

# A Farmer's Guide to Marketing through Community Supported Agriculture (CSAs)

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## Introduction

Community Supported Agriculture, or CSA, is a direct marketing channel by which farmers sell shares or subscriptions for farm products to customers. A diverse selection of products is delivered regularly for a specified time during the harvest period to customers at designated pickup sites. CSAs are typically used to market fresh produce, but can also be used to market meat, eggs, honey, flowers and other products.

Community Supported Agriculture is thought to have started as a form of direct farm marketing in the United States during the mid-1980s. The concept was initiated by farmers in New England who were seeking to produce high-quality, local, primarily organic produce; reduce the financial risk before the harvest season; and build a greater sense of food community. The CSA marketing method caught on in the 1990s and spread widely as farms across the country sought new direct marketing models for fresh produce and other farm products. More than 1,500 CSAs were identified in the U.S. in 2009, with at least 25 actively marketing in Tennessee.

The interest in CSAs by producers and consumers continues to grow with the demand for fresh and local food. CSAs are often used in concert with other marketing channels such as farmers markets or on-farm retail markets. CSAs are a unique market channel that may be a good fit for committed producers with access to interested consumers. There is no guarantee of success for farmers who would like to market through CSAs, however, and operating a CSA can be a challenging venture. Producers interested in starting CSAs should thoroughly investigate their potential for success and develop a detailed business plan for implementation.

This publication provides information that may be helpful to farmers considering the development of a CSA. Topics discussed include:

- An overview of CSAs
- Factors to consider when determining whether a CSA is right for a particular farm operation
- Planning and operating a CSA
- Lessons learned from a successful CSA
- A list of additional resources for producers interested in further reading about CSAs.

## An Overview of CSAs

Community Supported Agriculture, or CSA, is a direct marketing channel by which farmers sell shares or subscriptions for farm products to customers. Customers typically

commit to shares prior to the production season and pick up their shares or subscriptions at the farm or other designated pickup site on a scheduled basis over a specified time period. As previously mentioned, CSAs are typically used to market but are also frequently used to market meat, eggs, honey and flowers. Many variations of CSAs exist and offer benefits to both producers and consumers.

There are two general types of CSAs: Subscription CSAs and Shareholder CSAs.<sup>1</sup>

*Subscription CSAs* are farmer-driven. The farmer organizes the CSA, produces the farm products and recruits the customer members or subscribers. This is the predominant type of CSA and the focus of this publication. A variation on the subscription CSA is the multi-farm subscription CSA, in which farmers from more than one farm provide products to fill the shares.

*Shareholder CSAs* are consumer-driven. They typically feature a core group of consumers who organize the CSA and hire a farmer. Shareholders are sometimes required to provide labor for the production of the farm products. Variations on this form include CSAs organized by non-profit groups, “workplace” CSAs that recruit membership from a particular workplace and cooperative CSAs that market produce at a farmers market or other outlet. Consumer-driven CSAs are in the minority of CSAs operating in the United States.

As CSAs have grown in popularity, some producers have modified the two original models. The most common modification is the “add-on,” in which a CSA member can pay an additional fee (or, in the case of some shareholder CSAs, work additional hours) in order to obtain other products besides a basic, fresh produce share. A 2009 survey of CSAs in nine states, including Tennessee, found that common “add-ons” to CSA produce shares included eggs, meat, cut flowers, honey, grains or beans, dairy products, soaps and herbal products, and crafts.<sup>2</sup> Berries, fresh herbs or value-added products such as baked goods and preserves are other examples of CSA add-ons.

Another way that CSA marketing has evolved has been the development of multi-farm CSAs. Such CSAs are sometimes formed using the cooperative or partnership business structure. More commonly, however, multi-farm CSAs are less formal agreements between farms that can mutually benefit from pooling their products in a CSA. A multi-farm CSA handbook has been developed through a SARE (Sustainable Agriculture Research and Education) project and is available for free download at <http://sare.org/publications/csa.htm>.

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<sup>1</sup> ATTRA, 2006.

<sup>2</sup> Woods et al, 2009.

Greater distinctions were made between the terms “subscriptions” and “shares” in the earlier days of CSAs. This publication will use the terms “share” and “subscription” interchangeably, recognizing that the majority of CSAs are now farmer-driven and that the subscriptions purchased in farmer-driven CSAs are usually referred to as “shares.”

While the CSA can take varying forms, most CSAs offer their members:<sup>3</sup>

- A seasonal supply of fresh, local, competitively priced produce or other farm products
- A direct relationship with the farmer producing their food
- An opportunity to learn about agriculture and local ecosystems
- A community-building connection with farmers and other CSA members

CSAs can be an attractive direct marketing channel for farmers for several reasons. The CSA is characterized by membership shares, also called subscriptions, sold before the harvest season to provide funds to farmers for operating expenses. A CSA spreads the risk of farming among a community larger than a single farm. CSAs can reduce the time needed for marketing during the season and allow the producer to focus on production, although effective marketing before the season to recruit members and communication with CSA members during the season is vital.

## Is a CSA a Good Marketing Channel Choice? Factors for Consideration

Producers each have different skills and resources, some of which will be better-suited to certain market channels than others. A less-than-ideal market match is not guaranteed to fail, but certainly makes it more challenging to create a successful venture. CSAs are not right for every producer.

Features of successful CSA operators include the ability to:

- ✓ Produce quality products according to methods desired by customers
- ✓ Offer a variety of products throughout the entire season
- ✓ Utilize season-extension methods to offer a longer local season
- ✓ Advertise and recruit members
- ✓ Build relationships and loyalty with members
- ✓ Price shares at levels that allow a positive net return

<sup>3</sup> Teigtmeier and Duffy, 2005.

Farmers should consider several factors when deciding whether a CSA is a good marketing channel option for them. These factors include production experience, market potential and marketing skills.

### **Production Experience**

CSAs demand a higher level of production expertise than other direct marketing channels. Inexperienced producers will likely be challenged to meet the needs of CSA customers.

CSA customers expect a consistent quality and quantity of product throughout the time period specified in the contract. The producer’s failure to deliver high-quality, consistent volume and a wide mix of products can create a barrier for repeat business from CSA customers and negative word-of-mouth referrals. CSA consumers/members may tolerate some variation in product quality, depending on customer commitment to certain production techniques or the perceived value received by the customer. Producers cannot assume that CSA consumers will tolerate consistently inferior products, especially considering how quality has improved in organic and sustainably grown produce since the 1980s.

Careful crop or production planning and experience with season extension or production timing are necessary with any CSA. A CSA contract establishes that each member will receive a share of the harvest at a specified pickup point during a specified period of time. To attract members, many produce CSA operators employ season-extension techniques that help them deliver products earlier and later than members might otherwise be able to purchase locally grown products. Producers also stagger production so products are available across time.

CSAs also typically incorporate a diverse selection of products. For example, a produce CSA would need to provide a mix of products for each delivery. A week’s share consisting of only tomatoes, for instance, would likely be disappointing for customers if they were expecting a variety of produce.

One option for new or less-experienced CSA growers is to cooperate with other farmers in a multi-farm CSA. If a formal or informal partnership with another farm is developed, be sure that expectations for both parties are well-defined from the beginning.

### **Market Potential**

Farmers and other business owners often have the philosophy of, “If we build it (grow it or offer it), they will come (and buy it).” That is not necessarily the case, as many entrepreneurs have found after investing time and financial resources in a venture. Producers interested in marketing through a CSA should analyze whether or not market potential exists before developing a CSA.



Farmers should conduct a market analysis to determine if a potentially profitable market exists for their CSA. Producers should be able to investigate and answer the following questions to help them determine whether there is market potential for a CSA:

- Is there a need in the marketplace for a (or another) CSA? Are there customers interested in receiving a regular delivery of a specified amount of product?
- Can these customers be identified and reached through promotional efforts?
- How many customers who are interested in a CSA are willing and able to purchase a CSA share?
- Which types of promotional efforts are likely to be needed and how much will they cost?
- How much are customers willing to pay for a CSA share?
- What other sources of local products currently exist?
- What are the characteristics, strengths and weaknesses of competition (other CSAs and other sources of similar products)?
- What other opportunities or threats, such as regulations, exist in the marketplace that may affect CSA share sales?
- How many shares of the producer's CSA are likely to be sold?
- Is the producer likely to be able to produce at a cost low enough and sell enough shares at a price high enough to generate a positive net return/profit?
- Is an off-farm site available for CSA share delivery if needed?

### **Marketing Skills**

Many farmers consider a CSA out of a desire to reduce time spent selling farm products during the production season. Preparing a set number of CSA shares and delivering them to a certain location can potentially result in less time and expense than other marketing methods, such as marketing at a farmers market or roadside stand, leaving more time for the farmer to concentrate on production. Producers may also be able to leverage marketing time by having customers pick up shares at a farmers market where the farmer will already be marketing additional products.

Although there is less in-season time required to market a CSA, the CSA typically requires intensive marketing time out-of-season to obtain subscribers or members, especially for a new CSA. This most often includes electronic advertis-

ing (like Web sites), presentations to community groups and brochures or other print advertising. Marketing efforts will be required each year due to annual turnover in CSA customers. Many existing CSAs maintain waiting lists for future customers to reduce out-of-season marketing needs.

CSA customers are also typically interested in establishing a relationship with the farmer who is growing their food. Farmers who are unwilling to provide a reasonable amount of information about their farm and production methods with customers keenly interested in where and how their food is grown are not typically a good match for a CSA. Farmers can help develop relationships with customers by using electronic newsletters, e-mail correspondence, blogs and social networking such as Facebook. Farmers can provide updates about what is happening on the farm, suggestions on how to prepare or preserve products in the current share and what to expect in the near future. Producers need to be willing to create and maintain such communication consistently throughout the CSA season.

A CSA may appeal to a smaller customer demographic than a farmers market or on-farm stand. Because of a smaller customer base, the impact of disgruntled customers creating negative word-of-mouth referrals for a CSA operation may be greater than for other direct market channels. CSA operators will need to be vigilant to provide excellent customer service and identify concerns of disgruntled customers before damage can be done to the farm's reputation. CSA operators can encourage positive word-of-mouth referrals by asking customers to recommend the program to their friends, providing them with materials to share and offering incentives for new recruits.

### **CSA Planning and Operation**

If producers determine that a CSA may be a potentially successful marketing channel for them, it is important that they develop a thorough plan for how they will operate the CSA. Planning and operating a CSA is not a simple task, as multiple facets of the venture must be considered. When planning for a CSA, producers should remember to take into account what is reasonable for them to accomplish based on the resources they have available and the needs and expectations of their potential customers. Farmers will need to have plans for a CSA operation in place before marketing to potential members begins so the details of the CSA program can be effectively communicated.

Farmers planning to market through a CSA should determine:

- What will constitute a share
- If or how substitutions or additions will be allowed or handled
- How to package each individual share

- Pickup and/or delivery options
- Production plan to fill shares
- Labor needs for all aspects of the venture
- Pricing for a season's share
- Payment policies and options
- Membership agreements
- Methods to be used to recruit members or promote the CSA
- Methods to be used to build relationships with CSA customers
- Methods to evaluate the CSA

### ***Deciding What Constitutes a Share***

Many new CSA operators find one of their greatest challenges to be deciding what will make up a share. A share in this case describes both what a customer will receive for the season and what the customer receives for each regular delivery. Questions producers should answer to help define what constitutes a share include:

- When (what dates) will the season's share be available?
- How often will individual shares be delivered (weekly, biweekly, monthly)?
- Which products will be included in shares over the course of the program?
- How much of each product will be included in each individual share?

For produce CSAs, for example, a share is often defined as an amount of produce that should supply a family of four persons for an entire week. A half-share, usually priced slightly more than half of a full-share price, is often defined as a reasonable amount of produce for a two-person household during a typical week.

A challenge for CSA producers that includes both production and marketing decisions involves the particular product mix to offer within a CSA share. Many CSAs, especially those operated by newer producers, find it challenging to deliver a reasonable mix of products that fill up the share container each delivery period. Advance planning for crop and variety mix, succession plantings or other production-timing techniques and season extension can help lessen the challenge of "filling up" each share.

While many CSA farms expand their members' palates, it is wise marketing not to fill the shares with too many new or unfamiliar crops or products for consumers at one

time. Similarly, a CSA share should not be overfilled with too much of a single product, even when there may be an overabundance of that product.

One of the benefits to early CSA producers was that production risk was spread from the farmer to the customers. Members received a share of whatever products were produced. If there was a bumper crop, customers received a bountiful share. If drought struck and there was little or nothing to harvest, customers received little or nothing. Spreading production risk is still a benefit to CSA farmers, but this also brings consequences if shares get too thin. New CSA customers, especially, will be very disappointed if they do not receive a good value for their investment in a CSA. Scant shares will likely mean many lost customers and negative word-of-mouth.

### ***Product Substitutions and Additions***

Farmers planning to market through a CSA should develop policies for members to substitute products or purchase additional products. Developing policies in advance can help decrease problems that may arise and also create opportunities to market extra products.

Some CSAs allow members to substitute certain products for others. This may serve to suit the consumer's preferences. However, such product substitution can create packing and administrative headaches, especially as the CSA grows beyond the 15-20 member size.

Producers should strongly consider keeping their share mix uniform across all CSA customers. This will save the CSA producer from having to change "policy" on product substitution as the CSA grows and product exchanges become less feasible.

Many CSAs will provide members the chance to purchase extra products. Popular produce crops for additional purchase include potatoes, sweet corn and tomatoes. Fruit crops are also popular for additional purchase. In addition, some farms offer their CSA members exclusive U-Pick privileges at the farm. This is a way to market additional products and to help in building and strengthening the member-farmer relationship.

### ***Packaging Individual Shares***

Producers will need to develop a plan as to how they will package individual shares for customers. Packaging may be influenced by the type of product(s) being offered by the CSA, the quantity of product to be included in individual shares and the ease with which the shares can be transported.

A CSA share of produce, for example, often fits into a standard 1 1/9 bushel corrugated cardboard box. Half shares may be packed into smaller containers or simply offered in the full-share size but only every other time products are delivered – every other week, for example, when a

full share is delivered weekly. Some CSAs simply pack the produce share into one or more bags.

Experience at Delvin Farms, the Tennessee CSA profiled later in this publication, indicates that CSA customers are very receptive to an attractively packaged share. While this may add additional labor time in packing the product to make it visually appealing, it can increase CSA member loyalty and enthusiasm and catch the eyes of potential customers who see others carrying the box away from a delivery point.

All producers should follow general food safety guidelines and best management practices for handling and packing products. CSAs who are marketing their shares as “certified organic” will need to be sure that their packaging method is in accordance with organic standards.

### ***Pickup/Delivery***

Farmers will also have to determine when and where shares can be picked up by, or delivered to, customers. It is important that the time and place for pickup be consistent throughout the program to limit customer confusion and help them remember to pick up their shares.

CSA producers should clearly designate the time when members may pick up their shares and plan to be on time to make the deliveries. Producers should require members to be at the location within the designated times for share pickup. Allowing members to pick up the shares outside of designated times can result in greater marketing time for producers and counteract a primary motivation for many CSA growers, reducing marketing time and expense during the season.

While some farmers invite customers to pick up shares on the farm, many have off-farm delivery locations. Producers who market at farmers markets often give customers the option to pick up shares there. This leverages the farmer’s time at the market because they have to travel and staff the market already. Check the farmers market policy or with market leadership to make sure CSA pickups are allowed. It is also common for producers to distribute CSA shares in a central community location, such as a church or community center parking lot. For off-farm locations, producers should develop a plan for how the shares will be transported for pickup.

### ***Production Planning***

Production planning is a critical part of the CSA operation. Members will expect to receive a certain mix, quantity and quality of product for the duration of the CSA program. Producers must develop a plan to deliver shares to meet these expectations and produce the products at a reasonable cost so that there is potential for a positive financial return. This will require careful planning of the types and varieties of products to be produced and the production techniques to be used that influence the timing of production and harvest.

A farmer offering a produce CSA, for example, would need to identify varieties with desirable traits, including the length of the growing season, and incorporate succession-planting techniques to provide fresh produce for the duration of the CSA period. Many CSA producers use some season-extension methods, such as row covers and succession plantings, to provide products earlier or later than can be done using traditional production methods in the local area. It is not uncommon for farmers to begin their CSA program by offering shares that include the typical local growing season and then move into offering longer shares in subsequent seasons as they gain more experience.

Producers should remember that each production decision has a financial implication, as it influences the cost of production and therefore the potential for profit or loss. For example, some CSA operators may desire to introduce their customers to heirloom vegetable varieties. In making the decision about the types and amounts of heirlooms to use, if any, the producer should account for greater seed costs, labor needs, production time and other costs of producing such varieties. The costs associated with producing shares have to be balanced with the willingness of customers to pay for the shares.

### ***Assess Labor Needs***

Labor is an important consideration for any operation, as there are many tasks that must be accomplished and the cost of labor greatly impacts the total costs associated with CSA. A CSA will require labor for production; packaging shares; delivering shares; marketing the CSA; developing customer communications and events; and overall management, organization and evaluation. The various activities requiring labor may also call for a variety of skills and experience.

Producers should estimate the amount of labor needed for each activity along with developing a description of the skills needed to perform the task. Producers should also create a timeline of when each activity occurs to get an overall picture of how much labor with which specific skills are needed at all times. Assignments can then be made for who will be responsible for each specific task, and additional labor can be obtained if necessary. Producers should also be able to estimate the cost of labor needed for the CSA so they can accurately estimate total costs, which is an important consideration in pricing a CSA share.

### ***Pricing a CSA Share***

Deciding on a price for the season’s share can be a challenge, and producers should consider several factors before setting a price. CSA producers must determine a share price that covers costs of production and provides for an acceptable return. They must also consider the prices of other comparable CSAs in their area, as well as other sources of the products provided, and determine what members are willing to pay. Cost-plus pricing, competition



pricing and customer-based pricing techniques can help producers evaluate these important factors for consideration.

Cost-plus pricing allows the farmer to consider the actual cost of inputs and a reasonable wage for labor when setting the price. Cost-plus pricing is a helpful technique to estimate the minimum price that producers should charge per share. Producers should remember that there are considerations in addition to their variable costs of production. Each farm also has “fixed costs” or overhead – land, equipment, buildings and other assets that are used in the process of growing for market. If the market will bear a price higher than just the variable costs of production, it is reasonable for CSA producers to price their shares accordingly.

A common mistake made when pricing shares is undervaluing the cost of the farm owner or operator’s labor. CSA producers should be careful to assign a reasonable value for their labor when pricing shares. Many CSAs, especially those smaller CSAs that may only offer up to 15 or 20 shares, are operated at share prices that may not account for a reasonable labor rate. In these cases, the farm operators may essentially be trying to offset the costs of their farm or garden hobby. For the CSA to be part of a profitable farming operation, however, producers should understand their costs of production and price shares accordingly.

Competition pricing refers to pricing a CSA share based on what prices are being charged by other comparable area

CSAs and other sources of comparable products. While this can be an effective pricing method, and may be necessary to attract customers, producers should understand that other CSAs may not have the same cost structure as their farm. Products and services provided may also differ.

Customer-based pricing simply refers to estimating how much customers are willing to pay for a certain good or service. In an area where CSAs are new or unfamiliar, customers may first have to be introduced to the CSA concept before they decide how much they are willing to pay for a CSA share. This requires the CSA producer to educate the potential customers about what they will receive in the share, thus helping them develop a perceived value based on what they might pay for similar products and services from other sources, then adding premiums where necessary for fresh and local, delivery, etc. Customer-based pricing helps to determine an upper range of prices that producers may be able to receive.

Information can be gathered by using each of the pricing techniques to help farmers make a pricing decision. Pricing is part science, as some concrete baseline numbers can be calculated or researched to give producers a minimum and upper range of possible prices. Pricing is also part art in that farmers then have to decide where their price should fall within that range.

The following is an example of the process a farmer might use to determine a price.

## CSA Pricing Example

**Consider the following scenario as an example of how to determine a CSA share price:**

Frank is an experienced, certified organic produce farmer who has been marketing at a successful farmers market for a decade. He polled his regular customers to determine their interest in a CSA and decides to devote one acre to producing organic vegetables for a 30-member CSA. He will use some season-extension methods to offer an 18-week subscription lasting from early May to October. Some of the CSA shares will be delivered to a location 10 miles from his farm weekly; others will be picked up by customers at the farm.

Frank estimates his total labor contribution for growing, harvesting, packing and delivering the CSA shares will be around 350 hours. He plans to use only his labor in the operation. He would like to receive a \$15 per-hour wage rate for his efforts with the CSA.

To calculate the CSA cost per share, Frank will need to add his anticipated cost of inputs to the value of his expected labor. (These values below are used for example only; actual costs of production and labor times will vary considerably from farm to farm depending on production methods, crops produced, etc.)





**Frank's Farm CSA Costs**  
Input Costs for One-Acre Production/30 Shares

Seeds and Plants	\$800
Organic Fertilizer	\$400
Mulch	\$400
Fuel and Supplies	\$200
Pest Controls	\$400
Boxes (540 @ \$1.00)	\$540
Transport (20 miles/week)	\$180
Advertising & Miscellaneous	\$250
Labor (350 hours x \$15/hr)	\$5,250
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Total Costs	\$8,420
Cost Per Share (30 shares)	\$280

To cover the costs of the CSA and pay himself \$15 per hour for the time he spends producing the CSA shares, Frank will need to charge at least \$280 per share. This amounts to a cost of about \$15.50 per week for each CSA member for an 18-week season.

Frank does some research at the farmers market and online to see what other CSAs are available in the area. He finds two other produce CSAs, neither of which offer certified organic produce. One offers a share for an 18-week season, while another is only 12 weeks. Their prices range from \$275 to \$350.

After assessing his costs and researching competitor prices, Frank also seeks out information from his potential CSA customers. He knows from his farmers market experience that his top customers spend \$25 per week on average for produce at the market. Over 18 weeks, they would spend \$450. When asking about their interest in a CSA with benefits to include weekly shares of a variety of produce, special newsletters and events at the farm, many seemed excited at the prospect. Frank has many loyal customers and is an effective marketer. He feels sure he can communicate the benefits of the CSA and entice customers to try it. Frank is also an experienced producer and is confident he can fill the shares, either from the one acre designated for the CSA or from other acreage designated for the farmers market if necessary.

Frank summarizes and analyzes what he has learned by considering his costs, competition and customers.

<b><i>Pricing Technique</i></b>	<b><i>Information Learned</i></b>
Cost-Plus Pricing	Frank must charge at least \$280 per share to cover costs.
Competition Pricing	Two non-organic produce CSAs charge \$275 and \$350.
Customer-Based Pricing	Top farmers market customers spend \$25 per week. If the weekly share price was \$25 for 18 weeks, the seasonal share price would be \$450.

Frank realizes that he should be able to charge more than the competition, because he is offering a similar quality product, and his product is certified organic. Fortunately, Frank's costs fall below the highest competitor's price. Frank also considers what he believes his customers will be willing to pay to be a CSA member. They will receive extra benefits not available to his regular farmers market customers, which should add value to the CSA share. He realizes, however, that they will have less choice of products than they would if choosing them at the farmers market stand, and he has less time invested in making sales transactions with the CSA.

Frank decides to charge \$400 per share, which is \$120 more than his costs, \$50 higher than the most comparable although non-organic competition and \$50 less than what top customers typically spend at the market.

## **Share Payment Policies**

Producers should develop policies for how customers can pay for their seasonal share. This includes payment timing and methods.

Many producers initially required the full share price paid up front, for part of the CSA concept was to provide the grower with funds to plant a crop. Today, most CSAs will offer payment options that include an initial deposit and one or more additional installments for share payment. Some may offer a slight discount or other incentive for paying the full share up front. Operators should also designate acceptable payment options such as cash, personal check and/or credit cards.

## **Membership Agreements**

Although relatively few CSAs in the Mid-South reported using a member contract or written agreement in a 2009 survey, it is a wise management practice to “put it in writing” when it comes to CSA memberships. A simple CSA member agreement could include:

- Contact information for both the member and the farm
- A description of the amount and frequency of share delivery
- Instructions for when and where the CSA member will pick up or receive his or her share
- Details about how and when the share payment will be received by the producer
- A description of refund policies or “opting-out” of the CSA mid-season

A CSA agreement could also include language limiting the producer’s potential liability, including product and land-owner liability, as well as a description of refund policies. For operations that have customers visiting the farm to pick up shares or participate in special events, some liability protection may be afforded by a Tennessee law. Consult UT Extension publication PB 1787, *Liability and Agritourism: Implications of Tennessee’s 2009 Legislation*, available online at <http://utextension.tennessee.edu/publications/Documents/PB1787.pdf> for more information.

Any legal documents developed, including CSA contracts or agreements, should be reviewed by a qualified attorney before use.

## **Recruiting Members/Promoting the CSA**

Promotion of a CSA to recruit members starts long before production begins. Farmers must have the plans for the CSA in place, however, to adequately communicate the program details and benefits to potential customers. Producers need to be able to describe what customers will receive and how the CSA will work.

Promotion is critical, even for existing CSAs, as customer turnover is inevitable. In fact, a 2006 study of CSAs in California and Washington found retention rates of 63 percent, thus 37 percent of customers did not return.<sup>4</sup> Currently, farms using CSAs in Tennessee and surrounding states have reported retention rates of 80 percent (20 percent customer turnover).

Farmers should develop a complete marketing plan for their venture, of which promotion is only one piece. A marketing plan will help producers determine whether a profitable market may exist, identify a target audience and develop marketing strategies to reach that audience. Marketing strategies may differ with target audience characteristics, strengths and weaknesses of the producer, opportunities and threats in the marketplace, market potential and resources such as labor and capital. There are some general promotion strategies that will likely be useful to farmers marketing through CSAs.

CSAs are commonly publicized through existing contacts such as farmers market or on-farm retail market customers. A farmer with customers who regularly purchase a significant quantity of products through other market channels may be interested in trying a CSA instead or in addition to their other purchases. A flyer or brochure with CSA program details handed to customers at the markets can be an effective promotional tool in communicating with existing customers about a new market channel. A large sign telling passersby to “Ask about our CSA program” may also be helpful. Producers who use electronic communications (e-mails, newsletters, blogs, etc.) can announce the program to customers using those methods. Farms without many existing contacts can ask to present information about their CSA to community groups, non-profit organizations such as churches, and other groups including food guilds and book clubs where members may be interested in local foods.

It is important for farmers marketing products directly to consumers to have some sort of Internet presence. A Web site of their own that is done well, even if very simple, can help recruit customers and give credibility to an enterprise.

Some Web site directories of farmers offering products directly to consumers cater especially to CSAs and can provide producers with a way to advertise their CSA. Two major national Web sites that list CSAs are [www.localharvest.org](http://www.localharvest.org) and the Robyn Van En Center <http://www.wilson.edu/wilson/asp/content.asp?id=804>.

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<sup>4</sup>Strohlic, Ron and Crispin Shelley. 2004. “Community Supported Agriculture in California, Oregon and Washington: Challenges and Opportunities.” California Institute for Rural Studies. <http://www.cirsinc.org/Documents/Pub0504.1.pdf>

Farmers using direct marketing in Tennessee have the opportunity to access two programs that help market farm products to consumers, including CSA programs.



Pick Tennessee Products is the marketing program of the Tennessee Department of Agriculture (TDA),

which provides marketing support for fresh agricultural products or products made using Tennessee agricultural farm products. Farmers can complete an application to be listed on the program Web site. TDA promotes the Web site to consumers and encourages them to support Tennessee farmers. There is no fee to participate. Learn more at [PickTnProducts.org](http://PickTnProducts.org).

Tennessee Farm Fresh is a marketing program developed by the Tennessee Farm Bureau Federation in cooperation with the Tennessee Department of Agriculture. This program provides marketing support for Tennessee farmers who market products directly to consumers. Members are listed on the Tennessee Farm Fresh Web site and are also listed in a printed directory distributed across the state. Members also receive Tennessee Farm Fresh marketing materials for use at their operation. Promotional efforts such as print advertising and TV spots point customers to the Web site and directory. There is an annual fee for participation. Learn more at [TnFarmFresh.com](http://TnFarmFresh.com).



Certain geographic areas may have publications or directories that focus on local foods. Two examples are: *Local Table*, "A Guide to Food and Farming in Middle Tennessee," and *Edible Memphis*, which focuses on local foods of the Mid-South. Farmers may be able to list their CSA in a directory and/or have opportunities to purchase advertisements in these guides. Both of these publications also have Web sites (<http://localtable.net> and [www.ediblecommunities.com/memphis/](http://www.ediblecommunities.com/memphis/)).

Word-of-mouth referrals from existing CSA members can be very valuable to farmers who are trying to grow their number of subscribers. Producers can encourage subscribers to recommend the program to their friends and family. Providing customers with promotional pieces to share with others may also be helpful. Some producers may give an incentive to customers who recruit other members, such as a special product, extra product discount on next year's share or an invitation to a special event on the farm.

### **Building Relationships with Customers**

Part of the draw of CSAs for customers is the opportunity

for them to get to know the farmers producing their food and learning about the process of food production. Farmers marketing through CSAs should work to fill this customer need and build those relationships and sense of community. This also benefits the farmer and can help to develop loyal customers who renew their membership year after year.

From the beginning, newsletters have been a common tool used by CSA operators to build relationships and communicate with customers. Newsletters may include information on what is happening on the farm, news of upcoming crops or products and even commentary on producing and eating food. Recipes for current products are also popular in CSA newsletters – especially recipes that may help members use products with which they are unfamiliar. Producers should be careful to follow copyright laws and other publication guidelines when publishing recipes.

Today, many CSAs communicate information to their members using e-mail, electronic newsletters, blogs or social networking tools. Such communication is sustainable in that it minimizes paper usage and may reduce cost.

CSA farms will often hold special activities for their members to acquaint them with the farm and help them feel connected to the place where their food is being grown. These special events can be as simple as short farm tours by appointment or a farm festival open only to CSA members. Some CSA farms that are also using on-farm or U-Pick marketing offer CSA members certain privileges. For example, a farm growing berries may allow CSA members to come and pick their own products on a designated day.

### **Evaluating the CSA Experience**

Producers should develop methods to evaluate the CSA experience to help them determine whether they should continue to offer the CSA and to learn how the venture can be improved. Operators should evaluate their own experience and seek input from customers.

Some CSAs have found that an end-of-the-season evaluation of the CSA is an effective tool for improving the performance of a CSA and building better customer relations. Offering some incentive for completing the evaluation can help response rates. The end-of-the-year evaluation can include questions to help farmers assess:

- Favorite CSA products
- Least favorite products
- Overall quality of products and service
- Overall value for the price
- Interest in being a member next year
- Suggestions for improvement
- Other comments

Farmers should also consider their own experience in operating the CSA. Questions they may want to ask themselves and others involved with the CSA operation include:

- Did the CSA operate smoothly? What problems arose with each component of CSA operation?
  - What constitutes a share?
  - Substitutions or additions policy
  - Share packaging
  - Pickup and/or delivery options
  - Production plan
  - Labor needs for all aspects of the venture
  - Pricing
  - Payment policies and options

- Membership agreements
- Methods used to recruit members or promote the CSA
- Methods used to build relationships with CSA customers
- Methods to evaluate the CSA
- What changes could be made to make the operation more efficient and effective?
- Did the CSA program meet the producer's goals for financial return?

Evaluating the CSA will help farmers identify areas for improvement to make the experience better for both themselves and consumers.

## Delvin Farms: What New CSAs Can Learn from a Successful Tennessee CSA

In 1999, Hank Delvin, Sr., and his wife, Cindy, wanted to find a way to get their farm's produce directly to consumers. But they knew that the time involved in production at their certified organic, 94-acre College Grove, TN, farm would not allow for servicing all their customers at their farm.

"Raising this amount of organic produce was so intense, we realized we couldn't have customers coming all the time," says Cindy. "Back then it was just me and Hank, and we knew we didn't have a lot of time for marketing."

The Delvins had heard about the CSA concept and decided to give it a try. In February of 2000, they developed a plan for succession plantings that would provide people a continuous share.

"But we didn't know exactly what would be in the first share until the first day," says Cindy.

The Delvins started with 25 CSA members; by the end of the season, there were 125 members enrolled. Delvin Farms CSA now includes 800 members. Their daughter Amy, son Hank, Jr. and his wife, Liz are now involved in the operation.

One of the things Cindy Delvin says they did right from the start was to deliver a beautiful product to their members.

"Our shares are delivered in boxes, and we use new boxes because we're certified organic," she says. "The produce is attractively packed into the boxes – our members often tell us they take a picture of the box before unpacking it."

The Delvins have helped train several new CSA producers in Tennessee, and they list three common mistakes that they have seen new CSA producers make: poor share planning, inadequate time for production and lack of producer commitment.



*Hank Delvin with a CSA share.*

Photo courtesy of Tennessee Department of Agriculture.



### ***Poor share planning***

Planning the contents and delivery for different kinds of shares can be a great challenge for new CSA growers. The Delvins were experienced organic growers and had a good production plan going into their CSA. But Cindy says they did not adequately anticipate the needs of their “half-share” customers.

“We tried delivering half of the half-shares every other week,” she says. “It was maddening –people would get confused when their week for picking up their share was.”

Now, the Delvins deliver all their half-shares every other week.

“It is much simpler this way,” says Cindy.

Keeping the shares and delivery as simple as possible can help new CSA growers avoid such confusion.

### ***Inadequate Time for Production***

Another common mistake the Delvins see new CSA growers making is not allowing enough time to run the CSA.

“It’s hard to hold down a full-time job and run a CSA,” says Cindy. “Some new CSAs haven’t had much production experience. They don’t realize until the season starts how much time actually goes into growing this food.”

One thing that can help CSA producers manage their time well is extensive planning before the season – especially planning for continuous harvests.

“Succession plantings are key,” says Cindy Delvin. “A CSA cannot run out of produce in the middle of the season.”

### ***Lack of Producer Commitment***

Cindy Delvin also says that a lack of producer commitment characterizes unsuccessful CSAs.

“We’ve had a lot of sleepless nights because people are trusting us to grow their food,” she says. “One of the challenges to running a CSA is knowing that you have to keep things going.”

The uncertainty of weather, disease pressure and pest damage can create pressure upon the CSA producer to deliver the promised number of shares. But Cindy says that, even with a summer or spring crop failure, CSA farms should figure out how to deliver on their commitment.

“There’s no excuse for not extending the crop if you have a difficult week or crop failure mid-season,” she says. “People are trusting you to grow their food. You should find a way to deliver upon that trust.”

Visit the Delvin Farms’ website at [www.delvinfarms.com](http://www.delvinfarms.com).



Photo courtesy of Tennessee Department of Agriculture.

## Summary

The CSA marketing method emerged in the United States in the mid-1980s as a channel for directly marketing farm products to a committed consumer base. Benefits for CSA producers can include less marketing labor during the season and pre-payment for product. Benefits to consumers include a reliable source of locally grown food, a connection to the farm where food is grown and a feeling of participation in a local food economy.

Many farms involved in direct marketing now use some form of CSA in combination with farmers market and/or on-farm retail or roadside marketing. Producers should carefully evaluate the CSA form of direct marketing to determine if it may be a fit for their farm and their customers and if there is potential for success. Producers should also carefully plan to meet the many challenges associated with operating a CSA. When planning, producers should remember to take into account what is reasonable for them to accomplish based on the resources they have available and the needs and expectations of their potential customers.

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## Additional Resources

Local Harvest: A Multifarm CSA Handbook  
<http://sare.org/publications/csa.htm>

National Agricultural Library CSA Resource List  
<http://www.nal.usda.gov/afsic/pubs/csa/csa.shtml>

North Carolina CSA Guide  
<http://www.ces.ncsu.edu/chatham/ag/SustAg/csaguide.html>

Robyn Van En Center for CSA Resources (Wilson College)  
<http://www.wilson.edu/wilson/asp/content.asp?id=804>

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Photo courtesy of Tennessee Department of Agriculture.

