

Putting the CSA Model to the Test

Robin McDermott

Issue no. 40 • Mud Season 2011

CSAs have become commonplace in Vermont. It is cool to say that you belong to one and even cooler if you belong to two or more. And, for the most part, farmers in Vermont have done a good job holding up their end of the bargain with Community Supported Agriculture models. So it is easy to forget the concept behind CSAs.

Most farms advertise CSAs as “buying into the farm,” which is, in essence, what their shareholders are doing. Just like a Fortune 500 stock that goes up and down based on how well the business is doing (at least that’s the way that it worked in the good old days), the value of a CSA share, or what the members take home from the farm on a weekly basis, depends on how well the farm is doing. For example, a couple of summers ago when early blight took out most of the tomato plants in the state, CSA members shared in that loss with the farmers; there were no tomatoes in most CSA baskets that year. Some CSAs make up for shortages by providing other veggies that are performing better on their farm (for example, kale, which thrived that year), but with most CSAs there isn’t a contractual obligation on the farmers’ part to provide any specific food or amount of food. Trust and reputation are usually the only guides that customers have in making a decision to invest in a CSA.

But even with small hiccups like the tomatoless summer, Vermont CSA farmers have been good at keeping up their half of the bargain. In fact, when a farm has a bumper crop of a particular vegetable, the shareholders will come away with extra veggies that week; that is how CSAs are supposed to work. Yet it’s easy, as CSA shareholders, to forget that the periodic bounty that we look forward to picking up on a set schedule is not guaranteed.

It was easy, that is, until January this year, when a fire destroyed the barn at Pete’s Greens in Greensboro. In addition to losing the wash house equipment, several tractors, numerous pieces of priceless vintage farm equipment, and the barn itself, which is the “heart” of a farm’s operation, all of the storage vegetables and frozen meats that were allocated to fill CSA shares throughout the rest of the winter went up in smoke. This was a far more serious loss to CSA members than getting shorted on a couple of tomatoes. Before the fire department had squelched the last burning ember, members of the Pete’s Greens Good Eats CSA received e-mail notification that their CSA pickup that day would be the last for a couple of months; there simply wasn’t any food available to fill the weekly CSA orders.

But the e-mail also offered all of the shareholders a refund for the portion of the CSA that would not be filled in the coming weeks. Traditional financial investments simply don’t work like this. Lehman Brothers stockholders had no such recourse when their stock lost its full value on September 15, 2008, after the company declared bankruptcy. My mother, who was heavily invested in General Motors bonds, didn’t receive a letter from GM offering her a refund when a good chunk of her life savings became worthless as the company slithered into bankruptcy.

The unfortunate situation at Pete’s Greens highlights the real value in CSAs and how Community Supported Agriculture is supposed to work. In these times of financial uncertainty, investing in a local farm makes a lot of sense. Sure, there’s risk involved. You never know when weather conditions will cut a season short, an uncontrollable disease will wipe out an entire crop, or a greenhouse will be destroyed by a freak windstorm. But when you hand your money over to CSA

farmers at the beginning of their season you can be certain that regardless of the challenges the coming growing season present, the farmers will be working their hardest to protect your investment. In fact, this deep sense of responsibility is why some farmers are no longer offering a community supported agriculture model for their farm. As one former CSA farmer told me, she would lie awake at night worrying about producing enough food to fulfill her commitment to her CSA customers. I don't think that the executives at Lehman Brothers or GM were kept awake at night worrying about us little guys.

CSAs are cool, and investing in a local CSA helps farmers get a strong start for the season when their cash reserves are at their lowest. While there are CSAs that start up throughout the year depending on their focus, most get going in the spring so the timing couldn't be better to consider how you might invest in a local farm this year. The NOFA Vermont website lists more than one hundred CSAs in our state (see NOFAVT.org). If you grow your own vegetables, as I do, there are other types of CSAs that might make more sense. I belong to a flower CSA that I join in the spring and, in exchange, receive a beautiful bouquet each week throughout the summer and fall. I also join the High Mowing Seeds CSA each fall that gives me a 10-percent discount on my seed purchase in January. I couldn't imagine a better way for Vermonters to invest their hard-earned money.