



# Transformation<sup>®</sup>

## COMMUNITY-SUPPORTED AGRICULTURE

**Community-supported agriculture programs (CSAs)** are models in which consumers subscribe to receive regular shares of the harvest of a farm or group of farms. Farms can be part of a community-based CSA, work in collaboration with other farms, or start their own CSA. In this model, the consumers typically “invest” in a farm by paying for their shares up front, enabling the farmer to use that investment to pay for farm labor and purchase necessary seeds, plants, equipment, and other inputs needed for the growing season. Products offered could include vegetables, fruit, flowers, herbs, and even value-added products. Farmers operating a CSA need to consider marketing, crop production, and distribution in order to be successful.



### PAYMENT

Payment for CSA shares is typically collected up front, before the growing season. But CSAs may also offer payment plans that give members the option to pay monthly or on another schedule. If such a plan is offered, farms may want to entice members to pay for shares up front by offering a discount. CSA share prices can vary depending on season length and the quality and quantity of product distributed. CSAs may offer full and half shares at different price points. On average, most CSAs have an annual share price of \$400–\$700.<sup>1</sup> Because CSA shares can be several hundred dollars, farms should be prepared to accept various forms of payment, including personal checks, credit cards, or transfers through electronic services like Venmo or Cash App. Some CSAs are even able to accept Supplemental Nutrition Assistance Program (SNAP) benefits, formerly known as “food stamps,” for eligible items. Zenger Farm’s [guide to SNAP payments](#) is helpful for understanding the benefits and considerations of accepting such payments.

### CONSIDERATIONS

A farm has many things to consider when determining whether adding a CSA is the right move. One is the diversity of the farm’s sales channels. Diversifying sales channels can help increase a farm’s profitability and resilience. If one channel is still being developed, for example, the farm can rely on income from another to offset slower sales. Or if a key restaurant customer goes out of business, income from farmers-market sales may be able to make up the difference. If a farm operates only in a small number of sales channels and has the capacity and right conditions to add another, a CSA may be a great fit.

<sup>1</sup> Debbie Roos, “Community Supported Agriculture (CSA) Resource Guide for Farmers,” NC State Extension, accessed June 28, 2024, <https://growingsmallfarms.ces.ncsu.edu/growingsmallfarms-csaguide/>.

When analyzing the performance of various channels, farmers should consider the time commitment necessary to succeed in each channel; associated costs like marketing, packaging, and distribution; and revenue potential. Compared with farmers markets, CSAs have a relatively low time commitment for the volume of product potentially distributed each week. For example, farmers markets require driving there and back, setting up, tearing down, and spending time selling, all for an unknown amount of revenue. CSAs, on the other hand, require much less time, and because of the subscription model, revenue is already known. Packaging costs may also be lower, depending on the type of product sold and the packaging necessary to keep it fresh and undamaged. Distribution costs can vary depending on whether delivery is offered and the location of member pickup sites.

The potential for crop failure is another consideration. Because consumers are paying for their shares before the growing season has begun, they are assuming the risk of crop failure. If problems such as insect pressure or disease result in crop loss, refunds are not typically issued.<sup>2</sup> This encourages farmers to ensure that proper risk-management strategies are in place and that, in the event of crop failure, communication with the consumer is prioritized in order to maintain the relationship and increase the likelihood of membership renewal.<sup>3</sup>

Market size and competition are two other factors that should be carefully considered before deciding to start a CSA, as both can greatly affect revenue potential. Collaborating with other farms or joining a community-based CSA are strategies worth considering, as they can both add crop diversity to the shares and reduce competition.

## MARKETING

Marketing a new CSA is an important step in building community awareness and gaining new members. If a farm already has a booth at a farmers market, adding **signage** to prompt CSA registration could be an easy way to drive membership. Signage could also be hung in community spaces, such as on a church bulletin board. Many regions also have **local food guides** that list farms and CSAs. Look for one in your area, and make sure your CSA is listed.

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<sup>2</sup> Kathy Kelley and Jayson K. Harper, "Community-Supported Agriculture (CSA)," PennState Extension, January 29, 2014, <https://extension.psu.edu/community-supported-agriculture-csa>.

<sup>3</sup> Kelley and Harper, "Community-Supported Agriculture."

Digital marketing is also becoming more popular for local farm businesses. A farm's **website** and **social media** pages could mention a CSA using local **hashtags** and **geotags**, and the CSA can be listed in the **USDA's local food directory**. Learn how to list your business through the USDA's **tutorial**. Partnering with **large workplaces** or institutions in an area, such as large office buildings, hospitals, or universities, could be an easy way to target many potential new members in one place and enable a CSA to offer delivery services for those members at a single location. But perhaps nothing beats good old **word of mouth**. Refer-a-friend programs could encourage existing members to get their friends and family to sign up to earn a discount or product bonus.

## DISTRIBUTION

Several options exist for distributing shares, and a CSA can opt for one or more. Distribution cost is generally included in the price of each share. CSAs can offer these:

- 🌿 On-farm pickup, depending on the accessibility of the farm
- 🌿 Pickup at a farmers market if the market allows
- 🌿 A meetup at a central, off-farm location, like a local business
- 🌿 Delivery





## RETENTION

One of the most important factors in determining the success of a CSA is the number of members it retains from year to year.<sup>4</sup> CSAs should be sure to build in communication, events, or offers that make their members feel loyal to a farm and help them feel a stronger connection to the farm, the farmer and the farmer's family, and other members. These could include the following:

- ✔ Throwing an end-of-season party for members
- ✔ Offering discounts on products purchased through other channels (farmers market, farm stand)
- ✔ Including member recognition in a newsletter or on social media
  - Newsletters can also be used to share more of a farm's story, update members on the crops that can be expected and when, or share recipe ideas, particularly for unfamiliar produce or for produce that shows up so frequently members may need new ideas on how to use it.
- ✔ Offering drawings for prizes during the season
- ✔ Including occasional bonuses in subscriptions

**Clear communication is key.** If a crop has failed, it's important to explain why and, if relevant, what's being done to prevent such loss in the future. Farms could ask members for feedback on their experience, crops the farm should consider for the future, or which pickup locations would be most convenient. If a member decides not to renew, understanding why could help the CSA learn from that experience.

The [CSA Innovation Network](#) is a great resource for determining whether a CSA is the right fit for your farm, learning tips and tricks about how to grow your CSA, or understanding how to retain CSA members. They offer video courses, live webinars, discussion boards, and more.

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<sup>4</sup> Kelley and Harper, "Community-Supported Agriculture."