

CSA Farm Economic Analysis

Farm: One Step at a Time Gardens, 1465 120th St., Kanawha, IA 50447

Farmers: Jan Libbey & Tim, Andrew, and Jessica Landgraf, One Step at a Time Gardens

Year: 1999

Tool: Standardized Analysis of Farming Economic Benefits † developed by David Washburn of Red Cardinal Farm, Stillwater, MN

Washburns' tool involves using eight "economic facts" to generate 11 "economic ratios". A selection of these figures is provided along with what we think they mean

Goal of economic analysis project: evaluate the economic condition of our direct marketing operation.



In this first season, we

- established a record-keeping format that is fairly easy to use, covers appropriate categories and is transferable to other farms
- used a series of economic ratios developed by David Washburn of Red Cardinal Farm in Stillwater, MN
- will follow the number analysis with subjective evaluation of the results and identify specific changes to implement in the next season.

Jan Libbey discussed cropping analysis as part of a PFI field day.

Labor records (hours/task):

- Daily work log for field records
- Permanent logs - field records transferred daily, maintained in central notebook
- general categories
- crop specific categories
- Hired help maintains daily records in separate notebook (Field records are transferred to a basic spreadsheet for calculations and analysis.)

Financial records:

- A basic spreadsheet form to keep track of income and expenses
- In a **subsequent season**, we would like to
- repeat the data collection
- compare results between several farms

1999 Findings

We have compared data from, our farm, One Step at a Time Gardens (OSTG), with the same from Spring Hill Farm (SHF) and Common Harvest (CH). The data for the SHF and CH was provided at a workshop session in February where we were first introduced to Washburn's analysis tool. Do note the following:

CSA share scale differs - As of 1997, SHF - 85 shares and CH - 171 CSA shares. In 1999, OSTG - 21 shares.

Experience differs - SHF and CH have been in operation for between 7 and 10 years. 1999 was OSTG's 4th CSA season.

Initial observations

The use of the ratios allows common ground for comparing the different farming operations.

The labor being used at One Step at a Time Garden, the total dollar income off the operation, and the payroll expense to gross farm income is consistent with data for SHF and CH.

Ratios	OSTG	SHF	CH
Gross Income to # Acres Farmed	\$10,808	\$13,714	\$10,429
Total Person-Days to # of Acres Farmed	99.8	114.3	82.6
Payroll Expense to Gross Farm Income	13.5%	14.0%	12.5

We have observed that there are greater efficiencies to be gained through increase in scale and maturity. Comparison between the three farms on farmer income/# acres farmed, net farm income to gross income, and farmer income to length of farm season indicate striking differences between the farms. Our past four years of farm records indicates that as size increases, the cost per share decreases. Comparison with SHF and CH, both larger and more mature, may support this observation.

Ratios	OSTG	SHF	CH
Farmer income to # acres farmed	\$2,145	\$7,429	\$5,286
Net farm income to gross farm income	36%	68%	68%
Farmers income to length of farm season	\$4,853	\$32,190	\$45,810

Washburn compares Payroll Expense + Farmer Income to Gross Farm Income (GFI) as one measure of sustainability. The comparison between the three farms indicates that we have a lot of room for improvement. Increased sustainability is one of the goals of our operation. The records we've kept will be used to target improvements for the 2000 season.

Ratio	OSTG	SHF	CH
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Payroll expense + farmer income to GFI	33.5%	68.1%	63.2
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So what?

This is still a relatively new tool that's been used on approximately 5 farms. As such, there is little in the way of benchmarks at this point. The presentation of information from the two larger, more experienced farms and OSTG offers some insight. However, this information may prove even more helpful as successive seasons of records allow us to develop our own benchmarks and track the impact of decisions we make. It is also a tool for farm-to-farm support and problem solving.

One final comment

The process of record keeping involved with this analysis serves as a powerful awareness tool for reviewing the operation's efficiencies and profitability and we recommend it to others farms.