

# A Multi-farm Community Supported Agriculture Model:

Assessing the Economic Impact of Combined Storage,  
Distribution, and Marketing of Local Food Products for Small-  
and Mid-sized Farms

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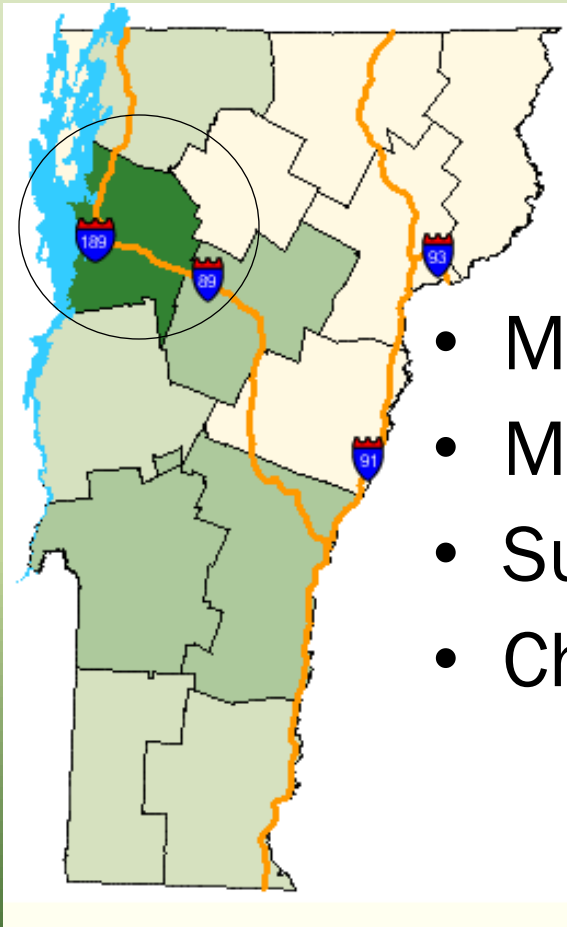


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# Introduction

- Case study of developing the

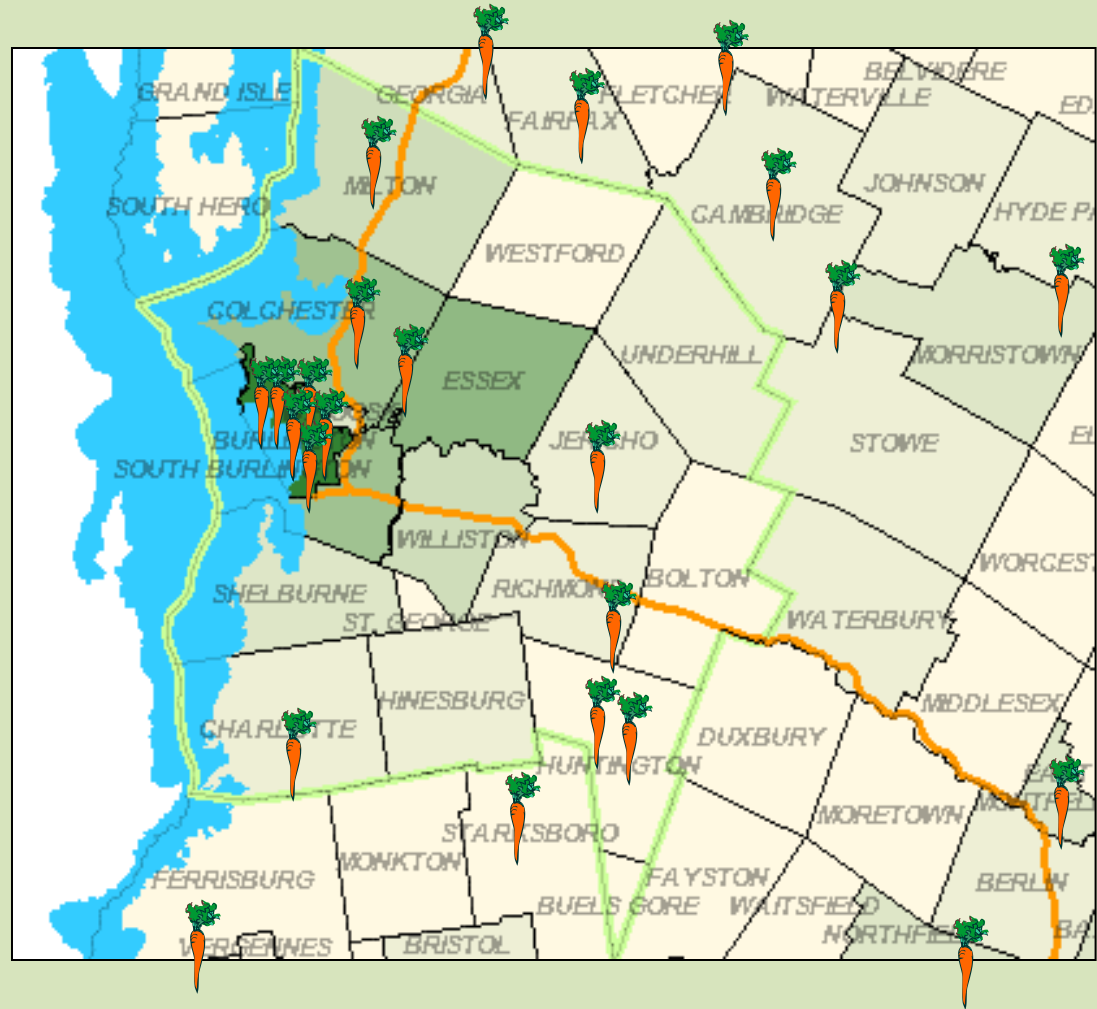


Intervale  
food hub

- Multi-farm collaborative
- Managed by a nonprofit
- Support county-wide food system
- Chittenden County, VT

# Study Background

- Evaluation of Food Hub
  - 2007-2009
  - Funded by SARE grant
- Focus groups with IC staff
- In-depth interviews with 18 participating farmers
- Shareholder data
- Gross sales and revenue data



# Developing the Food Hub

## Goals

- Identify barriers & opportunities
- Determine consumer demand & producer capacity
- Find appropriate solutions



### **Social mission:**

Increase local food access

### **Business Venture:**

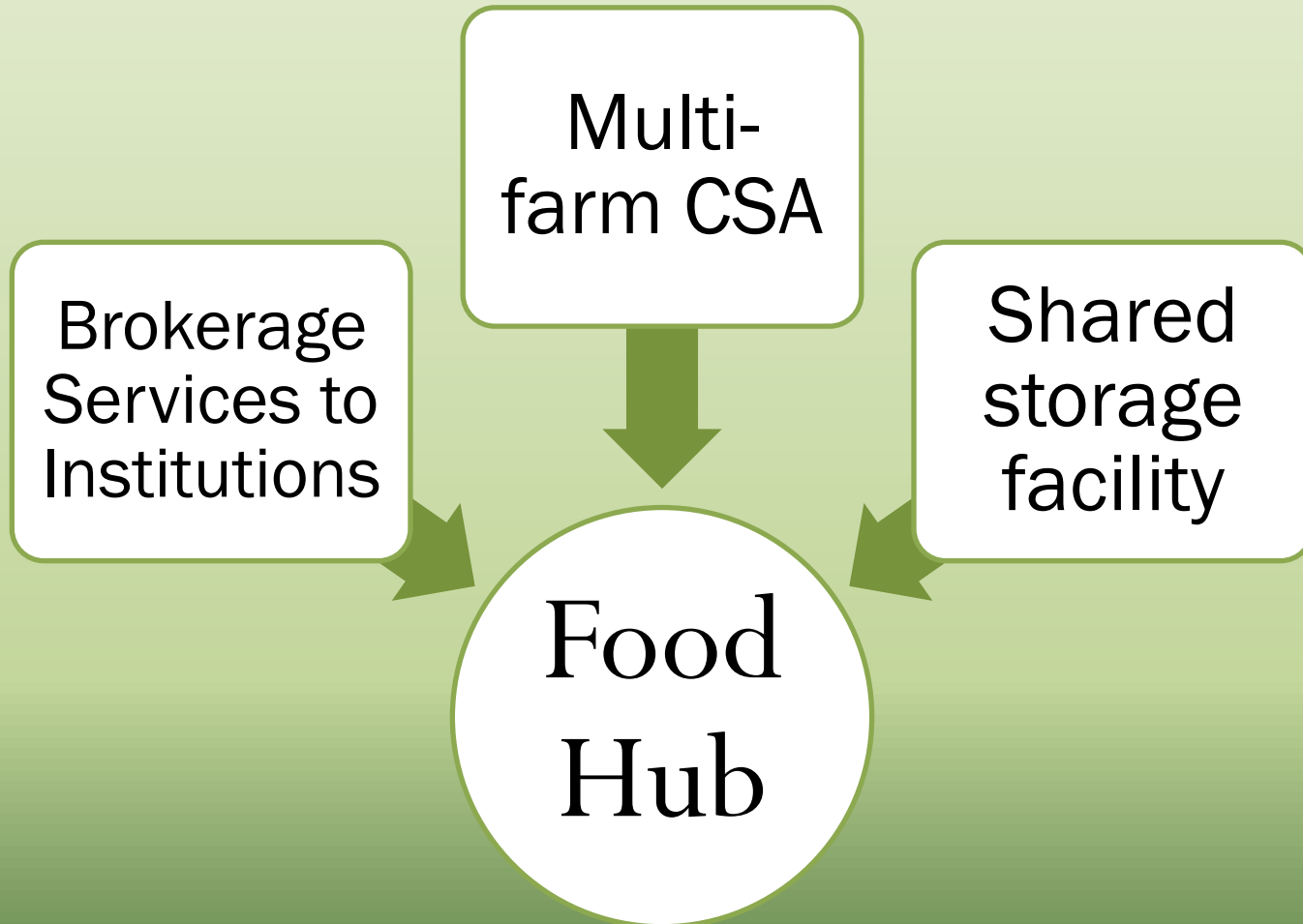
Increase farm production capacity

Ensure fair price to farmers

# Four Year Process

- **2007** – Conducted background research
  - Survey of producers
  - Survey of consumers
    - 55% of local food shoppers were not members of a CSA
    - 44% interested in joining one
  - Market segmentation
    - Workplace delivery to businesses (100+ employees)
    - Share sizes and variety
- **2008** – Pilot year
- **2009** – Increased shareholders/sites, fewer farmers, refined processes
- **2010** – Expansion to wholesale & additional share types/markets, explore ownership

# Three Pronged Strategy



# Connecting Producers to Consumers

## Producers

- Multiple producers supply produce and products to an aggregated CSA mix
- Plan in advance and receive advance payment

## Intervale Food Hub

- Storage – Food Hub farmers and other farmers
- Marketing and distribution to shareholders

## Consumers

- Wholesale accounts - Institutions, restaurants
- Workplace drop off sites – household level

# Multi-Farm CSA Data

	# Members	# Sites	# Farms	Gross Sales June-Nov	Winter	% Return	Total return	Ave/ Farm
2008	125	7	30	\$70K	\$30K	70%	\$77K	\$2,567
2009	200	20	21	\$110K	\$76K	70%	\$130K	\$6,510
2010	320	27	24					

# Increased Return to Farms

- 2008 - Farmers earned \$180-\$8,777
  - ave \$2,357/farm
- 2009 - Farmers earned \$600-\$22,423
  - ave \$6,510/farm
- **Paired samples t-test** demonstrate consistent upward growth in farm revenue from CSA sales
  - Average gross farm sales in 2008 were \$17,561 more than gross sales earned in 2007 ( $p \leq .05$ )
  - Gross farm sales in 2009 were approximately \$40,000 more than sales from 2007 ( $p \leq .01$ )

# Farmer Reflections on Outcomes

- New or additional account
  - Reach new markets/customer base
  - Sometimes replaced other accounts - high profit margins/reliability
  - Greater name recognition
- Increased food production, sales and income
  - **Smaller farms** - CSA is substantial portion of their revenue
  - **Larger farms** - Small account but least time intensive
  - All farms supported by advanced payment
- Physical expansion
- Refined farming practices
- Hired additional employees

# Successful Practices - Shareholders

- Targeting shareholders through work place delivery at businesses, specialty groups
- Minimize competition/support local
- Shares
  - High quality
  - Consistency - risks of farming minimized
  - Diversity of size and products
  - Convenient delivery
  - Year-round availability

# Successful Practices - Farmers

- Individual and group communication to plan
  - Relationship building strategies
- Pre-season crop planning – equitable
  - Real time buying – supports loss/surplus crops
- Aggregate selected, specialty and niche products from multiple producers
  - Vegetables, fruit, bread, eggs, cheese, meat, maple syrup, pesto & flowers
- Expand farm capacity/minimize strain on individual resources
  - Time and cost savings from pooled resources & expertise

# Successful Practices - Farmers

- Use of grant funds
  - No initial financial investment from farmers to allow for start-up and buy-in
- Advance payment to farmers
- High return for wholesale volume – 70%
- Phased approach to start-up and expansion

# Successful Practices - Farmers

- Brokerage model & paid staff coordinator
- Centralized drop off, storage, packing space
  - Coded lock allows farmers to drop off at their convenience
- Combined marketing, storage & distribution
- Business and technical assistance to farmers
- Networking, support, resources

# Next Steps

- Ownership and investment options
  - How many farmers
  - How much are farmers willing to invest?
  - Access to capital/cash flow
  - Nonprofit vs. private ownership
- CSA model transferred to wholesale accounts
- Farmers connect directly with accounts
- Increase opportunities for shareholders to connect with farmers