

From niche to volume with integrity and trust
CASE STUDY FACT SHEET

Gram Slot – Rema 1000 Denmark

K. B. Laursen, E. Noe & C. Kjeldsen
Aarhus University
March 2015



Historical development

The Gram Slot and Rema 1000 case is interesting from a Healthy Growth perspective because of the ownership construction. Rema 1000 owns 47 % of the castle, which is a unique ownership construction in a Danish context due to a long lasting ideal of self-ownership within Danish agriculture. By engaging in an alternative form of ownership, it has been possible for the owners to actualize their vision of re-creating Gram Slot as a living castle and becoming a frontrunner within organic big-scale farming.

In order to actualize this vision the owners of Gram Slot have engaged in a number of activities reaching beyond a mere agricultural production. These activities constitute the leisure branch of the castle, which generates approximately one third of the overall turnover. Related to the vision of re-creating the castle as a local power center is the ideal of organic farming. Gram Slot is the largest organic dairy farm in Denmark with 1300 hectares together with 350 dairy cows, and thereby serves as an example that organic farming can be done successfully on a large scale in Denmark.



Gram Slot main building

Gram Slot is a castle located in southern Jutland. The castle was taken over by the current owners in 2008. Since then the agricultural production has been diverted to an organic production and a range of leisure activities has been taken on.

From 2008 and onwards, Rema 1000 changed its strategy from being a chain of small discount stores to a more elaborate profile as a good quality discount chain headlined by a new slogan 'Discount with an attitude'. The cooperation with Gram Slot falls in line with this change in strategy. By the time of takeover the main building had been abandoned for a twenty-five year period and most of the buildings were in a very bad state. This led to an extended period of restoration bringing the castle to its current state in order for the old buildings to be put into new use.

The authors acknowledge the financial support for this project provided by transnational funding bodies, being partners of the FP7 ERA-net project, CORE Organic II.



Legal form:

Limited company

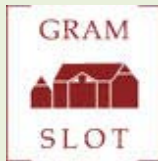
Date of foundation:

2007

Homepage:

www.gramslot.dk

Logo:



Turnover:

The current turnover 6.04 Million €.

Product range:

Fresh milk, oats, potatoes, flour, onions and sausages + a number of leisure activities at the castle

Number of Employees:

40

Distribution channels:

The agricultural products are sold through Rema 1000, the leisure activities are organized at the castle

Facebook Likes:

7.200

(4th December 2014)

Google Hits:

675.000

(4th December 2014)

The incorporation of Rema 1000 into the ownership of Gram Slot followed an exclusive agreement concerning the sale of the agricultural products from Gram Slot. In 2008 Gram Slot was working on restoring the castle and developing the business but was unable to obtain credits due to the financial crisis. The point in time coincided with the new strategy of Rema 1000 and it was therefore a straight forward move to incorporate Rema 1000 as a joint owner, thereby gaining a stable demand and a much needed capital expansion.

Supply chain organization

Rema 1000 purchases the vast majority of the agricultural products from Gram Slot. Gram Slot's products are a privileged label in Rema 1000 and are sold in unique and recognizable packaging. Rema 1000 operates 259 shops in Denmark. Within the Danish retail sector Rema 1000 is unique because all of the shops are franchised. This form of organization reflects a central value of self-management that is also found in the internal organization of Gram Slot.

Gram Slot has a board of directors made up by two representatives from Gram Slot, one represent from Rema 1000 and two external members

The price setting between Gram Slot and Rema 1000 is done from the principle that both parties are to make a profit. Furthermore, it is taken into account that the running costs of a castle differ from the running costs of normal agricultural producers.

The leisure branch of Gram Slot consists of several fairs, concerts, guided tours, teambuilding activities, dissemination activities and a restaurant. Apart from generating turnover, these activities are seen as important in creating publicity and firsthand knowledge about Gram Slot.

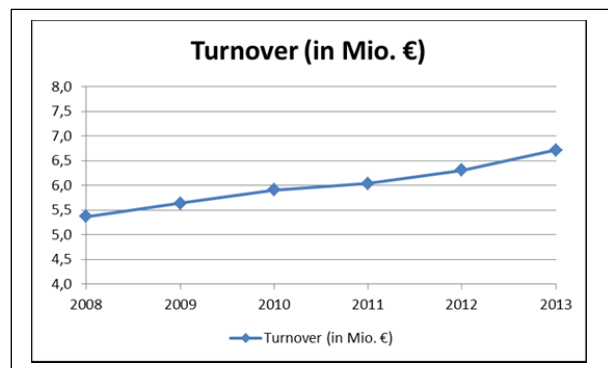


Figure 1: Gram Slot turnover (2008-2013)

For further information, contact Prof. Egon Noe egon.noe@agro.au.dk

Department of Agroecology – Agricultural Systems and Sustainability. University of Aarhus

For Full Reports, visit the HealthyGrowth [2013-2016] project website www.healthygrowth.eu