Title
Cooperatives and CSAs in Theory and Practice

Permalink
https://escholarship.org/uc/item/7hw4j19q

Publication Date
2003-06-01
TITLE: Cooperatives and CSAs in Theory and Practice

By

ELIZABETH ESPER
B.S. (Universidad de las Americas-Puebla) 2000

THESIS
Submitted in partial satisfaction of the requirements for the degree of

MASTER OF SCIENCE

in

Community Development

in the

OFFICE OF GRADUATE STUDIES

of the

UNIVERSITY OF CALIFORNIA

DAVIS

Approved:

committee in charge
2003
TABLE OF CONTENTS

Abstract

Introduction

II. General Considerations of Marketing Strategies and Community Development
   2.1 CSA
   2.2 Cooperatives

III. Linking Cooperatives and CSAs in Theory and Practice
   3.1 CSA Cooperative Model
   3.2 CSA Cooperative Model in Practice
       3.2.1 Four successful CSA Cooperatives in the U.S.
       3.2.2 “The Co-op”: a failed community development project

IV. Lessons Learned: Guidelines for Successful CSA Cooperatives
   4.1 Assumptions of Model
       4.1.1 Endogenous
       4.1.2 Exogenous
   4.2 Logic Model

V. Final Considerations

References
ABSTRACT

The weakening link between food consumption and agricultural production has stimulated concern about deteriorating agricultural practices, about the decline in small farm numbers, and about the ways in which the land is being used and its environmental consequences. This paper discusses how Community Supported Agriculture Cooperatives (CSA co-ops), as a strategy through which farmers and consumers become direct interactive agents, contribute to the creation and maintenance of locally based, sustainable food economies.

Definitions and general considerations of single-farm CSAs and agricultural cooperatives are examined setting the context for the theoretical and practical analyses of the CSA co-op model. Benefits and challenges that a cooperative structure brings to the traditional single-farm CSA model are examined from three different perspectives: that of farmers’, of consumers’, and the community. It is argued that CSA cooperatives can create new income for rural residents, new jobs in rural areas, expanded markets for small farmers, and consumer access to a healthy diet with new and diversified agricultural products grown with environmentally friendly techniques.

Five case studies are analyzed from which a logic model that identifies the main issues facing CSA cooperatives and how they can be addressed to increase the likelihood of success is derived.

Those looking for alternatives to the conventional food system might find in a CSA cooperative arrangement a match for their needs.
INTRODUCTION

Food provides more than bodily sustenance, it is imbedded in social interaction. Food consumption is central to bringing families and friends together around the table to celebrate events such as Christmas, Mother’s Day, weddings, and birthdays. Community gardens and harvest festivals make food production a social affair. However the link between food consumption and agricultural production is weakening.

This phenomenon has stimulated concern about this situation and its consequences, about deteriorating agricultural practices, and about the ways in which the land is being used and of its environmental impact. It is the purpose of this paper to create awareness of a direct marketing strategy that may be appealing to concerned farmers and consumers who believe in the need of creating locally based, self-reliant food economies and to those disenchanted with today’s highly impersonal and disconnected food production, food processing, and food distribution systems.

The model discussed in this paper links two common agricultural marketing strategies, CSA’s and cooperatives, into a single one, Community Supported Agriculture Cooperatives (CSA co-ops), which tightly links production and consumption behaviors. The concept is not new (there are a few CSA co-ops in the U.S.), however it hasn’t been studied deep enough to account for its advantages.

The focus on CSAs was chosen because of their capacity for linking consumers and farmers in a relationship through which the former reconnects with the land, becoming aware of the importance of agricultural systems and of taking care of the environment. This awareness makes consumers realize how important the existence of local farms is. The focus on agricultural cooperatives is useful because of their ability to promote the existence of small family farms by allowing them to compete in the market economy by making them
able to reduce costs through economies of scale. Co-op farmers are also capable of offering a wider variety of produce and at the same time reduce risks, which would be impossible for one single small farmer. The model proposed combines some of the benefits of CSAs and cooperatives and provides additional ones not only to the parties involved but also to the community as a whole.

By writing this paper the intention is not to revolutionize American agriculture or to offer a remedy to all agricultural marketing disparities. My purpose is threefold: to make the reader aware of a very efficient alternative by which small farmers can gain support for their farms by getting together with other farmers and establishing close relationships with consumers; to make the reader aware of how this marketing strategy may benefit not only farmers and consumers but communities as a whole, and; to give the reader a fair idea of what is involved in making such a system work.

The paper is targeted to small farmers looking for alternative ways of marketing their produce and activists working to revitalize rural communities. People interested in sustainability and social justice who are willing to do something about it may also find it useful. It should be noted that the analysis is based on the experience of U.S. farmers, consumers, and communities. Information sources for the analysis include personal interviews with single-farm and multi-farm CSA farmers, CSA subscribers, CSA professionals, and agricultural cooperative experts, all of them conducted between June 2002 and April 2003, and secondary sources of information such as books, newsletters, conference minutes, listserves, and webpages.

The structure of the document is as follows: the first chapter discusses the importance of supporting small family farms and provide general considerations on the two
marketing strategies being discussed: CSAs and cooperatives. These will set the context for the following chapter which proposes the fusion of CSAs and cooperatives into one single unit: CSA cooperatives. This is done in both theoretical and practical terms by presenting several case studies.

In chapter 3 a logic model is presented based on the lessons learned that people interested in forming their own CSA co-op might find useful. Finally, the last chapter presents final considerations including limitations of the analysis and recommendations.

II. **General Considerations of Marketing Strategies and Community Development**

In the increasingly impersonal and detached world of agribusiness and supermarkets it is not uncommon to find people completely unaware of rural issues, some people seem to unconsciously believe that food comes from factories. People are used to having access to cheap food sold at prices that do not represent the real cost. Less than half the price of the food actually reaches the farmer who grows it. This phenomenon has led to a decline in farm numbers, it has increased competition among farmers and has pressured them to expand their small farms in order to be able take advantage of economies of scale. According to CAFF (2002), “since 1981, more than 620,000 productive farms have disappeared, either bought by larger farms or "developed"”. The farm share of each dollar spent in food is only 20% while the market absorbs the rest (Elitzak 2000).

Agricultural depression is an integral part of poverty. The recent trends in agriculture have led to a depression of rural markets and to the loss of the provision of services such as health care and education, culminating with the deterioration of many rural communities (Brussell 1998).
Small family farms are locally owned businesses capable of creating jobs, keeping money flowing in the local economy and fostering local businesses’ prosperity that leads to better housing, health services, education and the overall infrastructure and economic development of rural areas (in McCauly 2002). In addition, they improve the access of a more nutritious, affordable diet for residents with produce usually grown in an environmentally sustainable way. Chism and Levins (1994) reported that “sustainable farmers spend more money locally than conventional farmers, including funds spent on local labor. The multiplier effect of this cash influx into the local economy helps create and maintain a more stable rural economy than one dependent on absentee farm owners or a few large-scale conventional farmers” (in Brussell 1998).

Goldschmidt (1946) conducted a study of the contrasts and similarities of two communities in the San Joaquin Valley in CA, one where agricultural operations were on a modest scale, the other where large factory-like techniques were practiced. Among his findings, which strongly support the belief that small farms provide the basis for a richer community life, are the following: people in the small-farm community had a better average standard of living than those living in the community of large-scale farms; over one-half the breadwinners in the small-farm town were independently employed businessmen, persons in white-collar employment, or farmers while in the large-farm community the proportion was less than one-fifth; less than one-third of the breadwinners in the small-farm community were agricultural wage laborers (characteristically land less, and with low and insecure income) while the proportion of persons in this position reached nearly two-thirds of all persons gainfully employed in the large-farm community; public services, such as paved streets and sewage and garbage disposal, were far greater in the small-farm town as was the number of schools, churches, parks and even newspapers; the
small-farm community had more than twice the number of organizations for civic improvement and social recreation than the large-farm town; and facilities for making decisions on community welfare through local popular elections were available to people in the small-farm community while in the large-farm one such decisions were in the hands of county officials (ibid.).

Because small family farms can revitalize rural communities in a social, economic, and environmentally sustainable way, it is very important that communities create strategies that guarantee that farmers keep a greater share of the value added to their products and don’t go bankrupt. For Brussell (1998), the only way to achieve this is by “re-personalizing the relationships between farmers and consumers” who will be willing to pay more for their food once they understand how the farm system works. And not only would they be willing to pay more, by reconnecting with the land they will be able to understand the importance of caring for our environment, of taking care of our forests, rain forests, animals, watersheds, and all natural resources.

In sum, communities today would highly benefit from finding effective ways of promoting small family farms. The reestablishment of the lost link between consumers and farmers is a first step towards achieving this goal.
The remaining of this chapter is structured as follows: section 2.1 explains what community supported agriculture (CSA) is and analyzes it as a way to reestablish this lost link. Section 2.2 briefly describes and discusses agricultural cooperatives as an efficient strategy for supporting small farmers. This background information is needed to understand the CSA cooperative concept, and how and why it can be valuable to community food systems.

2.1 Community Supported Agriculture (CSA)
What is CSA

Community supported agriculture is a socioeconomic model that directly and closely links producers and consumers of food both in urban and rural settings. In a CSA, community members agree to share in the risk and benefits of the grower’s harvest by buying in advance a farmer’s produce for the entire season. In return, once or twice a week the farmer delivers a box of fresh produce to each of its subscribers and organizes on-farm social events for its members. A newsletter is usually included in the box, which includes information on the farms’ progress, crops, recipes, tips on how to handle produce, upcoming events, etc. In this sense, CSAs depend on and foster “a strong sense of community and cooperation, rather than rugged individualism” (Adam 2002).

CSAs are not the solution to all agricultural problems and they may not make either farmers or consumers rich. What CSAs do is help producers recuperate their market share and economic security, their ability to diversify their production and to maximize it without risking its quality by making it easy and attractive for the community to buy from local farms. In Bavermeister’s (1998:5) words: “If money is important to you, there are a lot better ways to get rich than actually working for a living. However, if a Right Livelihood is what matters to you there is no more righteous calling than growing good food for people.”

In a CSA arrangement, consumers not only gain very fresh food and some control over how it is produced but they also regain a sense of understanding and a connection to nature. CSAs offer both parties a lifestyle that allows them to be active in the preservation of the environment and to become sustainable food production advocates.

How CSA originated

A report from UC Cooperative Extension (1995) traces CSA’s origins to 1965 in Japan when the Seikatsu Club Consumers Cooperative was founded by 200 women seeking a
clean supply of milk. Some time later the business developed into a buying cooperative; the type of association that came to Europe in the mid-1970’s (Blake III 1994).

In the early 1980’s an American farmer named Jan Vandertuin was living in Switzerland and witnessed the birth of several CSAs. A few years later he came to the U.S. and adopted the model in Massachusetts at Robyn Van En’s farm. In 1986, Trauger Groh coordinated the start up of a second CSA (UC Cooperative Extension 1995). From then on CSAs have proliferated all across the U.S. Today there are 1000 of them (Hendrickson 1999) providing “thousands of people millions of dollars of fresh, high quality farm products every year” (UC Cooperative Extension 1995:1-4).

**Types of CSAs**

The form that a CSA takes varies depending on the needs of each community. The first model that appeared in the U.S. is known as a *participatory*, or *consumer-driven CSA*. In this consumer initiated CSA a group of people organizes, looks for land and hires a farmer to grow fruits and vegetables for them. The group decides what should be grown and participate in growing it, and manage the CSA.

Nowadays it is usually the farmer who reaches out to the community and initiates the formation of the CSA. This type of arrangement is known as a *subscription CSA*; the members’ role is strongly reduced, they usually only participate in special events organized by farmers at the farms. The farmer is the one in charge of running the CSA. According to Bavermeister (1998), this farmer-driven model is the most prevalent model on the West Coast. In his 1993 national CSA survey, Laird found that “farmers initiated 79 percent, farmers and consumers together 6 percent, and consumers alone 5 percent of CSAs” (in Henderson & Van En 1999:32). In either case consumers absorb in advance the costs of
production and may work a certain amount of hours per week in the farm. The produce is divided into shares and consumers pick it up, or growers deliver it weekly or bi-weekly.

There are multiple ways in which a CSA can be organized. “If there is a common understanding among people who have been involved with CSA, it is that there is no single formula. Each group that gets started has to assess its own goals, skills and resources, and then proceed from that point” (Groh and McFadden 1997:225). For example, the way a CSA is operated varies depending on its setting; urban, suburban and rural CSAs may use different techniques to work out their budgets depending on their clientele’s income, customs, food preferences, etc. Even though CSAs are usually targeted to middle and high-income families (Spatz 2003), some low-income community CSAs operate by exchanging services rather than money and by spreading over the growing season the up-front costs of membership. Charlestown Co-op Farm initiated another alternative to save subscribers some money. Because it is located in a suburban area it is not difficult for subscribers to go to the farm so "working shares" are offered that allow subscribers a discount of $5 off their share price for every hour they work. Approximately one quarter of the CSA’s subscribers use this option (Good 2002). Finally, Bolen and Hecht (2003) suggest the use of food stamps and WIC coupons as payment devices to make programs more accessible to low-income customers.

There are CSAs that not only serve individuals but also institutions. Lorand (in Cohn 1993) recalls a CSA in Amherst, Massachusetts that delivers only to restaurants, one in Albany, New York that serves a church kitchen, and another one in Indiana that works with nursing homes and small hospitals.

In most cases CSAs are not the only source of income for farmers. This is the case for Full Belly Farm in California whose produce is marketed through their CSA, through
farmers markets, and through retail and wholesale outlets (Redmond in Cohn 1993). Running a CSA gives small farmers the economy of scale advantage required to reduce costs to compete in the wholesale market, which otherwise wouldn’t be possible. It also forces them to provide their produce with the best quality and freshness because their close relationship with their CSA customers demands so. Nevertheless, Judith Redmond (2003) who has been running Full Belly Farm’s CSA for 12 years believes that a 100% CSA can support a very small farm. Having alternative markets is also beneficial for CSA members as it allows them to share less of the grower’s risk than if it sold exclusively to them; farmers can afford to ask members to pay for as little as one month in advance instead of the whole season and when in trouble, can shift some crops away from the market to the CSA.

There are different ways in which CSAs react when there is a crop loss, due to pests or weather, depending on how diversified their market is. In theory, in a 100% CSA farm consumers share the farmer’s risk, which may mean that they’ll be getting a smaller box of produce on a given week. However, most CSAs look for alternatives before reducing their members’ weekly share. Some shift crops away from their alternative markets, others purchase the missing crops from other farms. Whatever the case, if the trust that consumers have to their farmer is to be nurtured, they are and must always be informed about what is happening in the farm and where their food is coming from.

Experiences shared by CSAs indicate that usually subscribers are very supportive and understanding when there’s a need to reduce their share.1 Once, during a very cold spring, Steve Decater, from Live Power Farm, took some of his CSA members out for a

---

1 Subscribers’ support derives from trust. If for any reason this confidence is broken, not only would the CSA be loosing this one client but also prospective ones.
tour of the field and showed them how small the spinach was. According to him, people were completely supportive and only asked that he continued “to take care of the farm as best we could” (in Cohn 1993:20). Nevertheless, farmers usually look for strategies to minimize risks such as diversifying their produce by growing many different kinds of vegetables so the loss of any one crop won’t be too devastating. The risk is also minimized by producing varieties with longer storage life or offering processed foods, such as sun-dried tomatoes, that can be stored for emergencies.

**CSAs’ benefits**

Community develops within an individual CSA through the relationship that the farmer forms with its clients and the one between clients through participation in CSA activities, bumping into each other at distribution sites, etc. (Blake 1994). These relationships, as mentioned earlier, help sustain community’s small family farms.

Among the many reasons that consumers have to join a CSA are the following:

- They receive a steady supply of fresh organic vegetables and fruits. Their food is fresher than what they could get from the grocery stores: the average fresh produce in a grocery store is 7-14 days old and travels approximately 1,500 miles, which makes produce lose its nutrition and taste. Most CSAs deliver within 24 hours of picking, and use organic growing methods (CAFF 2002);

- They get a more diverse and varied supply of produce, including more than one type of a single vegetable or fruit (UC Cooperative Extension 1995:3), which adds new tastes to their diets;

- Consumers gain the satisfaction of knowing where their food comes from and “the longing that many Americans feel to live in the country” (Gibson in Cohn 1993:24);
They have more control over how their food is produced, regaining a sense of being connected to the land (UC Cooperative Extension 1995) which allows them to be able to “experience their food physically and emotionally” (Main 2003);

They learn that food sets the menu, they learn to plan meals around what is given by the earth every season of the year (from letter of a subscriber in Redmond in Cohn 1993:9); and

The CSA does the members’ shopping and menu planning for them. It is an excellent aspect for those who never have much free time (in Cohn 1993:21).

On the other hand, a farmer benefits from establishing a CSA because:

- The risk of low commodity prices is reduced (UC Cooperative Extension 1995);
- All the money that the customer pays goes to the farmer;
- Advance payment creates working capital at planting time so the farmer can purchase equipment and supplies as needed (Gibson in Cohn 1993:23);
- Knowing the consumers of their products makes farming much more satisfying: “We get a real kick out of knowing who’ll be enjoying the fruits of our labors. It makes raising crops a lot more sensible to know they will be enjoyed and appreciated” (Gibson in Cohn 1993:24);
- Farmers know how much and what to produce ahead of time (UC Cooperative Extension 1995);
- “With a ‘guaranteed market’ for their produce, farmers can invest their time in doing the best job they can rather than looking for buyers” (The Super Market Co-op 2002); and
Farmers that sometimes feel farm-bound and desire more people contact than farming usually allows benefit from a CSA by setting up visitors days and regularly on-farm social events (Gibson in Cohn 1993:24).  

**CSAs’ challenges**

As friendly as the CSA arrangement may seem, it also poses some special demands on farmers. For instance, they must be very good communicators (and writers when a newsletter is produced) to be able to maintain stable and sustainable relationships with members, especially when they are spread out. Determining the right combination of things to plant in order to be able to provide enough variety to subscribers every week is also not an easy task; farmers usually don’t specialize and diversity becomes an even bigger issue during the winter season (Redmond in Cohn 1993:8).

For Gibson, “one special challenge with CSAs is to educate consumers about the delight of eating in-season” (in Cohn 1993:24), although the quality and freshness of fresh-picked produce should be enough to make up for not being able to eat off season produce.

Management can also be challenging and time intensive. “It is quite a task keeping up with all the different varieties maturing and packing dozens of individual orders. You have to calculate yields, coordinate deliveries, and keep production and marketing records in much greater detail than with most other farming operations” (Gibson in Cohn 1993:24).

**Other observations**

Farmer markets are also a very good way of reestablishing the link between consumers and producers. Consumers who are interested in organic food, the environment, and in supporting local growers may find farmers’ markets as good an option as CSAs. For this reason it is worthwhile to evaluate the advantages that CSAs have over farmers’ markets and whether they represent a direct competition to CSAs and/or vice versa.
According to Feenstra (2003) and Redmond (in Cohn 1993) there is no such competition, on the contrary, both marketing strategies complement each other. Redmond says that Full Belly Farm CSA’s subscribers come to the farmers’ market a day prior to the delivery of their produce and ask farmers what would be included in their next day’s share because they want to get everything else that won’t be. Also during the cold and rainy seasons consumers may not frequent farmers’ markets so they rely exclusively on their CSA produce. This also benefits farmers because they can adjust their production to assure that nothing goes to waste during slow weeks at farmers’ markets and during the months when the market is not in operation.

However, there have been some cases in which CSAs have become the ruin of farmers’ markets or the other way around. Live Power Farm began as subsistence farmers selling at a farmers’ market in Covelo, a town of 2,000 people in Mendocino County, California. After twenty years they started a CSA involving many Waldorf School parents in the bay area. Because of its huge success, farmers Gloria and Stephen Decater decided to try to sell everything through the CSA. This was the end of the farmers’ market, which was one of the big social events of the week in Covelo and a gathering point for the community (Decater in Cohn 1993). Not all of their former clients joined the CSA (mainly elderly and single people) because the size of the shares were too big for their eating patterns.

Along the same lines Sarah Harrison, organizer of the Marblehead Eco-Farm’s CSA in Massachusetts, open since 1992, recognized that “with the advent of the farmers’ market and a new option for those seeking organic produce on a more selective basis, enrollment for 1998 dropped to 130 families,” 44 less than the previous year (in Henderson & Van En 1999:190).
With competition or without it, the weekly newsletters and the ability to contact the grower any day of the week, to visit the farm, and actually participate in the growing of the food is something that a farmers’ market can’t provide. For some growers CSAs may also represent a better alternative. According to Main (2003), of Good Humus Produce, having money up front at the beginning of the season allows them to focus on what’s important, growing food, instead of having to spend time and energy trying to figure out bank loans and other funding sources. She also notices that leftovers are highly reduced in a CSA compared with farmers’ markets where sales aren’t certain.

In sum, both CSAs and farmer markets have strengths and weaknesses and are direct market strategies that complement each other and reestablish the lost link between consumers and producers. Before presenting the CSA cooperative model, in the next section agricultural cooperatives are discussed as another strategy for supporting small farms.

### 2.3 Agricultural Cooperatives

*What are co-ops*

Cooperatives are democratically controlled businesses owned by a group of people with similar economic or social needs. Cooperative membership helps member-owners reach an objective that they cannot achieve on their own. The International Cooperative Alliance’s Statement on the Cooperative Identity claims that “a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise” (ICA 2002).

*Origin of co-ops*
People have been working together for their mutual benefit throughout history, however, the cooperative as a form of business organization began during the Industrial Revolution (CfC 2003). It was in the 19th century that the philosophy of the modern cooperative was popularized by the work of the British industrialist Robert Owen who argued that people could always live better and achieve more through cooperation than competition (CPC 2000). In 1844, his ideas were put into practice by a group of weavers from Rochdale, England who was “tired of oppressive working conditions and economic hardship. They pooled resources and set up a cooperative store to help each other, selling household goods and distributing the profit among themselves” (CPC 2000). The principles under which they operated were modified to apply to all cooperatives, and are still used today as a basis for developing and managing co-ops. This principles are modified and added to periodically by committees composed of cooperative leaders throughout the world. A summary of these principles is shown in Box 1.

In the U.S. co-ops were introduced in 1908 by the federal government as tools for economic development (NCRCD 1996). The focus at that time was the agricultural sector because of its dominant position in the rural economy (ibid.).

What are agricultural co-ops

Agricultural cooperatives help farmers gain market power through jointly marketing, bargaining, processing, and purchasing supplies and services; benefits are derived and distributed equitably on the basis of use to cooperative members (CfC 2003). As any other cooperative, agricultural co-ops are owned and controlled by members (farmers) and are

---

2 Members of the Network of Centers for Rural Cooperative Development believe that this approach, in terms of sustainability, was and is a success: “In 1994, the top 100 agriculture cooperatives generated $57.6 billion in revenues. Farmers scattered across rural routes are co-owners of Fortune 500 companies that are multistate, horizontally and vertically integrated, and global competitors” (NCRCD 1996:36).
designed to provide benefits to them as users, not as investors. Members usually elect a
board of directors who is in charge of policy and decision-making, and of hiring/electing
and supervising a manager who runs the day-to-day operations.

*Types of agricultural co-ops*

There are 3 main types of agricultural cooperatives (CfC 2003):

- Marketing co-ops assemble, pack, process, and sell members’ products;
- Supply cooperatives make large-scale purchases of products and services for their
  members; and
- Service cooperatives provide specialized services to members (e.g. dairy herd
  management and horticultural advice), which are usually very expensive for an
  individual farmer to obtain.

Agricultural co-ops have been part of U.S. agriculture for more than a century and
are present in nearly every sector of the industry. Today, there are more than 4,000
agricultural cooperatives in the U.S., with a total net income of nearly $2 billion and net
business volume of more than $89 billion (CfC 2003).

*Co-ops’ benefits*

By understanding that by working together community residents can create their own
solutions to meet mutual needs, development is no longer seen as something done to or for
them and rather becomes a community affair. Through a cooperative arrangement small
family farms that once felt isolated, powerless and disenfranchised become empowered to
compete in the challenging new economy.
Small farmers organize into co-ops on the basis of mutual benefit and self-help. They strengthen local economies by retaining and reinvesting their capital within the community (including tax payments), and by fostering the creation of other local businesses and jobs. Agricultural co-ops also provide residents with a broader variety of goods and services and contribute to the reduction of out-migration. Because of the principles they are based on, cooperatives often support community projects and are also less likely to make decisions which negatively affect their community (Webb 1987).

Small farmers derive many benefits from joining/forming an agricultural cooperative. Some of these benefits are:

- Income is increased through the access to new markets, by allowing them to take advantages of economies of scale thus better positioning their products in the market, and by increasing their purchasing power and reducing their costs;
- Farmers are able to focus on farming and leave the administrative part of the business to the co-op;
- Experience sharing among members allows farmers to exchange ideas and improve production in terms of quality and quantity; and
- It makes more services available to farmers (i.e. training and technical assistance).

Co-ops' challenges

Even though cooperatives have many positive characteristics they also have weaknesses. There are two main challenges that co-ops need to overcome. One is to maintain healthy relationships and effective communication among members, which is not always easy. The second is finding and maintaining the right person in charge of management. The manager needs to have certain characteristics that allow him/her to successfully perform assigned
duties and at the same time have positive communication skills necessary to deal with the
many members of the cooperative.

In addition, contemporary agricultural cooperatives are finding it hard to influence
the market and their bargaining strength is being diminished as a result of dominant firms'
(such as Wal-Mart) implementation of supply chain management techniques that pressure
suppliers to provide quality products at the lowest possible price, when and where the buyer
wants it (Dunn, et. al. 2003).

To this point the discussion of cooperatives and CSA models have focused on models
specific to either CSAs or co-ops. CSAs are successful in bringing many consumers
together to support one single small farmer. Agricultural cooperatives also support small
farms but by bringing many farmers together. CSA cooperatives bring many small farmers
and many consumers together into one single community. In the following chapter the
combination of CSAs and cooperatives is discussed. The discussion evaluates the CSA
cooperative as an effective mechanism for supporting small family farms and benefiting
communities.

III. **Linking CSAs and Cooperatives in Theory and Practice.**

This chapter explores different strategies for linking CSAs and cooperatives as an
alternative community food system. The first section (3.1) explains what CSA Co-ops are
and how they work and analyzes their impact in community development. In section 3.2
four case studies are presented and a fifth one, relevant to community development
practitioners, is discussed in more detail.
3.1 CSAs and Co-ops in Theory

The idea of combining CSAs and cooperatives into one single marketing approach has proven successful in some parts of the U.S. These joint ventures not only enjoy the benefits that CSAs and co-ops have individually, but they can enhance the benefits for farmers, consumers, and communities because some of the challenges faced by each approach are diminished and/or balanced out by the joint structure. For example, being able to grow enough varieties to satisfy the needs and preferences of CSA’s members is a challenge that not all farmers are able to meet. However, for cooperatives diversification usually doesn’t represent a challenge. On the other hand, many agricultural cooperatives struggle for resources at the beginning of each season but CSAs receive payments in advance.

“Once a solid group of farms has formed...the possibilities for additional cooperation – joint purchases, sharing equipment, developing other markets- are limitless. Networks of small and medium-sized farms...can become the backbone of a sustainable local economy” (Henderson & Van En 1999:185). Joint ventures empower small farmers, represent community involvement and participation, and reinforce the formation of social capital at the same time that they foster environmental awareness and sustainability.

CSA Co-ops and Community Development

As displayed in Box 1, all cooperatives are organized around principles established by the International Cooperative Alliance. These principles are based on the values of “self-help, self-responsibility, democracy, equality, equity, and solidarity” (ICA 2002). The philosophy under which CSAs’ operate is consistent with community building, sharing responsibility, and respecting the land. A social and economic organization that is guided
by both philosophies can foster community empowerment and collective action, which can promote social change.

### BOX 1

**Cooperative Principles**

The seven cooperative principles are guidelines by which cooperatives put their values into practice.

1st: **Voluntary and Open Membership (all can participate)**

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2nd: **Democratic Member Control (empowerment)**

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3rd: **Member Economic Participation (empowerment/human capital)**

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4th: **Autonomy and Independence (leadership)**

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5th: **Education, Training, and Information (human capital)**

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders – about the nature and benefits of cooperation.

6th: **Cooperation Among Cooperatives (social capital)**

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7th: **Concern for Community (social capital)**

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.


The most important success of CSA cooperatives is building community among multiple farmers and multiple customers, which promotes to the sustainability of small
family farms. This networking of farmers and consumers who have a common interest in the land close to where they live and work creates and strengthens existing social capital, and promotes community involvement and participation in community issues.

Informal cooperation among single-CSAs in terms of produce exchange is very common. However, formalizing this cooperation can result in economic gains for farmers by allowing them to reach out to more customers, to be more attractive to agencies, non-profit organizations and institutions that provide resources to farmers (grants, donations, technical assistance), and would allow consistency and risk sharing among farmers.

There are several ways in which farmers can link the two discussed marketing strategies. The following sections discuss two strategies: the Partial CSA Cooperative and the Whole CSA Cooperative. These models are both ends of the spectrum of possibilities but there are many combinations in-between. The model that best fits each farmer’s needs depends on their specific characteristics including what the farmer expects to get out of the venture, how farmers want to manage the farm, farmer experience, and of the resources available.

3.1.1 Whole CSA Cooperatives

The whole CSA co-op model replicates the single-farm CSA but unifies a group of farmers. Farmer members coordinate who grows what and in what amounts and coordinate a harvesting plan, subscription prices, farmer’s payments, and set quality standards, among other things. Farmers jointly coordinate how to manage drop off sites; some take turns on distribution, others assign a certain drop off site to each farmer, etc. It is usually a third party manager (or an elected farmer) hired by the farmers who is in charge of running the CSA, coordinating production, and paying farmers.
Whole CSA co-ops communicate with consumers in the same way as the single-farm CSAs: through newsletters, special on-farm events, drop off sites, etc. In the cooperative, the newsletter is the means to introducing each farmer to customers; articles usually include family stories, pictures of the farms, and invitations to visit farms. Most CSAs co-ops even include daily recipes using the ingredients of the week’s share and tips on how to handle the produce.

The benefits that a cooperative structure brings to a CSA are shown in Table 1. The first column shows how farmers, consumers, and the community benefit from single-farm CSAs. Column two presents the additional benefits each gains from a whole CSA cooperative arrangement.

In addition to its many advantages, a whole CSA co-op may represent additional challenges that make some farmers prefer to stick with their own capabilities and base their CSA on their restrictions (e.g. a farmer may not want to risk the tight personal relationship with subscribers) and co-ops to choose not to become involved in CSAs (farmers not interested in socializing with consumers). However, very small farmers who don’t already have established direct marketing strategies and with not extensive experience in farming may find this model appealing.

3.1.2 Partial CSA cooperatives

A partial CSA cooperative is an organization formed by a group of farmers that are already successfully marketing their produce either through a CSA or any other direct marketing strategy. In this type of joint venture farmers get together not to market their produce but to share administrative costs.
Table 1. Benefits to single-farm CSAs from a cooperative structure

<table>
<thead>
<tr>
<th>Benefits for:</th>
<th>Single-farm CSAs</th>
<th>Whole CSA co-ops</th>
<th>Partial CSA co-ops</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FARMERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- working capital at planting time</td>
<td>- smaller farms, those with specialty crops, and non-experienced farmers are able to participate in CSAs</td>
<td>- increased time available for marketing and farming and less time spent in managerial issues</td>
<td></td>
</tr>
<tr>
<td>- increased income</td>
<td>- experience and resource sharing (learn from each other)</td>
<td>- reduced administrative costs</td>
<td></td>
</tr>
<tr>
<td>- guaranteed market</td>
<td>- branding of their produce, which attracts more clientele</td>
<td>- access to new markets, which means increased income</td>
<td></td>
</tr>
<tr>
<td>- reduced risk of low commodity prices</td>
<td>- access to new markets, which means increased income</td>
<td>- focus more on farming and less on managerial issues</td>
<td></td>
</tr>
<tr>
<td>- direct contact with consumers</td>
<td>- increased resource availability</td>
<td>- increased resource availability</td>
<td></td>
</tr>
<tr>
<td><strong>CONSUMERS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- connection to the land</td>
<td>- share less risk with farmers (they share it among themselves)</td>
<td>- farmers able to spend more time caring for consumers</td>
<td></td>
</tr>
<tr>
<td>- control of how their food is grown</td>
<td>- greater variety of goods and services</td>
<td>- share less risk with farmers (they share it among themselves)</td>
<td></td>
</tr>
<tr>
<td>- shopping and menu planning made for them</td>
<td>- healthy diet</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- healthy diet</td>
<td>- satisfaction of supporting local farmers</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- satisfaction of supporting local farmers</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>COMMUNITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- sustainability of small family farm and the benefits this represents (e.g. strengthen local economy)</td>
<td>- sustainability of small family farm and the benefits this represents (strengthen local economy)</td>
<td>- sustainability of small family farm and the benefits this represents (strengthen local economy)</td>
<td></td>
</tr>
<tr>
<td>- increased social capital</td>
<td>- job creation</td>
<td>- increased social capital</td>
<td></td>
</tr>
<tr>
<td>- job creation</td>
<td></td>
<td>- job creation</td>
<td></td>
</tr>
</tbody>
</table>
Each farm has its own single-farm CSA, its own clients, and provides them with its produce at its selected distribution sites, which may or may not be the same as other co-op farmers. What these farmers have in common is the provision of services and the sharing of information and resources. In other words, farmers share managerial tasks such as advertising, bookkeeping, a central number line, printing, transportation (jointly own a vehicle), organic certification, and customer billing, among others. In this model farmers hire a co-op manager who is in charge of the joint part of their business but who won't interfere with production. Production issues are addressed by each farmer individually.

The benefits that a partial CSA cooperative model adds to single-farm CSAs are shown in Table 1, Column 3. The main advantage of this model is that it is less invasive than the former so growers are able to maintain their identity and a deeper bond with their customers. In addition, the coordination required among farmers in a partial CSA co-op is less than that of the whole model.

The following section shares some successful CSA cooperative stories, each of them with a different degree of cooperative integration and located in a different region of the U.S. It should be noticed that existing pure partial CSA cooperatives could not be identified.

3.2 CSAs and Cooperatives in Practice

There are not as many CSA cooperatives as single-farm CSAs in the U.S. According to Main (2003), Good Humus Produce owner and farmer, one of the reasons for this is that the U.S.’ culture is based on individualistic behavior, that it is “culturally not cooperative”. She contrasted CSAs in the U.S. with those in Japan, most of which are cooperatives. She attributes their success to the Japanese culture.
Spatz (2003) agrees that most small farmers interested in CSAs want to be independent and keep their farm’s identity but gives two more reasons to why there are so few CSA co-ops in the U.S.: 1) there is a misperception that cooperatives are designed for big farmers only, and 2) farmers’ lack of information about CSA co-ops and their potential to benefit them.

Nevertheless, there are several CSA co-ops throughout the nation. The next section (3.2.1) briefly describes 4 successful ones with different levels of cooperative integration. Section 3.2.2 illustrates the adoption of a whole CSA co-op structure by a group of farmers on the West Coast. This case study may be of special interest to community development practitioners because of the extraordinary way by which it was organized which involved many community members.

3.2.1 Four successful CSA Cooperatives

Rolling Prairie Farmer’s Alliance, Kansas

Rolling Prairie Farmer’s Alliance is a 9 farmer-member produce subscription cooperative in Lawrence, Kansas. It currently has approximately 300 subscribers and 4 delivery sites; in 3 of them farmers have established weekly deliveries and in the other one biweekly.

The CSA is open seasonally; from early May through end of October. Farmers grow a wide range of vegetables and fruits and provide at least 6 to 8 items per customer every week. They usually have potatoes, onions and peppers and then customers choose the rest form several options like garlic and/or greens.
In an interview (2002) Stu Shafer, a farmer member, explained to me how farmers have managed to keep their CSA successfully operating since its opening in 1994. He stresses the importance of hiring a (or choosing a farmer-member) reliable and efficient production coordinator who all farmers trust. Each week the production coordinator takes estimates from each grower of what crops will be available and then calculates the value of each item in the basket. The value estimation is based on the product's retail price. Rolling Prairie feels they are selling a retail commodity and pays attention to the way the items are presented in the basket, how clean they are, etc. By having the production coordinator estimate the value of each item in the basket the co-op keeps track of how much each grower contributes to the business, that is, if a grower's crop is valued at $3 at the end he/she will receive $3 for every item sold.

One of the co-op’s delivery sites is a local natural foods cooperative store. In this site subscribers are asked to assemble their own shares from the displayed produce instead of just picking up their bags. The site manager is in charge of putting up signs so that people know how much of each item they can take. This delivery arrangement has proven to benefit both co-ops: the CSA brings in new members to the store and many subscribers do other shopping when they come to pick up their shares, and the CSA is able not only to provide recipes in their weekly newsletter but also prepare them in the deli’s store.

Subscribers are charged an initial deposit and are then charged on a monthly basis. The deposit is a protection for the co-op if one of the subscribers stops coming, and covers administrative and delivery costs. Usually at the end of the season customers get back part of their deposit. Stu explained that the co-op doesn't need to have a huge amount of money available at the beginning of the season, as other CSA's do where risk sharing with
customers is a premise, because each grower acts like an independent contractor, that is, each covers his/her own costs and then gets reimbursed.

Being a farmer of a CSA cooperative is not easy. One of the main challenges Stu Shafer has confronted is working with other people in a cooperative fashion, especially given the individualistic attitude embedded in the modern day American society. Stu warns about the risks of having farmers concerned that other members of the group get a better deal than they do; “such suspicions tend to minimize the kind of sacrifice and the voluntary spirit that are important for co-ops to work at their best. Personality issues can become really sharp and lead to splits in the group” (Shafer 2003). Nevertheless, he strongly believes that a CSA cooperative is a promising form of business. In his words: “All in all, the benefits of the coop well outweigh the problems. If it weren’t for the cooperative structure I might not be doing a CSA” (ibid.).

**Maryland Certified Organic Growers Co-op, Maryland**

Maryland Certified Organic Growers Co-op is 13 farmer-member CSA co-op has been running for 4 years and currently has 85 subscribers. Sunny Wainwright (2002), a co-op farm-member, explains that each week or every other week the farmers get together to see what they will have available and plan the content of the shares. There must be a minimum of 7 different items each week. The price of the share is based on the market retail price of the commodities (approximately $20/week) and customers are also charged $2.50 every week for packaging and handling. They don’t offer half shares as other CSAs do because “for $10 a week,” Sunny argues, “you can’t offer a good deal to customers.” What her co-op does is match customers that want half shares and have each one come to the farm every
other week. Farmers get paid every two weeks for their produce; they get the retail price less 20%, which goes to cover the co-op expenses (i.e. purchase paper bags, advertising).

The Maryland Certified Organic Growers Co-op doesn’t deliver; clients come to the farm every week to pick up their shares. These shares are a “surprise package” because clients don’t know what they will get but trust the farmers that their expectations will be met. For Sunny, it is helpful not to tell them what would be included in next week’s share to avoid the risk of letting them down if the co-op for some reason can’t provide the promised commodity.

Advertisement techniques are a priority for this CSA co-op as 75% of their clients are new every year. Sunny attributes this to the fact that people get tired of having to drive to the farm to pick up their shares every week. For this reason the co-op has established several advertisement techniques to recruit new subscribers: brochures, local talk shows, word of mouth, and newspaper articles, all of which mention that the CSA is certified organic, that it guarantees a “48 hours turn around from the ground to the table,” and that it is a co-op and the benefits this represents for customers (i.e. guarantees produce diversification). Sunny also notes that her co-op has established a requirement that every farmer-member has to at least get a certain number of clients to be part of the CSA.

Pike’s Place Market, Seattle

Several years ago, farmers who sell in this Seattle market were experiencing some business difficulty and came to the idea of forming a CSA to increase sales. They hired a manager

3 Other reasons that subscribers may have to drop out of a CSA are: they move, they have a new baby or other lifestyle changes that makes them too busy to cook, they go to farmers’ markets in search of more diversity, or a CSA just doesn’t work for them (Redmond 2003).
and used the market’s infrastructure to minimize costs. There are four main farmer-members in this co-op that act as core suppliers. However, the manager purchases some items from over two dozen eastern and western Washington farms to maximize diversity and minimize seasonal risks (http://www.pikeplacemarket.org/shop/produce/csa/).

Currently this CSA delivers to about a dozen different sites three times a week and has a basket pick up stand at the Market. Their approximately 750 subscribers are asked to pay in advance for the 20 weeks of the season ($505), which begins mid-June and ends late October. The main means of communication with subscribers is through their newsletter and by email.

Karrie Stevens, Sacramento Valley Regional Coordinator for the Davis-based Community Alliance with Family Farmers, worked for Pike’s Place Market’s CSA in Seattle; she was in charge of coordinating and expanding their CSA. Karrie (2002) recalls how she organized the farmer’s contributions to the weekly share: she first asked them to estimate what, when, and how much produce they expected to have available for the season. Based on these expectations, Karrie then formulated a contract for every member which specified what would be required from individual farmers each week of the season. When doing these farmers contracts, she made sure that all were obtaining equal profits for the entire season.

Karrie explained that the CSA sells at 20% below the market value, which is less than retail prices but higher than wholesale. According to her, the co-op didn’t follow a specific methodology when deciding this percentage; it was guided by an appreciation of the market (“a feeling”). Farmers are paid retail prices minus a ten percent discount, a small part of which was paid in advance and the rest on delivery.
Organic Kentucky Producers Association (OKPA), Kentucky

The OKPA is a partnership of two farms located in King's Mountain, Kentucky (Jenkins 2003). Most of their subscribers, known as “Buying Club Members”, are upper class doctors, lawyers and professionals who are charged in advance a price based on retail prices and makes home deliveries for an extra charge (Henderson & Van En 1999:187). Throughout their 24 week season (May-October) two share plans are offered depending on their content, and half shares are also available ([http://www.localharvest.org/farms/M131](http://www.localharvest.org/farms/M131)).

As in Rolling Prairies’ case, farmers get together to decide on crops, a manager designs the weekly shares and coordinates growers. However, in this case, each farmer is responsible for its own quality, although the manager is the one who has the final word on what is and what isn’t included in the shares (Henderson & Van En 1999:187).

When asked about the main challenge he had faced as a CSA partner, Lawrence Jenkins said "the difficulty of finding farmers interested in making the consumer their first priority." This might explain why the two farms have been unable to attract additional members.

3.2.2 “The Co-op”: a failed community development project

In the late 1990’s a group of 11 former farm workers from the West Coast got together and organized what in this section is referred to as “The Co-op.” This agricultural cooperative is located on a thirty acre farm currently leased by farmers. Since its incorporation, members farm as individuals and pay taxes on their individual incomes but market their crops as a
group. The Co-op is a fascinating case study because it illustrates how a group of concerned citizens got involved with the cooperative to help them launch a CSA pilot program.

The Pilot Program

The Co-op sells to wholesalers, retail grocery stores, and to restaurants through a local organization that links chefs and other buyers to growers in a virtual farmers’ markets. The cooperative also sells directly through farmers’ markets. Several of The Co-op’s farmers already had individually established CSAs but didn't have the capacity to increase consumer membership. The idea of starting a co-op CSA program in order to reach a broader public, suggested by a community member close to the growers, led to the launching of a pilot project that lasted from June through late October of 2002. A business consultant, paid by a religious organization, was hired to complete a business analysis and to design the co-op’s project; individually run CSAs were not included in the new cooperative business plan. With the consultant’s help and the assistance of a local church, The Co-op was able to start their new venture.

From the beginning the consultant had a very clear idea of what he wanted for the CSA. He believed that small CSAs were neither profitable nor sustainable in the long run so he aspired to recruit 500 consumer members. Through a local newspaper article and church, the CSA started with 40 subscribers, none of whom were clients of the independent CSAs. A volunteer\(^4\) undertook an active grassroots recruitment campaign and was the intermediary and only means of communication between growers and consumers. Through these efforts, a total of 150 subscribers were recruited for The Co-op’s pilot program.

\(^4\) The volunteer received a 10% commission on all CSA sales.
Assisted by “religious committees”, parish organizations who took The Co-op’s project as a social justice cause, two distribution sites were established; by the end of the season 4 more sites were established. These religious committees aided the volunteer in recruiting members, coordinated drop-off sites, and helped track customers’ payments.

The program’s share prices were based on an educated guess; a perception of what the market would bare taking into account what successful and non-successful near by CSAs were charging. The Co-op’s business consultant thought that people would pay $23 for the weekly share without complaining and expected that, after a year or so, farmers would be able to increase the price.

With regards to profit distribution, farmers received the market retail value of the produce each contributed to the weekly shares minus a portion that was reinvested in the cooperative. The Co-op manager (who was also a farmer) was in charge of keeping track each farmers’ contributions to the CSA. He also worked with the volunteer in the coordination of all CSA’s activities.

Even though finding appropriate distribution sites, establishing adequate prices and even recruiting members is not easy, for farmers the main challenge was adapting to the special requirements that the CSA brought to the business and meeting the promises made to consumer members. For instance, a harvesting plan wasn’t developed so frequently faced the problem of having too much of the same crop and too little of others. This was exacerbated by the consumer membership promise that each bag was supposed to contain at least 12 different varieties of produce. Farmers also had a hard time coordinating the assembling of the bags; each farmer washed their produce before taking it to the assembling site, where bags were put together voluntarily by one of the members. However, there were times when no one volunteered and someone had to be temporarily hired to do the job. This
represented extra expenses, delayed deliveries, and caused misunderstandings and conflict among farmers.

Timely delivery of the produce also represented a significant challenge for The Co-op. The lack of a refrigerated truck combined with the high summer temperatures caused farmers to lose entire shipments and poor coordination among farmers only added difficulty to the task.

Evidence gained from interviews\(^5\) with some of The Co-op’s farmers, its manager, and the consultant revealed that the cooperative’s main challenge was communication and coordination among farmers. It was evident that everyone, including the manager and the business consultant, had a different idea of how a CSA cooperative is supposed to work and what to expect from it. There was mistrust surrounding how the business was being run. Farmers questioned the impartiality of the manager in evaluating farmers’ contributions to the weekly share.

The co-op was also having trouble keeping up with the demands of one of their other clients (not related to the CSA) who decided not to do business with The Co-op anymore and to deal directly with each farmer instead. The client was frustrated with delayed deliveries and the uncertainty of produce availability.

**Current situation**

By October, farmers recognized that there were many faults with their pilot program that needed to be addressed if they wanted their CSA (to be re-launched in June, 2003) to succeed. Since then The Co-op has been going through some organizational changes. The

---

\(^5\) A growers meeting was observed and interviews conducted in August, 2002 and February 2003.
manager decided to leave the cooperative, as did 3 other farmers. The remaining farmers have decided to create two different manager positions, one to run the CSA and one in charge of The Co-op’s other activities.

In January 2003, farmers attended a workshop on how to improve their relationships and deal with problems in a healthy manner and follow-up sessions are scheduled to happen in spring. Farmers have also scheduled 6 training sessions on business and risk management.

The volunteer will contribute services to The Co-op’s by working on consumer member recruitment and CSA coordination. However, when the number of subscribers reaches 250 the cooperative plans to find additional help. The religious committees who participated in the pilot program are once again going to be involved in the distribution sites and the co-op’s business consultant plans to approach higher church authorities to explore the possibility of expanding the number of religious committees involved to at least 15.

Finally, The Co-op recently acquired a refrigerated truck and has implemented a rotation system in which farmers take turns assembling the bags and a member, who has truck-driving experience, will deliver the produce to each site. The co-op is also planning to expand its direct market customers to institutions in San Francisco with twice a week deliveries. In addition, share prices are planned to increase from $23 to $25 or $26.

From its conception and throughout its development process the CSA pilot program had significant faults that can be summarized in one phrase: development was done TO the cooperative and not WITH it. Farmers were too distant from the entire program development process. A consultant with little knowledge about CSAs and who barley knew the farmers conducted a business analysis and designed the project. The resulting plan was
one that didn’t reflect farmers’ interests, needs, and resources. In no moment did growers become active agents and fully embraced their own project, leaving it on the hands of well intentioned outsiders: volunteers, local church, religious committees, and consultant.

Before the CSA program idea was even conceived, farmers already had enough issues to deal with and starting a new venture was not the answer. Farmers didn’t get along and personal issues usually became co-op problems. Mistrust, suspicion of betrayal, and lack of communication impeded farmers to efficiently coordinate and run their business.

No matter how good the intentions of the volunteers were, the only way to make any CSA cooperative program work is by having farmers in charge. As in any other community development strategy, the involvement and participation of the target population is necessary, although not sufficient, for its success.

**Summary**

The five case studies presented here illustrate the diversity of potential CSA cooperative arrangements. For instance, there is no correlation between the number of farmers serving the co-op and its number of subscribers (e.g. Rolling Prairie has 9 farmers and 300 subscribers while Maryland Certified Organic Growers has 13 and 85, respectively). There does not seem to be an optimal CSA co-op size: any combination of farmers and subscribers can be successful subject to the farmers’ capacity and resources. The same can be said about the number of delivery sites, which vary widely in the cases presented from none to more than a dozen. Payment policies also seem to vary widely from charging up front for the whole season, to charging a deposit and weekly payments, to weekly payments with no deposit.
Nevertheless there are two relevant characteristics found in all case studies (except for “The Co-op”). The first one is their reliance on a CSA manager. A key aspect for the success of a CSA cooperative is having a CSA manager who is trusted and respected by all farmers and who values and respects all farmers in the same way (refer to Section 4.2 for a detailed description of the CSA manager’s role). The second characteristic is the average number of items in their shares. Subscribers for the CSA cooperatives described (as well as for single-farm CSAs) are satisfied if they get 6 to 8 different type of produce every week.

Because of the flexibility and diversity of a CSA cooperative arrangement, before joining or starting a CSA co-op, farmers must be very clear on what arrangement or level of integration is more beneficial for them given their resources and restrictions. “The Co-op’s” pilot project shows the many issues farmers have to deal with in order to have successful CSA cooperatives and the other cases presented show that it is possible. The following chapter presents the main lessons learned from this analysis hoping that it helps make the CSA co-op development process easier, more enjoyable and efficient for those considering it.

IV. Lessons Learned: Guidelines for Successful CSA Cooperatives

A logic model shows what a program will be and will do by summarizing its key elements. Logic models explain the rationale behind program activities, clarify the differences between activities and intended outcomes of the program, show the cause-and-effect relationships between them, and provide the opportunity for stakeholders to discuss the program and agree upon its description (Porteous et. al. 2003). It is common to see these
models utilized for evaluation purposes, however they are also useful in depicting program action as part of the program development process (UW-Extension 2002).

Logic models help analyze how to achieve needed change. For the food production issues discussed in this paper this would be to change the current marketing strategies of small family farms. This chapter presents a logic model with the intention of identifying the main issues facing CSA cooperatives and how they can be addressed to increase the likelihood of success. The model is not intended to be a step by step guideline on how to start a CSA co-op, it is only provided to give the reader a perspective on the kind of organizational activities a CSA co-op engages in. The model is based on the experiences gleaned from existing CSAs, agricultural cooperatives, and CSA cooperatives. The model was developed for a whole CSA cooperative, however it can also be applied to less integrated ventures by focusing only on the activities being shared.

The chapter is divided in two sections. The first one (4.1) provides some general assumptions and the basis for successful CSA co-ops. In the following section (4.2) the model and a description of the main issues are specified. Additional information and resources for how to start and run a CSA co-op can be found on Appendix I.

### 4.1 Model Assumptions

The following are some assumptions that need to be in place in order for the venture to be successful; the risk of not being successful increases if one or more of them are not in place. For analytical purposes assumptions are divided in two groups, endogenous and exogenous. Both groups are equally important but its division makes them easier to understand and abstract from reality.
4.1.1 **Endogenous Assumptions (controlled by farmers)**

- Members get along and are willing to coordinate their activities. Experiences shared by existing CSA co-ops demonstrate the relevance of this assumption; in the words of an interviewed farmer: “I like working with some members of the group a lot; others I would probably choose not to work with if they weren’t already part of the coop. This is an issue in our farmer group, and has already led to some dissension and temporary changes in membership. It may cause more changes in the future.”

- All farmers understand and support the basic principles and values of cooperation and always have in mind the main purpose of co-ops: to serve its farmer members as users and not as investors.

- Cooperative members share a clear common understanding about the purpose and expectations of their involvement with the co-op.

- The cooperative as a clear organizational structure with clearly defined roles for members, management and subscribers and this is supported by all members.

- There is a shared understanding and support for processes including decision making (consensus, majority, one-person one vote), how meetings take place (environment, discussions, time limits, minute taking, mailing agendas before each meeting...), how problems are dealt with (where, when and how are problems brought to discussion), and how and who is in charge of communication with subscribers (who writes/edits the newsletter, who develops subscribers’ outreach programs...).\(^6\)

---

\(^6\) In the case of partial CSA cooperatives, farmers should be clear about how they would share the market (how competition among CSAs participating in the co-op is going to be handled).
Farmers are willing to invest in themselves and are interested in developing “participatory, literacy and financial skills which become the building blocks for ownership” (NCRCD 1996).

- There is a long term commitment among farmers (Feenstra 2003).
- Farmers have good rapport with subscribers and feel comfortable with talking and listen to their subscribers; they are happy to open their doors to them and are interested in establishing more personal relationships with them.
- There is sufficient start-up and operating capital to finance the project at its initiation.

4.1.2 Exogenous Assumptions (not controlled by farmers)

- CSA co-ops can only work in communities and regions with consumers who are interested in an arrangement with growers that makes sense to both of them (Lorand 1993:3). Subscribing to a CSA may not be convenient for people who do not cook and for people who do not value fresh, high quality, or diverse types of produce.
- Results from a market feasibility study have determined that a CSA cooperative will probably be feasible because there are enough potential members, eating preferences meet the growers estimated produce, etc.
- The environment in which CSA co-ops operate is conducive to performance. As any other agricultural business, CSA co-ops need to discover ways to adjust to the changes occurring in agricultural production such as the declining number of farms with the average size of farms increasing (Black and Knuston in Park 1988).
A stable economy and political environment will positively impact the CSA cooperative’s performance.

The following section suggests a Logic Model that provides a clear idea of many of the issues involved in the development and management of a CSA cooperative.

4.2 Logic Model

The model is presented in Table 2. The first column shows the activities that farmers should engage in in order to set-up and successfully maintain their CSA co-op. Activities are not listed in chronological order as most of them should be done simultaneously and are ongoing. The second column shows the outputs or results of each activity, and the third shows how these outputs influence the co-op’s performance. Both single-farm and multiple-farm CSAs have to plan and go through the activities described here (except for “payment to farmers” which is not necessary for the former), however farmers of a CSA co-op have a different way of completing these activities. For this reason following is a brief discussion of each activity, its outputs and outcomes.

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>OUTPUTS</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruiting staff</td>
<td>Good management of business</td>
<td>Efficient operations and satisfied farmers</td>
</tr>
<tr>
<td>Recruiting members (marketing)</td>
<td>Initial clientele</td>
<td>Resources to cover start-up costs. Consumers supporting local farmers.</td>
</tr>
<tr>
<td>Communication with members</td>
<td>Stable clientele</td>
<td>Consumers reconnecting with the land, supporting the</td>
</tr>
<tr>
<td>Harvesting plan</td>
<td>Availability and diversity of produce</td>
<td>Satisfied farmers and consumers.</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Quality control</td>
<td>High quality produce. Care for the environment.</td>
<td>Satisfied farmers and consumers.</td>
</tr>
<tr>
<td>Assembling and transporting subscribers’ shares</td>
<td>Produce shares</td>
<td>Consumer’s access to quality fresh produce.</td>
</tr>
<tr>
<td>Distribution sites</td>
<td>Meeting point for farmers and consumers</td>
<td>Strengthened relationships between farmers and consumers; consumers reconnecting with the land.</td>
</tr>
<tr>
<td>Price and payment policy</td>
<td>Collecting clientele’s payments</td>
<td>Stable revenue for the CSA co-op.</td>
</tr>
<tr>
<td>Payment to farmers</td>
<td>Farmers’ remuneration</td>
<td>Economically stable farmers.</td>
</tr>
</tbody>
</table>

**RECRUITING STAFF**

Farmers should hire/elect a CSA manager and site coordinators. People in these positions have the most contact with the co-op’s subscribers and have some degree of decision making power. To avoid conflicts of interest the board of directors, responsible for selecting a manager, should hire someone outside the co-op.

The *CSA manager* recruits and coordinates site supervisors and the assembling of subscribers’ bags. The manager should know the amounts of produce needed at every delivery site and what is available from each farmer every week. Managers request produce from each farmer every week, keep track of each of their contributions and are responsible for paying them on time. The contract system proposed by Stevens (2002) (see section 3.2.1) is a good strategy to minimize disputes and disagreements with the CSA manager.

*Site coordinators* are usually farmer members in charge of one or more distribution sites. These farmers deal most closely with customers and are constantly in contact with the CSA manager to make sure there is enough produce available for their sites on distribution
days. Among other responsibilities they are in charge of making sure that everything is neat and clean by the time customers arrive and for coordinating customers’ payments, vacations, special requests, etc.

Both “The Co-op” and Rolling Prairie Farmer’s Alliance in Kansas are great examples of how important it is that all farmers trust and rely on the CSA manager. The latter hired a “production coordinator” trusted by farmers and who is in charge of coordinating site deliveries and bag ensembles (for a detailed description refer to section 3.2.1, p.14). During The Co-op’s pilot program one of the farmers acted as the CSA manager. After some time this farmer realized he didn’t have enough time to take care of his land and manage the CSA at the same time. This situation complicated by complaints from farmers that his weekly produce requests for each farmer weren’t equivalent in value so that some farmers were doing better than others. These conflicts ended with the destitution of the manager who actually ended up leaving The Co-op, as did other co-op members.

Having the right staff in place makes the business run smoothly and efficiently. This keeps farmers happy and satisfied, and frees time to mind what is most important for them, their land.

**RECRUITING SUBSCRIBERS**

CSAs must have the capability of attracting and maintaining subscribers. The ways they accomplish this are not different between single and multiple farm CSAs. Word of mouth has proven to be the most effective strategy, followed by local newspaper articles. Distributing flyers, contacting schools and churches, making gift boxes available and
organizing farm tours can also be useful. Stephen Decater (in Cohn 1993: 21) recommends that “once you get started, friends are very good at connecting each other together with this. I would think that environmental groups would be good places to start looking for members.” Members of cooking and chef associations are good targets too.

Prospective subscribers should be educated about the nature of CSAs, about the advantages of joining one, the price of a weekly bag, the cost and use of the deposit (if applicable), billing policy, information regarding the distribution sites, the CSA’s vacation policy, etc. Risks should also be clearly specified so that subscribers know exactly what to expect in case of harvest loss.

Gloria and Stephen Decater from Live Power Farm argue that in order to recruit members in low-income rural areas it is necessary to explain how much people would pay for vegetables at a supermarket over the course of the year and how the CSA system is better for them. The importance of freshness, quality, variety, support for local community, and the connection that they will have with the farm should be emphasized (Decater in Cohn 1993).

Gloria Decater (in Cohn 1993:21) encourages interested people by presenting the concept of the CSA as a “beginning step to a community supported world, where we are aware of other people’s needs and the importance of taking care of each other to survive. I also tell them that we’re not asking them just to buy vegetables; we want them to participate in the life of the farm and to support the farm as a community. They’re supporting a family and assuring that the land will be taken care of into the future. As a result of this, we’re able to share the land’s bounty, these vegetables, with them.”

Sue Temple, part owner and operator of the now defunct Fiddler’s Green Farm, emphasized that farmers should be very “cautions in estimating the maximum number of
shares you can provide without overcommitting. It might be worthwhile to establish a waiting list or to refer interested members to other CSAs if you are uncertain about how many members you can handle at the beginning. You also need to estimate the minimum number of shares you can provide at start-up without losing money” (Temple in Cohn 1993:16).

Finally, for Redmond (2003) of Full Belly Farm an optimal CSA size can’t be defined because “scales are complicated”. Her farm’s CSA currently has 500 subscribers and “it doesn’t have any problem in keeping a close relationship with all of them” (ibid.). In reality, the optimal size of a CSA varies depending on each farmer’s capacity. The case of Full Belly Farm shows that big CSAs are able to balance size with customers’ satisfaction. This balancing might be easier to achieve for CSA co-ops than for single-farm CSAs because co-op farmers may be able to spend more time in building their relationship with customers and focusing on farming because they are sharing managerial responsibilities with other co-op members.

Recruiting members allows farmers to gain the resources needed to cover the season’s start-up costs; maintaining them allows for the success and sustainability of the business. Because word of mouth is one of the most effective recruiting strategies, the importance of having satisfied customers is twofold: keeping them and attracting new ones.

COMMUNICATION WITH SUBSCRIBERS

Subscribers should be kept informed of what’s going on with the CSA co-op at the beginning and throughout the season. They should be reminded about the price of a weekly
bag, the cost and use of the deposit (if applicable), billing policy, information regarding the distribution sites, the CSA’s vacation policy, etc.

After receiving the deposit or first payment (see PRICE AND PAYMENT POLICY, p.26), manuals introducing the co-op’s farms and families and crop calendars should be mailed out to subscribers. This way members will not only know what to expect in their weekly shares but gain a sense of confidence and unity is built between them and their farmers.

Temple (in Cohn 1993) emphasizes the importance for farmers in knowing who their customers are: if they are single, big families, students, people who eat out, etc. to help them determine the ideal mix of produce and appropriate quantities of each item. Most CSAs include recipes using the ingredients found on the weeks’ share, including the best techniques for handling the produce. This is very useful especially when the share includes non-traditional vegetables which subscribers may not be used to include in their diets.

Regular newsletters are also used to inform subscribers about the CSA co-op’s events and to publish organic farming/organic eating relevant articles. The newsletter can also be the way in which subscribers address their comments, concerns, suggestions and/or questions to other subscribers and to farmers.

Some CSAs organize volunteer workdays, harvest festivals and/or tours at the farms to encourage member participation. Fiddler’s Green Farm used to do it twice a year with a potluck meal for everyone (Temple in Cohn 1993:16). These reunions make a good social event, build awareness on the importance of eating and living healthily, and help keep the CSA community integrated.
In terms of communication with subscribers, the main difference between single-farm CSAs and CSA co-ops is that the latter may need to work harder to maintain and cultivate the personal relationship with its clients, which is more susceptible to being diluted than in the former case. Through a very efficient, well-organized and reliable communication system a CSA co-op is able to retain a stable and satisfied clientele.

**HARVESTING PLAN**

All CSAs but especially CSA cooperatives need to develop a harvesting plan to serve as a guide for what will be available and when. It should include the type and varieties of crops to be grown, projected yield and length of the season each crop will be available (Biodynamics 2002). In the case of CSA co-ops, when developing the harvesting plan, farmers should divide the growing responsibilities and risks in a way that not all end up growing the most profitable, lowest cost commodities. To avoid conflict and misunderstandings it is very important that all co-op farmers discuss and agree on the harvesting plan.

Farmers can grow some diverse crops to avoid having a monopoly on any item and reduce risks; however, farmers may have their own specialties that allow them to take advantage of economies of scale. The harvesting plan includes a calendar of when different crops are to be planted and when they are to be harvested.

In addition to a harvesting plan, the cooperative members should develop alternate markets for their produce in order to be able to sell extras to the CSA when required and to avoid having farmers under a lot of pressure to sell all their produce exclusively through the CSA co-op. These alternative markets could be the co-op’s (or the farmers’ in a partial
CSA co-op model) regular markets (farmers markets, wholesale sales) and should be dealt with independently of the CSA. When each co-op member knows what the CSA expects from him or her it becomes easier for them and the co-op to coordinate its alternate market sales in a way that won’t interfere with the CSA’s sales and also helps to avoid conflict among members.

In the case studies presented earlier, farmers have different ways of organizing their contributions into the weekly shares (section 3.2.1. p14). Farmers at Rolling Prairie started out by assigning rows of specific produce to each member but today everyone grows as much as they can of everything, although growers have their specialties and no one has a monopoly of any crop. Even though this system has worked effectively for this co-op, it may not work for others. This was the case of The Co-op’s pilot project. Farmers were supposed to grow a little of everything, however more than once they found themselves having too much of one variety and too little of others.

Developing and coordinating a harvesting plan reduces the risk of falling short in diversity and produce availability which increases both clients’ and farmers’ satisfaction.

QUALITY CONTROL

From the beginning, a quality control policy should be established to avoid having quality control issues threatening the unity of the group. This shouldn’t be a problem with existing cooperatives whose members have been working together for some time. A policy of this type also helps minimize legal problems regarding regulations on produce quality.
Farmers should jointly develop quality standards through a detailed list of how to handle the product (washing, packaging, etc.) and should agree on who has the authority to monitor quality and the way to handle growers who fail to meet the set standards.

As an example, in Pike’s Place Market the CSA coordinator is in charge of making sure that all the produce dropped by farmers at the assembling site meets the co-op quality requirements before being packed; produce that don’t meet the requirements is not accepted. On the other hand, because every farmer at The Co-op received organic and produce handling training at the same place, farmers considered unnecessary the establishment of quality control regulations and trusted that every farmer would contribute with high quality produce every week.

Even when there is high trust among co-op farmers, the establishment of quality control policies can prove useful when new farmers join the co-op, it helps increase the trust that customers have to their co-op, and helps prevent potential conflict and misunderstandings among farmers.

**ASSEMBLING AND TRANSPORTING THE BAG**

The CSA manager coordinates the assembling of the bags and knows the amounts of produce needed at every delivery site. This is how it usually works: 1) Each farmer informs the manager his/her produce availability for the following distribution day. 2) With the information from every farmer and the amounts of produce required for every distribution site, the manager determines how much of each product is required from each farmer. 3) At the end of the day the manager faxes or emails all growers a list of everyone’s required contributions. In some other cases, like the one described by Stevens (2002), farmers
already know what their contributions are for each week so only minor adjustments are coordinated.

The actual bag assembly varies depending on the type of distribution site (see DISTRIBUTION SITES p.24). Some co-ops, including Rolling Prairie Farmers Alliance, have adopted a system in which subscribers are allowed to select a specific amount of each item on their week’s share from display stands. Other co-ops prefer to have the farmers assemble the bags so that subscribers only have to pick them up at the distribution site. Sometimes subscribers are asked to keep the empty bag or box and bring it the next time to the delivery site to be refilled/recycled.

Depending on the CSA co-op's delivery area, the acquisition of a refrigerated truck might be required to maintain the produce quality and freshness all the way to the consumers' hands. If the delivery area is not too extensive the CSA co-op could even hire young people to deliver the produce to each distribution site (Bolen and Hecht 2003).

DISTRIBUTION SITES

There are different types of distribution sites. Some are located at local stores or restaurants and others outside churches or schools or at a client's home. The most efficient type of site varies by community depending on the residents' characteristics, however a site that inspires subscribers to stay and talk to each other and to the CSA representative(s) improves its success. Having a farmer present at the time subscribes pick up their share reinforces the relationship between farmers and consumers as it does trust and understanding.
The CSA co-op needs to have a coordinator assigned to each distribution site, especially those in which subscribers are able to select their own produce. Site coordinators, which some times are co-op members –farmers or customers-, deal most closely with customers and are constantly in contact with the CSA manager to make sure there is enough produce available for their sites on distribution days. Rolling Prairie Farmers Alliance’s site managers not only make sure everything is neat and clean by the time customers arrive, but also coordinate customers’ payments, vacations, special requests, etc. (Spicher, 1999).

The Co-op’s distribution site arrangements weren’t effective at linking farmers with consumers. Every week, farmers’ duty ended when the produce was delivered to each site, leaving its distribution to volunteers. A close relationship between growers and consumers wasn’t really nurtured.

Distribution sites serve as the main meeting place for the CSA community. Farmers may be unable to be present every week at distribution sites, however, one of the advantages of being part of a co-op is that farmers are able to coordinate in order to make sure there is always at least one farmer present when the customers come to pick up their food.

**PRICE AND PAYMENT POLICIES**

When deciding how much to charge per share and payment system, farmers should consider the different price setting options and adopt the one that seems to fit best both their needs and those of their customers.
Charlestown Cooperative Farm is a small CSA in Pennsylvania, which sets up their share prices based on their estimated costs. Given their restrictions they estimate the number of people they can serve and then calculate in advance the season’s costs to serve them. Then they divide the cost among the subscribers. In addition, they also charge a yearly fee based on costs, making sure that the prices charged don’t exceed those found at the local stores and farmers markets (Good, 2002).

A very similar strategy is the one adopted by Live Power Farm who serves customers in two geographical areas: San Francisco and Covelo, in California. They determine the base cost of shares by establishing their annual budget and dividing it by the number of members. In their case, the San Francisco members agreed to have a slightly higher share cost than the people from Covelo, since their incomes are generally larger and there is more labor involved in packing their produce boxes (the farm is located at Covelo). The CSA also adds transportation costs on to each San Francisco share. Farmers allow members to choose the manner of payment, it can be either all at once, quarterly, monthly, or weekly. Weekly payments make it more likely for low-income rural people to become subscribers (Decater in Cohn 1993).

If the CSA serves two different geographical areas, it may consider the option of staggering the payments in one site from the other to secure a steadier stream of income throughout the year. This is reasonable only if bookkeeping doesn’t get too complex.7

Rolling Prairie Farmers Alliance’s CSA coordinator sets share prices based on three elements: “retail organic prices, farmers’ market prices, and treating ourselves [co-op members] right” (Spicher 1999:48). When they started their CSA, the price share was equal

---

7 David Thomas created a CSA Database Program designed to track and manage the accounts for CSA farms that may make this task easier for farmers (http://pages.sbcglobal.net/twofish/csahome.htm).
to the sum of the prices of all the commodities in the basket and “at the first delivery of every month, the site coordinators would simply total four weeks of bags, add that month’s extra purchases, and bill the subscriber” (ibid.). However, a few years ago the co-op changed their strategy to one in which the price of a share is the same every week, independent of its content. One week’s surplus is then used to cover for another week’s deficit. Under this new system the growers increased the nonrefundable portion of the initial deposit as a risk protection strategy.

Finally, some low-income community CSA co-ops may want to consider payment alternatives that do not involve money exchange. As was mentioned earlier, the Charlestown Co-op Farm located in a suburban area offers the option of "working shares" in which subscribers are discounted $5 of their share price for every hour they work. Approximately one quarter of the CSA’s subscribers use this option (Good 2002).

Farmers should have in mind their customer’s characteristics when implementing a pricing and payment policy. Being able to collect payments in a timely manner allows the business to have a stable and reliable flow of resources. However, customer payments are not the only resources available to CSA co-ops. Box 2 provides a list of alternative resources and also gives examples of the main CSA co-ops’ expenses; together they provide a good picture of how a business spreadsheet looks like.

**PAYMENT TO FARMERS**
CSA co-ops should set up an efficient bookkeeping system and establish policy on how and when farmers get paid. It could be after the site coordinators have collected the deposits (if applicable), after the first subscribers' payments are done, every month, etc.

As was mentioned earlier, the CSA manager at Rolling Prairie Farmers Alliance sets the prices of the share’s commodities based on retail organic prices, farmers’ market prices and the philosophy of treating farmers right (Spicher 1999). By having him estimate the value of each item in the basket, the co-op treasurer keeps track of how much each grower contributes to the business and is paid accordingly. Farmers receive a check at the beginning of every month, which according to Stu Shafer works out just fine because “trying to collect and pay farmers weekly would add too much accounting work to our busy schedules.”

---

**BOX 2**

*Elements in a CSA Cooperative Balance Sheet*

A CSA co-op’s income sources are:

- Share prices.
- Customer deposits.
- Subscribers who forget to pick up their produce (not all the subscriber’s shares are assembled – subscribers out on vacation but are paid for).
- Sales from production that can’t be sold through the weekly share as well as produce that isn’t usually included in the CSA, which can be sold on the side as extras.
- Offer value added products making sure they continue to support the local food economy and stress sustainable practices: gift boxes that subscribers can get for friends, sell plant starts, home-canned corn/peas/tomatoes, eggs, goat cheese, honey, bread, sauces, dried fruit, and even home made ice cream on/for pickup day. However, farmers should be aware of State Regulations before structuring their value added products sales as they may result problematic (e.g. end up paying for expensive inspections or certifications).
- Silver Creek and Meadowlark Farms’ CSA have offered a “knitting share” which include sweaters and mittens knit from the on farm fibers, and a beer share in which members participate in the brewing of beer and then divide up the bottled product (Prairienet 1998). Offering value added products is easier for a CSA co-op than for single-farmer CSAs who may need to partner with other produces in order to be able to provide these extra goods.
Members have shown interest in establishing a barter system within the CSA. For example, one member offered to clean a farmer’s house during the summer in exchange for extra produce (Prairienet 1998).

A CSA co-op’s expenses are:
- Salaries for accountant, CSA manager and site coordinators.
- Rent for distribution sites.
- Newsletter printing, introductory flyers at the start of the season, logo design, recipes or cookbooks.
- Operating expenses.
- Buying products the co-op doesn’t grow to complement some week’s share and offer subscribers a broader variety of produce.

On the other hand, farmers at the Maryland Certified Organic Growers Cooperative receive the retail price of their produce less 20% which goes to cover co-op expenses like advertising, purchase of paper bags, etc. (Wainwright, 2002). A similar system was followed by The Co-op during their pilot program.

Having a clear payment policy allows farmers to trust their partners in the co-op. This in turn makes farmers feel comfortable with their jobs and gives them economic stability.

V. Final Considerations

Concern about the current agricultural trends, mainly the decline in small farm numbers and the environmental consequences of some agricultural techniques, has led some people to seek strategies to reverse these trends. This paper has discussed how CSA cooperatives, as a strategy through which farmers and consumers become direct interactive agents, contribute to the creation or maintenance of locally based, sustainable food economies.

CSA cooperatives can create new income for rural residents, new jobs in rural areas, expanded markets for small farmers, and consumer access to a healthy diet with new and
diversified agricultural products grown with environmentally friendly techniques. CSA cooperatives not only satisfy the demand for fresh quality produce; the CSA aspect of it “reestablish(es) spatial, social and value connections lost in conventional food markets” (Stagl 2002) while its cooperative aspect adds value to the venture by making it more attractive to consumers (more diversity, less risk sharing with growers) and more affordable to farmers (reduced costs, more available time for farming).

The main purpose of this document has been to make people aware of the benefits and functioning of CSA co-ops in the hope that those looking for alternatives to the conventional food system find a match for their needs. However, awareness is not the only ingredient required for the emergence of CSA co-ops. In addition to personal efforts, local governments and private founders could offer financial incentives (grants, loans, tax benefits) to promote the creation and success of these businesses; they could also "encourage and assist the development of strong business plans that will create sustainable projects, provide technical assistance to potential loan and grant applicants [and] support community nonprofits that work on low-income food access issues" (Bolen and Hecht 2003:36-7). Local organizations could also help by designing and developing campaigns promoting the benefits of eating healthy diets, on the advantages of supporting local farmers and of joining community CSA co-ops.

Nevertheless, the suggested direct marketing strategy is not a panacea for everyone interested in doing something about current agricultural trends. This analysis is based on a U.S. context, mainly in California. Some of the issues discussed may not apply to other states of the country or to other countries. In addition, emphasis is made to the needs of small family farms; middle-sized farms may find CSAs too costly (Spatz 2003), however
further research needs to be done to find out the feasibility of the CSA cooperative model for middle-size farmers.

Beyond the scope of this research lays the discussion of issues relative to the development and conduction of program evaluation. In addition, it should be noted that a different and rare kind of CSA co-op wasn’t discussed: the farmer-consumer CSA cooperative. In this model both growers and consumers establish “a mutually beneficial relationship that may involve co-ownership of the land and other resources” (Bavermeister 1998). Consumers wouldn’t only be paying in advance and have a say in how things are grown, they would be members with voting rights, responsibilities, and commitments. If developed this type of cooperative would require high levels of trust and coordination.
The *Biodynamic Association* publishes books about CSAs, underwrites training for CSA growers, maintains a CSA database, and supports the community funding of CSA:
Phone: (888) 516-7797
Website: [http://www.biodynamics.com/csa.html](http://www.biodynamics.com/csa.html)

The *Center for Cooperatives of the University of California* is dedicated to education, research, and development assistance of the highest quality to meet the needs of cooperatives, their members, and the public.
Phone: (530) 752-2408
Website: [http://ucdavis.coop](http://ucdavis.coop)

*Community Alliance With Family Farmers* (CAFF) is a nonprofit member-activist organization that, through their California CSA Program, offers "regional information to farmers, prospective and current CSA members, the media, student/interns, and related nonprofit organizations." Contact them to "access a library of CSA materials" and to find CSAs in California
Phone: (530) 756-8518 Fax: (530) 756-7857
Website: [http://www.caff.org](http://www.caff.org)

The *Cooperative Services Program* of USDA promotes “understanding and use of the cooperative form of business as a viable organizational option for marketing and distributing agricultural products.” By providing cooperative development and technical assistance, and through their educational and informational outreach, USDA assists “cooperative members, directors, management, educational institutions, organizations, rural residents, and all others with an interest in the cooperative form of business...to effectively use cooperatives to improve their economic well-being and quality of life.” They also provide financial assistance through their Rural Business Opportunity Programs (grants and loans).
Phone: Contact your State Cooperative Specialist at your USDA State office.
Website: [http://www.rurdev.usda.gov/rbs/coops/csdir.htm](http://www.rurdev.usda.gov/rbs/coops/csdir.htm)

*CSA Database Program* by David Thomas is a computer program designed to “track and manage the client subscriptions” for CSA farms allowing them to create and maintain subscriber accounts easy. Its cost: $175.
Website: [http://pages.sbcglobal.net/twofish/csahome.htm](http://pages.sbcglobal.net/twofish/csahome.htm)

*CSA of North America* by *University of Massachusetts Extension* provides a thorough listing of useful resources including publications, periodicals, internet discussion groups, videos and organizations.
Website: [http://www.umass.edu/umext/csa/](http://www.umass.edu/umext/csa/)
Farms of Tomorrow Revisited: Community Supported Farms-Farm Supported Communities by Trauger Groh and Steven McFadden (1997) it’s a great resource book as it not only provides a thorough overview of the basic CSA concept but gives some suggestions for getting started, on how to acquire, hold and pass on land, and gives sample budgets, newsletters, harvest plans and brochures used by CSAs to attract customers.

Local Harvest "maintains a definitive and reliable "living" public nationwide directory of small farms, farmers markets, and other local food sources." Their website helps people “find local sources of sustainably grown food”, and encourages them to establish direct contact with family farms in their local area.
Phone: (831) 475-8150
Website: [http://www.localharvest.org/farms/M131](http://www.localharvest.org/farms/M131)

The Robyn Van En Center manages a web-based directory that is continually updated. There is also a section in the website for farmers looking for technical assistance.
Website: [www.csacenter.org](http://www.csacenter.org)

USDA’s Alternative Farming Information Center Website provides information and resources for both consumers and producers on CSAs and is updated annually in December (Adam 2002).
Website: [www.nal.usda.gov/afsic/csa](http://www.nal.usda.gov/afsic/csa)

The e-mail list CSA-L@prairienet.org is a discussion group for networking on Community Supported Agriculture. Subscribers have access to “discussions on goals, distribution styles, outreach tools, member retention, educational work, connections with non-CSA organizations, etc.” The list owners are John Barclay (jbarclay@prairienet.org) of Prairieland CSA in Champaign, Illinois and Sarah Milstein (milstein@pipeline.com) of Just Food in New York, New York. Check out their website to subscribe:
Webpage: [http://www.prairienet.org/discussion/listoflists.phtml](http://www.prairienet.org/discussion/listoflists.phtml)
REFERENCES


Biodynamic Farming and Gardening Association Inc. 2002. “Introduction to Community Supported Farms (CSA) and Farm Supported Communities.” http://www.biodynamics.com/csa.html


Feenstra, Gail. 2003. SAREP. Personal interview.


Main, Annie. 2003. Good Humus Produce. Personal interview.


Spicher, Bethany. 1999. “Subscribing to Change: Starting and Sustaining a Vegetable Subscription Service”. Kansas Rural Center. Whiting, KS.


University of Massachusetts Extension. 2000. “What is a Community Supported Agriculture and How Does It Work?” http://www.umass.edu/umext/csa/about.html


