Community Supported Agriculture farms: management and income

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One critical goal of the Community Supported Agriculture (CSA) movement is to sustain farm families economically. CSA farms offer memberships to consumers, who receive shares of the farms' produce during the growing season.

Researchers from CIAS and other partner institutions listed below conducted the 1999 National CSA Farm Survey. Overall, they found that these farms tend to offer diverse products and sell them through many markets, not just CSA. In addition, some CSA farms are adopting innovative business forms and land-use agreements. Small size, newness of operation and enterprise diversification help explain why many farms participating in this survey earned a low median gross income of $15,000 from CSA.

Organization and land ownership

While fewer CSA farms were run by individual operators or as sole proprietorships than all farms in the 1997 USDA Census of Agriculture (Census farms), more were run as partnerships and corporations. Fourteen percent of CSA farms listed a form of organization other than sole proprietorship, partnership or corporation compared to less than one percent of the Census farms. Most of these were not-for-profit organizations, with a few cooperatives.

Slightly more than half of the CSA farms in this survey reported land-use arrangements other than ownership. Sixty-eight percent of those were rental agreements with private landowners. Twenty-one percent of these arrangements were with non-profits like universities, churches and conservation groups.

Hired workers

The number of workers hired by the CSA farms in this survey ranged from zero to over 50. The farms hired a median of two workers annually. (The researchers used the average whenever feasible. But since an average can be affected by very large or small values, the median or middle value of the data was sometimes used to illustrate a typical CSA farm.) About 23% of these CSA farms hired no additional labor, while another 23% hired two to three workers.

As many of these workers may have contributed to additional farm enterprises, such as farm stands, it is hard to know exactly how much hired help was used for CSA operations and to compare this data across farms. Additionally, many farms relied on unpaid operator, family or shareholder labor. These types of labor are not included as hired labor.

Enterprise diversification

In addition to operating a CSA business, many of these farms sold produce at farmers' markets, farm stands or through wholesale channels. Others had additional enterprises such as poultry, beef, or eggs. Some farms offered these extra products to their members as options.

Despite this diversification, most farms focused on CSA as a primary enterprise. Nearly 58% of the farms used at least half of their land for CSA, and about a third used more than 90% of their cropland for CSA. Smaller farms with fewer acres of cropland were more likely to devote most of their land to CSA.

Income from CSA enterprises

CSA farms generate income by selling farm memberships that provide vegetables and other products such as flowers, eggs or meat. The farms participating in this survey sold a median of 29 large and 23 smaller memberships. Seventeen of the largest farms sold the equivalent of over 200 large memberships.

Membership costs were relatively uniform for these farms. Larger memberships sold for $412

1999 National CSA Survey research partners

CIAS, University of Wisconsin-Madison

Department of Resource Economics, University of Massachusetts

Northeast Sustainable Agriculture Working Group

Robyn Van En Center for CSA Resources, Wilson College and smaller ones sold for $264, on average. Ninety-four of the CSA farms reported selling some additional items including home delivery, flower, winter and institutional memberships. The prices of these ranged from just a few dollars to nearly $1,000, due to large differences in the value of the products offered.

The farms participating in this survey earned a median gross income of $15,000 from CSA. Fifty percent of these farms had CSA incomes between $7,000 and $30,960; three percent had gross CSA incomes under $1,000 and less than one percent had gross CSA incomes over $250,000. Since many of the farms returning this survey were diversified, CSA provided only part of their total earnings.

Total farm and off-farm income

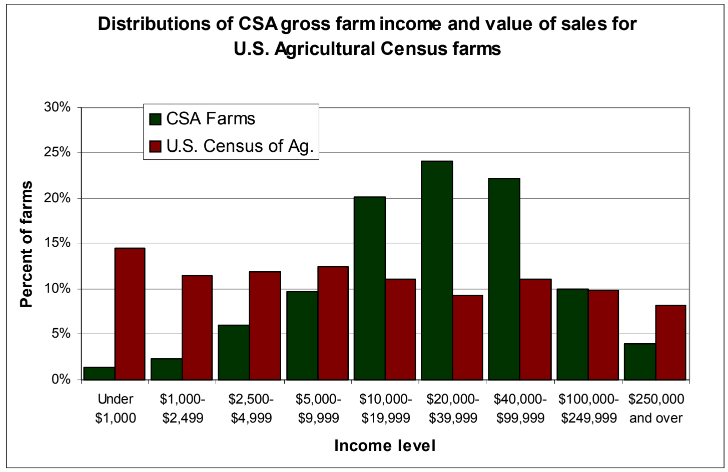
Farmers also reported their **total** gross farm income by selecting an income range (such as $10,000-$10,999) that corresponded to their total farm receipts, including CSA. Forty percent of the farms had gross farm incomes of less than $20,000, while 60% had gross farm incomes of $20,000 or more. Thirty-six percent had gross farm incomes at $40,000 or above. As the farmers reported income ranges rather than specific dollar amounts, it was impossible to calculate an average. However, their median gross farm income lay somewhere between $20,000 and $29,999.

When compared with farms from the 1997 Agricultural Census, these CSA farms typically had higher gross farm incomes (see the graph, top right). Thirty-nine percent of the Census farms had gross incomes of over $20,000 compared to 60% of CSA farms.

U.S. farmers commonly rely on off-farm income, and this reliance has increased in recent years. However, nearly 62% of the CSA farmers participating in this survey earned less than $10,000 per year in off-farm income.

Farms with core groups

Only 28% of the farms surveyed operated with a core group of members. The original CSA model incorporated the idea of a core group of members who provide guidance and support to the farm operators. (See *Research Brief* 67.) Farms with core groups were more likely to adopt alternative business structures and use alternative land-use arrangements.



The mean gross farm income for farms with core groups was nearly $10,000 higher than for farms without core groups. Farms with core groups sold more memberships and charged significantly more for them. Core group farms were also more likely to have hired workers.

Challenges for the CSA movement

The median annual gross CSA farm income of $15,000 and median gross farm income between $20,000 and $29,999 shows that many farms are employing CSA on a small scale. Many of these farms were relatively new and small when they filled out the survey in 1999. An important challenge for the CSA movement is to increase CSA incomes for farm families while maintaining their quality of life and community values.

Additional survey results are detailed in an in-depth report, *CSA Across the Nation*, and in CIAS *Research Brief* 67. Both publications can be viewed at and ordered from the CIAS web site at www.wisc.edu/cias

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The Center for Integrated Agricultural Systems (CIAS) brings together university faculty, farmers, policy makers, and others to study relationships between farming practices, farm profitability, the environment, and rural vitality. Located in the College of Agricultural and Life Sciences at the UW-Madison, it fosters multidisciplinary inquiry and supports a range of research, curriculum development, and program development projects. For more information on the Center or on the research in this Brief, contact: **CIAS, 1450 Linden Drive, UW-Madison, Madison, WI 53706**
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