

The impact of community supported agriculture: Lessons for enterprises

This paper suggests lessons for existing, developing and potential enterprises from the Soil Association's evaluation of community supported agriculture (CSA). It draws on and refers (where starred*) to the headline findings outlined in our *Key features and benefits* paper.

Further information on many of the subjects of this paper can be found in the many free resources available from:

- Soil Association CSA project: <http://j.mp/CSAresources>
- Making Local Food Work: <http://j.mp/MLFWresources>

Getting started

Strength in diversity

The diversity of CSA enterprises across England* reflects their grassroots origins and the needs, ideas and ideals of the local communities and producers involved. New enterprises stand to gain by drawing on the experience of existing successful enterprises while adapting any chosen model to their local circumstances.

With over 80 CSA enterprises now trading*, there is a wide range of tested models. The Soil Association website has 20 case studies and our final report will include more.

Governance

Most enterprises are industrial and provident societies / IPS (21%), IPS for the benefit of the community (17%), companies limited by guarantee (21%), though alternative legal statuses are represented, including companies limited by share, community interest companies / CIC, partnerships and unincorporated. Professional advice on the appropriate structure for any particular enterprise is recommended.

Integration in wider enterprises

While CSA can be, and often is, the only or initial activity of many enterprises, the successful integration of CSA within many wider businesses and social enterprises* suggests wide possibilities for its application.

Support

90% of CSA enterprises have benefited from external advice or support, mostly from a social enterprise support organization (71%), co-operative support organization (52%), rural support organization (29%), Business Link (29%) or local authority (16%). Many enterprises have been supported by the Soil Association's CSA project under Making Local Food Work.

As Making Local Food Work ends in March 2012, the support environment will change significantly, though it is hoped that some support, networking and advocacy will continue. In addition to the direct support to enterprises, there is evidence that national publicity is effective in encouraging interested individuals to seek out and join, or even to initiate, a local CSA initiative.

Funding and finance

The majority of initiatives (57%) relied on members' subscriptions / shares to provide the funding necessary to start their enterprise – in many cases this is simply the regular subscription but a few enterprises have invited larger investments through a community share issue or similar. Other leading sources of funding were: grants (43%: 37% with capital grants, 23% revenue), loans from members (27%) and local fundraising (27%).

Fundraising can draw on the evidence for the benefits of CSA identified in our evaluation* to persuade funders and other possible donors of its value, particularly where backing up more specific claims for an individual initiative.

While a majority of enterprises (54%) generate all their income from trading, 27% generate over a quarter from grant funding. 48% state that they provide training as a service and may derive some income from fees or associated funding. Funding should be seen as providing a short-term step towards financial sustainability: 85% of funded initiatives expect a higher proportion of income from trading in the next three years.

Communication

Effective communication is essential to the CSA movement as whole, and to both existing and developing enterprises, in order to:

- Grow the movement
- Encourage new enterprises
- Attract funding and support
- Recruit new members

Explaining CSA and building awareness

The low public awareness of CSA, coupled with significant latent appeal* – with almost half the general population finding the concept appealing – suggests enormous potential to grow the movement but a need to explain it.

No general understanding of "community supported agriculture" (and less still "CSA") should be assumed. Even some CSA members are unsure of the term's meaning and the concept is broad, encompassing a diversity of CSA enterprises*. We suggest the most effective approach for any enterprise is to explain the fundamentals of how their initiative works, while referring to it as an example of "community supported agriculture".

Communicating the benefits

Conveying the benefits of CSA comes second to developing an understanding of what it is, and is essential to securing funding (see above) and recruiting members.

Marketing

All CSA initiatives require members to deliver their aims; marketing is essential to recruit these members, both at the outset and on an ongoing basis, whether to grow the enterprise or simply to replace departing members.

Enterprises should have a clear understanding of who their **potential members** are, the **message** they need to communicate to potential members, the **channels** of communication and the **membership process**.

Who are potential members?

The broad appeal of CSA as a concept (see above) argues against too narrow a target market. Still, existing CSA members exhibit some clear demographic and social traits which may inform marketing efforts. Members are more likely to be female (74%); aged 25-34 (28%); middle income*; members of another local or national group (67%; 15% are members of a Transition Town group).

Enterprises should strive for openness and accessibility: there is a danger that a strong community ethos could shade into a sense of exclusion for those not yet involved.

The message for potential members

The leading reason for members to join a CSA initiative (and for their continued involvement) is for **sustainably produced food**. The top five reasons for joining are all in line with reasons for continued involvement* and indicate key messages to stress when recruiting members (with % citing as very / quite important):

1. **For sustainably produced food** (99%)
2. **For high quality food** (98%)
3. **For healthy food** (97%)
4. **To support local farmer/s** (94%)
5. **To build a sustainable enterprise** (87%)

The factors that discourage potential members from joining are also crucial in shaping the message:

1. **Lack of time** (51%)
2. **Difficult to find out how to participate** (22%)
3. **Don't feel part of community** (21%)
4. **Lack of transport** (16%)

Many potential members also expressed suspicions of community groups, their management and the people involved: professional presentation is essential!

Marketing channels

Most CSA members first heard about their local initiative through word of mouth (51%), followed by a flyer or poster (12%), local press editorial (10%), the CSA initiative website (10%) and at an event (8%). This may reflect the channels most used more than their effectiveness.

Several members were inspired to find their local CSA initiative after hearing about the concept in the national media, in a book or on the internet.

The membership process

It must be as clear and straightforward as possible for new members to sign up, with everything explained and accessible payment options offered.

Ensuring a viable future

Barriers

Although 89% of enterprises reported a profit or broke even in the last year, current financial performance is the most widely cited barrier (43%) to enterprises in achieving their plans for the future. The next most common barrier is difficulty in securing commitment from volunteers (29%), followed by a lack of external financial support (21%). Other cited barriers included a lack of accessible training, government regulation and difficulty recruiting and retaining members.

Support

Almost all enterprises (90%) have benefited from external support and most (80%) consider that they would benefit from support at present. The most desired subject for current or future support is finance and fundraising, followed by marketing, legal structures and governance, and community leadership.

Networking

Networking is very valuable to CSA initiatives, particularly amongst themselves and with related enterprises.

Initiatives are split on the importance of the private and public sectors to their enterprise, with approximately half considering each sector of some importance to them, both in the period before they started trading and on an ongoing basis. While some enterprises have benefited from good relationships with both the public and private sector, others haven't had or taken the same opportunity.

A positive outlook

Most enterprises plan to develop in the future*, through expansion, development or diversification. In a growing movement, the experiences of many longer established enterprises suggest many opportunities ahead.



For further information, please contact:

Bonnie Hewson, Soil Association – bhewson@soilassociation.org / 0117 914 2430

Nick Saltmarsh, Provenance - nick@provenance.co / 020 7241 3468