









# Managing the Shares

*“If a customer refuses to patronize your product unless he (sic) can get it ‘in the store’ or on his front porch, he’s not a customer who appreciates you anyway. Some folks wouldn’t be satisfied unless you cooked it and spooned it into their mouths.”*

—Joel Salatin

Shares — their distribution, price and payments — make CSA very different from other marketing methods. Shares are an on-going direct relationship between farmers and consumers.

This chapter looks at handling the farm products in the shares, and managing payments and the farm budget. It is broken down as follows:

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# Share Distribution

When deciding how to handle distribution for your CSA, you should examine **who, when, where and how.**

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This section discusses share distribution, to help you decide how to get shares from the farm to members.

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## WHO DELIVERS THE SHARES?

Three people can deliver the shares: the farmer, the members, or someone else.

### THE FARMER

The farmer can deliver the shares to a central pick-up site in town, deliver them door-to-door, or both.

### THE MEMBERS

The members can come to the farm to get their shares. They can also set up a system in which a few members pick up the shares for everybody, so that not everyone needs to drive to the farm each week.

### SOMEONE ELSE

Live Power Community Farm sends shares several hours from Covelo to San Francisco by buying space on a refrigerated truck going to the city. They take the produce partway, meet the truck, and transfer the produce. This saves them having to drive all the way, and also saves them the expense of their own refrigerated truck.

Other farms employ people specifically to drive the shares from the farm to town.

## WHEN DO YOU DELIVER?

You need to consider day and time; your membership will help you decide. On weekdays, evenings often work best for members with day jobs.

Here again, if you are connecting to an established group, they may help determine when you will deliver.

*Work with  
members  
to decide  
reasonable  
delivery times.*

- ✦ At an office, delivering around 4:00 p.m. will let members pick up their produce on the way home.
- ✦ At a church, the delivery might coincide with a service or other function.
- ✦ At a school, you might deliver before school lets out.
- ✦ With a farmers' market, you can plan to deliver either to the market or to another site nearby.

Also keep traffic in mind. Trying to deliver to a city during rush hour can add hours to your delivery schedule.

If people are coming to your farm to get their shares, the same ideas apply. ***Know your members and their schedules to plan for the best times.***

Most CSAs have a time window for picking up produce. Having a set ending time keeps produce from staying around for a long time, and lets the host of the site know what to expect. The Vegetable Club CSA members pick up produce at the farm from noon until 7:00 p.m. Sometimes, the farmers pack up the remaining vegetables right at 7:00 p.m., to make it clear that members need to stick to the established schedule.

Several farms suggest keeping the pick-up window short, to two to four hours. A short window means less hassle for the site host and less time for someone tending the site. It also creates a flurry of activity which lends excitement to the CSA and increases the likelihood that members will meet each other.

## WHERE DO YOU DELIVER THE SHARES?

If you are taking shares to town, you can arrange one pick-up site or several, depending on where your members live and the size of the town. A pick-up site is a place where members come to get their shares. You may want to set a minimum number of members per site, perhaps five or ten shares per site at least. If you have connected with a church or school for members, those are obvious pick-up sites. Other places include side yards, porches, and offices.

Generally, a good site has easy access for members. It should also be sheltered from the weather.

*Tended sites provide more contact with members; untended sites provide more flexibility.*

As with everything else, efficiency is important. Delivering a few shares to lots of sites can take a while. Making fewer stops may be a better use of your time. Also, plan your route so that you don't double back on yourself or wander all over.

There are two types of sites:

- ① Tended
- ② Untended

### TENDED SITES

Tended sites give you more direct contact with your members. You can explain what is available and why, give cooking tips, etc. However, this also increases your labor costs. Therefore, tended sites should have fairly short hours.

Tended sites are also good because you can collect money. For this, you need a pen, a list of members and a money box. Write down who pays and how much they pay on the list. Make sure you know what name the share is under.

One caution about tended sites: if you are selling something, such as extra shares or additional produce, be sure you don't run afoul of vending or zoning laws. You probably need a permit to sell. Many places, Placer County for instance, do not allow sidewalk vending. Check with the tax office in the city or county where you want to sell for more information. If you are simply handing out pre-sold items, then you should not have any problems.

### UNTENDED SITES

Untended sites require less labor. You can have more of them, and the window for pick-up can be longer. On the other hand, you get less direct contact with your members. There is also the danger that someone will walk off with something they haven't paid for.

Most CSAs have had very little trouble with untended sites. Even with bulk distribution, members by and large don't take more than their allotment. Untended sites should be away from the street, like in a side yard or on a

*Keep  
distribution  
sites clean!!*

porch, or down a quiet road to reduce the chance that someone will happen upon the shares and take something.

All sites should have:

- ✓ **A list of who gets a share.** This is for the site tender and the members to know who has paid, but is also handy for avoiding confusion. For example, a husband and wife might forget to coordinate who picks up the share, so they might both stop by on their way home from work. Having a check-off list solves this problem.
- ✓ **A list of when people owe for their shares.** This is especially good for subscription plans, because people may forget when they need to pay next.
- ✓ **Information about what is in the box.**
- ✓ **Information about what will soon be available.**
- ✓ **Notepad and pen to get comments from members.** These are particularly useful at untended sites because members cannot voice their opinions to a person.

Finally, keep your distribution site, whether on-farm or off, neat and tidy. It doesn't have to be hospital-sterile, but it should be clean and pest-free.

## HOW DO YOU DELIVER?

CSAs deliver two ways:

- ① They either deliver the shares already divided up and packaged
- ② They deliver the harvest in bulk and let members do the dividing

### PACKAGED

Packaged shares work for both shareholding and subscription CSAs. The farmer is responsible for dividing up the harvest into the shares, bagging the produce as required and putting shares in containers. Share containers should be

*One important  
benefit of CSA  
is resource  
conservation—  
reduce, reuse  
and recycle your  
packaging.*

reusable to cut down on costs and reduce waste. They also need to be waterproof to hold wet produce. If the containers are especially durable or expensive, ask members to put a deposit on them. Some examples of containers are:

- ✦ Bags (*paper or cloth*)
- ✦ Boxes
- ✦ Old plastic recycling bins
- ✦ Baskets (*bushel baskets, especially*)

You might want to have members each put deposits on two containers. Rotate the containers so that each week members have one container and the farm has the other.

Presentation is fairly important. Several CSAs suggest having the same kind of container for everyone, for uniformity. Also, your products should be clean. Although members expect products bought through the CSA to be less processed, clean products are more convenient and present a better image of the farm. Cleanliness is especially important for animal products.

Another aspect of presentation is how you put items in the container. Heavy items should go on the bottom so they don't crush the more fragile ones. Putting some flowers, a bunch of herbs, or the most colorful vegetables on top makes the share more attractive.

## BULK

Bulk distribution, in which members divide the harvest themselves, works especially well for shareholding CSAs, especially if members pick up vegetables at the farm. At the distribution site, set up large boxes and baskets with the harvest. For the members, you need:

- ✓ Plastic and paper and/or cloth bags for holding produce (*encourage members to bring their own*)
- ✓ Scales for weighing the produce
- ✓ Signs to tell members how much of what they get (*a chalkboard or white-board is good for this*)

Suggestions for bulk sites:

- ✦ **Set up the items in the share from heaviest to lightest.** As members move down the table they automatically put the produce in their containers in the right order.
- ✦ **Pick slightly more than you'll need, or underestimate the share amount.** For example, for 50 one-pound shares of spinach, consider having up to 55 pounds out. As each person goes through and weighs a little on the high side, that extra bit gets used up.
- ✦ **Have a sharing table.** If members don't want something in their share, they can put it on the sharing table for other people to have. This reduces waste of unwanted produce.
- ✦ **Consider trying a "take what you need" approach.** Some CSAs have had success with this, reporting that people generally make sure there is enough for everyone.

The following should help you see the different choices for distribution:

<p style="text-align: center;"><b>BULK TENDED</b></p> <p><b>Needed:</b> <i>list of items in share name check-off list money box for payments (optional)</i></p> <ul style="list-style-type: none"> <li>✦ You have greater communication, getting members' feedback and giving information on share items</li> <li>✦ Person tending can replenish and tidy bulk items</li> </ul>	<p style="text-align: center;"><b>BULK UNTENDED</b></p> <p><b>Needed:</b> <i>list of items in share name check-off list suggestion notebook with pen</i></p> <ul style="list-style-type: none"> <li>✦ Best to have this site on-farm</li> <li>✦ Of these choices, involves the least labor</li> </ul>
<p style="text-align: center;"><b>PACKAGED TENDED</b></p> <p><b>Needed:</b> <i>check-off list money box for payments (optional)</i></p> <ul style="list-style-type: none"> <li>✦ You may be able to sell extra</li> <li>✦ You have greater communication, getting members' feedback and giving information on share items</li> </ul>	<p style="text-align: center;"><b>PACKAGED UNTENDED</b></p> <p><b>Needed:</b> <i>check-off list suggestion notebook with pen</i></p> <ul style="list-style-type: none"> <li>✦ This site can be nearly anywhere</li> </ul>

# Worksheet

## *Share Distribution*

This worksheet will help you plan share distribution. Here are some questions to ask when designing your harvest and distribution system:

1. Who will deliver the shares?
2. When will you deliver?
3. When will you harvest?
4. Will your overall farm plan have you harvesting at least twice a week?
5. Where will members pick up their shares?
6. How many pick-up sites will there be?



**Worksheet**  
*Share Distribution* (continued)

7. What time of day will pick-up be? For how many hours?
  
8. Will you deliver door-to-door?
  
9. Will you package the shares, or will the members?
  
10. What containers will you use for packaging?
  
11. Will your pick-up site(s) be tended or untended?



# Setting the Share Price

This section includes:

Three ways to set your share price

Handling multiple income sources for CSAs

Contingencies

The biggest contributing factor to CSA burnout and failure is setting the share price to low. The share price should reflect the actual cost in supplies and labor required to provide shareholders with food, including a fair return for yourself.

There are a lot of opinions of what constitutes a "fair" share price. Some suggest a low price to attract new customers, especially to a new CSA or farm. They also say that member involvement in production or distribution, or the "inconveniences" of CSA warrant lower prices.

Others caution that low prices don't provide farmers enough income. They note that the customers who are searching for bargains may also prove more trouble than they are worth, and won't support the farm in tough times. Finally, an extra \$50 or \$100 per year may not be significant for many urban members, but when added up for all the members, it can make the difference for a small farm.

In setting your share cost, look at your situation. Who are your members — what can they afford? Does your CSA have a waiting list? That is a sign that people are willing to pay more for a share. Also, are members complaining about getting too much food or are lots of people splitting shares? Both indicate that the share size is too big. You may be able to shrink the share size and sell more shares.

Here are three suggested methods for setting the price of a share:

- ① Selling at market prices
- ② Approximating market value
- ③ Calculating your costs

*The biggest contributing factor to CSA failure is low share prices.*

**① SELLING AT MARKET PRICES**

***Selling at market prices*** is easy, and works best with a subscription CSA. With this method, you charge your members a set amount. Then you give them a share of produce which would cost them about that amount if they bought it elsewhere. If you use the prevailing farmers' market prices rather than store prices, members feel like they are getting a good deal.

This method requires you to have enough product to meet your commitment for each delivery. Rather than risk not having enough, you should plan to have too much. Therefore, you need to have other market channels like a farm stand or a farmers' market, to handle the overflow. Having several outlets allows you to produce plenty to fill your members' orders, and have a safety-valve for the extra.

Many farms use subscription CSAs to diversify their marketing, selling from 15 to 50 percent of their production to subscribers. For other farms, the CSA provides a core income, and the other sales supplement it.

*A long waiting list may signal a share price that is too low.*

**Example: Share price = \$12.00 per week.**

**A box in June might have:**

2 heads lettuce	\$ 1.50
2 bunches kale	2.00
1 bunch carrots	1.00
2 lbs new potatoes	2.00
2 bunches radishes	1.00
1 bunch green onions	.75
1 bunch beets	.80
1 lb snap peas	2.40
1 bunch rosemary	.60
<b>Total</b>	<b>\$ 12.05 ≈ \$12.00</b>

## ② APPROXIMATING MARKET VALUES

*Approximating market values* works the other way. You decide how much you feel a household (*of four or so*) should expect to spend on vegetables for the season. This may be as low as \$300 to \$400 for eight months of regular produce with no special certification, or as high as \$800 to \$1000 for a full year of specialty vegetables that are certified organic or bio-dynamic. Then decide what you need your income to be. Divide the (*gross*) income by the share price to come up with the number of shares. *Can you grow food for that many families for that amount of money?* If so, then go with it.

### Example:

You decide that three to four people could expect to spend \$600 for nine months of organically-grown produce. If you sold 40 shares, your gross income would be \$24,000. With some quick figuring, it seems like that would provide rent on your land, money for that disc you need, and enough to farm and live on. You also figure that you can raise that much food on your four acres without needing more help or bigger equipment.

This approach requires that you know your farm well. You need to know what it can produce and what it requires to produce it. If you don't have a sense of all this, then you should consider using the next approach, OR look at farm budgeting information in another reference.

### 3 CALCULATING YOUR COSTS

*Calculating your costs* takes the most time, gives the best accounting for you and your members, and is better suited for a shareholding CSA. Decide how many shares you can reasonably provide from your land, and then figure out how much it will cost you to raise the food. Include in this accounting labor costs for yourself and others, for growing,

harvesting, and distributing.

On this and the following page are sample budgets from other farms.

With this method, you should also keep track of expenses throughout the season. At the end, go back and add up your actual spending and income. Any shortfall should then be charged to the shareholders, and any leftover funds returned.


KIMBERTON (PENNSYLVANIA) CSA BUDGET 1995		
<b>INCOME</b>		
30 full shares @ \$880	\$	26,400
100 half-shares @ \$550		55,000
<b>TOTAL INCOME:</b>	<b>\$</b>	<b>81,400</b>
<b>EXPENSES</b>		
Garden Lease	\$	1,130
Certification		250
Office & Miscellaneous		1,940
<b>Sub Total:</b>		<b>3,320</b>
Seeds & Plants		2,000
Compost, Mulch, etc.		1,500
Supplies		2,800
Fuel		1,180
Utilities		350
Maintenance & Tools		3,000
Truck Expenses		1,500
<b>Sub Total:</b>		<b>12,330</b>
Potatoes		2,000
<b>Sub Total:</b>		<b>2,000</b>
Sullivans:		
Kerry's Salary		30,000
Barbara's Salary		10,000
FICA (1/2)		3,500
Health Insurance		2,100
Housing		3,000
<b>Sub Total:</b>		<b>48,600</b>
Volunteers:		
Housing		3,000
Stipends		9,150
<b>Sub Total:</b>		<b>12,150</b>
Capital Expenses		3,000
<b>Sub Total:</b>		<b>3,000</b>
<b>TOTAL EXPENSES:</b>	<b>\$</b>	<b>81,400</b>

**INTERVALE COMMUNITY FARM 1992**

Intervale Community Farm in Vermont calculated their expenses this way:

COST CALCULATION WORKSHEET		
Pg 1 (Intervale Community Farm)	ESTIMATED AMOUNT	ACTUAL AMOUNT
<b>CAPITAL EXPENSES</b>		
Tractor Equipment	(free)	
1)		
2)		
Hand Tools/Equipment		
1) <i>Tomato Cages</i>	1,000	
2) <i>Various</i>	200	
Irrigation Equipment		
1) <i>Drip Hose, etc.</i>	500	
2)		
Farm Improvement		
Capital Fnd ( <i>reserve for future pur</i> )	1000	
Greenhouse ( <i>Sun Tunnel from GSC</i> )	500	
1991 Carryover ( <i>inc. 89-90 def</i> )	2000	
Root Cellar ( <i>start up costs</i> )	500	
Other		
<b>TOTAL Capital Expenses:</b>	<b>5,700</b>	
<b>LABOR EXPENSES</b>		
Farmer ( ___ hrs x \$ ___ per hr)		
or SALARY ( <i>entire year salary</i> )	15,000	
Farm Laborers		
1) ___ hours x \$ ___ per hr		
2) ___ hours x \$ ___ per hr		
3) <i>Interns(2), 18 wks, \$160/wk</i>	5,760	
4) <i>Intern, 13 wks, \$80/wk</i>	1,040	
Distribution ( <i>Truck, 18 days @ \$20</i> )	360	
Administration		
Medical Ins. ( <i>full year, farmer</i> )	1,040	
FICA ( <i>farmer, interns</i> )	1,630	
Workers Comp ( <i>farmer, interns</i> )	1,520	
Other		
<i>Intervale Fndtn (50 hrs of work)</i>	1,000	
<b>TOTAL Labor Expenses:</b>	<b>27,350</b>	

COST CALCULATION WORKSHEET		
Pg 2 (Intervale Community Farm)	ESTIMATED AMOUNT	ACTUAL AMOUNT
<b>OPERATING EXPENSES</b>		
Seeds, Plants, etc.	500	
Land/Bldgs Rent ( <i>5 acres @ \$25</i> )	125	
Water		
Electricity	200	
Gas/Diesel	300	
Natural Gas/Propane	200	
Compost/Manure/Fertilizer	950	
Greenhouse Maint.		
Row Covers		
Equip. Rep. ( <i>ICF does tractor mnt.</i> )	300	
Equip. Rental ( <i>Kubota, BCS, etc.</i> )	1,800	
Bldg. Rep. ( <i>paint, lumber, etc.</i> )	225	
Telephone	880	
Printing/Office Supplies		
1) <i>Ads/Recruitment Leaflets</i>	700	
2) <i>Newsletter (post/print/env)</i>	500	
Other		
<i>Organic Certification</i>	35	
<i>Sprays</i>	200	
<i>Contingency (3.5% of budget)</i>	1,400	
<i>Checking Account</i>	100	
<i>CSA Conf at B-D Assoc.</i>	100	
<b>TOTAL Operating Expenses:</b>	<b>8,515</b>	
<b>Total Capital Expenses</b>	<b>5,700</b>	
<b>Total Labor Expenses</b>	<b>27,350</b>	
<b>Total Operating Expenses</b>	<b>8,515</b>	
<b>GRAND TOTAL EXPENSES:</b>	<b>41,565</b>	

 *You will find a blank worksheet like this one at the end of the chapter.*

Adapted from Jered Lawson, *Community Supported Agriculture Reader*.

With this estimate of total expenses and an estimate of your production, you can determine your share price or prices. If you have one type of share and one source of income for your CSA, calculating the share price is easy:

$$\text{Share Price} = \text{Total Expenses} \div \text{Number of Shares}$$

Having different types of shares or other incomes makes the calculation more complex.

Start with your Total Expenses, which is your required income. Subtract other CSA incomes, such as T-Shirt sales, fees from schools or groups who tour your farm, donations and grants. Next subtract per share fixed fees. These might be delivery surcharges or deposits on share containers. Then use the remaining required income to decide on share prices.


**Example:**

You have \$20,000 in unmet expenses. You have two types of shares, and a Gourmet share is half again as expensive as a Basic share. If you can provide 20 Gourmet shares and 45 Basic shares, then:

20 Gourmet shares @ \$400	=	8,000
45 Basic shares @ \$270	=	12,150
<b>Total</b>	=	<b>20,150</b>

Intervale Community Farm decided to meet their expenses as follows:

INCOME (INTERVALE COMMUNITY FARM)		
TYPE OF INCOME	ESTIMATED AMOUNT	ACTUAL AMOUNT
<b>Miscellaneous Income</b> <i>(T-Shirt sales, tours, etc.)</i>	500	
<b>Delivery Charges</b> <i>(21 shares at \$56 each)</i>	1,176	
<b>Summer Shares</b> <i>(129 shares at \$280)</i>	36,120	
<b>Winter Shares</b> <i>(50 shares at \$75)</i>	3,750	
<b>TOTAL INCOME:</b>	<b>41,546</b>	
<b>TOTAL EXPENSES:</b>	<b>41,565</b>	

 *You will find a worksheet for calculating your share price at the end of the chapter.*

*CSAs often  
donate to  
community  
food lockers.*

These methods determine your *average* share price for each type of share. Many CSA programs have discounted shares or a sliding scale of share prices. A sliding scale lets people pay different amounts for their shares (which are nevertheless the same size) depending on their income levels. If you have a sliding scale, you can charge members based on what you know of them. Or you can ask them to set their payments voluntarily, giving them upper and lower limits. With discounted shares, most members pay a little extra to cover a discount which you offer to a few.

Many CSAs also donate to food lockers or shelters. Some include these agencies by giving them regular shares for free. Other CSAs donate surplus harvests and shares which members haven't picked up that week. Note, too, that the cost of producing donated products may be tax deductible.

## CONTINGENCY 1: CROP LOSS

Generally, CSA projects ask consumers to recognize that they are supporting the farm, through good seasons and bad. Ordinarily, farmers bear the risk of crop loss; CSA asks consumers to shoulder some of that risk. Therefore, most do not make provisions for refunds. In the event of a total crop failure, some do promise to refund money that has not already been spent on production costs.

CSA farms have found that some members do get very angry when crops fail, especially if they don't get a refund of their money. The members that stay with the project, however, learn a lot about the problems that farmers face and recognize their role in preserving small, ecologically-sound agriculture.

## CONTINGENCY 2: COST OVERRUNS

If costs exceed the proposed budget, then shareholding CSAs ask members to make up the difference. Some CSAs create a contingency fund of 10% of the budget, just in case expenses are more than expected. Others include on the commitment form a pledge to pay up to 10% or 12% more than the original share price.

If expenses are more than 10% or 12% higher than expected, it should become apparent early in the season. This situation generally calls for a renegotiation of the membership agreement, so that either farmers scale back production or members increase their financial commitment.

# Share Payments

This section discusses:

Different types of payment plans

Ways to keep records

Non-cash payments

You should keep two lists of your members. One has their names, addresses and telephone numbers. On this list, you may also want to include information you find useful, such as: number of people in the household, birthdays, favorite vegetables, etc. The other list should include only payment information, and should be easy to read and simple to maintain.

It is important to maintain records of members' payments, and to make sure you are paid in full. There will be confusion, people who forget their payments, and maybe even some who try to get out of paying altogether. Careful records and a little persistence will solve nearly all your problems.

If you have a computer, these records are easy to maintain in a *spreadsheet* program. There are several available on the market.

## ANNUAL PAYMENTS

**One annual payment in advance** requires the least ongoing book-keeping and assures you of your income. It commits members to the project, and marks the payment as an investment in a farm and its production rather than a simple cash-for-goods exchange. However, it also commits you to the CSA project. In addition, you need members who have enough money that they can pay hundreds of dollars in advance for food they will receive much later.

Usually, members get a small discount for paying in one lump sum.

## TWO OR THREE PAYMENTS

Having **two or three payments** means keeping records of who has paid what, especially if they are committing to a season's worth of vegetables but paying in installments. Members are almost as invested in the project as with the single payment, but the smaller payments make CSA more available. Multiple payments also space your income out over the season. Payment dates for three installments might be: February 1st, May 1st, and August 1st.

*How you set up your payment plan depends on:*

Whether you have a subscription or shareholding CSA.

Your members' income levels.

Your ability/desire to keep records.

An arrangement that works particularly well is to have some of your members pay everything in advance while others pay in installments. This assures you of start-up money and provides an ongoing income.

*In this table showing payments for a year-round CSA, note that Allen and Kim pay quarterly, Garcia bi-annually, and Thompson annually.*


SUBSCRIPTION/SHAREHOLDER PAYMENTS (SAMPLE 1)					19__
NAME	AMOUNT PAID (1/1)	AMOUNT PAID (4/1)	AMOUNT PAID (7/1)	AMOUNT PAID (10/1)	TOTAL PAID
Allen, J.	140.00	140.00	140.00	140.00	560.00
Garcia, H.	280.00		280.00	SAMPLE	560.00
Kim, N.	140.00	140.00	140.00	140.00	560.00
Thompson, B.	560.00				560.00
<b>TOTALS:</b>	<b>1,120.00</b>	<b>280.00</b>	<b>560.00</b>	<b>280.00</b>	<b>2,240.00</b>

*This shareholding CSA has various payment plans. Members paid in one, three, and monthly installments following regular plans.*

## QUARTERLY OR MONTHLY PAYMENTS

*Quarterly or monthly payments* are used by both subscription and shareholding CSAs. For shareholders, these plans allow those with limited or fixed incomes to participate. For subscribers, short-term payments allow them to start and stop when they want. This flexibility helps overcome their hesitancy to buy their food in advance.

SHAREHOLDER PAYMENTS (SAMPLE 2)											19__						
NAME	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	TOTAL PAID				
Allen, J.	200.00	2/13			200.00	5/3			200.00	8/1			600.00				
Garcia, H.	600.00	2/15						SAMPLE					600.00				
Kim, N.	200.00	2/17			200.00	5/1			200.00	8/2			600.00				
Thompson, B.	80.00	2/15	80.00	3/1	80.00	4/2	80.00	5/1	80.00	6/1	80.00	7/4	80.00	8/1	40.00	9/1	600.00
<b>TOTALS:</b>	<b>1080.00</b>		<b>80.00</b>		<b>80.00</b>		<b>480.00</b>		<b>80.00</b>		<b>80.00</b>		<b>480.00</b>		<b>40.00</b>		<b>2400.00</b>

 *You will find blank Payment Schedules 1 and 2 at the end of the chapter.*

Some farms have found the monthly payment plan to be too much bookkeeping, and have also found participation too variable to be worthwhile. Quarterly payments are better if you don't have other outlets to compensate should you have a sudden drop in membership. Monthly payments are more accessible for those with limited incomes.

## FOUR-WEEK VS. MONTHLY PAYMENTS

If you require subscribers to pay four weeks at a time, they will always know how much to pay, but won't remember when. You need to remind them that their payment is due, with a postcard, a telephone call, or a note at the pick-up site or with their share. If you have subscribers pay monthly, they will know when the money is due, but may not remember to pay extra in months with five weekly shares. Again, you will need to remind them. In addition, it is easier to get people started with four-week payments, because you don't need to wait for the first of the month to come around.

Dear Full Belly Farm Veggie Eater,

Thank you for including us on your menu!!! According to our records you will receive your last produce delivery on \_\_\_\_\_. If you'd like to continue receiving a produce box, simply return this card, or call us at 796-2214 and mail us your payment for \$11.00/weekly box. In order to ease our recordkeeping, we ask that you pay for at least 4 weeks at a time. To assure uninterrupted delivery, we must receive confirmation at least 3 days prior to your next (unpaid) delivery date.

Thanks for your support and Happy Eating!

—The Folks at Full Belly Farm—

SAMPLE

Name: \_\_\_\_\_

Pickup site: \_\_\_\_\_

Enclosed is: \_\_\_\_\_ \$44 for one month (4 wks.)  
\_\_\_\_\_ \$126 for 3 months (save \$.50/box)  
\_\_\_\_\_ other (e.g. alternate weeks)

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The next page shows one way of recording payments and recording share deliveries for a subscription CSA which allows members to pay four weeks at a time.

*These tables show payments for a subscription CSA. Shares cost \$12 per week, and payment is made four weeks at a time.*

SUBSCRIPTION PAYMENTS RECORD (SAMPLE 3A)														19__		
PAID BY: (DELIVERY DATE)	2/3	2/10	2/17	2/24	3/3	3/10	3/17	3/24	3/31	4/7	4/14	4/21				
NAME	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	AMT PAID	DATE	TOTAL PAID	
Allen, J.				48.00	2/20				48.00	3/15				48.00	4/19	144.00
Garcia, H.	48.00	2/1														48.00
Kim, N.	96.00	2/2														144.00
Thompson, B.	48.00	2/1									48.00	3/27				96.00
<b>TOTALS</b>	<b>192.00</b>			<b>48.00</b>				<b>48.00</b>			<b>96.00</b>			<b>48.00</b>		<b>432.00</b>

*There are two payment records: 3A shows the dollar amounts: 3B shows when members get shares. Note that members start in and drop out easily. To stay on top of this, record payments as they come in, and at the same time mark all the weeks paid for.*

*(For example: if you receive a \$96 check, mark off eight weeks of deliveries.)*

SUBSCRIPTION PAYMENT VERIFICATION (SAMPLE 3B)														19__
NAME	2/3	2/10	2/17	2/24	3/3	3/10	3/17	3/24	3/31	4/7	4/14	4/21		
	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	Pd?	
Allen, J.				Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Garcia, H.	Y	Y	Y	Y										
Kim, N.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	
Thompson, B.	Y	Y	Y	Y						Y	Y	Y	Y	
<b># of Shares</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	

## NON-CASH PAYMENTS

### WORK SHARE

You can offer members who wish to work regularly at the farm a "discount" on the share price. This discount is not usually considered equivalent to a wage. Rather, it is an arrangement beneficial to both parties: members learn more about farming, enjoy working outside, and feel more connected to the land that feeds them, while the farmer benefits from the energy they bring to the farm. Happy Heart Farm in Colorado writes about their working members:

Twenty percent, or 14, of our members trade three hours of their time weekly for a 50 percent reduction in the cost of the annual share price of \$480.

There are some trade-offs. Much of the allure to the parties involved is the development of the very community that is being supported. We've found over these few years that it is the working members who really get all the deeper economic and social concepts that CSA is about. Their families become the long-term, committed, enthusiastic, word-of-mouth sales reps we need to keep up with the annual fluctuations of those who come and go. So those working members who put their time, sweat, hearts and hands into the land, crops and processes tend to be some of our best long-term members and advertisers. These economic rewards in themselves are almost enough to justify the program.

But do we get any work done? Luckily, we are not a factory farm. Within the parameters of the CSA concept, we are not driven so much by the strictures of the "bottom line," all the food has been paid for in advance and all the harvest is spoken for. Not that there is any less work to do. There is just a rhythm to the dance, rather than a frenzy, and the working members share that dance with us and our interns. Supervision and planning play key roles in maximizing the blessing of those helping hands; they are working with us rather than for us. Time must be spent with each new task and with each new worker to show how, where and when, rather than to tell. Constant follow-up is also essential, because anything taken for granted will be a mistake.

For examples of what members can do to help the CSA, and for suggestions on working with volunteers and worksharers, see the chapter *Members*.

## FOOD STAMPS

As for **food stamps** (*food coupons*) from the welfare office, they will not be strictly legal as payment for shares for most CSAs. According to **Food Stamp Program: Regulations Pertinent to Authorized Firms and Financial Institutions** (USDA Food and Consumer Service, PA-90, May 1995), to be authorized to redeem food stamps, you must be a "retail food store," defined as:

- 1) An establishment . . . whose eligible food sales volume . . . is more than 50 percent staple food items for home preparation and consumption;
- .....
- 4) Any private non-profit cooperative food purchasing venture, including those whose members pay in advance for food prior to receipt of food; and
- 5) A farmers' market.

In addition, "Food retailers may not accept coupons before delivering the food . . . . However, a non-profit cooperative food purchasing venture may accept coupons from a member of the cooperative at the time the member places a food order. The food ordered must be made available to the member within 14 days from the day the cooperative receives the member's coupons." [emphasis added]

It is this prohibition against receiving food stamps as advance payment which most hinders using food stamps for your CSA. You can, however, make an agreement with members using food stamps that they will buy shares each week, but only collect payment when you make delivery. This would mean forgoing the advance income, but still guarantees a market.

To redeem food stamps, you must first be authorized by the State. You do not, however, need to be incorporated as a business. Once you receive coupons as payment for allowable items and process the coupons properly, you take them and a special form to your bank, who redeems them for cash. If you want more information, call the USDA, Food and Consumer Services in Sacramento, (916) 979-2941.

## WIC VOUCHERS

Women, Children and Infants (*WIC*) vouchers are not compatible with CSA. They require that retailers be licensed by the state to receive vouchers, and that they carry several different products at the same site: carrots, frozen juice, cereal, milk, and more.

## THREE WAYS TO BE SURE TO RECEIVE YOUR PAYMENTS:

- + **Require all payment in advance.** This is more realistic for a subscription plan, but you can also cut off shareholders who don't make their payments by the required dates.
- + **Be very persistent with people who have not paid.** This usually doesn't mean being hostile or aggressive. People may just need some persuasion and reminding to part with their money. Be their reminder.
- + **Collect post-dated checks for your shareholding CSA.** You can allow shareholders to pay month-to-month, but collect all the checks for payment at the beginning of the year. The shareholder gives you a series of checks dated February 1st, March 1st, April 1st, etc. All the checks from different people for the same month are grouped together and filed away, ready for deposit when the time comes.

**Note:** You must honor the date on a post-dated check. In order to cash a post-dated check early, at the time you requested said post-dated check, you must have 1) advised your member in writing that you might cash the check early, 2) received written acknowledgement from the member that you advised them that you might cash the check early, OR 3) clearly printed a notice to this effect on an invoice which you gave to the member [Business and Professions Code, section 17538.6 (1995)].

# Worksheet

## Share Payments

This worksheet provides space for you to plan share payments for your CSA.

1. How often will members make payments (*check all that apply*)?

- Annually
- Two or three times annually
- Quarterly
- Monthly
- Every four weeks
- Other: \_\_\_\_\_

2. Will there be reduced-price workshares? Describe the price and work arrangement.

3. Who will keep these records?

4. How will these records be maintained (*computer, forms, etc.*)?



# Cost Calculation Worksheet

Year:
-------

	ESTIMATED AMOUNT	ACTUAL AMOUNT
<b>CAPITAL EXPENSES</b>		
<b>Tractor Equipment</b>		
1)		
2)		
<b>Hand Tools</b>		
1)		
2)		
<b>Irrigation Equipment</b>		
1)		
2)		
<b>Other</b>		
<b>TOTAL CAPITAL EXPENSES:</b>		
<b>LABOR EXPENSES</b>		
Farmer ( ___ hours x \$ ___ per hour)		
<i>OR</i> Salary		
<b>Farm Laborers</b>		
1) ___ hours x \$ ___ per hour		
2) ___ hours x \$ ___ per hour		
3) ___ hours x \$ ___ per hour		
4) ___ hours x \$ ___ per hour		
<b>Distribution</b>		
<b>Administration</b>		
<b>Medical Insurance</b>		
<b>FICA</b>		
<b>Other</b>		
<b>TOTAL LABOR EXPENSES:</b>		





# Share Price Calculation Worksheet

Once Total Expenses are figured, Share Prices follow easily. With one type of share and once source of income, calculating the share price is simple:

$$\text{Share Price} = \text{Total Expenses} \div \text{Number of Shares}$$

Having different types of shares or other income for the CSA makes the calculation more difficult. The basic principle is the same, however: Total Income must cover Total Expenses.

Use this form to account for all sources of CSA income and compare them to Total Expenses. First, add up all the fixed incomes, including delivery surcharges and container deposits, and subtract them from Total Expenses. The result is the income which must be raised with share payments.

Play with the prices of shares until the price times the number of shares for all the different types bring in enough income. Use a pencil to keep this worksheet neater.

On the last line, Total Expenses should be equal to or less than Total Income from all sources.

	EXPENSES	Year:
<b>TOTAL Expenses</b>		
Miscellaneous Income ( <i>T-Shirt sales, tours, etc.</i> )		
Delivery Charges $\frac{\quad}{\text{per share}} \times \frac{\quad}{\text{number of shares}} =$		
Container Deposits $\frac{\quad}{\text{per share}} \times \frac{\quad}{\text{number of shares}} =$		
<b>SUBTOTAL (Partial Income)</b>		
<b>SUBTOTAL (Total Expenses less Partial Income)</b>		
Share Type 1 $\frac{\quad}{\text{per share}} \times \frac{\quad}{\text{number of shares}} =$		
Share Type 2 $\frac{\quad}{\text{per share}} \times \frac{\quad}{\text{number of shares}} =$		
Share Type 3 $\frac{\quad}{\text{per share}} \times \frac{\quad}{\text{number of shares}} =$		
Other		
<b>TOTALS (Income and Expenses):</b>	= <	









