

Community Supported Agriculture (CSA)

Adapted from ATTRA, UNL, ISU Extension, McGill University, and CIAS (University of Wisconsin)

In Community Supported Agriculture (CSA), consumers purchase a direct share in a farm, taking on some of both the risk and profit of the venture. It gives consumers a greater tie to the land and, since profit is known upfront, allows the farmer(s) to focus on farming.

CSAs have been growing in popularity around the country as part of the sustainable and local agriculture movements.

How CSAs Work

With a CSA, members pay a set price, either in one lump sum or in installments, at the start of the season. In return, they are supplied with a variety of produce and other products usually over the course of the growing season but sometimes year round. In the \$150-\$800 range, the shares entitle members to a certain amount of produce each week. With the advance knowledge of what the farm's profit will be, the farmer(s) can focus on farming. They provide money for seed and inputs while often eliminating the need for spring operating loans.

By purchasing a share in the farm, members take on the risk and reward of the farming operation. If there are growing or harvesting problems the loss is spread out over multiple parties, instead of entirely absorbed by the farmer. A \$30 loss for 100 members is much more manageable than a \$3,000 loss for one farmer.

No two CSAs are alike. The size and cost can differ greatly. The type of produce and products sold will vary and the distribution models can be entirely different. The number of laborers and volunteers can be quite varied. CSAs usually feature organic and sustainable agriculture practices.

Often, CSAs will be cooperative, involving more than one farm. This allows for a greater variety of fruits, vegetables, and other products by tapping into more resources and enabling the farmers to provide what they produce best. It also allows them to substitute for each other's crop losses.

Producer Benefits

As mentioned before, CSAs provide farmers with an assured market and reduced risk. It is, however, not a "get-rich" style of farming. A fair living is earned selling at fair prices and there are a myriad of other benefits:

- Offer the chance to maintain a farm life-style as well as giving Nebraskans who want to earn additional income the opportunity to stay on the farm and spend more time with their family

- Provide the fairest return for products: the whole \$1.00 spent on \$1.00's worth of produce goes to the farmer
- Encourage diversification, acting as a supplement to larger, more traditional farming operations or as a part of a great direct-marketing operation including farmers markets and sales to local establishments
- Provide, given their low start-up costs, the opportunity to get more people farming
- Educate community members on sustainable agriculture
- Create and/or strengthen a local food community
- Have access to labor from members
- Involve sustainable agriculture practices
- Conserve energy through minimal processing, packaging, and transportation

Member Benefits

Members are given the opportunity to relate more closely to a farm, to have a stake in an operation, and to support local farmers and their local food system. They have access to a variety of fresh, tasty, nutritious, and high-quality fruits and vegetables the source of which they know and is close to home.

In some CSAs, they have access to educational and recreational activities on the farm(s) of their CSA. Members can get involved in the growing and harvesting operations of the farms, sometimes even helping to choose what gets planted. They, like the farmers, will find a new community of sustainable-minded and involved individuals.

Determining the Member Share Price *(Adapted from CSA NebGuide)*

Keeping these benefits in mind, before one begins recruiting members, a producer must determine what their member share price will be. CSAs must be, first and foremost, a successful business. Do not underestimate the value of what you are selling. Producers often value their produce based on farmers market prices. One should keep in mind, however, that if your produce is organically raised this may be too low. CSA produce is also some of the freshest around.

First determine how much profit you will need then what your costs will be and add your business, sales, and growing expenses. Your income must be at least this much.

$$\text{Profit} + \text{Total Expenses} = \text{Necessary Gross Income}$$

Now, estimate your total production. What price for this production do you need to meet your gross income figure? To figure this there are two general methods.

1. Approximating Market Value: Estimate how much a family of four spends on produce in a given season. (This can range from a few hundred dollars to a thousand.) Keep in mind what your target membership will be and where they currently get their produce from and what you need your gross income to be.

This figure will be your share price. Divide what your gross income will be by the share price and you have the number of shares you can offer.

$$\text{Gross Income} / \text{Share Price} = \text{Number of Shares}$$

For example: You estimate that your members currently spend around \$350 on produce for the six month growing season. You aim for \$15,000 in profit.

$$\$15,000 / \$350 = 43 \text{ shares}$$

This will determine the size of production.

2. Calculating Your Cost: First determine how many shares you can produce from your land and what that will cost. Include profit, your labor costs, land expenses, seeds, equipment, supplies, maintenance, transportation, storage and other capital expense. This is your total budget. Divide by number of member shares for share price

$$\text{Total Budget} / \# \text{ of Possible Shares} = \text{Share Price}$$

Continue to monitor your budget throughout the year and charge shortfalls to the shareholders and return any leftover funds.

Recruiting Members

Before choosing to create a CSA and recruit members, a farmer or group of farmers should research their potential consumer base to determine if there is enough demand and potential interest for the CSA to be successful.

Word of mouth is critical for starting and growing CSAs. Most recruitment happens during the winter. Like all local foods operations, CSAs are about relationships and community. Open houses, field days, presentations, pot-lucks, planting and other events will provide opportunities for members of the community to get to know you, your farm and its operations, and each other.

You will also want to use traditional outlets. Develop a brochure including info on what CSAs are, their benefits, your story and vision, what they will receive, who can join, and how they can contact you. Newsletters are also popular for many CSAs.

Remember: Start small. Don't overextend yourself. As you gradually become more experienced with CSA production, expand. The high levels of labor required by growing fruits and vegetables, coupled with the constant harvesting and post-harvest handling necessary for CSAs, takes some getting used to.

Most successful CSAs establish a core group of members who are highly involved. They will help guide and support the farmer while doing more work for the CSA, from volunteering and assisting in operations more to taking on greater responsibilities including helping to plan. In a survey, it was found that those CSAs with a core group had a mean gross farm income \$10,000 higher than those without and sold more memberships at a higher price.

Distribution

There are multiple distribution models including farm pick-up, a central distribution site, bulk distribution and home delivery. Boxes of produce can be standardized for each member or they can use a “market-style” or “mix-and match” model to allow members greater choice. Each CSA will have its own process for distribution.

GreenLeaf Farms, here in Nebraska, provides an example of home delivery distribution. They deliver a box of organic vegetable each week (ranging from eight pounds in the spring to twenty pounds in late summer). They follow the traditional model of having standardized boxes for each member. The delivery is designed to provide the produce needs for a family of four each week and while they don't individualize the boxes they do allow for optional “choice” vegetable that many can add to their box many weeks.

ShadowBrook Farm, based out of Lincoln, gives an example of both a “market style” CSA and central distribution sites. Members pay their share at the start of the season and then over the course of the season visit multiple pickup locations. As their website describes, “Our members shop as they would at a farmers' market selecting produce that appeals to their own taste buds. There might be limitations based on availability but, in general, this arrangement offers the customer greater flexibility than in the traditional model.” ShadowBrook keeps track of the initial investment, purchases, and remaining balance of its members over the season.

These provide two examples, on opposite ends of the spectrum, of distribution models. A CSA should determine what is best for it as it starts. A list of Nebraskan CSAs, with websites and contact information, can be found here:

<http://food.unl.edu/web/localfoods/fmcsa#CSA>.

Production Challenges

CSAs must plant a variety of crops, bearing in mind both consumer demand and what grows well in their region. The diversity of planting and harvesting requires detailed planning. By relying on experience and records of quantity planted, produced, and distributed, farmers can plan what to plant, how much to distribute, and what to include in each share. Keep detailed records as you begin. Given the importance of providing high quality food, most farmers plant extra crops to allow for poor weather or pest problems. Excess can be sold as optional to members or at a farmers market.

Members generally desire greater variety over sheer quantity of production (while at the same time wanting to feel like they are getting their money's worth.) Most CSAs average 8-10 types and ten total pounds of produce a week per member ranging, as it was for GreenLeaf Farms, from below ten pounds in the early season to over twenty pounds in the late season. Remember that one share is usually what a family of four would consume in a week. Frequent communication between farmers and members is important for gauging demand. You may also want to consider an end-of-year survey to gauge member interest and satisfaction.

There may not be high demand for products that thrive in your region. CSAs work to educate their members about the uses and benefits of different produce through newsletters and cookbooks. For instance, a Madison-area CSA released a cookbook including recipes for rutabaga, kale, and beets, less popular vegetables that thrive in Wisconsin.

Labor Challenges

Since the variety and system of CSAs require constant planting and harvesting, the amount of labor is very high, especially on delivery or pick-up days. Having over ten crops to harvest, wash, cool, divide into equal shares, and pack requires a great deal of labor and management.

Given the nature of CSAs, farmers often require or solicit volunteer help for harvest and delivery, sometimes offering reduced fees for a given amount of work. CSAs should make sure their volunteers are well trained.

Many CSAs, depending on their size, will hire workers to assist in the operation. Some will also have apprentices and interns.

Nebraska Resources and Opportunities

- ❖ List of Nebraskan CSAs: As mentioned before a list of Nebraskan CSAs can be found here: <http://food.unl.edu/web/localfoods/fmcsa#CSA>.
- ❖ Nebraska Buy Fresh Buy Local: You should list your operation in this guide to increase your exposure. The guide includes Nebraska farmers markets, community-supported agriculture providers, restaurants & groceries that offer local foods, and local farmers & ranchers who grow and produce local Nebraska foods and products. With over 25,000 copies in distribution and even more access online, members get marketing access to new consumers as well as community and assistance for a small fee.
 - Site: <http://food.unl.edu/web/localfoods/home>
 - Telephone for individual assistance: 402-472-5273

- ❖ Nebraska Sustainable Agriculture Research and Education Program: The Nebraska organization of the USDA's National SARE Program provides travel scholarships, competitive mini-grants, regional training and conferences, as well as web-based education.
 - Site: <http://nesare.unl.edu/>
 - Nationally, grants include research and education grants, professional development grants, and producer grants.

- ❖ Nebraska Rural Development Commission: The Nebraska Rural Development Commission's Value Added Agriculture (VAA) and their Build Entrepreneurial Communities Act (BECA) grant programs can be incredibly helpful in supporting local food systems. Site: <http://www.neded.org/content/view/373/552/>

- ❖ Nebraska Local Foods Network: Run by the University of Nebraska's Rural Initiative, NLFN provides advice and a dozens of other resources for local foods on their website (http://ruralinitiative.nebraska.edu/nebraska_foods/).

- ❖ Nebraska Sustainable Agriculture Society: Focusing on sustainable agriculture and food systems, NSAS supports Farm to School programs, helps run the Buy Fresh Buy Local Nebraska Campaign, and runs Farm Beginnings Nebraska, a "farmer-led educational training and support program designed to help people who want to evaluate and plan their farm enterprise." Their website (<http://www.nebsusag.org/index.shtml>) contains many helpful links/resources.

- ❖ Nebraska Food Cooperative: A cooperative of farmers/producers and consumers aimed to increase market access for farmer producers and local food access for consumers. As a producer your farm or ranch maintains its identity throughout the process, you set your own prices, and have marketing help and networking. The Coop operates in a market of over 1,000,000.
 - Site: <http://www.nebraskafood.org/>
 - There reasons for joining: <http://www.nebraskafood.org/about.php>
 - Joining: <http://www.nebraskafood.org/join.php>

- ❖ Nebraska Our Best to You: An official logo designed to identify and increase the marketability of Nebraska food products. It helps to promote local producers and restaurants and retailers who use local products. It also provides members with access to promotional materials and their website has other resources as well.
 - Associate Membership: Commodity groups, government agencies, educational institutions, retailers, and wholesalers are eligible: http://www.ourbesttoyou.nebraska.gov/associate_membership.html
 - Producer Membership: It's free for producers and a big benefit so farmers and ranchers should sign up http://www.ourbesttoyou.nebraska.gov/producer_membership.html

- ❖ UNL Local Foods' Safety and Health Considerations: You want to familiarize yourself with health and safety rules and regulations. For questions, contact The Nebraska

Department of Agriculture or your local extension office.
<http://food.unl.edu/web/localfoods/safety-issues>.

National Resources and Opportunities

- ❖ **USDA Rural Development Nebraska**: The USDA Rural Development Nebraska Office provides all of the USDA Rural Development's resources in Nebraska. This includes technical assistance, training, grants, and other resources. They also have several resources devoted specifically to helping develop cooperatives. Notable programs:
 - Website: <http://www.rurdev.usda.gov/ne/index.htm>
 - Cooperatives: http://www.rurdev.usda.gov/ne/cooperative_services_programs_index.htm
 - Know Your Farmer Know You Food Grants and Programs including:
 - Business and Industry Guaranteed Loan Program
 - Rural Business Enterprise/Opportunity Grants
 - Rural Cooperative Development Grants
 - Value Added Producer Grants
 - Rural Energy for America Program
 - Community Facilities Program

- ❖ **USDA Alternative Farming Systems Information Center**: Provides a myriad of resources on CSAs and other forms of agriculture including a CSA site and a CSA "Resources for Farmers" page of that site includes many of this piece's sources.
 - Website: http://afsic.nal.usda.gov/nal_display/index.php?info_center=2&tax_level=1
 - CSA Site: <http://www.nal.usda.gov/afsic/pubs/csa/csa.shtml>.
 - Resources For Farmers: <http://www.nal.usda.gov/afsic/pubs/csa/csafarmer.shtml>
 - It also includes a handbook on multifarm CSAs: <http://sare.org/publications/csa/csa.pdf>

- ❖ **Agriculture Marketing Service**: The Agriculture Marketing Service
 - **AMS Specialty Crop Block Grant Program**: Exists to enhance the competitiveness of specialty crops (fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops inc. floriculture). Grant website: <http://www.ams.usda.gov/AMSV1.0/SCBGP>
 - Nebraska Contact: Casey Foster (Department of Agriculture: Ag Promotion Coordinator – Value Added)
 - **The Farmers' Market Promotion Program**: Annual competitive grant program to promote the domestic consumption of agriculture commodities by expanding direct marketing opportunities. <http://www.ams.usda.gov/FMPP>
 - **The Federal-State Marketing Improvement Program**: A competitive matching grant program available to State government agencies and agricultural experiment stations. (The Nebraska Fresh Produce Model is the result of such a

grant.) Supports marketing research and technical assistance projects.
<http://www.ams.usda.gov/FSMIP>

- ❖ Farm Service Agency: Operated by the Nebraska Farm Service Agency in the state, two loan programs may be helpful:
 - Farm Loan Programs: Direct and Guaranteed Farm Ownership Loans, and Direct and Guaranteed Operating Loans, with targeted funding for Beginning and Socially Disadvantaged Farmers and Ranchers
 - Farm Storage Facility Loans
 - NE Programs Site:
<http://www.fsa.usda.gov/FSA/stateoffapp?mystate=ne&area=home&subject=prog&topic=landing>

- ❖ The Agriculture and Food Research Initiative: Provides funding for numerous areas. See their website for details based on the fiscal year:
<http://www.fns.usda.gov/cnd/care/Grants.htm>

- ❖ Risk Management Agency: RMA provides risk management advice to farmers and ranchers through partnerships with educational and community based organizations:
<http://www.rma.usda.gov/aboutrma/agreements/>
 - Community Outreach and Assistance Partnerships
 - Risk Management Education Programs

- ❖ Food and Nutrition Service: Provide grants to increase access to fresh fruits and vegetables through farmers markets, CSAs, and roadside stands:
 - Senior Farmers' Market Nutrition: Aimed at providing low-income seniors with coupons to exchange for fresh, unprepared, and local fruits, vegetables, herbs, and honey at farmer's markets, roadside stands, and CSAs
 - Nebraska site: <http://www.agr.ne.gov/sfmnp/sfmnp.htm>
 - NE Brochure: http://www.agr.ne.gov/sfmnp/sfmnp_brochure.pdf