

Workshop Title: Scaling up your CSA

Speakers & their titles: Josh Oulton, TapRoot Farms (NS) and Kent Coates, Nature's Route Farm (NB)

Executive Summary: This session consisted of presentations from two CSA farmers on the challenges, rewards and considerations of scaling up your CSA farm business.

Detailed Notes

TapRoot Farms

TapRoot Farms has a roughly 500-member CSA in the Annapolis Valley, Nova Scotia. The farm offers "Appetizer" and "Entree" shares across three separate platforms (veggies, meat, fruit), as well as a 20-week cut flower share. TapRoot began with a 60-share CSA and then scaled up.

Josh outlined six points that are key to consider when "scaling up":

- Marketing
- Delivery
- Communication
- Construction
- Pre sort and wash
- Production

1. Marketing

First you have to convince people to choose a CSA as the means of accessing their food, then you have to get them to choose your CSA. TapRoot did neighbourhood mail drops, and took out bus and magazine ads.

2. Delivery

Convenience is key. Provide pick-up options. Use a large vehicle, and never let it leave the farm unless it is full of product.

3. Communication

TapRoot spends 15 hours a week on communications via email, Facebook, Twitter and telephone. They now use a software program to help them manage the marketing, business and distribution sides of their operation. Software can be a useful tool when scaling up.

4. Construction

The actual construction of shares can be very time-consuming when you scale up. TapRoot used to build its shares item by item, carrying each item to each

box. Now the boxes travel to various vegetable “stations” using a conveyer system.

5. Pre sort and wash

Everything must look good before it goes in the box. TapRoot has a “bad food” policy that allows consumers to send in pictures of their bad produce in order to be compensated in their next box. Josh says he hasn’t received a photo in years.

6. Production

Production is the easiest piece; convincing 500 people to buy your produce is the challenge. This is why Josh placed “Marketing” at the top of his six-point list.

Nature’s Route Farm

Nature’s Route Farm started from scratch with bicycle delivery to a depot location where customers constructed and carried away their own boxes. Gradually the farm increased its production, moving from wheelbarrow to tractor, from basement cellaring to a proper produce storage facility.

Why do a CSA?

CSAs are good because the product is sold before you plant, which reduces cash flow issues at the frontend of the season. It allows for flexibility: if there is poor weather for one crop, you can substitute with another. Customers and farmers both enjoy the relationships that they form with each other.

Why do we do a CSA?

Both Kent and his partner had professional careers, but wanted to farm full-time. Kent also wanted to “change the world.” With growing political consciousness around food, people are becoming more interested in knowing what they eat. CSAs allow customers to create relationships with their famers and represent the best way to change how and what people eat.

Cons to CSA

Administration takes a lot of time because you are building a relationship with each customer directly. On the other hand, unlike in wholesale farming, if you lose one or two customers, it isn’t catastrophic.

The pressure to fulfill your commitments to prepaying customers is weighty. It is also challenging to grow a variety of produce and to be good a growing lots of different items.

Customers can be demanding. As much as you can educate them with recipes etc, you can’t keep giving them kohlrabi if they don’t want it! It is also important to recognize and respect that customers make a big commitment when they sign up

for a CSA. They have busy lives and committing to picking up a share every week for 20 weeks is a challenge. Farmers have to find a way to make CSA work for their customers.

Why scale up?

Doing a small CSA can be a lot of work. The most difficult thing about doing a CSA can be providing the required crop diversity. If you are doing this on a small scale successfully, you might as well be doing it on a larger scale.

Considerations

1. Production

If you are scaling up your CSA you have to be willing to scale up your production. This could mean buying a tractor, for example. You have to be willing to make investments in production efficiency.

2. Marketing takes a lot of time.

3. Administration

Every share or customer account has to be managed individually.

4. Delivering

Delivering a large number of shares to a variety of locations can be logistically challenging. Nature's Route has three points of sale a week, which makes it possible to pick produce when it is at its best.

5. Economies of Scale

6. Human Resources

If you are scaling up, you have to be willing to deal with employees.

What we did: Customer Perspective

Kent asked his customers what they wanted before ramping up. What they wanted was the best vegetables, the most variety, and flexibility as to pick-up time and location.

Nature's Route gives its best selection of produce to its CSA members and takes the remainder to market. They don't give too much, offering three share sizes valued at \$15, \$22, and \$33 dollars per week. They aim for professionalism, delivering what they commit to their customers. Nature's Route also markets to "the masses", not just to the converted, and the farm never says that its CSA subscription is full.

Changing roles

Scaling up requires more supervising, specialization, administration, and more

debt!

Employees

Once you scale up you can no longer farm without employees. It is challenging and important to keep them motivated, positive and production-oriented.

In an effort to find the most suitable employees possible, Nature's Route includes a half-day of physical work in their interview and selection process. The farm strives to pay its employees as much as the business can bear. Kent's employees make more than he does.

Be Prepared

It is really important to take the customer's perspective. Be the best employer that you can be. Marketing is key, but if you're honest, fair and positive most of the marketing will take care of itself.