



# Case Study -Economic Development Council

Finding Sustainable Business Models for New Farmers

## THE CLIENT

The Chester County Economic Development Council (CCEDC) promotes the economic development and growth of Chester County and its surrounding areas through technical assistance and small business financing. Their support for the local agriculture community includes their Next Generation Farmer Loan Program and their AgConnect network.



## THE PROJECT

The CCEDC received a USDA Specialty Crop Block Grant to fund research in the agricultural sector. They engaged Fox MC to identify the most successful business models for specialty crop farmers in 6 counties in southeastern Pennsylvania. The team was tasked with determining the characteristics of specialty crop farming business models that lead to a high rate of profitability and to a decreased risk for farmers.

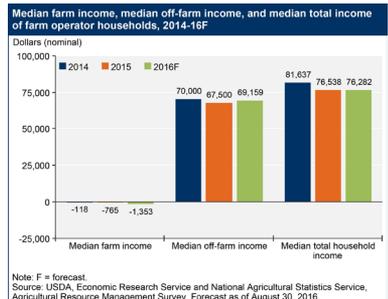
unsuccessful. CSA share prices aren't helping, having fallen steadily since the introduction of CSAs in 1986.

- Of the possible avenues of distribution for farmers, CSAs require the highest level of management, utilizing skills in production, analysis, labor, marketing and accounting.
- CSAs also contain the highest level of risk of any of the business models studied. One study showed that the average retention rate for CSAs was 46.1%, forcing farmers to expend large amounts of energy every season on recruitment.

## RESEARCH

Through interviews with farmers, wholesalers and state officials, and extensive secondary research, the team determined the following:

- Over the last 20 years, demand for local and organic produce has substantially increased. The number of Farmers Markets and CSAs has also increased, doubling since 2006 and 2011 respectively.
- Many farmers are not making a sustainable income. 56% interviewed were financially



## RECOMMENDATIONS

Based on these key findings, the Fox MC team recommended that the CCEDC pursue the following:

- Offer proprietary workshops and webinars to provide training for new farmers in basic areas of business expertise.
- Implement a decision making tool to help farmers assess particular areas where they can improve their skills and networks. Include specific contacts and resources for strengthening their areas of weakness.
- Find farmers who are particularly skilled in various relevant subject matter areas and train them in passing on their knowledge to other farmers.
- Facilitate networks between farmers, and from farmers to wholesalers and other business professionals who can help serve as advisors.

## RESULTS

Following completion of this project, the CCEDC intensified its efforts to support farmers in their region. They engaged Fox MC the following spring to create a marketing plan to help regional CSAs increase their success. Both projects continue to inform the CCEDC's engagement with the agricultural sector.