

What is Community Supported Agriculture?¹

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Overview

This document explores and explains Community Supported Agriculture. The document includes steps to develop a CSA including legal concerns, distribution systems, developing a brochure and a list of resources.

What is Community Supported Agriculture (CSA)?

According to the USDA a CSA consists of a community of individuals who pledge support to a farm operation so that the farmland becomes, either legally or philosophically, the community's farm, with the growers and consumers providing mutual support and sharing the risks and benefits of food production. There are many other definitions that define a CSA. Trauger Groh and Steven McFadden, authors of *Farms of Tomorrow Revisited*, define and explain a CSA as “a community-based organization of producers and consumers. The consumers agree to provide direct, up-front support for the local growers who will produce their food. The growers agree to do their best to provide a sufficient quantity and quality of food to meet the needs and expectations of the consumers.

Within this general arrangement of shared interests there is room for much variation, depending on the resources and desires of the participants. Elizabeth Henderson, author of *Sharing the Harvest*, explains a CSA as “a connection between a nearby farmer and the people who eat the food that the farmer produces.” Robyn Van En summed it up as “food producers + food consumers + annual commitment to one another = CSA and untold possibilities.” The Sustainable Agriculture Network defines CSA as “a more organized and defined form of subscription marketing in which consumer-members invest in the farm operation by paying up-front for the harvest. They share in many of the risks of crop failure, but also share the bounty of a good year.”

Different from Subscription Farming?

CSAs are different from subscription farms. Subscription farms ask their consumers to pay for their produce up-front, before the produce is harvested and delivered. In subscription farming, the producer owes the consumer for what they have paid for in advance. For example, if the consumer pays for one month of produce, the producer owes the

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consumer one month's worth of produce. If a freeze occurs and the producer can only supply the consumer with three weeks worth of produce, they still owe the consumer one week's worth of produce. This is different from a CSA where the consumer takes a gamble when purchasing a share. If the same freeze affects a CSA, the consumer of the CSA is just out of luck.

A Little History

The CSA movement began in Japan and Europe. CSAs were introduced in the United States in 1986. Currently, there are approximately 1000 CSAs in the United States. Indian Line Farm in Massachusetts and Temple-Wilton Community Farm in New Hampshire were the first CSAs in the United States, both beginning in 1986.

Different Types of CSAs

There are three different types of CSAs. The first type includes a farmer who owns all of the land and equipment. The farmer does all or most of the work and members provide capital by buying a share. The second type includes a farmer who owns the land and equipment and the members provide capital and are an important part of the labor force. The third type of CSA does not include a farmer. The land and equipment are owned by the CSA -- the members, who are also responsible for doing the work on the farm. "At one extreme are CSAs that require all sharers to do some work as part of their share payment. At the other are what have come to be known as 'subscription' CSAs, where the farm crew does all the work and members simply receive a box or bag of produce each week. Most CSAs range somewhere in between, with members volunteering for special work days on the farm, helping with distribution, or defraying part of their payment with 'working' shares."

Why do Consumers Join CSAs?

There are many reasons consumers join CSAs. One reason is that the consumer is able to get produce that has not been shipped. The produce is grown locally, reducing the price and damage of shipping. Since the produce is grown locally, the money paid for the produce is invested in locally

owned and operated farms. Another reason to join a CSA is that a consumer is able to get items that are typically unavailable in the supermarket. Consumers join CSAs to support local farmers, have access to fresh, high quality produce, access to organic or pesticide-free produce, and/or increase participation in community and environmental awareness. Not only can a CSA decrease costs for its members, it also gives consumers an inside view as to what the process of growing food really involves.

Forming a CSA

The decision to form a CSA is, according to authors Henderson and Van En, "a procedure among a committed group of supporters who share with the farmers the risks and benefits of farming." With a market assured and income guaranteed, the farmers can concentrate on producing high-quality food and practicing careful stewardship of the land. The members get to eat the freshest, tastiest food they have ever experienced, as though they were master gardeners, but with much less work. Converting to CSA is easiest for farmers who own a piece of land and some equipment, have a few years of experience growing vegetables for market, and have established a following of customers. The obstacles multiply for farmers without land and would-be farmers without the experience in growing for market. Yet around the country, many people have found ways to get started once they made up their minds.

These authors propose 8 steps to forming a CSA.

1. Initiators (either farmers or groups of non-farmers) issue a call to form a CSA.
2. Hold exploratory meeting of prospective sharers and farmer(s).
3. At this meeting or a subsequent meeting, come to agreement on the groups values.
4. Organize the core group.
5. The core group recruits members for first season.
6. Members make commitments to the CSA.
7. Establish the legal status of the CSA. Many groups defer decisions on legal structure for a

season or two. Advice from a lawyer may be helpful.

8. Determine capitalization of the farm(s). Many CSAs start with a minimum of rented or borrowed land and equipment. For the longer term, decisions must be made about purchases and maintenance.

How to Operate a Successful CSA -- What Skills does a Farmer Need?

In order to operate a successful CSA, you must have a bit of farming knowledge. Organizational skills are a must as well as marketing skills. Business Management skills will also aid in a successful CSA. Farming skills include knowledge of growing cycles, crop sequences, and sources for unique or unusual crops. You must also be able to plan for failures. Organizational skills include dependability, the ability to coordinate work for core group and volunteer members, the ability to develop a farm plan and budget, and the ability to organize membership and delivery. Developing a farm plan and budget involves developing a bookkeeping system that records farm expenses, expense projections, and income projections. It also involves an IRS Schedule F -- Profit and Loss from Farming. Organizing membership involves putting together contact information for each member, development of the types of membership, a payment schedule, and planning the distribution process. Marketing skills include good people skills, creativity, and knowledge of how to attract membership, knowledge of sharing pricing, and a distribution that works. Business management skills involve determining the level of liability and appropriate insurance, developing farm policies, and creating a legal structure for the organization.

Core Group

The grower-member council that works together to run the CSA is called the core group. They are responsible for determining the duties, activities, and function of the group. Responsibilities of the core groups often include;

- Determining what crops will be grown
- Determining what the fees will be, who will pay the fees, and when they will be due
- Selecting farmers
- Selecting land to use for farming
- Assigns duties to members when and if needed
- Determines the distribution process

An Example: Core Group Activities for Plowshares CSA

Monthly meetings are held at which members receive farm status updates, a treasurer's report and review newsletter articles. Members publish newsletters and brochures, organize special events and programs, and manage membership.

Organizing a Core Group

Different roles for core group members are possible. The Membership Coordinator ensures contact between farmer and members, collects all correspondence and fees, and deals with membership concerns and problems. The Treasurer receives fees from the membership coordinator, keeps a schedule of payment, deposits fees, writes checks to farmer, does bookkeeping, and maintains a bank account. Core group leadership positions include communication coordinator, volunteer coordinator, social director, and needy family coordinator. The communication coordinator writes newsletters, copies and distributes newsletters and notices, and maintains membership list and addresses. The volunteer coordinator helps coordinate volunteer days, maintains a list of volunteers, and calls volunteers for market assistance. The job of the social director involves organizing social activities, coordinating volunteers for activities, and working with the farmer for on-farm events. The needy family coordinator identifies families for free shares, contacts families for the farmer and insures that food gets to families.

Calculating the Cost of a Share

The cost of a share is calculated based on many factors. These factors include an estimated value

based on the farmers production costs, retail market, average weight of produce, unit pricing, and the sliding scale options for low income families.

What Should CSAs Offer?

CSAs should offer information to consumers about seasonal variations in Florida (e. g., winter squash in April), focus on a variety of common vegetables, and fresh, high quality. You will never find two CSAs that are alike. Nearly all CSAs provide produce but they also can and often do provide other things such as cut flowers, plants, and animal products such as honey, eggs, and meat. CSAs not only offer food, they also offer an unforgettable experience. Valerie Engelman, the TerraFirma Farm CSA Coordinator states that “For city dwellers, CSA provides a connection with nature, and a convenient, safe and reliable source for healthy, high-quality vegetables.” She also says that “CSAs also teach members an understanding of farming.”

Surveying Members

Methods of surveying members may include a rating system in a brochure, communicating, listening, and observing. Surveying can provide members a chance to make their feelings known and can provide a CSA an opportunity to know what to produce, what members like about the CSA, and what needs to be changed. Many CSAs survey during the season as well as at the end of the season.

To Supplement or Not?

Some CSAs supplement from other sources the range and total amount of products sold by the CSA. The benefits of supplementing include an increased diversity of offerings, reduced risk and one stop shopping convenience. Drawbacks include extra labor, extra bookkeeping and increased costs. Many CSAs grow all of the food that they provide to the members while others supplement with food products from other farms. Some considerations for supplementing product include adjustment of share prices, partnership with local farmers, maintaining the philosophy of CSA, delivery schedules, storage considerations and liability. Ways for increasing diversity without supplementing include distribution

at local cooperatives and distribution at farmers markets.

Developing an Accounting System

In order to develop an accounting system, you must determine expenses, ensure record keeping of shares and shareholders, prorate costs of shares mid-season, distribute money to the farmer, and reimburse shareholders for their expenses.

Distribution System

Components of a distribution system include determining hours and day(s) of pick-ups and establishing the best pick-up sites. Pick-up sites include on the farm, farmers market, central sites such as cooperatives, health stores, home delivery, and mail delivery. Henderson and Van En recommend having members pick up their produce from the farm. If the farm wants to provide convenience to its members, they can have the member pick up their produce from a local distribution point such as a farmers market or farm stand.

Developing Your Brochure

When developing your brochure, you must consider the basics such as the CSA philosophy, defining a share, share price, how payments are made, location and time of pick-up, and length of season. You should also include information such as farm history and background, growing methods, crop harvest schedule, preference lists, explanation of other programs the farm offers, and photos and art work. There is an example of a brochure in the pdf version of this document.

Involving the Community through Social Programs

It is important to involve the community through social programs. There are a couple questions that should be answered as you are doing this. Does it fit the goals of the CSA? Does it meet the needs of the community? You should identify the potential consumers and determine the level of involvement, identify partnerships for success, match shares, target corporate sponsors, and have access to possible federal food dollars.

Are Working Shares Right for your Farm?

To determine if working shares are right for your farm you should answer a few questions. How do they work? How many hours for how much food? You will need to develop farm policies and recognize liability issues in order to make this a successful program. Members and volunteers will need to be made aware of these policies from the beginning to prevent any misunderstandings.

Farm Volunteers

You will need to determine who will organize volunteers. Figure out when you will need volunteers, regularly or occasionally or on special events. Will there be volunteer days? Determine the do's and don'ts of volunteers and recognize liability considerations. Determine who will be allowed to volunteer and work on the farm. Will you allow children under 18 years of age to volunteer? Do they need to have adult supervision? These issues will need to be addressed before volunteers begin their work.

CSA Newsletters and Communication

A CSA newsletter should include the purpose of the CSA. When publishing you should consider the content, length and time considerations of the newsletter. You must also determine who will write it, how often, and how and when it will be distributed.

Marketing your CSA: How to Attract and Retain Shareholders

When recruiting members, a CSA will need to know how much food they will be receiving. The CSA will also need to make membership convenient, need to understand the seasonal aspect of local food production and be aware that it will require a greater commitment than supermarket shopping. A CSA will also need to determine how and when to advertise. Determine the advantages and disadvantages of free versus paid advertisement, special interest news stories, CSA websites, church groups, schools, environmental organizations, and word of mouth. In order to retain members, keep records on membership

to predict the percent that will drop each year, call members who drop out to find out why, and survey at the end of the season to gauge satisfaction. Ways to increase retention of members include providing excellent service and quality, providing convenient pick-up sites and flexible times for pick-up, encouraging sharing, engaging members in on-farm activities, and making sure members know they are important.

Legalities

Henderson and Van En discuss the legalities involved with a CSA. "Most CSAs carry standard liability insurance. As separate coverage, liability can be very expensive; as part of a farm insurance package, the price is more reasonable. You should try to get a liability policy that includes a stated level of medical expenses paid out without a lawsuit. Some CSAs have additional liability as a special form of 'pick-your-own' farming operations. The rates for 'pick-your-own' will be lower if you specify that you do not use synthetic pesticides and members do not use equipment, horses or ladders. Pick-your-own coverage will allow members to help harvest and to use hand tools. Keep a first-aid kit handy."

"A CSA can adopt a variety of legal structures. Each group should determine which form is most appropriate. Some CSAs are 'sole proprietorships' or partnerships; in other words, both farm and CSA business are the property of the farmers. Other CSAs separate the CSA from the ownership of the land. The land may be held as a sole proprietorship, a partnership, or a corporation, while the CSA is an unincorporated associate or is incorporated as a nonprofit corporation. Groups of farmers can organize as farmer-owned cooperatives. There is no set structure in the law for food co-ops or buying clubs, so groups of consumers can change the corporate structure that suits them best in forming a CSA. Institutional CSAs usually hold both the land and the CSA as part of a nonprofit corporation. Each form has advantages and disadvantages. The details of these legalities will vary from state to state."

Resources

Appropriate Technology Transfer for Rural Areas (ATTRA) -- <http://www.attra.org>

Alternative Farming Information Center -- <http://www.nal.usda.gov/afsic>

The Biodynamic Farming and Gardening Association -- <http://www.biodynamics.com>

Sustainable Agriculture Network -- <http://www.sare.org>

The Center for Sustainable Living - Robyn Van En Center -- <http://www.csacenter.org>

Southern Sustainable Agriculture Working Group -- <http://www.ssawg.org>

Publications, Newsletters and Periodicals

Sharing the Harvest -- Elizabeth Henderson and Robyn Van En

Farms of Tomorrow Revisited -- Groh and McFadden

From Asparagus to Zucchini: A Guide to Farm Fresh Seasonal Produce -- Madison Area Community Supported Agriculture Coalition

Growing for Market: News and Ideas for Market Gardeners: Fairplain Publications

The Community Farm: A Voice for CSA

References

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Sustainable Agriculture Network, United States Department of Agriculture. (1999). *Marketing Strategies for Farmers and Ranchers*. (SAN Publication no. 11/99).

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Sample Brochure

Please see the pdf of this document for the Sample Brochure on pages 7 and 8.