

# Community Supported Agriculture (CSA)

## Introduction

Community Supported Agriculture (CSA) is a term that has come to describe a variety of direct farm marketing practices with certain common characteristics, including:

- Emphasis on community and/or local produce
- Shares/subscriptions that are sold prior to the season's beginning
- Weekly deliveries to members/subscribers

CSA is fairly new to the United States, beginning in Massachusetts in 1986 and growing to 60 CSA farms in the U.S. in 1990.<sup>1</sup> This marketing mechanism has increased in popularity, especially among more affluent consumers around urban centers. In 2005, a USDA database reported over 1,150 CSA farms, with fifteen of these in Kentucky.

## USDA Definition of a CSA

In basic terms, CSA consists of a community of individuals who pledge support to a farm operation so that the farmland becomes, either legally or spiritually, the community's farm. The growers and consumers provide mutual support and share the risks and benefits of food production. Members (or shareholders) of the farm or garden pledge in advance to cover the anticipated costs of the farm operation, including the farmer's salary. In return, they receive shares in the farm's bounty throughout the growing season, plus the satisfaction



gained from reconnecting to the land. Members also share in risks, including poor harvest due to unfavorable weather or pests.

## Description

### COMMUNITY

Community is the premise around which the first CSA emerged. Early CSA operators wished to forge a connection between local farms and local residents. Many of the first CSA farms offered local organic produce in exchange for a small fee and the subscriber's labor at harvest.

While some CSA farms still operate with their members physically participating in the crop's production, many operate on a subscription basis. These farms, however, maintain the community-building spirit of the CSA movement. Most CSA farms distribute newsletters with their weekly delivery, sharing news of the harvest, produce-usage ideas and recipes, as well as, other news and opinions. This allows CSA members to feel connected to their food and its production.

### SHARES/SUBSCRIPTIONS

As CSA numbers multiplied, many CSA farms moved away from expecting subscribers to



contribute labor. Many of the country's CSA farms now operate primarily as a subscription service, as one part of their total farm marketing plan. CSA members today may not even visit the farm where the food is grown.

A "share" is the term used to describe a box of produce that will supply the weekly needs of a family of four.<sup>2</sup> Customers invest in the farm before the season begins, providing the CSA with operating capital that may be needed to begin production. Through that investment, CSA members are subject to the risks and rhythms of the season; shares reflect production allowed by weather and growing conditions.

The sale of shares is perhaps the most compelling business planning reason to consider a CSA. Selling shares pre-season allows inventory (in this case, produce) to be sold before production. This allows the producer to use share fees for production expenses throughout the season, which can reduce the need for borrowed operating capital.

CSA shares in the U.S. typically are priced between \$300 and \$1,000 per season. Many CSA farms also offer variations on this concept, such as "half-shares" or other alternatives crafted to member needs and desires. One Kentucky CSA offers an "egg share" option for members interested in free-range eggs.

#### DELIVERY

Part of the marketing appeal of a CSA is being able to receive farm-fresh produce at a location convenient to the member. Most shares are distributed from a central location, such as a farmers market or church. Many CSA farms, especially those located near their membership base, distribute shares right from the farm; others deliver straight to the member's door.

#### Consistency

Since CSA farms deliver product every week to the same customers, the consistency of the produce's quality is very important. This may

present a challenge for beginning produce growers. A CSA also has to offer a variety of produce throughout the season that customers will be able to incorporate into their family's diet. A typical family does not consume large amounts of radishes, kale, and other crops that may be easier to produce!

Working with a production expert or your local Extension agent can be helpful in developing a production plan. It is essential to communicate with your customers regarding weather conditions and other related production concerns that affect the weekly CSA share.

#### Communication

Good communication is a hallmark of many successful CSA farms. Many include recipe ideas with their weekly deliveries, especially early or late in the season when cool-season crops (beets, turnips, kale) are harvested. These crops may be unfamiliar to many consumers, who may be waiting for more familiar later-season crops.

It is common for CSA farms to issue a newsletter in each share. The newsletter can provide facts about the farm, as well as update members on how the season is progressing and how the various crops are shaping up for harvest. Some CSA farms offer colorful commentary on farming, community, and even politics in their newsletters.

Your customer base will determine what goes into your newsletter, but some form of communication is vitally important to the success of CSA marketing. Members will appreciate help with how to prepare the beets and turnips they receive early in the season!

#### CSA Consumer Characteristics

Like any other marketing mechanism, producers considering CSA need to first identify their market. They must then determine whether they have the capability to market to the consumer base most interested in purchasing from a CSA. Promotion and planning are critical to attract the

necessary volume required to cover costs. CSA consumers tend to fall into the following two general categories:

- Upper-middle class consumers with above-average incomes and some interest in buying higher quality or local food
- Consumers valuing the idea of local food enough to invest a substantial amount in it for the whole season

A farm considering becoming a CSA needs to identify where it might find these kinds of consumers. In Kentucky, larger population areas and towns with colleges may be two locations favorable to a CSA. In addition, CSA farms are frequently used by certified organic growers, whose clientele may be more familiar with the CSA concept.

### **Competition for Consumers**

Identify other CSA farms that may be operating in your area. Since the CSA model is based on developing community, two or more farms may choose to cooperate to supply weekly shares. For example, a CSA farm primarily producing vegetables may cooperate with a nearby berry farm or orchard, thus adding more diversity to the weekly share.

Even if cooperating with other CSA farms, one must remember that the demand for CSA and subscription-based produce is still relatively limited and confined to a few specific kinds of consumers. Studies have shown that farmers markets may compete with the CSA farm since both can draw similar types of consumers. Potential CSA consumers are also likely to value organic production. A prospective CSA producer will need to consider this consumer characteristic and plan for appropriate production if necessary. Alternative sources for organic produce should be considered during the formation stage.

### **Legal Issues**

Neil Hamilton identifies some important legal

issues that CSA farms need to address in *The Legal Guide for Direct Farm Marketing*. Information on whether CSA members who assist on the farm are considered employees, regulations about including processed food, and storage or refrigeration requirements at drop-off sites are included.<sup>3</sup> These are all issues that should be addressed by consulting the appropriate local regulatory agencies or officers.

Another important issue for CSA farms is the structuring and wording of a membership agreement. It is always a good idea to put agreements in writing, and a simple, properly-worded CSA membership agreement is no exception. Following published guidelines for wording membership agreements, as well as having your agreement reviewed by an attorney familiar with agriculture, are wise and recommended CSA management decisions.

### **More Information**

- Kentucky Community Supported Agriculture Farms (CSA) (Kentucky Dept. of Agriculture) <http://www.kyagr.com/marketing/farmmarket/csa.htm>
- Community Supported Agriculture (USDA Alternative Farming System Information Center) <http://www.nal.usda.gov/afsic/csa/>
- Robyn Van En Center for CSA Resources <http://www.wilson.edu/wilson/asp/content.asp?id=804>

<sup>1</sup> Ron Strohlic and Crispin Shelley. "Community Supported Agriculture in California, Oregon and Washington: Challenges and Opportunities." California Institute for Rural Studies, May 2004. Retrieved July 2005 from <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3101204>

<sup>2</sup> Robyn Van En Center for CSA Resources. <http://www.wilson.edu/wilson/asp/content.asp?id=1273>

<sup>3</sup> Neil D. Hamilton, *The Legal Guide for Direct Farm Marketing*, Drake University/SARE, 1999, p. 27, 58-60.

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