



2009 Survey of Community Supported Agriculture Producers

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A summary of a mail survey of farms operating forms of Community Supported Agriculture in Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, and West Virginia: distributed Summer 2009

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Executive Summary and Key Findings

Community Supported Agriculture (CSA) has emerged as a direct farm marketing channel during the past 25 years. During the past decade, increased consumer interest in local and organic fruit and vegetables has contributed to the CSA's growing popularity and an increase in the number of CSA operations.

This survey focused on business and marketing practices among 205 CSA producers in nine states (IL, IN, OH, MI, PA, WV, KY, MO, TN). This report summarizes the major findings in the survey.

Key Findings

- The average CSA surveyed had operated just over four seasons.
- The average number of CSA members among all farms surveyed grew 50% between 2007 and 2009: from 59 patrons in 2007 to 80 in 2008 and 89 in 2009.
- The average operator was 45 years old, and 25% of respondents had no farming experience before they started their CSA. Another quarter of respondents indicated the CSA was their first horticulture direct marketing experience.
- Most CSAs are structured as sole proprietorships. There were no clear differences in CSA business structure preferences (sole proprietorship, partnership, limited liability corporation, etc.) between CSAs of differing sizes or experience levels.
- Less than half (43%) of CSAs required their members to sign a contract.
- Two-thirds of those surveyed indicated growing produce according to organic standards *but were not certified*.
- 87% of those surveyed also marketed products through another market channel.

- Nearly one in three (29%) CSAs surveyed did not produce all products distributed in their CSA shares.
- Over 40% of CSAs surveyed donate excess product to a food bank.
- More than 85% of CSAs surveyed found direct e-mail a very effective means of communicating with members; over half found website communication helpful. Just 35% rated direct mail (snail mail) communication effective.
- 70% of respondents used a computer software (Quicken, Quickbooks, or Excel) to track their production costs. Computer use is heaviest among CSAs with over 50 members. CSA operators cited the two greatest factors in setting CSA share price were prices at other local CSAs and overhead or fixed costs of production.

Authorship and Acknowledgments

The survey was directed by Dr. Tim Woods (Associate Extension Professor) in the University of Kentucky Department of Agricultural Economics. Matt Ernst (Economics contractor, New Crop Opportunities Center) directed survey design and data analysis. Nick Wright (Extension Associate, Agricultural Economics) provided survey design, administration, data entry, and data summary.

Stan Ernst, Department of AED Economics at The Ohio State University, and Dr. Beth Fausey, OSU Extension ABE Center, provided valuable input into the design and development of the survey instrument.

Dr. Cheryl Brown (West Virginia University), Dr. Julie Fox (The Ohio State University), Rob Holland (University of Tennessee), and Jim Sluyter (Michigan CSA Association) provided assistance in developing the mail list.

Dr. Lee Meyer and Dr. Mark Williamson provided reviews for the final document.

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Background and Introduction

The results of this survey will be useful for those wishing to understand the emergence of the CSA as a marketing mechanism, producers seeking a greater knowledge of management and marketing practices of CSAs, and educators developing educational programs and management tools for CSA producers.

Marketing farm goods using the CSA concept first began in the United States in 1986 in Massachusetts and New Hampshire.¹ Several models had consumers providing pre-plant payment and/or farm labor in return for a share of the harvest. The concept has spread from its nexus in the northeast to cover the entire country. CSA production has benefited by the increase in the popularity of farmers' markets, growth of the organic fruit and vegetable industry, and greater consumer interest in eating locally grown food. A recent estimate by the Robyn Van En Center, which lists a database of CSAs, indicates 1300-1500 CSAs in operation across the country. Our 2009 survey, which identified over 700 CSAs in a nine-state area, infers that the actual number of CSAs may be significantly greater.

Community Supported Agriculture has been adapted by new and established horticultural producers for reasons both economic and ideological: in addition to promoting consumption of locally grown and/or organic food, the CSA structure allows growers to obtain funds from consumers before harvest, potentially eliminating the need for traditional financing. Past surveys of CSA operators in the Midwest and Northeast have focused on comparing CSA farms with other farms in these regions, including the financial analysis of farms indicating a CSA as a primary operation,² and for ideological reasons of sharing risk and production between producers and shareholders.

Survey research has also focused on CSA consumers. These have included studies in the Mid-Atlantic³, California's central coast,⁴ northeastern states such as Vermont,⁵ and most recently in Iowa.⁶ These studies frequently focus on shared values of both CSA producers and consumers, especially those consumers participating in a "collaborative" CSA model, often called "work share."

Our initial observation of CSAs in Kentucky and surrounding states indicate that the CSA model has come to be adopted by horticultural growers as both a primary and a secondary market channel. While producers remain flexible and open to work share agreements, such situations have quickly become the exception. While our data does not directly compare producers' ideological vs. economic motivations, interest in the CSA as a unique and strong marketing channel seemed to be reflected in producer responses. CSAs have become a marketing tool adopted by growers already engaging in some form of direct horticultural marketing, and a device by which newer growers can obtain "investment" to directly support production costs or bunker commercial loan applications.

This report seeks to identify marketing strategies and techniques used by CSA growers and offer suggestions for existing growers and for those involved in supporting direct farm marketing efforts through CSAs and other channels.

Survey Area and Response Rate Mailing addresses from Community Supported Agriculture operations were collected over a nine-state area: Illinois, Indiana, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, Tennessee, and West Virginia. A total of 757 surveys were distributed to CSAs in these nine states (Table 1). There were 205 usable surveys returned (27.1%). An additional 33 surveys (4.4%) were returned from addresses that were invalid.

Respondents were sent a postcard the week before the survey was mailed, followed by the survey mailing. A reminder postcard was mailed approximately two weeks after the initial survey mailing.

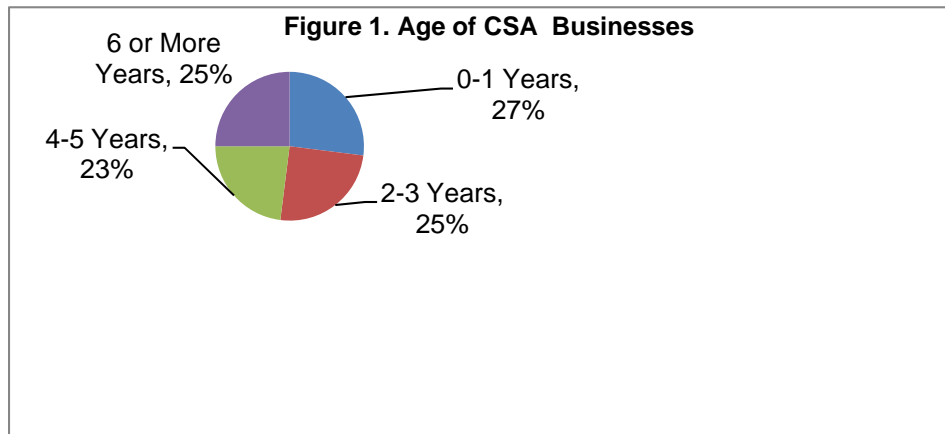
Table 1. Survey States and Response Rates

	Mailed	Unusable	Usable	% Usable
Illinois	87	10	17	19.5%
Indiana	47	0	8	17.0%
Kentucky	54	3	15	27.8%
Michigan	152	3	50	32.9%
Missouri	60	4	15	25.0%
Ohio	132	6	24	18.2%
Pennsylvania	151	4	53	35.1%
Tennessee	59	2	17	28.8%
West Virginia	15	1	6	40.0%
Total	757	33 (4.4%)	205	27.1%

CSA Operator Age

The average age of the CSA operator in this survey was 45 years old (196 responding). A 2001 national CSA survey of 300 operators revealed an average age of 44,⁷ and a 2004 survey of CSA operators in the Midwest in 2002 indicated an average age of 45.⁸ While CSA operators are, on average, significantly younger than the average age of farm producers, the age range of those responding to this survey spanned six decades. Several CSA operators were still teenagers, while the oldest operators ranged well into their 70s.

Some have pointed to the CSA model as a way to ease entry by new producers from both traditional and nonconventional farm backgrounds into direct farm marketing and local food market channels. These survey data suggest a wide breadth of operator age, yet an average age for CSA operators that is well under the average farm operator age for the region. This age demographic reinforces the observation that CSAs are attracting operators from a wide variety of backgrounds. The CSA model seems well-suited as an entry point for individuals that may be new to farming, yet bring other experiences and skills to the enterprise.



Length of CSA Operation The CSA is an emerging business model for those in this region. The years that CSAs in this sample have existed confirm the newness of this phenomenon: 0-1 years experience (27%); 2-3 years (25%); 4-5 years (23%); and 6 or more years (25%) (Figure 1). The average length of time that the operations surveyed had been operating as a CSA was 4.1 years (Table 2). A significant number of the CSAs surveyed (43 or 21%) indicated they had only been in operation one year. An additional 10 CSAs were beginning their first full year of operation in 2009.

Table 2. How many seasons have you operated your CSA? (197 total responses)

	Average Seasons Operating
Indiana	5.1
Illinois	4.7
Michigan	4.3
Missouri	4.1
Pennsylvania	4.0
Tennessee	4.0
Ohio	3.8
Kentucky	3.7
West Virginia	2.8

CSA Growth in Members

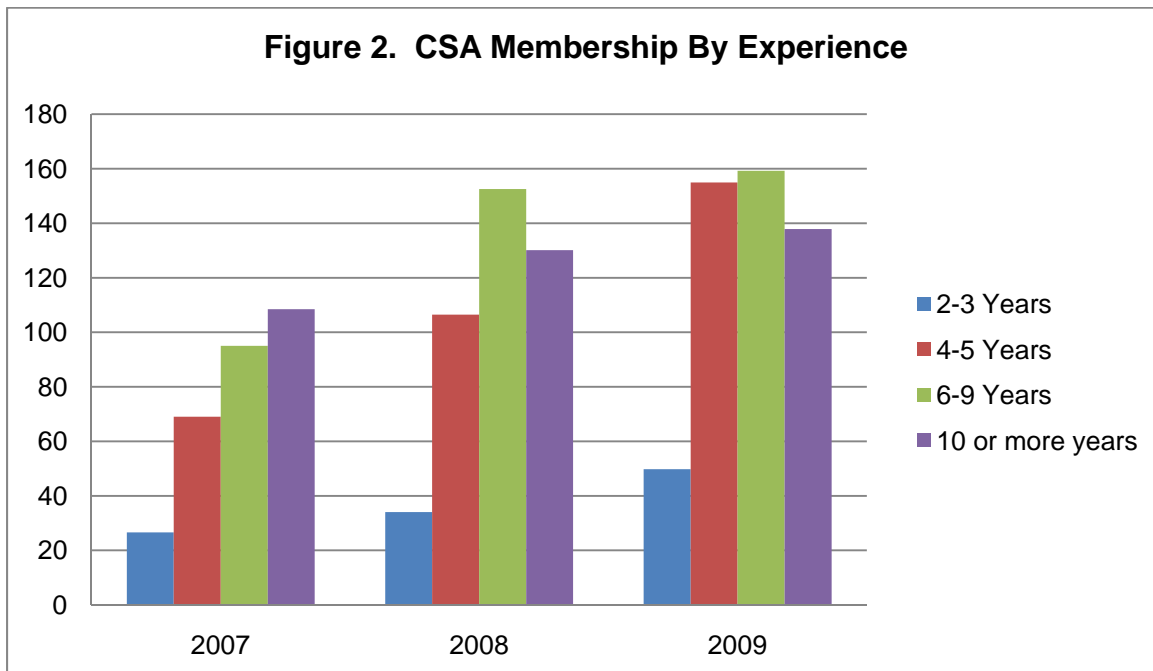
The number of CSA operations have expanded nationally, but the survey results indicated that the size of the individual operations expanded, as well. Excluding 2 CSAs reporting over 800 members in 2009, the CSAs surveyed averaged 55 member shares in 2007. This average increased 31% to over 72 members in 2008 and an average of 75 members for 2009.

The surveyed CSAs divided into three approximate size categories: 25 or fewer members, 26-50 members, and over 50 members (Table 3). Every state surveyed reported a CSA with 100 or more members in 2009, and 17 CSAs reported 200 or more patrons in 2009. There were six CSAs surveyed with 200-300 members, and 11 of the CSAs indicated their size was over 300 members in 2009.

Table 3. CSA Size

Shares	2007		2008		2009	
	-CSAs-	-%-	-CSAs-	-%-	-CSAs-	-%-
25 or less	60	44%	53	40%	80	41%
26-50	31	23%	36	23%	40	21%
Over 50	46	34%	51	38%	74	38%
Total	137	100%	160	100%	194	100%

There were 143 CSAs responding that have been in operation for one or more seasons. Of these CSAs, the membership growth rates were greatest among the CSAs that have been in operation for 4-5 years (Figure 2). The average size of these CSAs more than doubled between 2007 and 2009. This may indicate the adaptation of the CSA marketing model in the region by newer, higher-volume producers operating very large (more than 400 member) CSAs.



Reasons for CSA Growth

CSAs have grown as individual business units for a variety of reasons. The potential sources of growth were explored in the survey. There were 162 CSA operators (79%) who responded to an open-ended question asking them to list the top reason for their CSA's growth. Of these responses, 24 indicated this was their first season (or that their CSA had not recently grown). The top three reasons cited by the remaining 138 respondents for the growth of individual CSAs were: consumer interest in locally grown and/or organic foods (50 operators), word of mouth from existing shareholders (35), and product quality (20).

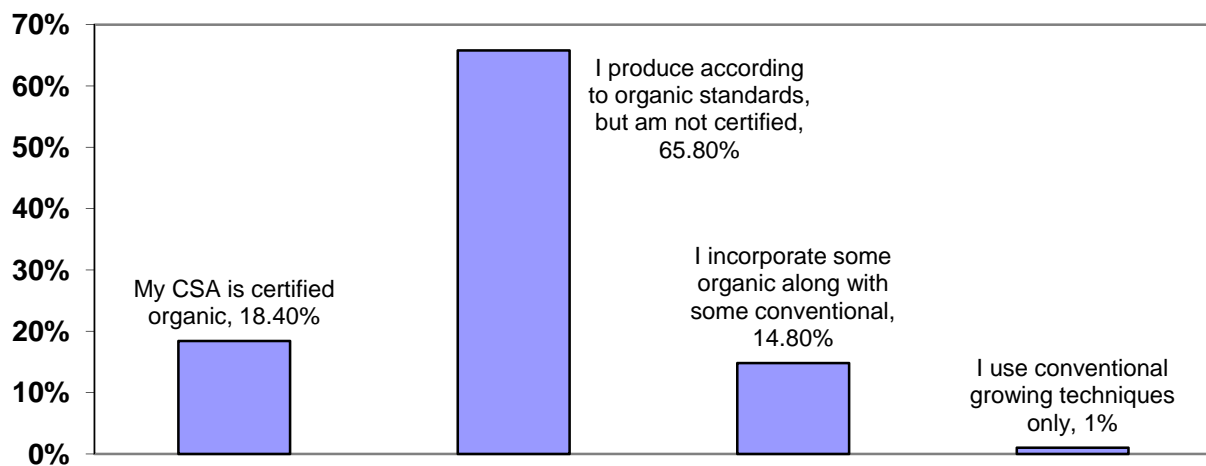
Interestingly, 19 producers listed either their own greater production or marketing commitment (targeted advertising, etc.) as the single greatest reason for growth. Other reasons for growth included consumer concern over food safety (8), cost-savings from CSA food (4), and cooperating with other CSA growers (2).

These responses appear to indicate that CSA producers are not simply at the mercy of current consumer interest in locally grown foods. Product quality and satisfied customers, as well as a commitment by the producer to grow and market quality produce, are viewed just as importantly for growing the CSA membership.

Organic Certification

A majority of the CSAs surveyed (66%) indicated that they produced according to organic standards but were not certified (Figure 3). Almost as many CSAs mixed organic with conventional practices (15%) as those that were certified organic (18%). Just 1% of the CSAs used only conventional growing techniques. It was beyond the scope of this survey to gauge how those surveyed defined and understood "conventional" and "organic."

Figure 3. Organic Certification



CSAs & Other Marketing Channels

The majority of CSAs operators (87%) indicate that they also employ other marketing channels to diversify their sales efforts. Past research of CSAs in the northeast has indicated that CSA operators who have sold at a farmers' market or farm stand have higher profit levels than those CSAs that do not.⁹ As expected, farmers' markets were the most common additional marketing channel for CSAs in this survey – 43% of respondents utilized farmers' markets in 2008 (Table 4). Direct sale to restaurants (31%) was the second most popular diversification method.

The CSAs utilizing other marketing methods generally expected sales from those channels to remain the same or increase in 2009. More than half of the CSAs selling through farmers' markets, direct to restaurants and local groceries, and by on-farm retail expected their 2009 sales to increase in these channels. The majority of producers expected their sales in market channels other than CSAs to remain the same or increase in 2009.

Table 4. Marketing Channels in Addition to CSA

Market Channel	% Utilizing in 2008	% Expecting sales increase from this market channel in 2009	
		Utilizing Channel	Total Surveyed
Farmers' market	42.9%	56.3%	32.7%
Restaurants	31.2%	52.2%	22.9%
On-farm retail	29.3%	53.1%	21.0%
Wholesale to natural food stores	16.1%	38.3%	8.8%
Wholesale to local groceries	10.7%	56.7%	8.3%
Auction sales	2.9%	22.2%	1.0%
General commodity markets	0.0%	--	--
Contract production to processor	0.5%	--	--
Other channels	16.1%	48.5%	7.8%

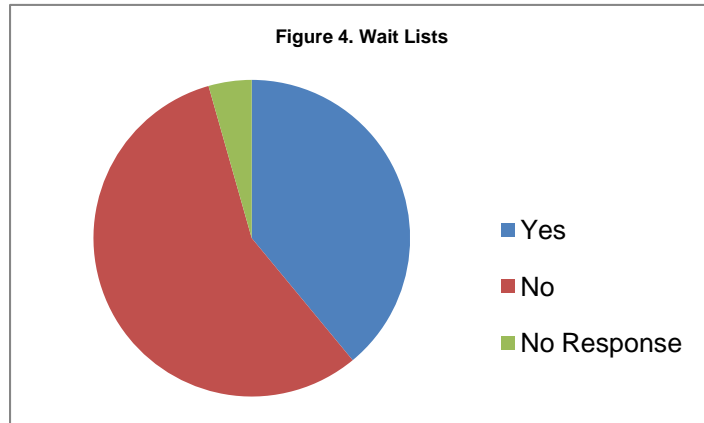
There were also 33 CSAs (16.3%) that had utilized “other market channels” in 2008. These types of channels, with the number responding following in parentheses (), included:

Other CSAs / Local Food distributor	(7)
Other on-farm	(7)
Other Wholesale	(6)
Other Food Service	(3)
Internet	(3)
Charity	(2)
Other or not specified	(5)

The diversity of other market channels reported suggests some CSAs may find it valuable or necessary to market “wholesale” through other CSAs as well as other wholesale outlets; one operation reported marketing wholesale to a buyer for restaurants. The diversity of market channels may also suggest that some CSA operators are creative and adventuresome entrepreneurs when it comes to moving their products.

Waiting Lists and Contracts

Many CSAs have utilized waiting lists as they have found more local demand than they are able to supply. A slight majority of CSAs (56.6%) reported not having a waiting list, while 39% reported maintaining a waiting list. The average waiting list length was 27 households, with waiting list sizes ranging from 0 households to 300 households.



The average time reported spent on a CSA waiting list was one season. Some CSAs incorporate new members immediately; others reported a one- to two-year (and in one case a three-year) wait for wait-listed consumers to become members of the CSA.

A contract is often employed between the CSA operator and the shareholder that states the terms of price and delivery. Contracts may promote stability for the operator, strengthen a CSA's case for financing from traditional lenders, and help strengthen the relationship with the CSA members.

Table 5. Do You Use CSA Contracts?

CSA Age	Number	No	Yes	% Yes
0-1 Years	56	29	27	48%
2-3 Years	54	30	24	44%
4-5 Years	45	25	19	42%
6 or more years	51	33	17	33%
Total	206	117	87	42%

Less than half of CSAs required their members to sign a membership contract. The practice of having members sign a CSA contract was more favored by newer CSAs (Table 5). The likelihood that CSAs used member contracts declined with the age of the CSAs in this survey. Experience in the producer-shareholder relationship and in administrating the CSA in general appears to make the need for contracts less critical over time. This is not a surprising result in a relationship-intensive enterprise that depends heavily on repeat customers. Although CSAs with 15-25 shares were slightly more likely to use contracts, CSA size did not appear to significantly affect their use of contracts.

Payment Plans

CSAs traditionally had a one-time, beginning-of-season payment but have become more flexible in recent years. The majority of CSAs responding to this survey offered payment plans for their members (Table 6).

Table 6. Payment Plans

	Yes
Do you offer a payment plan for your members?	82.1%
Type of Payment Plans Offered	
2 installments	44.4%
3-4 installments	35.6
Monthly	18.5%
Other	20.0%
Other Payment Plans by Type	
Weekly	15.0%
Deposit w/balance paid by certain date	22.5%
Limited or case-by-case	25.0%
Whatever is needed	22.5%
Workshare/barter	5.0%
Other/unspecified	10.0%

Note: based on 200 total responses.

Payment Plans (continued)

Several observations were made of those offering other payment plans:

- Half of those offering a weekly payment plan required a contract, while half did not.
- Descriptions of payment plans like “whatever is needed” or “work with member to get them fresh food” were offered by the same number of CSAs as those requiring a deposit with a balance paid by a certain date.
- Only 1% of the 205 respondents offered a work share or barter arrangement—the design of the original CSA model.

Share Length/Season Extension

Season extension can help horticultural producers increase their annual cash flow and lengthen their marketing season. When asked if they had modified the length of their season since beginning their CSA, 42% of respondents indicated they had extended the share length while 52% indicated there had been no change. The most common strategy for extending the share length was to adopt season extension techniques such as row covers. Hoop house production was the second most popular method of extending season, followed by adding additional crops.

Table 7. Season Extension Employed by CSAs

Season Extenders (row covers, transplants, black plastic, etc.)	40.5%
Hoop houses	37.6%
Added additional seasonal crops	35.6%
Offering non-produce products	22.0%
Greenhouse vegetable production	19.5%
Cooperative marketing with other growers	13.2%

Distribution of Shares

Three-quarters of respondents indicated that CSA members can pick up their shares at the farm. Other distribution methods included a regional drop off (43.9%), farmers’ market pickup (31.2%), direct home or office delivery to consumers (23.4%), and community center/church drop offs (19.5%). The most likely other places for distribution listed by the responding CSAs included businesses: a bed and breakfast, fitness center, health education center, and even a business wellness CSA. Several CSAs indicated that their members take turns picking up and distributing shares.

Percent of Production

The survey examined to what extent CSAs drew exclusively on their own production or partnered with others to market product. Nearly 70% of respondents said that they produced all the products distributed in their CSA shares. Among the 58 CSAs that do not produce all the products in their CSA shares, 46 produce 75% or more of their shares while another 9 produce 50-74% of their shares. Just under 4% (8 CSAs) said they produced less than 10% of the products in their share. Most of the CSAs not producing all their own product (55 of 58) said that they purchased additional product from other local growers.

Product Diversification & Excess

CSAs have greatly expanded the scope of products offered. Three-quarters of respondents indicated that their CSA members could purchase non-produce items from them in addition to their CSA shares. The most popular non-produce product was eggs, followed by meat products and flowers (Table 8).

A common challenge for many direct marketing operations, and especially CSAs, is dealing with over-production. More than half of the responding CSAs handled excess product by marketing it through a farm market. The next most common way to handle excess product was donation to a food bank (Table 9). Other methods of handling excess product included sales to restaurants, gifts to workers, free produce for CSA members, animal feed, composting, processing (for sale as well as personal use), and direct donations to the needy.

Table 8. Additional Items Available for Purchase in CSA

Eggs	58.0%
Meat products	40.0%
Flowers	32.7%
Honey	29.3%
Dairy	16.6%
Soaps/Crafts	14.6%
Other	18.0%

Table 9. How do you handle excess product?

Farm market	62.0%
Food bank	40.5%
Other market outlet	31.7%
Discard/compost	23.9%
Gifts to customers	25.9%
Other	27.3%

Business Practices: Costs and Setting Share Prices

One of the major purposes of this survey was to provide insight on how CSA operators are tracking their business costs and to what extent the cost of production determines the CSA share price charged.

More respondents (19.0%) disagreed with the statement “I track my share costs down to the dollar per share” than agreed (14.9%) (Table 10). A large percent of respondents (20%) answered either by ranking this statement a “5” or “6” on a 0-10 scale. While responses did not vary greatly based upon experience, those operating larger CSAs were more likely to “agree strongly” or agree. Compared to 45% of the entire respondents, 67% of CSAs with over 100 members were likely to track their costs down to the dollar per share (Table 10).

Table 10. “I track my share costs down to the dollar per share”

	Strongly Disagreed (0)	Disagree (1-4)	Neutral (5)	Agree (6-9)	Agree Strongly (10)
Total Respondents	19.0%	24.6%	10.3%	31.3%	14.9%
By Experience					
0-1 Years	16%	22%	14%	29%	18%
2-3 Years	17%	30%	11%	30%	13%
4-5 Years	18%	30%	7%	39%	7%
6 or more years	25%	15%	10%	31%	19%
By Size (shares)					
<15	24%	27%	14%	27%	8%
15-25	23%	31%	13%	26%	8%
26-50	21%	31%	10%	23%	15%
51-100	14%	24%	7%	34%	21%
>100	18%	8%	8%	44%	23%

Base on 195 responses

Table 11. Major Factors in Determining Annual Share Price

Economic Factor	Average Factor Value	% Reporting “9” or “10”
My overhead and fixed costs of production	6.18	25%
Share prices at other local CSAs	5.84	19%
My variable operating costs of production	5.83	24%
“Whatever the market will bear”	5.06	13%
Required gross margin above my expenses	4.93	16%
Income levels of my community	4.91	11%
Non-CSA competition for members’ food dollars	4.19	11%

Respondents were asked to indicate the importance of seven factors in determining their annual share price on a Likert scale of 0-10, with “0” being “Very Minor Factor” and 10 being “Very Important Factor. The results are reported in Table 11.

The three most significant factors in determining share price among respondents were overhead and fixed costs of production (6.18 average), share prices at other CSAs (5.84 average), and variable operating costs of production (5.83 average). “Whatever the market will bear” (5.06), required gross margin above expenses (4.93), and income levels of “my community” (4.91) were the next most important factors ranked in determining share price.

The least important factor was non-CSA competition for members’ food dollars. Success of the CSA marketing structure will likely depend on CSA operators’ ability to continually differentiate their product in a marketplace filling with more CSAs and where “locally grown” food may be less differentiated among consumers.

A valid concern for those deriving their livelihood from farming when examining new marketing structures is this: will I be able to compete against smaller operators who may be operating for motives other than profitability? The data obtained from these responses indicate important distinctions between different sizes of CSAs and the ways that they determine how much to charge their customers. This can be seen simply in the comparisons between the number of respondents who indicated different pricing strategies were “Very Important” in setting their share prices (Table 12).

Table 12. Percent of Respondents Indicating Factor as ‘Very Important’ in Setting CSA Share Costs

Economic Factor	Shareholder Size			All Sizes
	Less than 25	26-50	Over 50	
Variable Costs	9.3%	8.1%	23.9%	15.1%
Share Prices at Other CSAs	13.2%	7.7%	4.3%	8.6%
Overhead	6.4%	7.7%	32.8%	16.1%
Required Gross Margin	1.3%	10.5%	19.1%	8.8%

Note: This table reports only those that indicated the factor as ‘10’ on the Likert scale

Variable Operating Costs of Production

Respondents were asked to rank the importance of variable operating costs of production upon their share cost. Variable operating costs of production were definitely more important to larger CSAs in setting their share costs than to smaller CSAs:

- 46% of those with 50 or fewer members rated variable operating costs as “important” or “very important” when setting share cost
- 63% of those with more than 50 members rated variable operating costs as “important” or “very important”
- A disproportionate number of CSAs over 50 members (24%) rated variable operating costs as “Very Important”

Share Prices at Other CSAs

Share prices at other CSAs receive more attention from smaller CSAs as they set their share prices. This indicates that larger CSAs are more sensitive to their costs when setting prices or may be setting prices based on the value their members put on their products.

- None of the CSAs with over 100 members indicated that share price at other CSAs was “very important” when it came to setting their share price
- Among CSAs with 25 members or less, 13.2% responded that “competitors share prices” were “Very Important” in setting share price. This was almost twice the rate that those CSAs with 26-50 members ranked competitor prices as “Very Important” and nearly three times the rate as CSAs with over 50 members.

Overhead and Fixed Costs of Production

Some larger CSA operators have reported using the CSA to cover overhead costs. This takes advantage of the CSAs upfront payment program. The differentiation between smaller and larger producers in this category could indicate that larger CSAs, especially those using multiple marketing channels, are utilizing the upfront payments for capital purchases as well as variable costs.

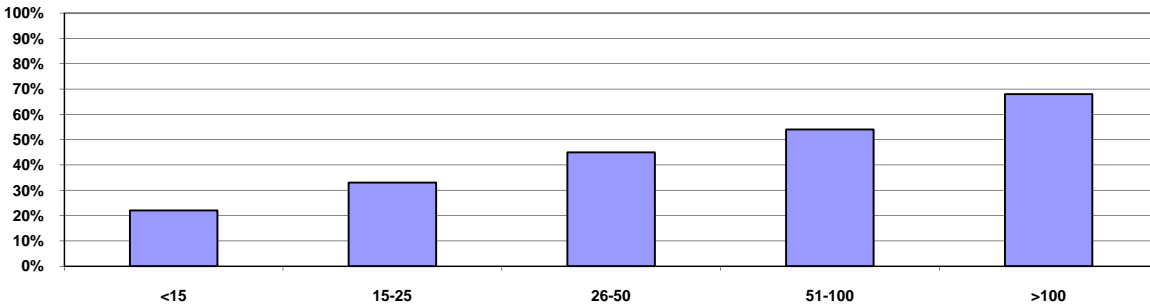
- This category showed the greatest differentiation between CSAs by size, in terms of the value they placed on setting shares
- 55 out of 70 CSAs (79%) with more than 50 members that responded to this question indicated this was important (6 or higher). This may indicate the greater importance of upfront payments for larger CSAs as a financing mechanism.
- Less than half of CSAs with 50 members or less indicated that this was important in setting their price per share

Required Gross Margin Above Expenses

The “required gross margin above my expenses” was used as a measure of the value CSA operators put on profit in setting their share price. As indicated in Figure 5, the value placed on profitability upon share price increases as CSA sizes increase.

- The percentage of those indicating this was important/very important increased as CSAs grew larger (Figure 5)
- In general, CSAs over 25 members are noticeably more concerned about margin over expenses (motivated by profit)

**Figure 5. Percent of Respondents Indicating Profitability as Important
By CSA Size (Members)**



Communication Methods

CSA operators have long used direct communication methods to deliver information to their shareholders. The survey asked respondents to rank the effectiveness of various communication channels for communicating information about the CSA. Ranking was made on a Likert scale of 0-10, with “0” indicating that the CSA did not use the method at all and “10” indicating that the CSA found that method highly effective. Results are reported in Table 13.

Table 13. Communication Methods and Effectiveness Ranking

Method	Used	Not Effective (1-4)	Neutral (5)	Effective (6-9)	Found Very Effective (10)
One-on-one conversations with shareholders	100%	2.9%	4.9%	44.9%	45.4%
Direct Email and Email newsletters	93.7%	2.0%	4.9%	49.3%	36.6%
Website posting/updates	81.5%	13.2%	10.7%	37.1%	16.1%
Communication at farmers’ markets	67.3%	8.3%	7.8%	32.7%	13.7%
Special on-farm events	66.8%	14.1%	13.2%	26.3%	6.8%
Direct Mail (Snail Mail)	58.0%	17.6%	8.3%	23.4%	4.4%
On-farm announcements and advertisements	54.1%	16.1%	12.7%	17.1%	2.9%
Mass media	42.9%	15.1%	7.3%	15.1%	1.5%
Social Networks	36.6%	8.8%	5.4%	9.3%	4.4%

One-on-one conversations with shareholders were rated “very effective” by 45% of all respondents, with an additional 45% rating this method “effective.” Operators of CSAs, regardless of size, have recognized the value of the personal touch and conversation for their members. “I may not remember your name,” said one operator of a larger CSA, “but I’ll remember your comment and I’ll probably remember your face.”

Over 85% of respondents rated direct e-mail and e-mail newsletters as effective means of communicating with members. This indicates that the CSA operators responding to this survey are familiar with, and apparently proficient with, e-mail technology.

Interestingly, the website appears to be as effective as the farmers’ market when it comes to communicating with CSA members. Over half (53.2%) of respondents rated website postings or updates effective means of communication, while 56.4% rated the farmers’ market an effective means of communication.

The next most effective channel was “special on-farm events,” rated as effective by 33.1% of respondents. “On-farm announcements and advertisements,” however, were not rated as high (20.0% effective).

Emerging Communication Trends for CSA Marketing

Many early CSAs included a regular newsletter to their members in the CSA market shares. Print communication may be fading in importance for CSAs; “Direct Mail (Postal Service) was rated as “Very Effective” by just as many respondents as rated “Social Networks” (like Facebook) as “Very Effective.”

At present, however, e-mail appears to have replaced direct mailings of CSA newsletters as a leading communication method. Whether or not more sophisticated Internet-based communication will be adopted by CSAs remains to be seen. Three respondents did mention using a blog to communicate with members, and one mentioned Twitter.

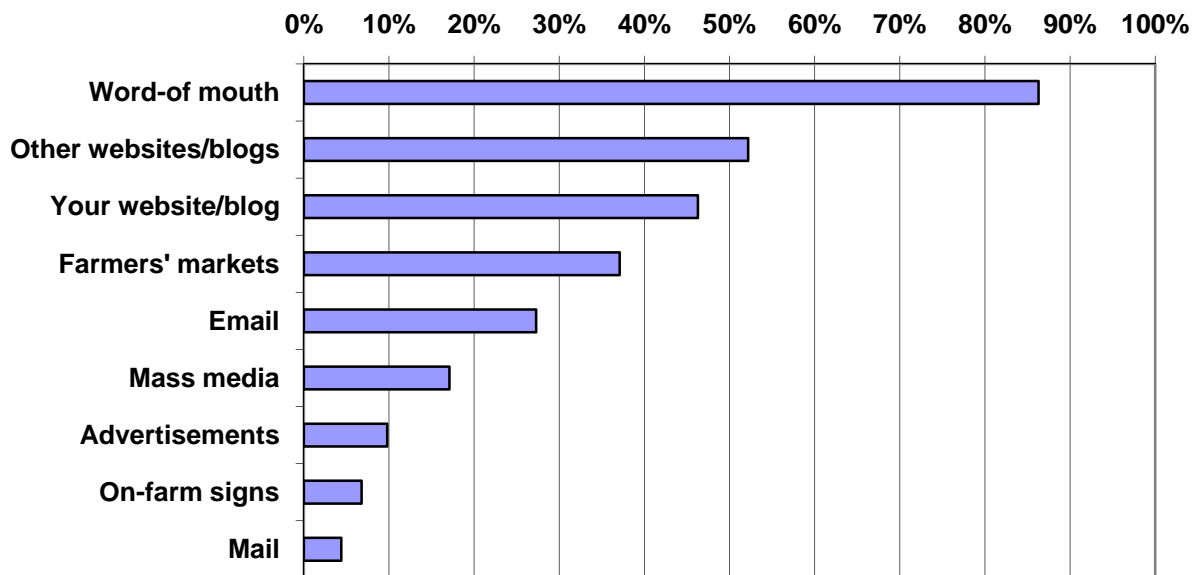
Other channels of communication cited by CSA operators usually revolved around community institutions. One operator ran a CSA mainly used by people in a church, and communicated through bulletin boards and communication vehicles within that institution. CSAs targeting institutions (religious, educational, specific employers) may be able to utilize that institution’s communication channels for member updates.

In summary, CSA operators prefer using communication technologies that are most likely to reach their customers directly, personally, quickly and with minimal cost in time and materials to producers. CSA operators surveyed also appeared to recognize the inherent value or appearance of one-on-one conversation in communicating with members. “They pick, I weed, we talk,” wrote one respondent epitomizing the original ideals of Community Supported Agriculture. This ideal of “community” does, however, seem to be moving online.

Communication Tools for Recruiting Members

The survey examined how CSA operators recruited new members and what strategies were most effective. CSA operators consider nothing better than word-of-mouth advertising to recruit new members (Figure 2). Websites and blogs were viewed as the next most effective promotion channels. These included those on the CSA’s own website or that of a secondary provider (especially localharvest.org). Websites were followed in importance by farmers’ markets, e-mail, mass media, advertisements, on-farm signs, and direct mail.

Figure 6. Effective Communication Tools for Recruiting Members



These responses by CSA operators may tell more about how they have recognized characteristics of CSA consumers. Members are likely to be part of social networks (place-based or virtual) where people also value the CSA product. In addition, operators appear to perceive CSA members and prospective members as proficient in using the Internet to locate their food. The farmers’ market, once the community clearinghouse for information needed by locavores and those valuing organic food, was not viewed by CSAs as effective as the Internet.

Computers for Business Purposes

The majority of CSA operators utilize computers in their business management, as may be expected from the number of CSAs communicating with current and potential customers by e-mail. Seventy percent of respondents utilized either Quicken/Quickbooks or a computerized spreadsheet (like Excel) to “primarily track or record their costs.” The remaining operators either used a manual record book or confessed to keeping receipts from various suppliers. CSAs of over 50 members were much more likely to utilize computer tools in tracking expenses; 76% of these CSAs used accounting software or spreadsheets, while only half of CSAs with 50 or fewer members tracked expenses by computer.

Effect of the Economy on CSA Customers

One measure of the CSA's viability as a tool for farm profitability is the effect of the broader economy's downturn upon CSA participation. While the economy presented a challenge for some in 2009, the CSAs surveyed did not appear to believe they would be significantly affected by economic downturn. About one-in-five respondents (18%) said that they had more members either drop out or sign up for smaller shares in 2009 than in past years. One-in-ten CSAs reported that the number of people on their waiting list was much smaller.

Although the general economy — especially job loss or fear of job loss — was most often cited by CSA operators as challenges for recruiting members, other factors are also perceived. Among these was the growth of farmers' markets. In some areas, a CSA was delivering food that may now be conveniently purchased at a farmers' market.

Finally, a few respondents reported people finding the CSA a "value" in tough economic times. Some CSAs also reported working with people through job loss. One even reported giving one former member a harvesting job in exchange for free food after a job was lost.

Business Organization

The legal business structure of the CSA was explored. As expected, larger CSAs tended to have more complex business organizations. The most common business organization for CSAs responding was the sole proprietorship, utilized by two-thirds of respondents. The next most common business structure was an LLC, followed by a partnership.

The proportion of CSAs utilizing these business structures was similar across CSA experience (Table 14). More experienced CSA operators (6 or more seasons) were slightly more likely to be involved in partnership or cooperative business structures, although this may be related to their size, as well. For the 7.5% of CSAs participating in a partnership, the average partnership size was four farms, with the number of partners ranging from two families on the same farm to six different farms.

Table 14. CSA Business Structure by Age and Size

	Sole proprietorship	Partnership	Cooperative	LLC	Other
TOTAL Responding	66%	7%	3%	19%	5%
By Age of CSA					
0-1 Years	66%	9%	4%	19%	2%
2-3 Years	67%	6%	2%	23%	2%
4-5 Years	67%	4%	0%	22%	7%
6 or more Years	62%	11%	9%	11%	9%
By CSA Size (Members)					
<15	74%	8%	0%	16%	3%
15-25	76%	3%	0%	24%	3%
26-50	71%	5%	3%	21%	3%
51-100	63%	8%	5%	8%	5%
>100	42%	16%	8%	24%	13%

Among the 10 CSAs reporting “Other” business structures, half were non-profits. The remainder were S-corporations and limited liability partnerships. Larger CSAs (more than 100 members) were more likely to utilize these kinds of business structures.

Producer Farming Experience

A full quarter of those surveyed (52 respondents) indicated that they had no farming experience before starting their CSA. Another 21% had only direct horticulture market experience, while an additional 25% combined direct horticulture marketing with another kind of farm production experience. The remaining respondents (29%) had farming experience, but counted the CSA as their first entry into direct marketing. This supports information indicating that CSAs are started by many producers for ideological reasons or as part of a hobby farm. However, this finding may also indicate that the CSA is a suitable form of “entry-level” agriculture, especially for those interested in direct marketing and high-quality food production.

Among the producers with farming experience, the most common type was direct market horticulture (Table). Direct market horticulture, however, was not the sole prerequisite for CSA production. Over half (51) of the 94 respondents who had direct marketing experience also had experience with another of the farming categories listed.

Livestock production and non-horticulture crop production had been experienced by a quarter of respondents. Fruit and vegetable wholesale production and production of non-food crops were other categories in which respondents cited as having experience.

Table 15. CSA Contribution to Farm Income

Share of Farm Income				
<10% of Farm Income	10-24%	25-49%	50-74%	75-100% Farm Income
13%	14%	20%	23%	30%

Note: 150 CSAs responding

One survey question (Question 21) asked respondents to indicate “approximately how much of your farm income came from the CSA in 2008?” There were 150 responses to this question from those who had farm income from a CSA in 2008. Responses were split almost evenly between operators who counted the CSA as half or more of their farm income in 2008 and those whose CSA income contributed less than half of their farm income in 2008. The largest grouping was those respondents for whom the CSA contributed 75-100% of farm income (Table 15).

CSA Employees

Full-Time Employees

Horticulture production often relies on seasonal employees and 46% of the CSAs surveyed indicated they employed full-time seasonal employees. The number of full-time seasonal employees ranged from 1 to 15 workers. Since many CSAs offer internship programs, wage rates for full-time seasonal workers are difficult to determine.

Part-Time Employees

There were 61 respondents (30%) indicating that they had at least a part-time year-round employee for their CSA. Family members were included in this category. Almost half of the CSAs indicated they had part-time seasonal labor, with an average of 2.6 part-time seasonal employees across those responding.

Table 16. Average Number of Employees By CSA Member Size

Employee Type	< 25 Members	25-50 Members	Over 50 Members
Full-time year round	1.7	1.8	2.1
Full-time seasonal	1.3	2.1	3.3
Part-time year round	1.2	.9	1.9
Part-time seasonal	2.0	2.6	3.0

As should be expected, the average number of employees increased by the size of the CSA (Table 16). The greatest variability came in the number of full-time seasonal workers, with larger CSAs employing, on average, over three full-time seasonal laborers.

Conclusion

Community Supported Agriculture, which began as an ideologically-driven effort to connect customers with their food has matured into a widely utilized direct farm marketing method. The variety of CSA types, business strategies, and sizes within the nine-state area surveyed reveals much diversity among CSA operators. CSAs are clearly growing both in number and scale across the region. Although it is a relatively new business model, larger and experienced CSAs are adopting more complex business structures, selling a wider range of products, and diversifying market channel participation.

The CSA has emerged as one of multiple channels that horticultural producers can use to market their products directly. The growing number CSA operations indicates that the marketing method is definitely headed to the mainstream. CSA operations are closely linked to their end consumers and have leaned heavily on the latest marketing tools to maintain shareholder interaction. In the view of the producers surveyed, the success of a CSA appears to be tied more to the quality of both product and service, rather than just riding on the coattails of the locally grown food trend.

CSA operators and managers who are competing in areas where there are smaller CSAs must realize that smaller operators set share prices based on different values and financial standards than do larger CSAs (those over 25 members). While the CSA is an excellent entry-level marketing method for small farmers, learning to price according to costs, consumer willingness to pay, and financial management issues is critical for their long-term financial success.

Larger CSAs may also be able to differentiate their market basket/share and offer a greater variety of products so that their offering is distinct from smaller CSAs. Due to the continued demand for locally grown food reported in this survey, there appears to be room for continued differentiation and innovation among the cornucopia of CSA businesses that are emerging in the nine-state region studied.

NOTES

¹ “What is Community Supported Agriculture?” Robyn Van En Center for Community Supported Agriculture, <http://www.wilson.edu/wilson/asp/content.asp?id=1273>. Viewed 9 July 2009.

² *See e.g.* Erin Tegtmeier and Michael Duffy. “Community Supported Agriculture in the Midwest United States: A regional characterization,” (Leopold Center for Sustainable Agriculture, January 2005); Daniel Lass et al. “Community Supported Agriculture Entering the 21st Century: Results from the 2001 National Survey.” http://www.cias.wisc.edu/wp-content/uploads/2008/07/csa_survey_01.pdf

³ Oberholtzer, Lydia. “Community Supported Agriculture in the Mid-Atlantic Region: Results of a Shareholder Survey and Farmer Interviews.” http://www.smallfarmsuccess.info/CSA_Report.pdf

⁴ Jan Perez, Patricia Allen and Martha Brown. “Community Supported Agriculture on the Central Coast: The CSA Member Experience.” Center for Agroecology and Sustainable Food Systems (CASFS), University of California, 2003. <http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1002&context=casfs>

⁵ Kolodinsky, Jane M, Qingbin Wang and Leslie Pelch. “Community Supported Agriculture (CSA): A Hypothesis Test of Membership Activities and Utility.” 1999 Annual Meeting of the American Agricultural Economics Association (AAEA), Nashville, TN, August 8-11, 1999. <http://purl.umn.edu/21692>

⁶ Corry Bregendahl and Cornelia Flora. “Results from Iowa’s Collaborative CSA Member Survey.” <http://www.ncrcrd.iastate.edu/projects/csa/researchbrief-csamembersurvey-lowres.pdf>

⁷ *See* Lass et al.

⁸ *See* Tegtmeier and Duffy.

⁹ Lizio, Warren and Daniel A. Lass. “CSA 2001: An Evolving Platform for Ecological and Economical Agricultural Marketing and Production.” Department of Resource Economics, University of Massachusetts, August 2005. Northeast SARE Project #LNE00-136. http://www.nesawg.org/pdf/CSA_2001_report.pdf