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G1419

Community Supported Agriculture

Paul Swanson, Extension Educator

This NebGuide explains what community supported agriculture is, how it works and what producers will need to do to participate.

Most Nebraskans have not heard of Community Supported Agriculture (CSA) but the concept is about three decades old in Japan and Europe and about 10-15 years old on the east coast of the United States.

In Japan, because of continued loss of farmland to urbanization and the migration of farmers to the city, a group of women approached local farm families with the idea of direct marketing produce from area farms to urban residents. This created an alternative distribution system independent of the conventional market. The farmers agreed to provide produce if multiple families made a commitment to support the farm. Formal partnerships called *teikei* began in the form of cooperative buying clubs and now involve millions of people. These buying cooperatives have branched out to start other companies, recycling shops and child care services.

In the early 1970s, farmers and community members in several European countries, who were concerned about the industrialization of their food system, started the Community Supported Agriculture (CSA) model as we know it. Farmers were losing their market share and their ability to produce diversified crops. CSA proved to support family farms, provide healthy, fresh food and promote a sense of community land stewardship.

Today, farmers and consumers in the United States face similar challenges and CSAs offer similar opportunities. In 1986, two farms in the eastern United States began CSAs based on the European model. More than 1,500 CSA farms exist today across the United States.

How CSAs Work

In CSAs in the United States local consumers become farm members by paying a given amount of money at the beginning of the season, either as a lump sum or as installments. The cost, usually from \$150 - \$800 per year

depends on the length of the season and the variety and quantity of products provided. This up-front payment helps buy the seed and other inputs necessary for the season, gives the farmer immediate income and in many cases eliminates the need for spring operating loans. By committing to a price at the beginning of the season, the members share in the risks of production and decrease the need for marketing by the producer. This allows the farmer to concentrate on land stewardship and growing good food.

In return, farmers provide fresh vegetables, fruits, meats, fiber and many other farm products directly to consumer-members. Vegetables and fruits are available throughout the growing season, and a variety of other farm products may be distributed at different times throughout the year. The consumer-members eat healthy food, know where it comes from and how it is grown, and share a connection to the land with the farmers who feed them.

There is no exact formula for organizing a CSA. Each CSA is structured to meet the goals, needs and resources of the producers and community members. Some CSAs have one producer, while others consist of several cooperating producers. Farm size ranges from less than one acre to several hundred acres. Nationwide, the number of members in individual CSAs ranges from fewer than 20 to more than 700.

Most CSAs use organic methods for food production. Organic agriculture uses naturally occurring amendments such as compost, animal manure, crop residue and natural minerals. Weed and insect pests are controlled using botanical, biological and cultural methods. Natural predators and beneficial insects are encouraged by providing habitat. Fields must be free from synthetic fertilizers and pesticides for a minimum of three years to be certified organic. Organic certification also may require rotation plans, erosion control, buffer zones and related practices.

It is important to pay serious attention to all state and federal laws and regulations pertaining to food products. Sanitation is always a concern but many of the dangers are avoided when well managed organic production practices are used.

A successful CSA will provide an assortment of customer preferred food items during the entire growing/harvest season. Remember your offering can only include those vegetables that are adapted to your climate and weather unless a special provision such as a greenhouse is used. Over the course of the season, weekly shares vary in size and produce type, reflecting the local growing season and conditions. Typical CSAs offer an average of 10 pounds of produce per week over the course of the season. This varies from about 5 pounds early in the season, including lettuce and early greens, to perhaps 20 pounds per week in the late summer. Feed-back from customers reveals they are more satisfied with a wide variety, rather than a large quantity of vegetables.

It is not possible to get exactly the right amount for each member; however, over the season it should average out. Producers generally plan to distribute 5-12 types of produce each week. Members like to have as wide a variety of vegetables distributed throughout the season as possible. However it is best to survey your customers to know their preferences.

Try not to have the same vegetables in the box each week for longer than four weeks. For the last distribution of the season, some producers make a very large delivery of root crops and winter squash for storage. Remember to tell members how best to store this produce.

Determining the Member Share Price

Many CSA producers use farmers' market produce prices when calculating market value. If your produce is organically grown, this value may not be high enough. CSA food is often the freshest available. Do not underestimate the value of your produce.

To avoid underpricing, first decide the amount of profit you need. Add all growing, sales and business related expenses. Your total income will need to equal this figure. You will need to estimate your total production. What price do you need for this production in order to achieve your gross income figure?

Several methods can be used to make the necessary determinations. Two of them are explained here:

1. *Approximating Market Value.*

This method involves estimating how much a household (of four) in your community spends on vegetables for the season. This could range from a few hundred dollars for a six month season, based on farmers' market or supermarket prices, up to \$1,000 for a year's supply of organic vegetables from a food co-op. To make this estimate, consider where your potential members currently purchase their vegetables, then decide on your income needs. Don't forget to include profit. To determine your income, you must know what your farm can produce and its supply and labor requirements. Divide the gross income by the share price to come up with the number of shares you can offer. If

you determine your members spend about \$350 on vegetables each six months, and your goal is to gross \$15,000 for that six months, you need to sell 43 shares. This in turn determines that size of production area needed.

2. *Calculating your costs.*

This method takes more time but provides detailed accounting for both producer and members. It is well suited for a share holding CSA. First, decide how many shares you can produce from your land, and then figure the costs of raising that amount. Include profit, your labor costs, land expenses, seeds, equipment, supplies, maintenance, transportation, storage and other capital expenses. Divide the farm budget amount by the number of member shares, and you have a share price. In a shareholding CSA, you should monitor the budget throughout the season and charge shortfalls to the shareholder or return any leftover funds.

Shared Risk, Shared Bounty Agreements

A unique characteristic of CSA is the concept of shared risk between the farmers and the CSA members. In conventional agriculture, farmers buy inputs at retail prices, assume all the production risk and sell their crops at wholesale prices. CSA attempts the opposite of this: purchased inputs are reduced, the risks of production are shared between the members and the farmers, and the crops are sold at retail prices.

CSA members pay at the beginning of the season, or at least agree to a share price that will be paid in installments. By doing this, the members share in any loss, or bounty, for the season. For example, due to a weather or pest problem there may be a year without sweet corn. That translates into a small economic loss to the members, but it would have been a significant loss if the farmer had assumed all the risk.

Recruiting Membership

The best advertising for CSA includes word of mouth, open houses, field days and slide presentations. In these situations, potential members can meet each other and the producers and learn about CSA. Most membership recruitment is done in the off-season. The media also can support local CSAs through feature articles and promotion of events.

Although word of mouth is the way CSAs usually grow, most CSAs also develop a brochure to distribute to potential members. Include such information as what CSA is, the benefits of CSA, the story, vision and goals of your CSA, what products members can receive (how, when and where), who can join and who to contact for more information. Encourage existing members to share brochures with their friends.

Newsletters are popular communication tools in many CSAs. Monthly or quarterly newsletters sent throughout

the year keeps members connected to the farm and each other. These newsletters should reflect the CSA community as much as possible. Encourage members to submit articles, recipes and artwork or poetry by adults and children.

Distribution Considerations

There are many ways to organize produce distribution. The method you choose depends on your own particular resources and needs. Members should be encouraged to organize a pick-up and distribution system that meets both member and farmer needs. Possibilities include on farm pick-up, a central distribution site, bulk distribution and home delivery. Monday through Thursday are common distribution days to avoid weekend absences.



An assortment of crops adds eye appeal and the opportunity to sell more of each crop.



To maintain highest quality many items, whether food or floriculture, should be cooled. Plan to have an adequate way to accomplish this task.

CSA Self-Assessment

Have I been involved in any type of direct marketing before?

Am I capable/comfortable with growing 30 different types of crops in succession in one season?

Do I like meeting, working with and getting to know my "customers"?

Are there a few other people who might be excited about helping me with this?

Am I comfortable with the commitment and management responsibilities?

What land, equipment and resources do I have?

Can I locate at least 20 families who can be served per acre of my land?

Have I started with budget, values and goals?



Preparing weekly customer market baskets.

Further References

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Note: Contents of this publication are largely a condensation and selection from the Iowa Community Supported Agriculture Resource Guide for Producers and Organizers published by Iowa State University Extension - Pm 1694/August 1997.

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