The Changing CSA — Data from CSAs in the US and Eastern New York

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"When CSAs were first around, it seems like it was more like customers saying, 'We really believe in you, the farmer, and how can we make this work for you?' Now, it seems like it has shifted and the farmers are saying, 'How can we make the CSA work better for you, the customer?'"[1]

-CSA Farmer interviewed in "Community Supported Agriculture – New Models for Changing Markets

A 2017 report by USDA-AMS and the University of Kentucky is highlighting key trends in CSAs (Community Supported Agriculture) in the United States and these trends are echoed in data I have collected on CSA farms in Eastern New York. In *Community Supported Agriculture – New Models for Changing Markets* the authors Timothy Woods, Matthew Ernst, and Debra Tropp surveyed 495 CSAs in the USA and then conducted case-studies of six CSAs. They found several changes compared to a national CSA survey, conducted in 2001[2]. They found (1) increasing competition, from other CSAs and from other market channels (2) increasing focus on customer service and choice and (2) growth of multi-farm and alternative types of CSAs. They also found a decline in the number of certified organic CSAs. In 2001 49% of CSA farms were certified organic. In the 2017 survey only 27% were certified organic. These trends are echoed in data I collected on 106 CSAs in Eastern NY in 2017 and 2018[3] (Figure 1). For example, I found that 26% of Eastern New York CSAs were USDA Certified Organic, like the national percentage.

In some ways CSAs have not changed much from the early 2000s. The typical CSA farm in the US 1999-2001 provided 22-24 weeks of produce to their shareholders. This is the same today in Eastern NY where the median number of weeks of a traditional CSA was 22. The median share price for a full share in the US in 2001 was $400, which adjusted for inflation is $571 in 2018 dollars. The median share price for a traditional CSA in Eastern New York in 2018 was $585, so there isn't a large difference in the cost of a traditional CSA share.

What has changed is what farms are doing to reach those customers. Like the 2017 USDA survey, I found that many CSA farms in Eastern NY were making the CSA share more accessible to their customers. There is an increasing focus on home or workplace delivery, especially among the larger CSAs, for whom the CSA model is their primary business. The mean number of drop-off sites in 2017 was 3.4 and that increased in 2018 to 3.7. The total number of drop-off sites also increased in Eastern NY. There were 319 sites in 2017 and 364 sites in 2018. 11 of those "sites" were door to door regional home deliveries, so the total number of drop-off sites is actually larger. Many farms are now advertising that they will offer to create a CSA drop off if a critical number of subscribers is reached.

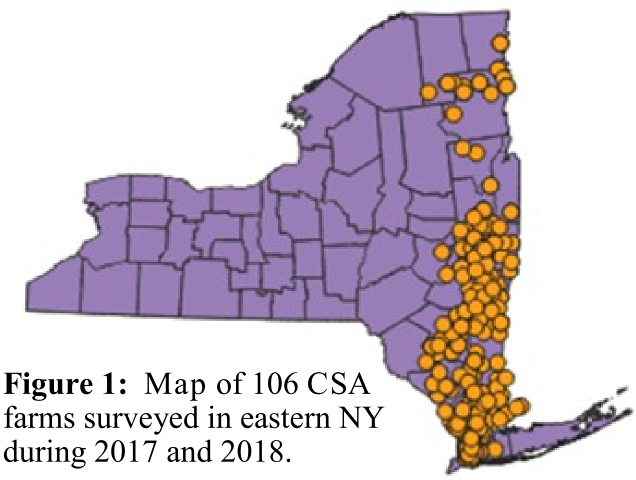

Figure 1: Map of 106 CSA farms surveyed in eastern NY during 2017 and 2018.

However, despite this increase in customer service, I observed a downward trend in CSA share price between 2017 and 2018. 22% of CSAs in Eastern New York lowered their share price between 2017 and 2018. Overall the median share price was flat between 2017 and 2018. One possible reason is competition for customers. The 2017 USDA survey found that only 39% of CSA farmers in the Northeast expected their share #s to increase in the future. They cited competition from other market channels, but especially competition from other CSA farms as their primary competitor for customers. Anecdotally CSA farms in Eastern New York reported challenges in recruiting and retaining new CSA members. This could be reflected in the additional effort to reach customers and the downward trend on prices.

The 2017 survey found that there was growth in the number of alternative product CSAs (meat, processed food, flower) and the number of multi-farm subscription CSAs. We have seen this change in Eastern New York. About 10% of the CSAs in our study do not offer vegetables. The USDA study voiced a concern that multi-farm CSAs risked the loss in perceived value to consumers by moving from a farm estate product to an aggregated "local" product that was not as identified with a specific farm. But these concerns were outweighed by the benefits of offering more diverse products, allowing growers to specialize and reducing production risk by spreading production over more farms. In Eastern New York many farms are adding products from other farms to their CSA. 28 of the 99 farms were explicitly including products from at least 1 other farm on their CSA share in 2018. There are also two farmer-owned "CSA weekly subscription box" multi-farm CSAs, where customers can order CSA boxes with the product provided by multiple farms and can place weekly orders for specific products. Twenty-five farms in the region participate in these two CSAs. Most of these farms also have their own individual CSA so apparently see this subscription box as an additional marketing outlet. Both of these CSAs have a minimum order size or a minimum balance requirement.

The most significant change in Eastern New York CSAs is the rapid movement from the traditional share box CSA to the declining balance card CSA. In this model, customers pre-purchase a card for a specific amount that then has a value that can be used either at the farm's farm stand or farmers market during the season. Most CSA farms add 10% value of the purchase price onto the card (e.g. a $600 card is worth $660 in value of product). The average initial payment required in 2018 was $350. This was a small decrease from the 2017 average price, but most farms held their price the same between 2017 and 2018. This model is increasingly popular, in 2017 13% of CSAs offered some form of the declining balance card but this increased in 2018 to 18%. Farmers I spoke to like the reduced labor of packing boxes and that it allows them to focus on one marketing channel (their market) but provides the benefit of customer loyalty and advanced payment. They report that their customers like the flexibility.

Although this model has many benefits for CSA farms that focus on farmers markets or a farm stand; it has some potential pitfalls. First it could make the consumer more price aware. Using the card at the market a customer sees the exact cost of all their produce selections and can compare those prices directly to other farms at the market. The traditional CSA box is less price transparent. Another issue could be more competition from other market vendors as this model is much easier to adopt than a traditional CSA. Finally, very few farms in Eastern New York that offer this model have an option for reduced cost for limited resource consumers and none of the farms using this had a volunteer requirement, two hallmarks of the traditional CSA. What are the implications for the "community" aspect of the CSA if the model transitions from the on-farm share to cards that are essentially a discount for prepayment or retail loyalty card?

We will continue to collect data on the CSAs in Eastern New York to have a better sense of how the model is changing over time. In addition, the ENYCH team is planning to offer a program on CSAs at the winter fruit and vegetable school in February. To echo the farmer quoted in the beginning of the article, it is clear that the CSA model has been successful for many farms, but continued growth is requiring farmers to adopt more of a customer-focused orientation and competition from other farms and other marketing channels may reduce overall profitability for some farms.

[1] Timothy Woods, Matthew Ernst, and Debra Tropp. *Community Supported Agriculture – New Models for Changing Markets*. U.S. Department of Agriculture, Agricultural Marketing Service, April 2017. Web.

[2] Lass, Bevis, Stevenson, Hendrickson, Rhuf . *Community Supported Agriculture Entering the 21st Century: Results from the 2001 National Survey*. University of Wisconsin Center for Integrated Systems available at: http://cias.wisc.edu/wp-content/uploads/2008/07/csa_survey_01.pdf 29 pages.

[3] The New York data was collected directly from the farm's websites and subscription forms.