a tool to enhance production and guarantee local farmers higher revenues, thus contributing to stop the emigration from the territory and from agricultural activities. This bound with the place and organic agriculture methods make the company identity unique and not replicable in other places in the same way (Korsgaard *et al*, 2015b; Zamagni and Venturi, 2017). Following this choice, looking at the market, especially the foreign market, was a natural outcome and source of salvation.

The prevalence of export, which accounts for 80% of total sales, has its roots in the Italian legislative system in force in the 1960s, which did not allow all products derived from a whole-wheat flour to be called "pasta". The company was only able to survive by exporting to continental European countries - Switzerland, Germany, and France - where this type of legislation did not exist. Thanks to this unavoidable choice, since its inception Girolomoni has managed to develop extensively in foreign market, exporting its products to over thirty countries; the most important, in order of sales volume, are France, Germany and the United States. These countries account for 60% of total exports and are characterized by a higher per-capita consumption of organic food than Italy. In general, this is due to a perception gap of organic food by international consumers compared to domestic ones. There are several possible explanations for this.

A first element is the identification, and consequent overlap, between the concept of organic food and "zero km food", better known as "Km 0". It refers to the movement to create a food system in which consumers only buy products from their own place of origin (Calicchia, 2017). The term is often confused with "short supply chain" (SSC), although they are not the same to each other. In fact, SSC means reducing the intermediate steps between manufacturer and final consumer, thus removing distribution companies. Therefore, SSC does not necessarily mean consuming "zero km food" just as this does not always identify an organic product. Similarly, organic food is not always a "zero km food". In fact, the organic production criteria do not come exclusively from the local origin of the product - which instead distinguishes and defines the "Km 0" system - providing for the possibility that an organic product may travel for a considerable number of kilometers and in the hands of multiple intermediaries before reaching the final consumer.

The perception gap is also fed by the phenomenon of greenwashing, i.e. the practice of falsely promoting an organization's environmental efforts or spending more resources to promote the organization as "green" than are spent to actually engage in environmentally sound practices (Becker-Olsen and Potucek, 2013). Thus greenwashing is the dissemination of false or deceptive information regarding an organization's environmental strategies, goals, motivations, and actions. The EU Commission, under mandate from the Member States, constantly monitors the evolution of this phenomenon, timely updating the regulations regarding the production, labelling, and import of organic food. However, despite regulator's efforts to do so, consumers continue to be exposed to an unbelievable high number of "green" and "sustainable" statements and labels to undermine their confidence in truly organic products (IFOAM Organics Europe). Consequently, monitoring must be accompanied by clear communication at all institutional, national, and European levels on what "to be organic" actually means, i.e. a product that contributes to maintaining environmental biodiversity, which is part of the broader sustainability framework on

environmental, economic and social components of a given territory. In fact, products that may be sustainable in terms of CO2 emissions and production residues, but that do not contribute to the maintenance of biodiversity, are not to be considered organic. Indeed, according to Tonelli *et al*. (2018), human activity is a fundamental element for the maintenance of environmental biodiversity, as part of the Mediterranean agricultural heritage. Consequently, supporting the social fabric of peripheral areas is just as important as innovative environmentally friendly production processes.

In addition, the mistrust of Italian consumers towards the certification system does not help to heal the perception gap. In this sense, Girolomoni found a gap regarding the "power" of certifications held - in terms of higher sales - between the three main foreign markets and the domestic one. In fact, while foreign consumers are well within the Bio-confident profile, whose purchasing motivations coincide almost perfectly with the academic literature (Kushwah *et al*. 2019; Martinho, 2020; Melović *et al*., 2020b), the same cannot be said for Italian consumers. On the latter, a poor education on organic culture, combined with a more general distrust of the entire system of product certification, generates a confusion such as to make the organic product still a niche compared to France, Germany, and the United States, where organic is gradually conquering the heart of an increasingly wide range of consumers (Melovic *et al*., 2020c; Rizzo *et al*., 2020). The confusion is even greater if the organic label is flanked by other labels, such as carbon footprint and Fair Trade, which make it even more difficult to understand the organic concept and diminish consumer willingness to pay a premium price for a product that they do not perceive as being "healthier" or "greener" than conventional brands (Aprile and Punzo, 2022; Rondoni and Grasso, 2021). Even the label "Made in Italy" is able to confuse the domestic consumer as it is able to generate, especially if it refers to a artisanal food products, the belief that it can be "organic" and "natural" without actually being manufactured following the dictates of organic farming (Fialon *et al*., 2022; Mastroberardino *et al*., 2020).

Therefore, in addition to greater clarity about the meaning of organic in general, education about the personal and environmental health benefits that an organic production system brings could have a positive effect on organic food consumption. It is crucial that new and more effective public policies are activated to educate and inform individual consumers, starting with a reform of collective catering, as already happened in Denmark, where a government collective action aimed at education and adaptation to organic food in public canteens brought the organic food market to 13% of total consumption in 2017 with the goal of reaching 34% by 2030 (Pekala, 2020).

Girolomoni is in its own right an admirable example of rural entrepreneurship, which is a firm place-embedded in the rural setting and with its social fabric (Korsgaard, 2015b). In this vein, the history of this Co-op and the values that characterized its entrepreneurial thinking have made it a reference for many companies in the industry. Although the domestic market is not yet developed, the foreign market succeeds in guaranteeing sufficient revenue for the company to grow in the virtuous line that has been described. Of particular relevance is the return of value in economic terms along the entire value chain and particularly upstream to farmers. This is crucial to sustain an ecosystem, in its own entrepreneurial way, which is very fragile and, in recent years, the most susceptible to climate change.

In general, the interactions with farmers, and thus between the agricultural and industrial sectors, lead to the convergence of different competences and the activation of

carefully designed processes that allow, within the value chain, to bring a series of high-quality products to final consumers. In this process we can clearly trace IMP elements, specifically the four characteristics of the relational process: adaptation, cooperation and conflict, social interaction, and routinization (Håkansson and Snehota, 1995). Nevertheless, the three elements that determine the profile of inter-firm relations are well evident. In particular, "the existing activity links, resource ties and actor bonds can be used to characterize the nature of a relationship that has developed between two companies" (Håkansson and Snehota, 1995, p.28). The services developed within the Girolomoni foundation, as well as in collaboration with other partners, play a key function in maintaining relationships and dampening friction that may arise between actors.

The externalities on the territory are multiple: first of all, the business activity itself generates income for the local community and, as data confirmed, the main pool of human resources reside in the area surrounding Montebello. This is important for the resilience of the local social fabric, which is already severely weakened (Musso, 2011), but being a rural venture also means, on the other hand, that there are few opportunities to hire personnel from outside the area and to local workforce regeneration over the time (Carrosio and Faccini, 2020). In fact, the lack of services and the geographical isolation of places such as Isola del Piano and Montebello can cause considerable difficulties for workers, especially young people or those with families. The choice of a residence is indeed based on the balance between distance from the workplace and the services offered in a specific area. For this reason, despites the efforts, the municipality of Isola del Piano continues, like many other peripheral municipalities (Carrosio, 2019), to depopulate in favor of small neighboring centers such as Urbino, Fermignano, Canavaccio and Fossombrone. Hence, Girolomoni's commitment to supporting the community by participating in cooperative social projects is equally important. Notably, the support to local healthcare bottom-up initiative today proves to be fundamental given the shortage of general practitioners that afflicts Italy and especially the PAs. On the other hand, the unavoidable presence of the public institutions in sectors such as this or education is recognized (Barca *et al*., 2014). However, despite the battles of peripheral areas mayors, the polarizing trend towards the large centers does not seem to stop (Khün, 2015).

Finally, active support to farmers in firm-level investments has an impact on the industry's rate of innovation which, although not at the level of hi-tech companies, is important to improve processes and final products (Bjerke and Johansson, 2022). Furthermore, innovation is relevant also in the perspective of reducing greenhouse gas emissions and, in the case of organic farming, maintaining environmental biodiversity (Duru *et al*., 2015; Carrosio, 2019).

6. Conclusions, limitations, and further research

The aim of the paper was to understand the impact of organic farming by integrating organic food consumer behavior into the more general impact of rural entrepreneurship on the development of peripheral areas. For this purpose, the case of the Girolomoni Co-op, considered among the fathers of Italian organic food and a reference model for many enterprises in the sector, has been analyzed.

The study highlighted how through a large network of farmers, united in the Montebello Co-op, the company obtains sufficient resources to satisfy the international market that it has built up over time thanks to specialized distribution channels. The target

consumer of Girolomoni has been identified as a consequence of these distribution channels and has been profiled as Bio-confident i.e., highly informed about the benefits of consuming organic food, both on a personal and environmental level. With the support of these foreign customers, the Co-op is able to compensate for the still small number of domestic ones. For the Italian market, the need for greater clarity in terms of communication has emerged, in order to overcome the general confusion that still exists between "organic products", "zero km products", and "Made in Italy" products, and the mistrust towards the overall certification system, often seen as a greenwashing operation. To this end, strong support of public institutions becomes crucial.

The added value of certified organic production reaching the final consumer is traced back along the entire value chain to the farmers who, thanks to the dynamics of a social co-op characteristic of Girolomoni, obtain higher remuneration than the traditional market. Nevertheless, the company has always been committed to supporting its partners by providing both its industrial expertise and specific services for the new needs that have emerged over time.

The territorial impact of Girolomoni is remarkable, as it has restored dignity to the agricultural sector and shown its potential for development with a view to sustainability. On the other hand, despite its bond with the place, it is recognized that entrepreneurial activity alone cannot take charge of the resilience of a peripheral and highly marginalized territory, but that state support is needed at least on basic services aimed at preserving the social fabric from which the company and its network draw their strength.

A major limitation of this study stems from the inherent limitations of the case study approach. As much as the Girolomoni case proved to be a unique example of rural entrepreneurship and rural regeneration, the results obtained should be translated into multiple business realities in order to be able to define the ecosystem built by Girolomoni as a national model of development of peripheral areas through organic farming. Similarly, the results that emerged from the study of the Girolomoni's target customer are based on the firm's historical distribution strategy rather than from a specific market survey regarding the behavior of Bio-confidents. Consequently, further research into the values and motivations driving organic food consumption of Bio-confidents is increasingly important.

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