Forming a Multifarm CSA Cooperative

Local farms cooperating to increase profit and sustainability.

Fort Collins has a strong agricultural history and is currently supporting 23 Community Supported Agriculture (CSA) programs. Most of these CSAs are small family-run farms. The Fort Collins farmers we speak with who provide a CSA program have expressed the need to increase the profitability of their farm and are unable to pay themselves a living wage.

The goal of this project is to form a multifarm CSA cooperative bringing more stability to the local food system and increase competitiveness in the local specialty crops industry. This will be a multifarm CSA because several farms contribute to its operation. It is a cooperative CSA because the participating farms are joined in a cooperative arrangement. Some of the benefits of a multifarm CSA cooperative model vs. a single farm CSA are: possible cooperative purchasing, better crop rotation, focused crop production, combined marketing efforts, decreased risk for members, the possibility for expansion and the sense of a safety net and possibility of market preservation during difficult times.

While the possible benefits of working together may be clear, the current challenge is forming that solid group of farms in Fort Collins, Colorado. This project will also address the drawbacks and issues of forming a multifarm CSA cooperative in Fort Collins.

- Making cooperative business decisions in a region with little history of cooperative efforts
- Crop pricing and availability in a region with a short growing season
- Working with a large number of new and beginning farmers with small acreage farms
- Multiple farms forming a CSA cooperative within a 10 mile radius of each other, while continuing to run separate CSAs and stands at the farmers’ markets.

The multifarm CSA Cooperative has been modeled by others, including Local Harvest CSA. With the cooperation of the Northeast Region Sustainable Agriculture Research and Education Program (SARE), Local Harvest created a multifarm CSA handbook. The handbook also provides highlights from other cooperative CSAs from around the country. Many of those cooperative CSAs have been formed in areas like the Midwest and along the east coast. These areas have a rich history of the use of cooperative farming. The distance between the farms in Fort Collins is another variation. The distance between the farms that originally formed the Local Harvest CSA Cooperative were almost 150 miles apart, Stratford NH and Litchfield NH. The distances between the farms listed in this grant are around 10 miles apart. This can make a big difference in competition between farms for consumers and may bring new challenges when forming a CSA cooperative.

The first project was to create a crop plan or intended CSA share to be distributed. There were many options to think about while putting this together. The members
met on June 6th for an exploratory meeting. We had an open discussion about what kind of CSA we would like to provide and what markets would we look at. We decided to keep the first year of distribution as simple as possible. We also found general consensus on a target market, length of the season, and distribution options.

Karl Talbot provided a rough draft of the crop plan to Nic Koontz and Katie Slota. This rough draft included a 20 week distribution schedule stating in early June and 8-10 produce items each week. The average retail price was listed next to each item. This pricing was taken from the the CSU Extension Farmer’s Market Pricing website and reflects local pricing, availability, and range of pricing during different times of the year. Changes and recommendations were made while corresponding together. The end result provided an intended crop plan showing weekly retail values and the produce to be distributed.

Members Native Hill, Green Dog Farm, On the Vine, and Dern Farm (Happy Heart Farm was out of town) met at the Bean Cycle on July 14 to review the crop plan. Members reviewed the size of the share, produce to be included, possible distribution methods and locations, and most of all the pricing of the produce. With feedback from the members, Karl, Nic, and Katie made changes to the crop plan. Changes to the crop plan included increasing the number of items each week, a possible larger share, providing a sample of not only the average retail pricing but the highest prices found at the market as well, and specifically assign a unit measurement to each item.

At this time two members of the group, Dern Farm and happy Heart Farm, made the decision to no longer be a part of the cooperative. This is when we formally invited Steve Maitland of Fossil Creek Farm to join the cooperative. Steve is a larger organic farmer located in Ft. Collins who also runs a CSA. Steve will also bring a background in tax preparation and budgeting.

Nic, Katie, and Karl met at Whole Foods on August 25th to review the changes, discuss wholesale pricing, and talk more about Steve joining the cooperative. At the meeting we also decided to focus on the importance of moving forward with the budget and business plan rather being caught up in the fine details of the crop plan. We looked at options to fairly pay farmers for produce including a range of markups based on the availability and difficulty to produce each crop, and also taking a flat percent after the assigned retail value.

This lead us to the middle of the summer and a very busy time of year for farmers. Karl was able to meet with Steve in person at his farm to answer questions about the multifarm CSA and secure his membership in the cooperative. A meeting was scheduled for September 8th for members to finalize the crop plan, introduce Steve and see what tasks he would like to take on and plan the next steps to create a business plan and a budget. Bidding on crops and packing standards would be addressed at a later time. The September 8th meeting was canceled due to Native Hill would be absent and Fossil Creek also had something come up. Bob Miller and Karl Talbot are listed as working on the budget during September and had planned to meet on October 4th to discuss creating a budget prior to meeting with the consultants. Bob was un able to make the meeting that day. Karl scheduled a meeting on October 27th Katie was not able to make that meeting.
Nic, Katie, and Karl were able to meet on October 30th to regroup, and discuss ways to ensure the projects completion. At that meeting we also reviewed a spreadsheet that Karl created that displayed share prices, a range of members in each share, possible gross profit totals, and a range of percentages the cooperative would take from the sale. The end result was a range of between $22,000 and $26,000 to run the cooperative, provide dividends, and save money to build the cooperative. We agreed to move forward with the cooperative by forming two focus groups, one group would work on the business plan and the other group would work on the budget. We would also meet on a more frequent basis. On November 5th Karl was able to meet with Bob and Steve separately to discuss increasing meeting frequency and forming the two focus groups. Karl Talbot also asked each member to sign a contract similar to the one he was asked to sign by CSU.

We have created a crop plan, agreed on a range of number of members, a percent the cooperative would take from the total gross profit, and a way to distribute the shares. We were also reminded that forming this multifarm CSA cooperative was also about forming a multifarm cooperative and working with each. The task would not only be to build a profitable CSA but to build a group of farmers with strong communication and a common goal.

We are currently just over one month behind schedule and have planned to increase meeting frequency and work on the budget and the business plan at the same time. We plan to have a business plan and budget by December putting us back on schedule.

As we continue to work on this project we can see the number of beneficiaries grow to incredible numbers. The multifarm cooperative would not only be able to provide a fantastic local CSA at a reasonable price, we may also provide this share with less risk to the consumer. The cooperative is also focussed on helping the local small farms by offering a great way for small and beginning farms to expand and for other established farms to simplify or add another source of revenue. Membership to the cooperative would be expected to grow and will allow for a percentage of the CSA share to be purchased from non members. Once established, the cooperative could be involved with larger community activities such as helping to run the farmers market, assist in establishing local agricultural regulations, and promoting local agriculture in general.

As we originally began this project and started to form a timeline we had presented a plan to create the cooperative and begin marketing the shares in one year. Many members stated that they would rather see the project completed in two years. This was due to how busy everyone is during the summer months. As Karl was trying to schedule meetings he learned how unavailable many members may be during the summer months. We also learned that scheduling meetings too infrequently made it difficult to meet as a group. Updates sent to all members after each individual meeting may be helpful for members to track the current progress of the project.
Multi-farm Cooperative CSA Members

Native Hill Farm
Nic Koontz
Katie Slota

Green Dog Farm
Karl Talbot
On The Vine at Richmond Farm

On the Vine At Richmond Farms
Bob Miller

Fossil Creek Farm
Steve Maitland

CSU Greg Grant Liaison
Dr. Dawn Thilmany