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Brief #4

Community Supported Agriculture on the Central Coast: The CSA Grower Experience

In the past few decades, small farmers have had a harder time staying in business.¹ Small farms are disappearing, and many of those still operating cannot meet their expenses without outside income to supplement farming income.

One strategy available to farmers to counter these trends is community supported agriculture, often referred to as CSA. In this type of arrangement a farmer commits to growing food for a group of people (often called “members” or “shareholders”), who receive a weekly box of organic, fresh-picked produce. Shareholders support the farmer by paying for their shares of produce ahead of time, often at the beginning of the season. CSA members thus ideally share both the risks and the bounty of farming. Since the concept of CSA was introduced to the U.S. in the mid 1980s, the number of CSA farms has grown to between 800 and 1,000 nationwide.

CSA is usually considered to be more than a marketing strategy. CSA and sustainable agriculture advocates have seen this model of farming as a way to not just improve the viability of small farms, but also as a way to increase consumer awareness of farming’s importance and challenges and encourage the growth of ecological farming practices.

In 2001, the social issues staff of the Center for Agroecology and Sustainable Food Systems (the Center) at UC Santa Cruz initiated a study of California central coast CSA farms, covering Monterey, San Benito, San Mateo, Santa Clara, and Santa Cruz Counties. This research aims to: 1) describe how the CSA model has been implemented on the central coast, 2) determine the extent to which CSA farms on California’s central coast are manifesting the hopes that people hold for them, and 3) identify constraints and opportunities to reaching these ideals. The project was designed to contribute to the small number of studies focusing on CSA operations in California, and to provide information to people interested in understanding, supporting, or furthering the CSA concept.

This research brief focuses on one aspect of the CSA study: the experiences and perceptions of CSA growers. Grower responses are summarized, and then used to explore different issues regarding CSA’s contribution and relationship to sustainability. More specifically, interview responses are used to begin to assess the extent to which CSAs have been socially just and economically viable, as well as to explore some challenges to viability.

RESEARCH APPROACH

The research team—post-graduate researcher Jan Perez, social issues specialist Patricia Allen, and post-doctoral researcher James Murrell—used three strategies for collecting information about CSA operations: interviews, written questionnaires, and focus groups. A four-page survey and three focus groups were used to explore CSA members’ perceptions.² To learn about CSA growers’ experiences, a grower from each farm completed a questionnaire covering information such as farm size, growing practices, and demographic data. Additionally, Center social issues staff conducted 1 1/2- to 3-hour interviews* with 16 farmers or CSA operators³ from 12 farms with CSA components (2 identified CSA farms on the central coast did not participate).

WHAT DO THE CSA FARMS LOOK LIKE?

The CSA farms on the central coast offer primarily vegetables and fruits to both rural and urban community members. The majority of the CSA farms are relatively small in size⁴; 75% have 17 acres or less in agricultural production. These farms offered anywhere from 24 to 235 shares for the season, with a median number of 80 shares. Only one farm was solely supported by its CSA. At least half of the farms received between 50–85% of their revenue from the CSA. Central coast CSA farms have

*A major goal of the interviews was to identify themes related to CSA. The adjectives “many” and “several” are used to identify where close to, or over about half of the growers gave a particular response. If the opinion or comment is not widely held, it is noted that only a couple of or a few farmers had a particular response.

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been operating from one to about ten years; approximately five and a half years on average. Only one farm has a core group, defined here as a group of members who provide feedback to the farmer or contribute to decision making for different aspects of the CSA. Half of the CSA projects ran as independent businesses, one was a cooperative, and five were run by non-profits or institutions. Most farms delivered the boxes to drop-off points (usually to the homes of members), and four CSAs required people to pick up their share at the farm. All the farms stated they are organic, and eight (or 67%) are certified organic.

WHY DID FARMERS START THEIR CSA?

Understanding why farmers started their CSA sheds light on what they hope to accomplish and the role they envision for this type of initiative. From the interviews, we found that almost all the farmers had several motives for beginning a CSA. The most frequently mentioned reasons included increasing economic viability, providing education, fostering connection, and being environmentally responsive.

Economic viability was a motivation for all the farmers interviewed. Many growers mentioned problems with marketing through wholesalers, which was considered to be financially difficult due to extreme competition, low prices, uncertainty, and the lag time between delivery and payment. Operating the CSA solved these problems because the farmers received payments up front, which provided a reasonably guaranteed income and known market.

Many of these growers were also drawn to the CSA model because it provided an opportunity to educate people about some aspect of the food system. Examples of education opportunities include training people to farm (through apprenticeships) and teaching community members about issues like seasonality, what goes into growing produce, and the importance of locally grown food.

Several farmers also mentioned that they wanted some kind of connection,

either with the general community or with the people who ate their produce. Similarly, many growers stated environmental reasons for starting their CSA. Specifically, they mentioned that CSA farms reduced resource use (by decreasing the distance produce was transported), discouraged waste (since cosmetically imperfect produce doesn't have to be thrown away), and encouraged soil building through the diversity of crops grown.

The diverse motivations for most of the growers point to the direction that CSA operations are headed on the central coast. Almost all of the farmers are not just interested in making a living at farming. Many of these growers hope to farm in more ecologically sustainable ways, encourage connections with consumers, and promote sustainability through education. The diversity of intents shows the farmers' desire to both implement and encourage a more sustainable agriculture or food system.

ARE CSAS HELPING FARMERS TO BE ECONOMICALLY VIABLE?

For both farmers and advocates of CSA farms, economic viability is crucial. None of the other goals for CSA can be met if the farms can't stay in business. To determine the extent to which CSA farms on the central coast have been economically viable, farmers were asked a series of questions to begin to explore this question.

Unfortunately, the data collected did not provide as clear an answer to this question as we had hoped. The difficulty involved in asking detailed financial questions, having a very small sample size, and the complexity of individual situations limited the conclusions that could be drawn from the data. However, the information collected does offer a glimpse of the economic situation of the central coast CSA farms.

One indicator of how farms are doing is their gross income. For the 12 farms in this study, the median and most frequently reported gross income (including receipts from CSAs and all other marketing ventures) was between

\$50,000 and \$99,000. It appears that these CSA farms are grossing more money than other similar types of farmers statewide. For example, 92% of central coast CSA farms grossed over \$25,000, compared to 70% of farms in California.⁵ However, CSA farms were not as likely to bring in large sums of revenue as were other vegetable farms. For example, 53% of the California farms grossed over \$100,000, compared to 33% of central coast farms with CSAs. However, these comparisons are rather tenuous due to this study's small sample size. Additionally, they are not substantiated by national CSA findings.⁶ Thus, it is hard to say anything conclusive about the income generated by these central coast CSAs.

In another attempt to determine the effect of CSA on farm viability, farmers were asked if they thought CSA operations had been, or would be, more secure than other marketing options. The responses were mostly positive, ranging from a calm "pretty much, yeah" (with a couple of qualified answers), to an enthusiastic "oh absolutely!"

Reasons for the increased security included that CSAs allow farmers to know how much food to grow and that they get money up front. A couple of people compared CSAs to farmers' markets, and stated that CSAs were nice because you still get the same amount of money in a cold summer and prices don't fluctuate. Based on these responses, CSA appears to help farmers be more viable.

However, when looking at viability from a different perspective, the results reveal a more complex situation. Farms that have been in operation for 5 years or more (so they have had a chance to learn how to farm and/or operate a CSA), and those whose main focus is to farm (as compared to the non-profits running training programs), were not all doing equally well financially. Growers from half of these 6 farms had generally positive comments about their income from their CSA. However, growers from the other 3 farms had more of a mixed or negative outlook

regarding their CSA income. For example, one of these farmers thought that 2001 might have been the first year they made a profit, depending on how they did the calculations, although their numbers were improving each year. A grower from the other farm noted that both of the main farmers had to take extra jobs during the off season to make ends meet. A third farm, a non-profit, found that the income from the CSA (and other minimal farming income) did not cover all their expenses. The organization's fundraising was needed for the operation. The grower for this non-profit concluded that a similar farm that was run independently might be able to make ends meet by not offering some benefits, such as health insurance, that were provided by this particular organization. Even one of the three long-term CSA farmers who had more positive views of CSA's financial stability said he still wasn't earning enough to weather a crisis.

This preliminary look at the financial viability of CSA operations presents a mixed picture. From one perspective, CSAs may offer better gross incomes than average, at least on the central coast, and they seem to provide a more secure market—especially compared to the wholesale market. However, they do not appear to completely eliminate problems associated with small farms: it can still be a struggle to be financially viable. One farmer summarized the situation, stating,

“ . . . [CSA] doesn't live up to the high ideals that we had—at least I had—for it, but it still makes sense as a chunk of our revenue and as a way of making connections with people directly (Farm G).”

WHAT ARE THE CHALLENGES OF RUNNING A CSA?

Since CSA appears to offer some advantages that are not available in other marketing options (particularly wholesale), it is important to explore its challenges to understand the full picture. When asked about the disadvantages of running a CSA, the most frequent responses had to do with the inefficiency of the system. For example,

several farmers mentioned that they have to spend a lot of time with members. As one grower stated,

“Well, the biggest thing is it's the ratio of how much work per customer. We have a half million-dollar customer that we've talked to. Let's say I talked to them at the most once a day for ten minutes and it's a half million dollars. Here is somebody who is a \$100 customer you might spend ten minutes in a week with. That ratio [is one of the disadvantages] (Farm C).”

Others mentioned that they had to spend a lot of time in various activities, such as trying to get people to pay, recruiting new members in the spring (the average member turnover for these farms was 35%), and having to field lots of questions (“what do I do with this vegetable!?”).

Another problem related to inefficiency has to do with the diversity of crops required on a CSA farm. Since they are trying to supply people with most, if not all, of their vegetables, farmers need to grow a wide range of produce. As one grower put it,

“If you set up a tractor and a planter to plant an acre of carrots, you set up the seed hoppers, you put in the right seed plates, and you are done in a half hour. But to plant that acre of mixed vegetables would take literally days. In that sense it is a really inefficient production system (Farm J).”

A third inefficiency comes from having to “wear more than one hat” as a CSA operator. For example,

“ . . . by eliminating the middle man, so to speak, you become that and so you are in charge of everything from marketing, outreach, getting the membership, signing them up, being in charge of their money, doing the newsletter, doing the farming. So it's a complicated enterprise (Farm J).”

Since many people are not proficient or skilled at all of these tasks, they are not necessarily done easily, quickly, or well. Thus, the benefits of having potentially more income and stability from the CSA have to be balanced with the other demands that this system entails.

HOW HAVE CSAS ADDRESSED ISSUES OF EQUAL ACCESS?

A goal of many people working to improve sustainability is that agriculture should not only be economically viable, but also socially just. One aspect of social equity is that all people—not just those with high incomes—should have access to fresh, healthy, organic food. Since this is a goal for sustainable agriculture, it seemed pertinent to see how CSAs are addressing this issue.

We found that farmers are aware of issues involving access to their food. For example, when asked if there were barriers for people with lower incomes to participate in CSA, almost all farmers said “yes.” Considering that CSAs often ask for payment up front (for the whole season, or just a month), this finding is not surprising. In response, almost all the growers said they have done something, at some point, to address the issue of access. The most popular strategy (6 farms) was to offer some free or reduced-price shares, followed by giving away surplus produce and unclaimed boxes (4 farms), offering work-shares to reduce the price (3 farms), and simply selling all their shares at a lower price (2 farms). One person hoped to be able to accept food stamps in the next season.

However, as might be expected, these farms were not able to assist large numbers of people with low incomes. In fact, it appeared that only two farms were still giving away free or reduced price shares. These two farms are non-profits and are also funded by grants, donations, or institutions. Since many farmers are in a financially precarious situation themselves, they cannot reasonably be expected to subsidize food for people with lower incomes. As one farmer put it,

“It's really hard for us to consider dropping our prices when we're basically right at the poverty level ourselves (Farm M).”

Even when the price of CSA produce is equivalent to that of the grocery store,⁷ one of these shares still may not work for people struggling with limited resources. If someone really does not like beets or greens and they throw them

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away (almost 50% of CSA members responding to our survey reported throwing out or composting more produce after joining the CSA), then they are paying more for the produce they actually consume.

There are other barriers to CSA participation besides the price and up-front financial requirements. Growers pointed out that limited access to transportation (not all people have a car to go pick up their share) and constraints on time (it takes a lot of it to process the food once it is taken home) also pose a significant barrier to those struggling economically. Additionally, having “choice” can be very important to those with fewer resources. A leader of the Farm Fresh Choice organization stated that having to “take what you get” is like welfare.⁸ One academic stated that people without many resources generally have fewer choices, and may be unwilling to give up what choices they have left.⁹

Given the barriers to those with lower incomes, it appears that the traditional CSA model may not be ideal for serving everyone. However, CSAs run by non-profits may have a more suitable infrastructure for making shares available to those with fewer resources. For example, they are more likely to have the fundraising capacity to support subsidized shares than are farms run as small independent businesses. However, all CSAs may be able to try a strategy suggested by one farmer in the study. He mentioned an example where institutions (churches or service organizations) can purchase several shares that they both fundraise for, and distribute to, community members. This strategy takes the farmers out of the loop (except for perhaps initiating contact with these groups), and allows the institutions to do the work for which they are more suited.

CONCLUSION

Central coast growers’ experiences illuminate several issues regarding CSA’s contribution to sustainable agriculture. CSA may offer a means to improve financial viability for the small-scale farmer, at least for some on the central coast. However, more

information needs to be gathered to increase understanding about what leads to economic well being for the different farms. Additionally, CSA operations have their own challenges. When CSA growers save money by not going through a wholesaler, they expend more energy to manage both their members and their crops. This is probably why most of the farmers interviewed had several reasons for wanting to run a CSA. If their sole motivation was financial return, the work might not be worth the effort. In addition, the farmers’ broad goals for CSA may explain their concern about access that people have to their produce. Ideally, both the growers and others in the community will continue to look at strategies to increase access to fresh, healthy produce in ways that make sense for both the farmers and their communities.

– JAN PEREZ

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²Research Brief #1 summarizes the CSA member experience.

³The majority of people interviewed were farmers. Since only two people functioned more as coordinators, they are referred to as farmers or growers in this report so that they cannot be identified.

⁴These CSA farms are relatively small in size compared to other similar types of farms in the U.S.: 37% of vegetable, sweet corn, and melon farms have 49 acres or less. 1997 Census of Agriculture Volume 1: Part 51, Chapter 1, Table 49. USDA National Agriculture Statistics Service. Accessed on 17 November 2003. <http://www.nass.usda.gov/census/census97/volume1/us-51/toc97.htm>

⁵California data were derived from comparing gross income of vegetable, sweet corn, and melon farms, cited in the 1997

Census of Agriculture Volume 1: Part 5, Chapter 1, Table 50. California State Level Data. USDA National Agriculture Statistics Service. Accessed on 12 February 2004. <http://www.nass.usda.gov/census/census97/volume1/ca-5/toc97.htm>

⁶Findings from a national survey show that 60% of CSAs nationwide grossed over \$20,000 per year. However, 1997 U.S. Agricultural Census statistics (referenced above) show that gross income for similar types of farmers (vegetable, sweet corn, and melon) have similar numbers, with 58% grossing over \$20,000 per year. CSA national statistics come from Lass, D., G. W. Stevenson, J. Hendrickson, and K. Ruhf. 2003. CSA across the nation: Findings from the 1999 CSA survey. Madison, WI: Center for Integrated Agricultural Systems (CIAS), University of Wisconsin-Madison. www.wisc.edu/cias/pubs/index.html#produce

⁷Two studies compared the costs of produce from a small sample of CSA shares to how much that produce would cost if purchased from different stores or markets. One of these studies (Cooley and Lass, 1998) found that CSA members paid less for the CSA produce they received than if they had purchased it at any of the comparison stores (including national chain grocery stores). In the other study, the results were mixed. For more information, see Cooley, J. P., and D. A. Lass. 1998. Consumer benefits from community supported agriculture membership. *Review of Agricultural Economics* 20 (1): 227-237. See also Center for Integrated Agriculture Systems. n.d. CSA: More for your money than fresh vegetables. Research Brief #52. Madison, WI: University of Wisconsin - Madison. <http://www.wisc.edu/cias/pubs/briefs/052.html>. Accessed on 8 August 2001.

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Photo credits, page 1: Jered Lawson (top, center), Jim Leap (bottom)

This Center Research Brief is part of a series reporting on Center for Agroecology & Sustainable Food Systems’ research efforts. For more information, contact CASFS, 1156 High St., University of California, Santa Cruz, CA 95064, 831.459-3240, www.ucsc.edu/casfs.