

CSA: Community Shared Agriculture

putting the face on the Nova Scotia farmer

What is Community Shared Agriculture?

Community Shared Agriculture (CSA) is a program that partners consumers directly with you, the producer, to sell products and build relationships. Customers buy annual shares or subscriptions from individual farmers, usually at the start of the season before the crops are even in the ground. In return, the farmer provides fresh produce on a regular basis.

The relationship goes beyond the purchase of food, with consumers potentially joining in the planning, production, and harvesting of the crops. You and your customers share both the rewards and the risks of farming, from bumper crops to crop failures.

Most CSA farms are certified organic or emphasize sustainable production practices. They usually produce mixed vegetables but some offer fruits, meat, bread, flowers, and other products.

CSA is also known internationally as Community Supported Agriculture. The practice is growing in popularity, with over 2,500 farms in North America using variations of the model. The concept took root decades ago in Europe and in Japan. In fact, Japanese CSA farms are called *teikei*, often translated to "food with the farmer's face on it".

Who is interested in Community Shared Agriculture?

Consumers interested in CSA

- want fresh, good, and healthy food
- want a direct connection to a source of local food
- like having groceries delivered or enjoy visiting a farm

Farmers interested in CSA

- have skills and experience in running a farming operation
- have farms that are usually horticultural and grow many varieties of high-quality produce throughout the season
- want to make more money and eliminate the middleman
- are good at developing relationships with consumers

How does it work?

Community Shared Agriculture creates a unique relationship between the producer and the consumer.

By buying shares directly from you, the customer

- receives a share of the farm's produce
- can potentially participate more in the farm by helping with selecting, planting, weeding, and harvesting crops
- can help the CSA grow by contributing recipes and stories to newsletters and spreading the word—CSA customers often make the farm's best salespeople
- can often visit the farm to see how the food is produced and can participate in special events

Each CSA runs its own way, depending what works best in the circumstances. These variations include

- payments

Customers can buy your shares at the beginning of the year or in regular instalments throughout the season.

- product availability

Most produce is available from the spring and into the fall, but some could be available throughout the winter.

- delivery

Products can be delivered weekly, biweekly, or monthly. They can be sent directly to the consumer's home, to a central location, or be picked up on the farm.

Will CSA work in Nova Scotia?

Community Shared Agriculture is already working in Nova Scotia. By mid-2010, fifteen CSA operations were up and running.

Using CSA as a model, producers have the opportunity to grow, market, and give consumers direct access to Nova Scotia-grown products. You can usually find target customers in urban areas who are often connected to a community organization or network. A new CSA can look for neighbourhoods or businesses not yet involved with CSA-delivered products.

Like any business, the secret to success for a CSA is understanding and responding to what your customers want, as opposed to just offering what you can or want to produce.

What are the pros and cons of CSA farms?

Community Shared Agriculture farms can provide many benefits to you and the consumer alike. There are also risks and challenges associated with the concept. By considering the following benefits, risks, and challenges, you can determine how best to integrate CSA into your business and market your products.

Benefits for producers

security

You can plan how much to grow based on the shares that are sold early in the year, avoiding unsold product at year's end. Growing what shareholders want will keep them returning year after year. Farm income is secure even if crops fail because the risk is shared with shareholders.

We recommend signing a contract with shareholders when you sell them the shares. This will clearly outline the expectations and obligations of both parties and avoids surprises.

stability

You are guaranteed a set income for the year based on shares that you offer and sell.

price control

You get to set your own prices for shares, instead of accepting prices dictated by other markets.

cash flow

You receive payment before crops are planted. This gives you an advance in cash flow to cover spring startup costs and other expenses.

community connection

Creating a good relationship with shareholders means getting feedback on what to grow as well as business advice. It also creates natural advocates and salespeople for the farm.

Benefits for consumers

security

Consumers receive a steady supply of fresh, locally grown food.

stability

They know the people who are growing their food.

control

They know what they're eating and how it was produced. They can learn about the food production process and provide direct input on how, where, and what food is grown. They can support small-scale, sustainable, local farms.

cash flow

They know what food will cost for the year ahead because they pay a fixed price for products before the growing season.

community connection

CSA involves not just food but people, building relationships between customers, farmers, neighbours, and communities.

experience

CSA farms provide customers with opportunities to try different types of produce, learn different cooking ideas, and have fun on the farm.

Risks and challenges

awareness

CSA is a relatively new concept in the Maritimes and consumers may not be familiar with how a CSA works. They can be unfamiliar with cooking new vegetable varieties and be wary of sharing farming risks. This can give you problems attracting and keeping initial shareholders.

You can manage this challenge with good communication. Tell people about the benefits of CSA and what is included with the farm. Let them know the risks associated upfront. Newsletters, flyers, radio advertisements, and posters are good tools to get your messages across to the community.

cash flow

Managing money can be a problem on farming operations. Farm incomes are generally fixed and come in at one time, while expenses can happen throughout the year. Expenses are often unpredictable and can cause problems if they're higher than initially projected.

You can manage cash flow risks by using enterprise budgeting and good accounting practices. An enterprise budget estimates your cost and return per unit of production. Keeping good financial records will help you stay on track.

time

Managing CSA farms can be time consuming and many farmers find taking on the different roles stressful. You must organize, plant, weed, harvest, sort, market, and deliver a wide variety of food to people.

You can manage your time during the busy peaks if you plan ahead. Use volunteers, create apprentice opportunities, and develop extensive plans for specific tasks.

competition

The main sources of competition for CSA farms include

- farm and farmers' markets
- community food box programs
- grocery, health food, and other food stores

Do some research by evaluating the strengths and weaknesses of the competition. By identifying how you can provide greater value to potential customers, you will have a key part of a good business plan.

What should you consider before starting a CSA?

A Community Shared Agriculture operation can be a significant change for existing and new farmers. You need to consider several factors to help ensure that your CSA will be a success.

The keys to success

quality and variety

You should produce a variety of products throughout the year that are consistent in quality. Consumers don't want to receive the same product week after week or get something that's lower quality than what's offered by competitors.

pricing

Share prices need to cover costs and make a profit yet stay competitive—pricing shares too low can lose you money while pricing too high can lose you customers. A cash flow budget is a good tool to track revenues and expenses.

market

Understand your market. It can be as simple as listening actively to what products and services customers want. Be open to new ideas.

management

CSA farmers need good management skills to be effective with production, time, and people. You must organize cropping schedules, customer orders, and delivery schedules.

environment

A CSA farm must be a unique and original experience that customers will continue to enjoy.

inputs

You need to fill the shares sold by growing the best quality and quantity of produce. This means having access to land, equipment, and labour.

support

CSA farms need the support of the community and shareholders to begin operation. Anyone interested in starting a CSA operation should start at home, advertising and marketing the idea to friends and neighbours.

customer service skills

Producers need good people skills to maintain a close one-on-one relationship with consumers. You need to be able to handle customers who come to your farm to give direct requests and feedback on your products.

How do you start a CSA farm?

Initial steps

You can take specific steps to start a CSA farm.

1. Make sure CSA farming is a match for you, your family, and your farm. Assess your available resources, skill set, and aptitudes carefully. Make sure you want to do it before you start.
2. Find your first shareholders. Look for people within your community that want to join a CSA farm for a harvest year.
3. Plan your harvest schedule based on the number of shares you expect to sell.
4. Calculate a share price based on a budget that includes all expected revenue and expenses for the year.
5. Draw up a contract for all shareholders to sign. This should include share value, payment requirements, delivery dates, and any shared risk agreements.
6. Use your time wisely. Work on newsletters and other advertising during the off-season.
7. Begin planting, harvesting, and sharing your hard work and its rewards with the community.

Planning size and scale

A CSA farm can be started on an existing farm, on rented land, or even in a city backyard. The size and scale will depend on what resources are available to you including

- land
- labour
- customer base
- equipment
- technology and mechanization

If you are new to CSA production, it is best to start small. Figure 1 shows the best steps to increase the scale of a CSA farm.

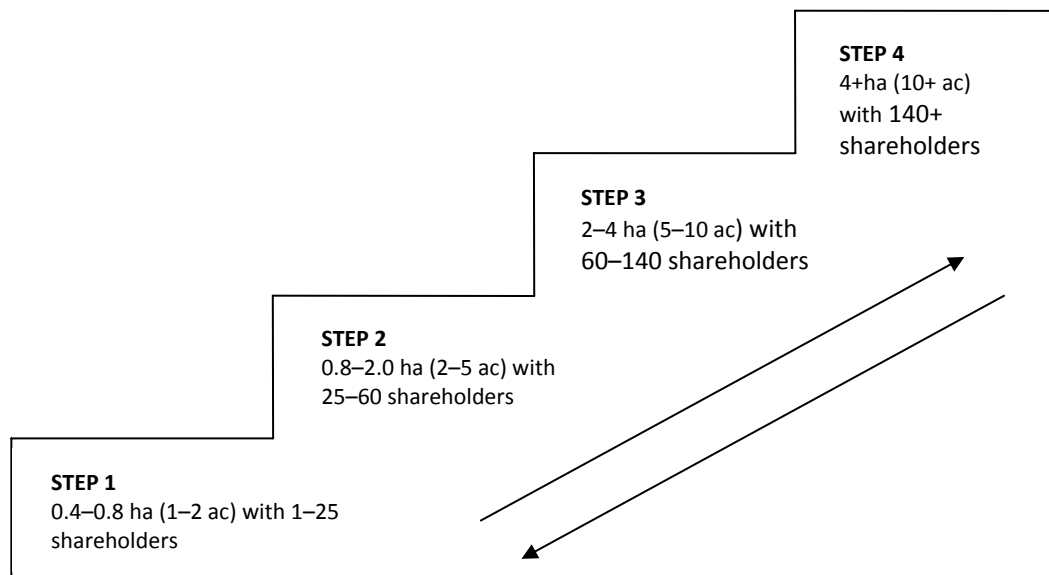


Fig 1. Steps in increasing scale of CSA farm, based on land size and customer base

- **Step 1.** Land in production is 0.4 to 0.8 hectares (ha) or one to two acres (ac) with 1 to 25 shareholders. No outside labour or part time labour hired. Work is done mostly by hand.
- **Step 2.** Land in production is 0.8 to 2.0 ha (2–5 ac) with 25 to 60 shareholders. Part time labour is hired. Some mechanization is used.
- **Step 3.** Land in production is 2.0 to 4.0 ha (5–10 ac) with 60 to 140 shareholders. Part time or full time labour is hired. Mechanization is used wherever possible.
- **Step 4.** Land in production is 4 or more ha (10+ ac) with more than 140 shareholders. Part time and full time labour is hired. Mechanization takes a dominant role on the farm.

Recommended resources

Nova Scotia Department of Agriculture has a business management library that is available to residents of the province. You can browse for publications online on our library website at www.gov.ns.ca/agri/bde/lib. Some publications are available online. You can borrow others at our library location in Truro or have them sent to your local [Agricultural Resource Coordinator](#) (ARC) office for pickup.

* Grubinger, V. *Sustainable vegetable production from start-up to market*. Natural Resource, Agriculture, and Engineering Service: Ithaca, New York. 1999.

* Henderson, E., and Van En, R. *Sharing the harvest: a citizen's guide to community supported agriculture*. Chelsea Green Publishing Co. White River Junction, Vermont. 2007.

North Carolina Cooperative Extension, Chatham County Center. "Community Supported Agriculture (CSA) Resource Guide for Farmers" *Growing Small Farms*. January 15, 2010. www.ces.ncsu.edu/chatham/ag/SustAg/csaguide.html (retrieved May 24, 2010)

University Extension, Iowa State University. "CSA: Local Food Systems for Iowa" www.extension.iastate.edu/Publications/PM1692.pdf (retrieved May 24, 2010)

* titles available at our business management library

For more information, contact:

Your local Agriculture Resource Coordinator (ARC)

www.gov.ns.ca/agri/contactus/reps/arcs.shtml

or

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