CSAs can be very profitable

by Sanne Kure-Jensen

Successful Community Supported Agriculture groups (CSAs) share basic features. Many farmers have added unique member perks. CSAs help build relationship between members and farmers through regular interaction. Customers love knowing where their food came from and how it was grown. Most CSA customers renew year after year.

Six successful farmers described their CSA programs at UConn’s CSA School in Haddam, CT.

Farmer Perks

Since the first CSAs began nearly 30 years ago, farmers have benefited from collecting money before the growing season. The money helps buy seeds, fertilizers and equipment at pre-season discount rates and helps lower farm debt and exposure.

CSA Member Perks

Many farmers share these discounts with customers by offering produce in CSA shares below retail prices. Some offer a debit card stocked with more points than the dollars paid. Other farmers deliver a box of produce worth more than the weekly price paid up front.

Most CSAs offer customers fresh produce for four to five summer and fall months. Some offer separate spring, fall and/or winter CSAs. Shares may be weekly, alternate weeks or monthly. Some farmers offer basic shares with additional egg, flower, fruit, meat or specialty shares.

Tips from Successful CSAs

Paul Bucciaglia of Fort Hill Farm in New Milford, CT offers a Mix and Match CSA that allows shareholders to choose their share, up to set limits. Extra produce is for sale when available.

Bucciaglia suggested farmers lay out their pick-up site carefully. After a friendly greeting at the check-in table, his customers collect produce from four stations: Salad Greens, Heads & Bunches, Roots & Fruits and Special Harvest. Each has a list of weekly share allotments or limits. Limits reflect the crop abundance that week. Bucciaglia recommended making limits lower at the beginning and end of that crop’s season and raising limits as yields peak.

Steve Munno of Massaro Farm CSA in Woodbridge, CT advised beginning farmers to be CSA customers at another farm to learn about customer expectations.

Munno advised calling CSA members “Subscribers” not “Shareholders.” Customers must understand their farm also sells produce to farmer’s markets, restaurants or wholesale customers. While CSAs may be a large focus of the farm, a subscriber to a 200-member CSA should not expect 1/200th of the farm’s harvest.

One farmer advised others to offer full and two-thirds shares, not half shares. The two-thirds shares still include a variety of produce. The half share is hard to make appealing without overloading it and losing money.

Farmers often trade shares for talents. Many CSA customers have skills or expertise to trade for fresh produce. Farmers can get a variety of services in exchange for partial or full shares. Options include web design and updates, newsletter editing, email or social media campaigns, nutritionist newsletter columns, order taking, processing or packing.

Be sure to send out an end-of-season survey. The Monahans of Stone Garden Farm, Shelton, CT adopted several customer suggestions.

Make More Money

Be sure to offer more than just the prepaid share at your pickup site. Many customers pick up extra items. The Monahan’s run a small farm stand where sales triple on pickup days. Many customers also order extra produce ahead of pick-up days.

Fort Hill Farm CSA shares include squash, carrots and Pick Your Own. Customers pick labor-intensive crops like strawberries, peas, beans and flowers.

The Monahans offer “farm credit” which is like a reloadable debit card for add-ons at their farm stand. They track the balance on an index card.

Customers initial transactions. Customers pay $90 for $100 in credit. This eliminates the expense of credit card processing and cash machines. Parents love the convenience. They don’t need to carry cash and can send their kids in for snacks. The farm credit carries into future years.

Rick Hermonot of Ekkonk Hill Turkey Farm in Sterling, CT said he limits the number of meat shares but not the number of poultry shares. He said, “Large animals [like pigs and cattle] need a lot of land. It is easy to add a few more birds for extra CSA members.”

Hermonot said the best thing they ever did was start making cider donuts. They sell out every weekend.

Michelle Collins of Fair Weather Acres in Rocky Hill, CT wants to grow her CSA. She said, “We make much more money this way than from our wholesale accounts.”

Excess Product

Many of the CSA School speakers advised against giving a bonus when farmers have a large crop harvest. Customers quickly come to expect it again. Instead, offer the extras as add-ons at your stand or find alternate markets.

Fort Hill Farm offers a generous amount of bountiful items without overloading shareholders. They also offer that crop at an attractive price for shareholders who wish to put up crops for storage.

Brad Isnard of Bishop’s Orchard CSA in Guilford and Northford, CT said his CSA helps him move extra produce. He adjusts his weekly CSA offering to use up the “excess” from his wholesale orders.

Hermonot said his CSA shares help him move all meat cuts, not just the premium ones. His meat CSA members get first pick on most premium cuts. The retail store is allocated a small percentage as well.

What should a farmer do with uncollected shares after pickup day? Bucciaglia suggests having alternate markets like restaurants or farmers markets scheduled the day after pickup days. Like many farmers, Fort Hill Farm donates produce weekly to a nearby food bank.

The Monahans work with processors and chefs to turn excess produce into value added sauces, salsa, pestos and frozen vegetables.

With a state inspected, certified commercial kitchen and bakery, the Hermonots can sell rotisserie-cooked chickens not just frozen poultry and meats. They also make and sell jams, salsa, ice cream, pies, pastries, muffins and popcorn using ingredients grown on the farm.

Keep Customers Coming Back

Farmers agree customer satisfaction is critical. “Don’t over-promise and under-deliver” was a recurring message at the CSA School. Choose appropriate prices when you start your CSA. Set realistic expectations with a pre-season contract and Shareholder Guide. Maintain good communications all season with newsletters. Include a printed copy in members’ boxes or send an electronic newsletter via email or social media.

Resources

A guide called “Tools for CSA Members” offers suggestions on how to start and manage a CSA. The guide includes contract recommendations, sample seasonal share descriptions, insurance options, steps for SNAP benefit acceptance, CSA case studies, CT NOFA’s Farmers’ Pledge, a list of Connecticut CSAs and other resources. Download the full guide at www.ctfarmrisk.uconn.edu.

For another explanation of the CSA model, and to find a CSA near you, see www.localharvest.org/csa.
Agriculture & Politics:  
Legislative decisions that impact farm labor

by Emily Enger

Immigration & E-verify

The picture of agriculture in the minds of mainstream America tends to be a dichotomy of either sustainable family farms with happy four-year-olds in overalls or big mechanized industries with 10-plus combines in every field, all run by computers with GPS systems. Often forgotten is the fact that most farms fall in between those stereotypes. Because of this, entire sections of the agriculture industry are ignored by public policy. These are most often the farms that are labor-intensive: the fruit and vegetable growers of America. If your crop cannot handle the beating of a machine and your yield is more than you and your family can take in each harvest, it is important to understand what your legal options are when hiring a workforce. Policy changes are on the horizon and no farmer needs to be penalized simply because he did not understand.

Most of America’s agricultural workforce is foreign-born. Currently, of 1.5 million seasonal agricultural workers in the U.S., the government estimates that 50 percent are undocumented or falsely documented. Frank Gasperini, Executive Vice President of the National Council of Agriculture Employers (NCAE), feels that the government’s number is modest and the reality is closer to 75 percent. This poses a very serious problem for farmers when most responses to their advertisements are people who, based on illegal status, cannot be hired. With the increased cry of “penalize employers” being heard in the debate of immigration reform, farmers need to protect themselves. But how can you know if your employee is handing you a legal versus illegal document?

The program designed to help employers with this is a website database known as E-verify. According to its website, “E-Verify works by comparing the information employees provide on the Employment Eligibility Verification form (Form I-9) against millions of government records.” In theory, employers should be able to enter details from employees’ I-9 forms and have the system respond with whether or not that employee is eligible for employment.

Intended to be an easy, free online service, E-verify instead had so many complications that it was temporarily shut down. Its audit in 2008 quoted the site’s errors as having approximately 70,500 inaccuracy from April to June of that year. Sometimes the site did not recognize legal status it should have and other times it did not catch illegal status. Another concern of E-verify has been the infringement of personal privacy and the guilty-until-proven-innocent mindset it espouses. But the government continues to be optimistic about the program. Kerry Scott, an H-2 Specialist with masLabor, doesn’t share that optimism. “They say they’ve fixed the problems,” admits a skeptical Scott. “They’re looking to re-introduce it.”

Scott calls E-verify a “train-wreck.” He has witnessed E-verify strip farmers of their agricultural workforce only to leave crops rotting in the fields. Farmers are left watching their employees — many of whom are friends — flee government agents, and after that, the farmer gets penalized even though he was under the impression that his workforce was legal — had even been assured so by other branches of the government.

If E-verify is renewed without reform measures taken to protect the agricultural workforce. Scott claims 50-70 percent of the agriculture workforce would immediately become unemployable. “It would gut the agricultural workforce,” he says.

Scott’s program is a legal way for agriculture employers to locate seasonal workers. The H-2A program is a guest worker program only run through the United States Department of Labor (DOL). Worker agents will locate capable, qualified, and legal workers in other countries for farmers who can prove they have a seasonal need. (Full time workers are not included in the program.) Homeland Security and the Department of State also take part, running background checks on the individuals before issuing them special farm-labor temporary working visas.

H-2A workers do not compete with the local economic downturn, though that has been a past criticism. In actuality, farmers must attempt to hire American citizens by advertising in papers and online job sites before the DOL will admit them into the program. Both Gasperini and Scott concur that this almost never garners enough employees. A farmer may find one or two willing locals, but an entire crew to pick in the orchards almost never comes from an American workforce.

Farmers interested in using workers with H-2A visas must contact the DOL three to four months before they need workers. Scott outlines the farmer’s responsibilities per contract as: furnish up-to-code housing, pay for all workers’ visas and transportation costs, and pay workers a minimum hourly wage specified state-by-state. In return for these responsibilities, farmers receive a workforce that is legal and has been hand-picked to their needs. The employees come for the benefit of receiving good jobs guaranteed throughout the season and an income that is above what their opportunities may have previously been.

Gasperini does not see the H-2A program as all sweet smelling roses, however. The NCAE has put together a brochure outlining and graphing the complaints their members have, including: Farmers not receiving their workforce in time, heightened investigations by the DOL, workers leaving the farm mid-season, and much bureaucratic confusion.

The program is also expensive. Farmers total cost of visa and transportation is roughly $600/employee plus a $3-4,000 flat contract fee for the H-2A agent. And these costs are in addition to the farmers’ responsibilities of lodging and hourly wage, which states have slated quite high — most are well above minimum wage. These costs are only if the program runs smoothly. Delays in transportation can add costs and confusing regulations have forced some farmers to add the expense of a lawyer to that ever-increasing tab. “If we’re going to have a program like this,” Gasperini points out, “manage it so it works.”

Scott acknowledges these concerns with the program. However, he adds, “At the moment it’s the only legal alternative and, with the help of a good agent (like MAS), it can still work for the employer.”

Gasperini and Scott agree that H-2A does carry a high degree of certainty that E-verify cannot offer.
Farm Bill fails to get top billing

by Julie Cushine-Rigg

As lawmakers scurried and scrambled at the end of 2012 to get things done, the Farm Bill has fallen a little short, to say the least. David Haight, New York State Director of American Farmland Trust (AFT) said in part, the reason had to do with an “unprecedented situation” where a bipartisan bill with a significant program reform ($23-35 billion in savings) did not receive floor time in the House.

“Congress’ failure to act on a five-year Farm Bill was a real lost opportunity. Committees must now restart the process,” said Haight. He added it was unclear though about what that process would look like.

The sentiment is no doubt echoed by many, and while there was no Farm Bill passed, there was an extension that did. And while it may fall quite short and not address the long-term needs, it is something.

While there are a few positives about the extension, there are of course many things missing including funding for crop research, farmers market promotion and programs to help organic farmers.

“There were just a number of programs that were left unfunded,” said Steve Ammerman, Manager of Public Affairs and Associate Director for the New York Farm Bureau (NYFB). He also said there was nothing put in place for things like TAP (Tree Assistance Program) to help maple producers, for example, plant new trees in wake of a major crop disaster.

Ammerman added among the negatives, there were “new provisions for specialty crop insurance.” “Which is especially helpful to New York farmers. We grow so many different types of produce that aren’t covered by traditional crop insurance programs. It provides a broader safety net for members, but it has not happened yet.”

Joshua Rockwood of West Wind Acres Farm in West Charlton, NY, believes that the Farm Bill should be abandoned, with several new separate bills offered including ones for disaster relief and conservation.

“Somehow the country always comes up with money to help world disasters, let’s take our disaster relief from the same pool, and set us as the priority. It wouldn’t hurt to rid us of a couple of the nonsense disaster relief agencies that don’t do much in the wake of a disaster. The last few severe storms are perfect examples of this,” said Rockwood.

He also proposes that Commodities and Crop Insurance not be funded. “Most farmers have crop insurance policies and should be responsible for their own insurance, and the government doesn’t need to be involved. (And) if we fund sustainably crop insurance almost could be null and void. Farmers should be able to set their own price for corn, milk, etc.”

Rockwood suggests if Commodities and Crop insurance are removed, small farms would be “more competitive, and this in turn would help bring younger farmers back into the mix.” He added, “If young farmers are coming into the business in turn we will be conserving our farms.”

“Farming is never truly going to be sustainable with the government subsidizing it, and we never will really know the true cost of food with government subsidies. And on top of that small farmers can’t compete with government subsidized farms,” said Rockwood.

Lobbied, but not received

“New York Farm Bureau has lobbied hard for passage of the 2012 Farm Bill with strong support from the New York Congressional delegation. Farmers should not be political pawns. The uncertainty in moving forward not only puts their way of life in jeopardy, but it also threatens the food supply of every citizen,” said Dean Norton, NYFB President.

AFT President Jon Scholl said the missed opportunity by Congress would have been “the perfect opportunity to sew up a long-term, well-balanced farm bill” providing farmers with certainty in planning for the future.

In a statement released by AFT, Scholl also said the short-term extension of the current law sets the stage for a difficult farm bill process in the next Congress. “Not only will committees have to rewrite the farm bill, but we anticipate an even greater budgetary challenge when the Congressional Budget Office releases new baseline numbers in March. In any event, we strongly urge that farm and ranch land conservation program funding be protected.”

Anticipating those numbers to be released in March, Haight said the AFT does not foresee agriculture’s baseline need to be good and there will likely be “less funding for important agricultural programs, such as farm bill conservation programs that have helped farmers to protect farmland, improve soil health, and maintain water quality.”

Looking ahead

“It’s not what it should be and was so close to passing. If only it had made it to the full House floor for a vote, we were confident the votes were there to pass it — unfortunately House leadership didn’t let that happen,” said Ammerman.

He also said the Farm Bill is a good example of progress that can be made through bipartisanship, it just couldn’t be clear that last hurdle at the House floor. With some luck, there may be hope for more progress in the coming months.

With deep cuts expected this year, most likely at the expense of conservation and research programs Ammerman said the bureau is fearful of what may come to pass though the extension is better than not having anything.

Getting agriculture further up on the priority list will take some doing. As consumers and lawmakers become more aware of a sustainable food system and the need for a solid Farm Bill, Ammerman notes that at least some action was taken when everybody realized what would happen with dairy prices.

“It’s critical that we take care of our nations’ farmers because it is a national security issue. We need to grow our own food,” said Ammerman.

In closing, he suggested that farmers “get a call and let them know that the Farm Bill needs to be a priority. The louder we make noise — hopefully more action will follow.”