

A Decade of Experience with a Multi-Farm CSA – Local Harvest CSA

David Trumble, Good Earth Farm, Weare, NH (603) 529-2170 www.goodearthfarmnh.com
Local Harvest CSA, Concord NH (603) 731-5955 www.localharvestnh.com

My farming experience. I have been a farmer for 33 years. We have been certified organic for 27 years and CSA farmers for the past 23 years. I have been part of three agricultural marketing cooperatives (first as a farm worker, then as a farmer for a wholesale growers' cooperative, and now as a farmer in Local Harvest CSA, a multi-farm CSA located in Concord, New Hampshire).

Who we are: We are six farmers who are all certified organic. Together we have over 150 years of farming experience and well over 100 years of being certified organic. Between us we farm over 100 acres. We are all located in central New Hampshire. Our farms are: Kearsarge Gore Farm, Stone Ridge Farm, Middle Branch Farm, Vegetable Ranch, Blue Ox Farm and Good Earth Farm. Our baker is Abigail's Bakery, who bakes certified organic breads.

Our CSA History. Our start came in 2002, when together with NOFA-NH, we wrote a SARE grant and received a one-time startup grant the following spring. We spent all of 2003 meeting and writing documents to get set up for business. We legally incorporated under NH Statutes as an agricultural marketing cooperative. Under New Hampshire law we are a non-profit corporation, but we are not a tax-exempt non-profit for IRS purposes. We pay taxes on any "profit" that we make.

In 2004 we had 103 members. We have continued to grow gradually and now have about 350 members. We rent a church hall one day a week and do satellite CSAs to various locations a second day a week. We sell vegetables for 26 weeks a year, with a 3-week spring plan, an 18-week summer plan and a 5-week fall plan. We offer single and family shares, with a bread option. We have four employees: a produce manager at the site, an office manager, a marketer and a crop production manager.

Our future. We are trying to expand. The market for CSA members is getting tougher each year. The competition is strong. When we began our own individual farm CSA in 1991, there were fewer than 100 CSAs in the US. Now there are over 6,000 CSAs nationwide. Likewise, when our group of farmers started Local Harvest CSA in 2004, we were one of the only CSAs in the Concord region and there were only a few farmers' markets. Now there are multiple CSAs and farmers' markets in Concord and every surrounding town. Like every individual farm and agricultural cooperative, we will need to adapt in order to survive and thrive. We would like to have a permanent home someday.

Benefits of a multi-farm CSA:

For the consumer, there is less risk of missing crops entirely some years or having skips in production. It is difficult for one farm to grow all 40 different vegetables each year. Even if a single farm can get every crop once or five times each year, the consumer might have hoped to

have them five or fifteen times over the course of the season. With multiple farms, there is greater crop variety and crop consistency throughout the season.

For the farmer, it allows farmers to diversify if that is their farm model, or to specialize if that is their farm model. Also, it creates a neighborhood of farmers to talk with, share ideas and compare notes. It also allows individual farms access to a broader number of local food enthusiasts who may be interested in another aspect of your farm (e.g. – cordwood, maple syrup, meat, bedding plants).

Good advice we received before we started: (from Brian Henahan from Cornell University, one of the country's leading experts on agricultural cooperatives, and Lynn Byczynski, editor of *Growing for Market* magazine and a farmer member of the Rolling Prairie Alliance, a multi-farm CSA in Kansas):

1. Keep the quality of your produce high.
2. Take enough money out as a commission so the coop can run. It is a business of its own and needs sufficient resources to do a good job.
3. Find and hire good people to run the business.
4. Before you actually sell any produce, take a year and get to know each other and write down everything – make rules for how to deal with situations. It will make things a lot easier in the long run.

12 things to talk about and include in your rules:

1. Legal organization. Each state has specific laws permitting the incorporation of agricultural marketing cooperatives. These state statutes are all based upon the legal framework established by the federal government in the Co-operative Marketing Associations Act in 1922 and the Cooperative Marketing Act in 1926. The specific state statutes are a good model to follow when choosing your legal framework and writing articles of incorporation and by-laws. Write a Marketing Agreement that each farmer will sign each year. That will become the foundation of your day-to-day operations. It will help you establish guidelines and expectations for the relationship between the farmers (individually) and the cooperative (as a group). Include a framework for dispute resolution. Plan for predictable things that can go wrong and detail how you will deal with them. Remember that the farmers and the cooperative are distinct entities. Also, purchase general liability insurance and workers compensation insurance as a cooperative.
2. Leadership structure. By law, each farmer gets one vote. Who will be on board of directors? What does the board of directors do? How will daily decisions be made and by whom? What is the system for accountability and transparency?
3. Quality standards. Make an official chart of standards for every item you sell. What will you do if substandard items are delivered?

4. Create bidding and sales systems. How will you decide which farmers get to deliver which crops and in what quantity? Will you treat new markets and existing markets the same within these bidding and sales rules?

5. Compatible farmers are key. Big/Small farms. Diversified/Specialty farms. Existing/New farms. Are you open to all farm models or do you have a farm type that you want to work with? Will you be open to new farmers? What are the requirements to join (e.g. – certified organic, certificate of farm liability insurance)?

6. Pricing. How will you determine and set prices? Will you sell everything in units? Will items be pre-bagged or bunched, offered by the count or offered in loose bins – or some combination of systems?

7. Budget, Equity Funds and Patronage Dividends. Set aside enough money to have a capital fund. Read up and follow all the IRS rules regarding Patronage Dividends. What is the commission rate? What will you do if you have a surplus or a deficit in any given year?

8. Employee supervision. Who is in charge of supervising employees? Write job descriptions each year. Will you hire in-house workers, from CSA members, or the general public?

9. Crops offered and site issues. Will you focus on fruits and vegetables? What about eggs? Milk? Meat? Bread? If you (the cooperative) take possession of the crops for three hours between farmer drop-off and customer pick-up, then does this change your legal situation regarding products like meat and raw milk? What are relevant state and federal laws for those products – they oftentimes are different than if you sell them directly from the farm. Will you offer bulk purchases and extras at the site? Customers like extra benefits such as a swap table and a vacation policy. Will you offer “member choice” (e.g. a complete pre-order list) or build member choice into the site with selections among crops as customers walk down the tables? Also, be prepared for the Food Safety Modernization Act. Multi-farm CSAs may be required to adopt a number of measures, potentially including labels of which crops come from which farms each week in order to provide tracking. (*Note: this paper is being submitted before the final FDA rules will be released on November 30th*).

10. Location. Where will you sell the goods? Some options include: a permanent location (your own building), a rented location (e.g. church hall), satellite CSAs (pickup truck in a parking lot), at business sites (employee CSAs), or at one of the farms?

11. Larger community. Make a relationship with a local food pantry or soup kitchen to handle the unclaimed produce. Get involved in some local community events.

12. Internal competition. What rules will you make regarding individual farmers competing with the cooperative CSA and vice versa? This can be a pretty contentious issue, so try to talk about this ahead of time so that when real world examples come up, you have some philosophical principles in place.

A multi-farm CSA can be a great benefit to each individual farm. It takes a lot of work and dialog, but is well worth it. A couple of our farmers (Jill Perry and Scott Franzblau) wrote a 130 page handbook on multi-farm CSAs. It is called Local Harvest and is available for free online from SARE at: http://agmarketing.extension.psu.edu/ComFarmMkt/PDFs/local_harvest_csa.pdf