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New Jersey Agricultural Experiment Station

MANAGING EXCESS OR SHORTAGE OF PRODUCE IN A CSA MARKETING OPERATION

Michelle Infante-Casella Agricultural Agent/Associate Professor Rutgers NJAES Cooperative Extension of Gloucester County



- Managing Supply: past yields, ordering seed and setting up field plans for the coming season can be calculated for the number of CSA customers the farm plans to accept.
- Membership Contract: list the types, frequency and amounts of produce for each share to help manage customer expectations.





Is it an issue?

- Sometimes shortage or excess of produce may not be much of an issue
- Descriptions in the contract:
 - <u>Spring:</u> greens, root crops, berries....
 - <u>Summer</u>: squashes, tomatoes, peppers, etc.
 - Fall: greens, squashes, potatoes....











Shortage

- Include a statement in the membership contract to address what will occur with shares when a shortage occurs
- Be sure to stipulate what factors can cause a shortage
- Members may be upset about not receiving what they anticipated, however if it is spelled out in the contract, they will be aware ahead of time





Shortage

- Reasons for Shortage:
 - Poor weather conditions that decrease yields or wipe out the entire crop
 - Damaging weather generally also increases disease pressure to crops that survive the storms
 - Coastal storms that bring increased insect pests
 - New insect pest is discovered that may or may not be controlled with current crop protection products
 - Animal damage from deer, geese or other animals





– Theft



- Reasons for Shortage:
- -Fire or other accidents on the farm
 - Fire in buildings could destroy much needed production equipment, packing facilities or marketing areas.







- Reasons for Shortage:
 - Accidents that result in farmer or worker injury
 - -Greatly disrupt the ability to produce, care for and harvest crops
 - –Labor shortage is a reality in the agricultural industry, especially in the produce sector where skilled hand labor is a necessity



- Make sure they fully understand the contract for shares
- Educate members about how produce is grown on the farm
- Tell them about some factors are beyond the control of the farmer
- If a crop failure occurs explain the reasons
- Continue providing what is available
- Notify members when regular supply will become available



Outsourcing

- Perhaps substituting some products from nearby farms
- Be honest with members about outsourcing products
- Be sure to not lose profit in the end





In Summary

Shortage:

- Addressing all the possible scenarios where shares would be reduced or unavailable due to unforeseen incidents, should be spelled out in the CSA membership contract.
- Since shortages are not planned and usually the result of factors not easily controlled, good communication, on a timely basis, will help to explain why members will not receive the anticipated shares.



Excess

 Having excess produce sounds like a much better situation than having a shortage; it still needs to be managed





Options for Excess

- 1. Letting the field go and cleaning up
- 2. Chance for profit-sell to other outlets
- 3. Opportunity for good will/charity

In most cases, the excess produce may not be in great volume. So evaluate if it is worth extra effort.



Letting the field go and cleaning up the field

<u>Cleaning up the field may be a</u> good option for future management

- Starting the next crop
- Planting a cover crop
- Managing insect pests, weeds or diseases
 - Managing labor duties







 Selling your excess produce wholesale, even on a small scale, will require grading and packaging that may not be the norm for CSA farms







Wholesaling Excess Produce

- Local restaurants, other farm markets, convenience stores, delicatessens, or local tail gate markets may be an option for sales of extra supply.
- ?? Most stores and restaurants could already have a steady and reliable supply of produce.
 - may not be easy to enter on an infrequent basis
 - remember your costs for harvest, grading, packaging and delivery
 - evaluate if these occasional sales are worth the effort





- Is there a local tailgate market where you can sell produce?
- Can you open a temporary farm stand on your property? Effort? Consequences?





Offer the excess to your current CSA members

Consider the consequences before choosing this option.

- Was there a shortage at any time during the current season, and offering the excess would help make up for the past loss? If not, providing overages may "spoil" your members and make them accustom to expecting extra in the future.
- Think carefully about the outcomes of providing extra produce.



Making Value Added Products from Excess

- If the product would make for good jam, juice, sauces or other canned/frozen product, think about those options.
- Again, be sure to do a cost/profit analysis to see if this option is economical.





RUTGERS New Jersey Agricultural Experiment Station Donations to food banks/food pantries

- Paying for labor to harvest for donation can be costly
- Using volunteer gleaning groups, and possibly the CSA members, can bring good will and community support to your business
 - Local churches, youth organizations, and even corporate businesses often have service groups





- Setting up donation site contacts ahead of time, in order to make for timely actions when produce is of good quality for use, is important.
- Many times, charitable organizations will also provide a receipt that can be used as a tax deduction.





In Summary

Excess:

- Evaluate if harvesting the excess produce would bring a profit.
 - -For wholesale
 - -For value added
- Other options of good will for existing CSA members or charitable contributions need to be thoroughly considered and planned for implementation.

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Are there any questions?

Thank you for your attention.

Michelle Infante-Casella Agricultural Agent/Associate Professor http://sare.rutgers.edu