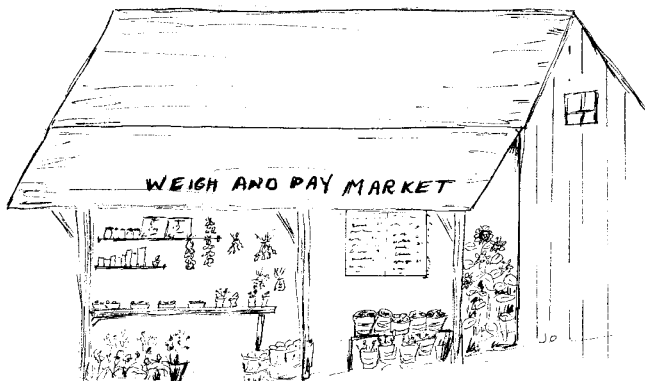


Chapter 6: Can Your CSA Share With Other Markets?

Mixed markets can add stability to the CSA farm. Most CSA growers have markets outside of their CSA shares. According to a 2001 nationwide CSA survey, only 16% of farms did *not* list a second outlet for their produce. But mixing markets adds a level of complexity to the operation. Can you be profitable without other markets? According to John Hendrickson (researcher at the University of Wisconsin), “the ‘CSA only’ farms involved in an economics study I directed between 2002 and 2004 were among the most profitable in terms of net cash income and profit margin.”

The logistics of handling crops for different markets is no small concern. (“*Whose kohlrabi is this today?*”) On the other hand, placing artificial limits on growing crops that the farm is good at may allow opportunities to improve the CSA – and the bottom line – to go by.

Farms and farmers are naturally better at growing some crops than others. While the value of a balanced diversity of crops to a CSA is well known, the complexity of this cropping scheme should not be underestimated. Most farms have soil dependent strengths - and grower aptitudes - that reward a grower's efforts differently from crop to crop. By letting eight or ten good crops excel beyond what the CSA needs, a grower could make a nice stand at a farmers' market. Or, with remarkably little oversight, an enterprise of one or a few crops can be managed by the grower with hired help for a wholesale market. A good deal of the ‘seconds’ can go to CSA members who already know that a crooked



bell pepper is just as good as a straight one.

The community you live in often dictates your options. For example, some rural areas are not familiar with the idea of CSA and if many people are also poor, CSA can be a tough sell. You may need to start small, say with the local grocery store or the nearest farmer's market. If you are new to farming, this is a good way to practice growing and lets the community become used to you and your produce. This makes it easier to sign up CSA members later.

Most growers that mix markets put the CSA first in line. “Because the CSA got us here and kept our heads on in tough times, we feed them first, even when it hurts,” according to Lee Arboreal (Eater's Guild Farm). Once your markets are mixed it can become difficult to separate what it takes to supply them. Your wholesale account needs produce every week lest you lose the business. Your CSA needs its consistent produce, too - but can take it differently and more flexibly. Farmers' markets and restaurants can go without with the least harm if need be.

CSA Only

Advantages

- Priorities are simple: divide the harvest by the number of shares
- No choices about how to divide time or where to allocate surpluses and shortfalls
- The budget is static and drawn up for farm viability, not by the changing market
- Economically insulated from some of the most discouraging risks of agriculture
- Pre-season income

Drawbacks

- Need to find ways to allocate surplus produce (food banks, samples to prospective members, etc)
- Shortfalls can be difficult to allocate
- Insulated from some of the economic dy-

namics that keep farms adaptive, flexible and efficient

- As local food systems redevelop and enliven, CSA's may begin to feel less 'fun' to members, with fewer choices than shopping at a great farmer's market or growing your own

Other Markets: Some General considerations

Advantages

- Spread income over whole year
- There is currently a considerable interest in all markets for local produce
- Margins may be higher in retail or restaurant sales than CSA

Drawbacks

- Infrastructure needs may increase: storage, refrigeration, scales (may need to be 'legal for trade') transport, packaging
- Organic certification may be required for markets beyond the closeness of a CSA
- Scheduling of harvests begins to get out of the grower's control
- Internal competition on your farm for a limited supply of produce
- Extra cash is addictive. You may start wanting more and so start growing more. It's easy to do too much and burn out

Farmer's Market

Advantages

- Can bring any variety or quantity of produce that is on hand

Community and Scale

Our 25 arable acres could serve 300 full shares or more if that was all we did. Beyond having trouble extending a sense of community to include so many (I do not recognize some of the 100 or so members we have now), it would feel like a single legged stool, however stout. With all of our investment at stake and buying a farm as first generation growers it lends security to be able to ask "Whose kohlrabi *can* this be?" even if it takes some soul-searching to answer it. — Lee Arboreal

- Farmer's market can be a drop-off site
- May be able to promote the CSA at the market

- Retail prices
- Ability to promote farm and products
- Little commitment necessary: you take produce when you have it
- Can be an enjoyable social time with customers and other vendors

Drawbacks

- Time involved in harvest and at the market can be considerable
- May have surplus produce to deal with
- Unless dispensing directly from a truck bed, may need tables, tent, and other display apparatus
- May be a long drive
- Best results come with some commitment. People begin looking for you and your particular produce
- Markets that are not "producer only" may have vendors selling out of wholesale trucks

Farm Stand

It is important that the market be accessible to the customers and it is best to be located a well-traveled road or near a population center. Customers must have a safe place to park and usually there should be some sort of structure where the produce is sold. Display tables, scales, and a place for money will be needed. Check to see if there are any zoning restrictions.

Advantages

- There is no on-site competition (as at farmers market), so retailing skills are not as critical
- No travel or packing to travel
- Market can be set up at farmer's convenience
- Customers build relationship with farm and farmer
- Opens opportunities for other activities such as tours or workshops

Drawbacks

- Must have a building or stand to display produce
- Strangers coming onto farm property
- Potential customers may show up when stand is not open
- Strong commitment to provide for customers. This can conflict with your CSA commitments
- Someone — you or employees — need to supervise the stand to avoid theft and offer the best service

Wholesale: Food Markets or Co-ops

Advantages

- Higher volume, pre-ordered and often at "catalogue" pricing for comparable produce (i.e. they will pay what they've been paying from their wholesaler)
- Small stores will often give good presentation to the farm's name and place in their merchandising
- These stores can handle sub-case quantities and often do not require new boxes or other wholesale standards that large retailers would
- When a crop comes on quickly, you can unload a lot at once

Drawbacks



From Multiple Markets to CSA Only

It has been four years in the making, but we have reached our goal this year of selling exclusively to our CSA members. We started out with farmers markets and after the first year added 25 CSA memberships each year. This was a good speed of growth for us, allowing us to grow as we felt more confident. The membership has been supportive and we have had a waiting list since our second season. We think that growing exclusively for CSA members is a great way to farm - no standing around at farmers markets, haggling over prices with wholesalers, etc. The commitment of the membership is high at our farm and I think part of that is a result of them knowing that they alone are supporting us. The farmers market always got our leftovers or extras after the shares were filled, which you have to do for the CSA but it isn't the best for the market shoppers. It always seemed like we were being pulled in opposite directions when we sold at farmers markets, so we're excited to just sell to the CSA from now on.

— Rebecca Graff, Fair Share Farm

- A buyer could see your CSA as competition with their small produce section and shy away
- Need to have large enough orders to warrant delivery
- Price lower than retail and usually not negotiable
- You are competing with food wholesalers
- Buyers can be capricious. When you have the produce, they may not want it

Wholesale: Chefs

Advantages

- Chefs tend to appreciate high quality, tasty food as much or more than price point
- Can often be flexible with deliveries from your farm when available, from other sources or the 'truck' when not. Loss of the account is a risk, though, if not consistent every week. Good communications with the chef are important!

Drawbacks

- Restaurants often have specific needs for particular quantities that may be difficult to manage
- Communication may need to be different for each restaurant and can be a challenge to maintain in the mutual busy season

Schools, Institutions

Advantages

- Potential for large volume sales of processing grade produce
- Produce sales may raise awareness on campus about local food systems

Drawbacks

- High organizational costs and upfront investment in getting the food service providers and farms to be able to integrate
- Insurance, pre-processing of produce and seasonality

New Markets for our "Best" Crops

An example of how some 'break-out' crops at Eater's Guild led us into new markets, CSA in tow, may give sense to the decisions involved. Bunching greens and grape tomatoes stood out early as marketable crops that we could grow efficiently enough to sell in wholesale quantity to regional markets. The salad mix, too, had obvious appeal and market demand locally beyond the CSA. So in a season or two, we got especially good at growing kale, collards, chard, spinach, mustards, little tomatoes and salad mix. To this day, these crops and now others with similar culture (mature lettuces, radishes, baby arugula) buoy all of our markets with the CSA never left wanting of them.

Every farm or market garden has been confronted with this opportunity. A reward of specialization is efficiency and we pursue *appropriate* specializations and efficiencies of scale. CSA has anchored us in appropriateness when entering new markets and scales of production. Keeping members' interests first, we expanded production of staple crops thereby reducing costs and growing the benefits of a share. To some degree because of this specialization, we have made improvements in the fussy crops like celery, fennel, onions and sweet corn. Each year we commit ourselves to improvement of these "CSA only" crops. •

