The moral economy is a double-edged sword: explaining farmer earnings and self-exploitation in Community Supported Agriculture

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Abstract

In this paper I develop a political economic understanding Community Supported Agriculture (CSA). I first develop the relevance of three concepts — economic rents, self-exploitation, and social embeddedness — to CSA, and then introduce a framework that relates CSA farmer earnings to the average rate of profit, economic rents, and self-exploitation. I then examine qualitative and quantitative data from a study of 54 CSAs in California’s Central Valley and surrounding foothills to explain the wide range of farmer earnings in relation to production characteristics of CSAs, the social embeddedness of CSAs, and farmers’ motivations and rationalities. Qualitative data from interviews are used to interpret the results of an ordinary least squares (OLS) regression analysis, showing that (1) farmer age, number of employees, and type of CSA strongly shape earnings; (2) the moral economy of CSA cuts both ways, allowing for capture of economic rents but more often resulting in self-exploitation because of farmers’ strong sense of obligation to their members; and (3) farmers’ motivations are diverse, but tend toward low and moderate instrumentalism, meaning that earning an income is often not a high priority relative to other values. The conclusion recommends the need to recognize alternative rationalities but also to discuss and confront strong self-exploitation in AFNs because of the broader political economic context in which they exist.

Keywords: agrarian political economy, farmer earnings, economic rents, self-exploitation, average rate of profit, social embeddedness, Community Supported Agriculture (CSA)
Did we break even? Income definitely exceeded expenses. So, I guess you could say [the farm] turned a profit, but ... there is profit in terms of one number being higher than the other, and then there is profit in terms of we can actually start paying down the bills that we owe and that kind of thing. ... I have this delusion that one day this farm will be earning so much money that ... I will be a salaried employee of my own farm. [Laughing.] Okay, that's just funny.

— Farmer 22

There isn’t a farmer I know who isn’t making poverty wages. So when I say paying a good price [for food], I am not talking about extortion or anything. It is just compensation for labor.

— Farmer 27

Divergence in organic agriculture in California

By now, the rise of organic agriculture as a social movement, and the contradiction arising from its codification into external regulatory standards, are well known stories (Buck, Getz, and Guthman 1997; Guthman 2004a; Pollan 2006). Buck et al.’s (1997) influential argument is that this codification and the conditions of agribusiness in California have led to “conventionalization.”

These conditions “undermine the ability of even the most committed producer to practice a purely alternative form of organic farming” (Guthman 2004b: 301); in particular, capitalization of land prices drive alternative production practices toward industrial-style farming, as farmers need to maximize returns. One consequence is that much organic agriculture in California has adopted “input substitution” rather than agroecosystem redesign as a strategy for fertility and pest management (Guthman 2000; Rosset and Altieri 1997).

Conventionalization and a resistant counter-movement — which I refer to here with the catch-all phrase alternative food networks (AFNs) — have helped create a dual structure in California organics. On the one hand, “much of California’s organic industry is characterized by oligopsony, with a handful of very powerful buyers and hundreds of less-than-committed growers who sell to them” (Guthman 2004c: 305). On the other, there exists “a vibrant sub-sector of organic farms that market more or less independently and more directly to restaurants and supermarkets, as well as farmers’ markets” (Morgan, Marsden, and Murdoch 2006: 133). Goodman (2000: 218) calls the two the “industry grouping” and the “movement” or “niche farmers.”
My focus here is on the “movement farmers,” specifically farms with Community Supported Agriculture (CSA) programs. Since its inception, CSA has been an ecologically distinct form of agriculture (McFadden 1991), standing in contrast to agrochemically-dependent monocultures and industrial organic. There are a variety of definitions of CSA, as the concept and the practices that constitute it have been substantially modified when applied in different places. A workbook for California growers defines CSA as

the name for a variety of partnerships between farmers and consumers. In CSA, consumers buy products directly from the farm, and pay for them in advance. Farmers do their best to produce sufficient quantities, quality of food and variety to meet consumers’ needs (Junge et al. 1995: 1 – 2).

CSA farms closely follow the visions of a more agroecological approach to farming that relies heavily on diversification and nutrient cycling (Altieri 1995). These production practices are supported by a special, spatially-delimited marketing relationship in which CSAs directly and regularly provide nearby households with their vegetables, fruits, and sometimes other products. Most farms running CSAs in California fit in the “movement” branch described above based on their practices and philosophies (Galt et al. 2011; Galt et al. 2012).

Academics have characterized CSA in a number of ways, but most are celebratory. Some describe it as a “moral economy” (Kloppenburg, Hendrickson, and Stevenson 1996) that is socially, environmentally, and/or locally embedded (Friedmann 1995; Murdoch, Marsden, and Banks 2000). Many scholars drop their political economy tools when examining it. For example, Lyson (2004) critiques the outcomes of agrarian capitalism in the US and global economy, but does not ask about the extent to which capital is acting through, or is making inroads into, the newly created AFN niches to capture surplus value. As DuPuis and Goodman (2005: 361) note, there is a prominent discourse that “localist solutions resist the injustices perpetrated by industrial capitalism.” Rather than falling into this “local trap” (Born and Purcell 2006; Brown and Purcell 2005; Galt 2008), I take seriously Murdoch et al.’s observation that “forms of embeddedness require critical evaluation” (see
I use a study of 54 CSAs in California’s Central Valley and surrounding foothills to develop a political economic framework for understanding CSA, drawing upon a Marxian conception of production and exchange and placing it in the context of social embeddedness and an emphasis on motivations and rationalities. I first develop the relevance of three concepts — economic rents, self-exploitation, and social embeddedness — to CSA, and then introduce a framework — populated with data from the study — that relates CSA farmer earnings to the average rate of profit, economic rents, and self-exploitation. I examine qualitative and quantitative data together to explain the wide range of farmer earnings in relation to production characteristics of CSAs, the social embeddedness of CSAs, and farmers’ motivations and rationalities. The conclusion discusses implications and recommendations.

Political economy & CSA: conceptual foundations

How do we make sense of CSA in light of capital’s relentless search for opportunities for profit and capital accumulation? Do capital and its logics and imperatives stop where CSAs start? Pratt (2009: 172) argues that alternatives like CSA need to be assessed through a different lens: “as movements these constitute a series of experiments in the creation, here and now, of alternative economic spaces within localized societies and in everyday life.”

Yet, CSAs fit a populist notion of agriculture (cf. Vail 1981) which celebrates simple commodity production, rather than being explicitly anti-capitalist (e.g., by questioning the profit motive, private property, and/or the organization of production based on exploiting a non-owner class). CSA shares often have an exchange value, usually a price per week, and fulfill the definition of commodity exchange: “In so far as the process of exchange transfers commodities from hands in which they are non-use-values to hands in which they are use-values, it is a process of social metabolism” (Marx 1990: 198). CSA is distinct from the form of commodity exchange we experience at the supermarket, however, because early on it was expressed as an equity investment
relationship to facilitate risk-sharing: members share the risk of production in exchange for a share of the production. Although CSAs are fairly new, equity relations have a long history, being one of the original ways to finance private operations for a wider good: “Years ago, a local community would develop a need with a common benefit; in ... Boston, Massachusetts, sea captains sold shares in a ship sailing to China. In this instance, providing investor returns meant that Bostonians received the spices and teas they desired. In this way, equities enable a large-scale enterprise of community benefit” (Domini 2010). An equity relation means that shareholders share benefits and risks of the endeavor. In the case of the Boston sea captain, the sinking of the ship means a loss for the shareholders. In CSAs early days this kind of risk-sharing was explicit, and remains in most definitions of CSA (cf. Henderson and Van En 2009).

In practice, the equity relation stands in tension with a commodity exchange relation, in which price is affixed to a certain quantity of a good. For California CSAs, very few are based on a strict equity relation and share risk as originally conceived. This was the case since CSA began in the state, as the issue of not sharing risk was discussed by CSA farmers in the first CSA conference in California (Cohn 1993). Yet, regardless of where the exchange relation exists along the equity-commodity continuum, an exchange of value occurring, so the tools of political economy can prove useful, as they have in other AFNs (Goodman 2004; Guthman 2004a; Hinrichs 2000; Mutersbaugh 2005).1

1 I want to highlight the complementarities and tensions between, on the one hand, agrarian political economy’s conceptualization of farmers as simple commodity producers and, on the other, Gibson-Graham’s (2006: 71) theorization of diverse economies (including the categories of self-employed, self-provisioning labor, and green capitalist). While operationalizing Gibson-Graham’s framework might provide important insights within AFNs (e.g., Miller 2008), here I use an agrarian political economy framework because of the analytical purchase it has historically provided.

Economic rents in AFNs

Capitalism relies on the production of commodities for exchange, with money “thrown into circulation to make more money — a profit. And money that circulates in this way is called
“capital” (Harvey 1999: 13, original emphasis). Various sectors of the economy have different average rates of profit, and it is within these sectors that individual capitalists tend to compete.

Individuals can leverage the gap between socially necessary labour time and their own private costs of production. Capitalists employing superior production techniques and with a higher than average productivity of labour can gain an excess profit by trading at a price set by the social average when their production costs per unit are well below the social average. This form of relative surplus value tends to be ephemeral, because competition forces other producers to catch up or go out of business. But by staying ahead of the field in productivity, individual capitalists can accelerate their own accumulation relative to the social average (Harvey 1999: 31).

In political economy, economic rents are one kind of excess profit (for application in agrarian political economy, see Goodman 2004; Guthman 1998, 2004a, 2004b; Mutersbaugh 2005; Neilson 2007). Guthman defines economic rents as “an additional return above and beyond costs and a ‘normal’ rate of return” (Guthman 2004a: 162) and “overprofits in the marketing of some products based on constructed scarcity” (Guthman 2004b: 512). For organic commodities, Guthman (2004a) argues that economic rents have two components: one derived from lower market availability of organic goods because of the difficulties of becoming organically certified (scarcity rents), and the other from consumer-held meanings which see certified organics as better than conventional food (what Guthman calls consumer surplus). This consumer surplus stems “from people’s willingness to pay more for certain goods and services that are construed to be particularly desirable” (Guthman 2004b: 516), such as caviar and brand names. Following Fine and Leopold (1993), Guthman discusses the “aesthetic illusion,” the gap between the metabolic use value of a food and its cultural content (also a use value) in order to show that the cultural content can be increased by adding symbolic value. This includes “attempts to instill trust in the food supply, when assurance becomes the symbolic value consumers most desire” (Guthman 2004b: 516).

Since “rents attract rent-seekers” (Goodman 2004: 8), economic rents are among the

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2 Mutersbaugh (2005) calls these as “policy rents” or “barrier to entry rents,” while Goodman (2004: 8) calls them monopoly rents due to “bureaucratic and regulatory barriers to entry.” These are conceptually the same as Guthman’s (2004b) scarcity rents, but she develops the consumer surplus side of rents in more depth, so I draw heavily on her work here.
incentives that prompt conventional farmers to turn to organic agriculture. Since they are subject to reduction through competition, they can be “either eroded, appropriated, or passed through to land values” (Guthman 2004b: 513), or organic certification standards can “create a barrier to entry so formidable that all of the rent income earned by market entry is spent in scaling the barrier” (Mutersbaugh 2005: 2040). Thus, economic rents from organic certification are not guaranteed, but are possible. However, political economists have made little effort to demonstrate these economic rents empirically, which leaves the wide variation in the profitability of organic farms (cf. Offermann and Nieberg 2000) largely unexplained.

In thinking about economic rents in CSA, farmers have the opportunity to capture two economic rents: economic rents from the organic premium (which, following Guthman, is composed of both the scarcity rents and the consumer surplus possible through the symbolic use value of organic standards) since CSAs are often certified organic or advertise “beyond” organic practices, and/or what I call “community economic rents” allowed by a CSA premium. While Guthman theorizes trust and developing “the image of wholesomeness, tradition, simplicity, or naturalness” (Guthman 2004b: 516) in relation formal regulation in organic agriculture, this is a central feature of community economic rents. However, rather than arising from a certification system, it arises from consumers’ belief that knowing your farmer develops transparency and trust. While it was the organic industry in the 1990s and early 2000’s that benefitted from discourses holding it up as the solution to the ills of the industrial food system (Guthman 2004b), in the mid-2000’s the discursive shift has favored the “local” (e.g., Pollan 2006) as represented by Time magazine’s cover stating “Forget organic, eat local” (e.g., Cloud 2007).

Community economic rents are purely consumer surplus (from consumers paying more for what they are receiving than they otherwise would), made possible by (1) the discursive ideal of AFNs (e.g., local food, civic agriculture, ecological agriculture, and/or embedded economies) stemming from a number of consumer motivations, and/or (2) the farmer determining the produce
in the share, and therefore including produce that consumers might not normally purchase. The first is a commodification of the intimate relationship between producer and consumer and/or the other integral components of CSA. This might include an economic valuation of many of member benefits not normally quantified — the weekly newsletter with news from the farm and recipes, access to special you-pick days and farm events, the proximity of local neighborhood delivery sites, etc. — and the ecological conservation and labor practices of the CSA.\(^3\) If CSAs are charge a price that covers labor and other costs associated with the box and its delivery, and that is higher than the average rate of profit, they are capturing community economic rents. Community economic rents can theoretically substitute for organic economic rents if farmers forego certification and still capture economic rents similar to those by certified farms. In short, community economic rents are possible through the commodification of civic agriculture and allow the farm unit to retain more surplus value. And yet, while farms may capture community economic rents, there is also a flip side to how surplus value can be distributed.

*Self-exploitation in AFNs*

Self-exploitation is a key concept of agrarian political economy used to explain why simple commodity producers can out-compete capitalist firms in agricultural production (Banaji 1980; Chayanov 1966; Friedmann 1978; Kautsky 1988). In its original sense, self-exploitation meant “excruciating labor by underfed peasant families damaging their physical and mental selves for a return which is below that of the ordinary wages of labor power” (Shanin 1986: 6, paraphrasing Chayanov). The term originated with Karl Kautsky, who sought to explain the persistence of the peasantry in Germany in the late 1800s. Kautsky conceptualized self-exploitation by the family farm unit (simple commodity producers) as helping to explain why they persisted in the face of capitalist agricultural competition: “the progress of big industry does not necessarily entail the disappearance\(^8\)

\(^3\) It is difficult to parse out these CSA characteristics to determine how they individually increase the value captured by farmers.
of small units. It ruins them, renders them superfluous from an economic point of view, but these units have enormous reserves of resistance” (Banaji 1980: 64). These reserves of resistance include the ability to self-exploit, including “underconsumption,” or foregoing the basic needs of individuals in the family to compete. In other words, the family farm can “continue to produce without receiving the average rate of profit” (Mann and Dickinson 1978: 469), often temporarily when commodity prices are low (Reinhardt and Barlett 1989) in order “to maintain the occupancy of the land itself” (Marsden 1988: 320).

Many scholars mention self-exploitation, usually in passing, to explain AFN farmers’ hard work and often low returns in organic and civic agriculture (Guthman 2004a; Hinrichs 2000; Jarosz 2008; Martínez-Torres 2008; Trauger 2007). Guthman (2004a: 83), for example, notes that small-scale, diversified organic vegetable producers in California rely “a good deal” on self-exploitation, which she defines as “not earning revenues equal to the cost of their own labor.” The problem, however, is that as entrepreneurs, farmers set the price of their own and their family’s labor power, and farmers generally undervalue household labor sources (Errington and Gasson 1994).

Alternatively, Pratt (2009) argues that the concept, and others from political economy, should not be applied in a blanket manner to AFNs, and that instead we should understand forms of agrifood resistance “in terms of their own values and priorities, rather than using a terminology that assumes that they are profit-maximizing individuals who struggle to compete successfully” (Pratt 2009: 156). He argues that using the concepts of “self-exploitation” and “subsidies” from one part of someone’s life to another risks naturalizing and universalizing the rationality of maximizing monetary returns, and that “they do not always reveal anything of value” (Pratt 2009: 172). Marxists note this as well: “There is ... a great deal that goes on in society that is not directly related to the circulation of capital, and we should therefore resist the temptation to reduce everything to these simple Marxian categories” (Harvey 1999: 20). While I agree with assessing AFNs on their own terms, we must also see that they exist within a broader capitalist political economy and that most
engage directly in some form of commodity exchange, and therefore remain subject to many of capital’s logics, even if they attempt to counter or ignore them. When CSA farmers engage in self-exploitation, it is a “both/and” situation at the interface between different rationalities: one both fulfills one’s (potentially non-capitalist) goals and does not receive appropriate economic return on one’s activities from the exchange, as dictated by the broader political economy.

Those farmers with non-capitalist ideologies might not seek to sell their commodities at an exchange value that supplies them earnings since they do engage in production for other reasons. However, political economic theory says that when AFN farmers are connected to a market, it is the purchasers of the commodities from AFN farmers who benefit from AFN farmers’ self-exploitation, as the purchasers are not being charged a price that adequately covers the farmers’ labor process. Importantly, this is not all that is occurring — the farmer is often enjoying the experience of farming and satisfaction of producing healthy produce for people s/he sees firsthand (Galt et al. 2012), and many other things are exchanged in the process, such as information, guilt, etc. (Dixon 1999) — but we should recognize this as a transfer of value as well, even if embedded within more personalized relationships. We must be able to insist that values other than maximizing return on investment matter, meaning that there are multiple values operating simultaneously and they are not reducible to a single, formal rationality. Indeed, self-exploitation is often a necessary practice of humans as ethical beings in a capitalist political economy. Yet, even though (thankfully) not everyone accepts capitalism’s terms of valuation, in capitalist political economies we are nonetheless subjected to them if we engage in commodity exchange.

Self-exploitation as a concept matters in CSA because the longevity of CSA as a social formation can be undermined by its own monetary undervaluing of its crucial components. A study that asked why farmers left CSA showed that 34.4 percent left because of “insufficient income,” and 12.5 percent left because of “burn-out” (Lass et al. 2003: 2) — i.e., working too hard without adequate compensation (spiritual, monetary, or otherwise). Many CSA farmers bear the weight of
internalizing the negative externalities of industrial agriculture on their shoulders. Can they value their work more to cover their expenses and accumulate enough capital for retirement, covering their own possible illnesses and disability, etc.? Will valuing their work more allow CSA farmers to support a decent livelihood, or will competitive pressures prevent them from adequately valuing their work? These are not rhetorical questions. The answers to them on the personal, farm, and sectoral level, are crucial to the viability of CSA.

Additionally, self-exploitation matters even when evaluating CSAs on their own terms. CSA originated in part to reduce the extraction of surplus from farmers that occurs in (more or less) self-regulating commodity markets, as when fluctuating commodity prices mean farmers sell their products at prices below the cost of production (Levins 2000). Those who want to stay in farming typically must buffer or subsidize this instability and extraction of surplus value, and farm families often turn to further indebtedness and/or off-farm work. In 1992, more than 83 percent of US farmers worked off-farm more than 100 days per year, and engaging in off-farm work was positively correlated with the riskiness of farm income (Mishra and Goodwin 1997). CSA was conceived as a renegotiation of the contract between buyer and seller, a move away from the unpredictable workings of agricultural commodity markets and the control of various food industry firms. This renegotiation was to be achieved by bolstering the exchange with social commitments — i.e., embedding it socially — to make it more fair.

Social embeddedness: toward a moral economy

In their seminal paper, Kloppenburg et al. (1996) apply the concept of moral economy to foodsheds, and relate it to CSA. Drawing on Thompson (1966: 203), who defined moral economies as exchange “justified in relation to social or moral sanctions, as opposed to operation of free market forces,” Kloppenburg et al. (1996: 37) use it as shorthand for re-embedding of food production primarily within human needs rather than within the economist’s narrow “effective demand” (demand backed by the ability to pay) ... CSA represents a concrete example of the real possibility of establishing economic exchanges
conditioned by such things as pleasure, friendship, aesthetics, affection, loyalty, justice and reciprocity in addition to the factors of cost (not price) and quality.

This understanding of moral economy is often called social embeddedness, which can cushion certain characteristics of market-based interactions, especially what Block (1990) calls “marketness” and “instrumentalism.” Marketness is the extent to which price as a singular and overriding factor determines market interactions, and instrumentalism is the extent to which individuals maximize their economic goals by engaging in opportunistic behavior. High marketness means that no other considerations interfere with the dominance of price in decision-making, while low marketness indicates that nonprice considerations are more important. High instrumentalism occurs when people prioritize economic goals and engage in opportunistic behavior to achieve them, whereas low instrumentalism means prioritizing non-economic goals like friendship, family ties, morality, spirituality, etc. (Block 1990; see also Hinrichs 2000). Block's conceptualization places all economic transactions, even those typically labeled as “socially embedded” (too often mistakenly taken to mean distinct from capitalist logic, in false binary fashion), along a continuum of marketness and instrumentalism.

Where does CSA fit on these continua? The three pillars on which the CSA concept originally rested included (1) the members'/buyers’ willingness to share production risk, (2) a season-long commitment on the part of the member/buyer, and (3) a fair price to the farmer, one that would allow her/him a decent income after covering the costs of production. In short, the initial goals set out by the first CSA in the U.S. were: “local food for local people at a fair price to them and a fair wage to the growers. The members’ annual commitment to pay their share of the production costs and to share the risk as well as the bounty set this apart from any other agricultural initiative” (Henderson and Van En 2009: xiv). CSAs that stay true to these original conceptions engage in transactions that are both low in marketness — price is not the consumers’ sole consideration — and low in instrumentalism — the consumer prioritizes the well-being of others,
hopefully farmers and farmworkers, over their own economic interest, while the farmer is reciprocally not trying to maximize her/his own economic self-interest at the expense of others and the environment. This socially embedded exchange was created for mutual benefit, to blunt the often sharp edges of commodity markets, debt, and/or contract farming.

While these ideals underpinned the original conception, the way CSA works in practice is different. In their 2001 national CSA survey, Lass et al. (2003: 22) report that farmers’ wages and benefits are typically not covered in a satisfactory manner in CSA operations: “More than 48 percent were unsatisfied ... with their own (the farmer’s) compensation ... . More than 68 percent were unsatisfied with their financial security (health insurance, retirement, etc.) ... [CSA farmers] seem to neglect the costs associated with their own compensation.” Smaller scale, qualitative studies present similar conclusions (Cone and Myhre 2000; Jarosz 2008). Thus, while CSA was created as a more socially embedded exchange relationship offering a fair wage for farmers, many CSA farmers are not receiving satisfactory compensation. Self-exploitation in CSA appears to be occurring, despite the social embeddedness of CSAs as an exchange relationships. This is an interesting contradiction. To make sense of it, below I develop a framework for understanding the distribution of surplus value in CSAs, and populate it with qualitative and quantitative data from research in California.

**Economic rents & self-exploitation in CSA: framework, methods, empirics, and explanation**

Having established that rents and self-exploitation matter conceptually for CSA as a socially embedded AFN, a next step is differentiating between them using empirical data. For self-exploitation, one way is to compare farmer salaries with those of farmworkers — in discussing “super-[self-]exploitation,” Mandel (1962: 289, cited in Lianos and Paris 1972: 575) defines it briefly as farmers’ “income often being less than that of an agricultural worker.” This is similar to Chayanov’s definition of excruciating work for a return less than ordinary wages for labor power. Since we know the average annual earnings of farm workers in California — about $7,500 (Martin and Mason 2004) — I use this as a rough line to delimit super self-exploitation. Additionally, using
the definitions of self-exploitation discussed above, farmers engage in self-exploitation when they receive below-average returns on their labor compared to others in their sector (for the sake of simplicity, I am considering farms operating a CSA to be the sector). This I use as guidance for delimiting self-exploitation from the average rate of profit. Although I use the mean as a proxy for the average rate of profit, in the data there are relatively few values near that average, so I delimit the average rate of profit by expanding its range to two farms in both directions.

Economic rents are anything that exceeds the average rate of profit, but if capture of economic rents varies greatly, it would be useful to differentiate low economic rents from high economic rents. Since my data show considerable range, I use the mean plus one standard deviation to delimit these. Thus, my framework has five categories: high economic rents; low economic rents; average rate of profit; self-exploitation; and super self-exploitation. This framework guides a mixed-method quantitative and qualitative analysis of CSA farmers’ financial situations and the reasons behind the variation. The analysis fits within what Wyly (2009) calls “strategic positivism” that questions the supposedly immutable divide between critical geographies and quantification (see also Galt 2011; Kwan and Schwanen 2009).

Methods

Determining where farms fall within the five categories is difficult. The data I use come from in-depth interviews with farmers of 54 CSA farms in California’s Central Valley and surrounding foothills; 48 of these also completed an online survey (Galt et al. 2011; Galt et al. 2012). To use these data in the above framework, I calculated “per farmer annual earnings” for 2009 — which, for ease of discussion, I refer to hereinafter as “earnings” — and use this as a proxy for farm profit. I calculated this from survey responses and answers to interview questions, including inquiries about general profitability, gross sales and net profits in 2009, farmers’ own salaries

4 I use the general “rents” concept here because the data I use below do not allow for determining whether these are truly economic rents (as discussed above) or Schumpeterian rents temporarily available to early adopters of technology or techniques of running their operations.
(whether and how much they formally pay themselves, or whether they use “what’s left over” accounting), how they qualitatively value their own labor power, and farm characteristics, farmer’s philosophies and motivations, and pricing of their shares. More specifically, when farms paid farmers a formal salary, I used this amount for earnings. When farms used “what’s left over” accounting, which is far more common, I divided the annual “what’s left over” total by the number of farm partners (those with ownership obligations and involved in management decisions). For 36 of the 48 farms, the surveys and interviews provided enough detailed information to calculate per farmer annual earnings, while in 12 cases, farmers did not know their profits or what was left over as personal compensation, or did not want to share that information.

There are a number of problems with using earnings as a proxy for profit. Ideally, one would trace farm finances over many years, and use the average of multiple years for the average rate of profit since individual years can fluctuate based on conditions and needed investments. Multi-year data is difficult to collect, and even the most detailed research has only focused on three farms over a single year (Hardesty and Leff 2010). Another problem is that, ideally, in the case of “what’s left over” accounting one would want to know the operating surplus and then the amount reinvested in fixed capital, the amount that paid down debt, and the amount taken as take-home pay. Reinvestments might not have been necessary for the operation, so might instead be considered profit and therefore added to the earnings category. I did not do this with the data, so the data are rather conservative (low), reflecting what was left over after investments and debt payment. Also, in calculating earnings, I assume that all farm partners contribute the same amount of work to, and receive the same amount of return from, the farm. Most farm partners put in a great deal of effort, but their efforts are not necessarily equal, and we did not ask for their precise number of hours

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5 Some farmers note this: “We don’t pay ourselves, we just kinda take ... whatever is left over. A lot of it ... we reinvest in the farm, buy some new equipment, which is why we can manage to show a loss so much of the time. At the end of the year I give my tax lady, my pal [a call] and I go, do we need to spend or are we OK? And she let’s me know. I’d rather buy something here than give it to Uncle Sam” (Farmer 19).
worked on the farm in a year. Another shortcoming is that these data are not comparative between large farming regions; it is difficult to discuss the applicability of these findings elsewhere. But given the problems of self-exploitation in CSA identified in other regions and nationwide (Cone and Myhre 2000; Jarosz 2008; Lass et al. 2003), I suspect the analysis will resonate elsewhere.

The strengths of using earnings is that it standardizes profits by farm partner. This allows for directly comparing CSA operations of very different sizes (e.g., those with a single farmer and those run by four farm families), and for direct comparisons with other individual employment, such as farmworker earnings. Another strength is that asking many questions in open- and closed-ended formats allowed us to understand the type of accounting used — i.e., if salaries are considered a business expense, part of the profit, or what is left over — which allows for a more accurate determination of earnings than if a single question about profit amount were used, since that profit might exclude farmer salary or include it, depending on respondents’ accounting.

Exploring the empirics

Table 1 shows characteristics for CSAs in the study. These are described elsewhere in greater depth (Galt et al. 2011; Galt et al. 2012). Here I want to highlight that gross sales per cropland acre are very high (for horticultural CSAs, specifically). This, however, does not mean that these farms are necessarily making a profit, although a slight majority of the farms note that their CSA programs are profitable. Turning more directly to the question of rents and self-exploitation, Figure 1 shows earnings within the framework developed above. The mean is $25,408 and the standard deviation is $38,906. Figure 1 shows the economic rents/self-exploitation continuum through two structuring categories — organically certified CSAs and non-certified CSAs — since it makes it more readable and this feature appears at first glance to have a considerable influence on the data (although this was not borne out in the detailed analysis below).

These data have a number of important features. First, there is an incredible range in the return to CSA farmers’ work. The maximum is $150,000, while the minimum is $0 and is much
more common. The median is $6,750, so the distribution is skewed toward the low end. The range suggests that there is no “normal” around which the values congregate, although I use the mean below because it is conceptually closest to the social average rate of profit that helps determine prices in commodity markets (Harvey 1999).

Second, a small number of farmers make a decent salary from their operations. Farmer 39A, with higher than average earnings, adds a CSA premium, thereby likely capturing community economic rents; she notes that her CSA earns a 16 percent profit, while other direct marketing channels return eight percent. This farm also has one of the best accounting systems of interviewed farmers. Another high-earnings farmer noted that he could not have purchased more land without the CSA, so it was an important strategy for capital accumulation. This is consistent with estimates by Hardesty and Leff’s (2010) in-depth assessment of three CSA’s finances and found CSA to be a more profitable channel than wholesale or farmers’ markets, when taking time and labor into account. Given how hard these farmers work, their often decades-long experience building their skills and knowledge and farming systems, and the norms of a capitalist economy, it is hard to begrudge them being well compensated for their work. This is especially the case in the context of the contemporary U.S., in which entitlements such as health insurance, retirement, and sending children to college are not well provisioned by a social safety net and are therefore expensive for households (this is particularly true for health insurance, especially relative to other industrialized nations). Those CSA farmers who are self-employed do not receive employer-provided benefits, and thus are forced to go without, self-provision these basics through their monetary compensation, or access them through a family member with an off-farm job.

Third, most CSA farmers work long hours for low earnings. Half of the 36 farms are in the

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6 Only a handful of farmers in the study calculate the costs of production of all aspects of a CSA share. Hardesty and Leff (2010) provide a useful framework for this.

7 We did not collect data about farmers covering their retirement or health insurance.
“super self-exploitation” category. Eight of these farms’ farmers brought home $0 in earnings, and the average earnings in this category is $2,358. This is very low relative to the poverty line for a family of one in 2010, which was $10,830 (Department of Health and Human Services 2010), and compared to farmworkers’ annual earnings ($7,500), although the types of work are extremely different. As one farmer who had no monetary return to her labor power noted,

Knowing how to grow is another thing. But knowing yourself is a big thing, too. Do you have the discipline to forego fun, vacations, TV at night, having an evening? Do you have what it takes to make yourself work and work and work and work and only give yourself a let up when you have to, and then go back and work some more? Because the personal discipline involved in doing this — it’s big (Farmer 22).

Thus, while some CSA farmers likely capture community economic rents, many more CSA farmers are engaging in self-exploitation, either by undervaluing the CSA share or not optimizing their production techniques so that they can have earnings above their costs of production. These farmers are providing an economic subsidy to their members by transferring surplus value and not receiving enough monetary compensation in return. Most farmers do not see this as self-exploitation, nor as providing a subsidy to their members, because of the positive lifestyle benefits of their work — including autonomy, relationship building, love for the work and craftship (the unity of conception and execution, cf. Mooney 1988), self-provisioning, etc. Farmers mentioned this when discussing how they value their own labor power, noting, for example, “I think we have calculated that and we make $300 per month,” but “I usually don’t think about it that way” (Farmer 11), and “I don’t really look at it that way [as a low salary]. I also look at being able to live here. I look at having great food all the time. I love what I get to do most of the time” (Farmer 47).

**Explaining variation in farmer earnings**

Why do many CSA farmers work such long hours for a very low and often insecure return,
and why are other CSA farmers making a decent salary? Using a combination of qualitative and quantitative data, I advance three major explanations related to the organization of production, the socially embedded moral economy, and alternative rationalities. First, I present an ordinary least squares (OLS) regression model, with earnings as the variable to be explained (the dependent variable). Table 2 shows descriptive statistics for earnings and the seven explanatory (independent) variables in the model. Table 3 shows the OLS regression model.9

The strength of multiple regression models like OLS is that they allow us to see the influence of each independent variable on earnings while controlling for the effects of other variables in the model. But these relationships alone cannot show causation as they are statistical relationships that do not establish the direction(s) in which causation run(s). For this reason, I interpret the model within the context of the qualitative data. Indeed, much of the analysis of the effects of social embeddedness arose from the interview data. These interpretations informed the model creation and lined up remarkably well with the quantitative analysis, although the model also revealed a number of relationships not evident in the interviews.

Age, economies of scale, and CSA type matter

The first independent variable in the model is the age of the farmer who filled out the survey (hereinafter referred to as Farmer A). Farmer A’s age is positively and very significantly related to earnings.10 Age’s importance captures a number of processes. First, farming, marketing,
and management skills all improve with experience. Learning matters a great deal in running a CSA, as farmers noted, and most farmers continuously deepen and expand their skill sets. Second, capital invested in the operation over many years can eventually pay off. Some farmers noted this time lag in relation to learning and long-term investment, such as “During the first couple of years don’t expect to make any money. If you need money right now, have a job outside” (Farmer 45). Third, CSA farmers who did not find the endeavor to be worth it have left, while many of those who have found it worthwhile have stayed (and are older). And fourth, as farmers age, they tend to become more concerned with the money needed for retirement and health care. One of the farmers with high earnings noted this: “I’ve been doing this for almost 36 years, and I didn’t pay myself a salary until about 10 years ago. But it didn’t matter. I lived in that trailer for 35 years, and I’ve got no rent, I’ve got no house, I don’t have a mortgage” (Farmer 21).

The most significant variable in the regression is the number of workers, positively related to earnings and very significant. The number of permanent workers is almost perfectly correlated with gross sales ($r = 0.96$), member number ($r = 0.93$), and cropland acres ($r = 0.85$), which are all indicators of the scale of the farming operation. This suggests that CSA is consistent with a basic principle of capitalism explained by Marx’s (1990) labor theory of value: capitalists (farmers in this case) compensate their workers at a monetary value (wage) that is less than the surplus value that the workers’ labor power produces. Correlations generally bear this out; $r$-values for the the correlation between farmer earnings and the different worker variables are: employing permanent workers ($r = 0.48$), permanent worker numbers ($r = 0.56$), employing seasonal workers ($r = 0.32$), employing (unpaid) interns ($r = -0.17$), and not employing any workers ($r = -0.31$).

11 All have the same effect in the regression. Since they are so strongly correlated, more than one should not be used in the regression to avoid multicollinearity.

12 While the narrative that CSAs depend upon unpaid labor of interns is common, here the subsidy is going in to opposite direction. When included in the regression, having interns remains negatively related to earnings, but is not significant.
However, saying that employing workers correlates with increased CSA farmer earnings is not the same as saying that the most profitable CSA farms exploit their workers the most. Indeed, in the interviews many CSA farmers with high earnings noted that they have a number of farmworker benefits absent in other sectors of California agriculture, including opportunities for upward mobility in management, health insurance, no-interest loans, and free produce (see also Guthman 2004a). There is absolutely no correlation ($r = 0.00$) between year-round farmworker wage and farmer earnings, showing that these CSAs with high earnings pay their workers the same as other CSAs with low earnings (the average wage is $10.18$ per hour). All of these relationships suggest that there are economies of scale in CSA operations, and that for farmers to retain earnings from these economies of scale they must hire others to work in the operation. If worker benefits in the largest CSAs are considered part of the real wage, these farms are both increasing returns to the farmers (relative to other CSAs) and increasing their workers’ real wage.

Another important attribute related to earnings is the type of CSA. Elsewhere I and others have described the types of CSAs in the study region, which include the single farm and cooperative box models, and, much less commonly, farm-based aggregators, farm membership arrangements, and meat CSAs where the product is less regularly available (Galt et al. 2012). The single-farm box model fits a common conception of CSA — a farm produces a box of fresh produce for members, usually on a weekly basis. Exactly why the single-farm box model is related to higher farmer earnings is unclear (farmers did not discuss this explicitly, since most have not run various types of CSAs). I suspect it is because the model contains a feature of CSA attractive to farmers: regular income, including knowing ahead of time the size of the market one is serving and the income it will generate, which makes planning easier and more efficient. Also, the box model is more common, so more individual and collective learning has occurred about the model, and software applications exist to help its management. In the data I did not differentiate within the box model type between those engaged in more of a commodity exchange versus those organized around an
equity relation. However, one proxy for this relationship, the minimum length of time for subscription (from one week to a full season, expressed in weeks), was not at all significant in the model and did not change the relationships of the other variables. In theory, running a CSA based more on an equity model — including an agreed-upon salary for the farm partners budgeted into the pricing structure — could avoid self-exploitation. Since these are not features of CSAs in the region, future study areas could be selected to capture more CSAs organized through an equity relation to see its effect on farmer earnings. However, the data discussed below show that other aspects of CSAs’s social embeddedness strongly influence farmer earnings.

The moral economy cuts both ways

One of the elements of the moral economy present in many CSA operations was landowner-subsidized access to land. We asked farmers how they got access to their land (in the interview) and about their rental arrangements (in the survey). These data allow for determining whether farmers accessed land at below market-value rental rates (with a subsidy provided by the landowner), which 35 percent of farms do. In the regression model, this variable is positively correlated with farmer earnings, although not quite significant at the 10 percent level. Nonetheless, this relationship suggests that these below market-value arrangements — part of the moral economy of CSA since the landowners value what the farmers are doing, and are willing to be less instrumentalist to support it — do increase earnings for farmers. Since land values are high in California, this is a particularly important arrangement for beginning CSA farmers (Beckett 2011). It is also important to note that these landowner subsidies to land creates more room for farmers to maneuver, just as farmers who inherit land, or have it fee simple with mortgage fully paid off, have more freedom in determining how they will grow, and, at least in organics, are more likely to be farming according to the agroecological ideal (Guthman 2004a).13

13 The question of the relationship between CSAs and ground rent is important, and could be explored with more empirics and drawing on Guthman’s (2004b) work on organics and ground rent.
But the moral economy of CSA cuts both ways for farmers’ earnings. One of the variables most strongly associated with earnings (and profitability generally) is the percentage of total farm sales coming from the CSA — but the relationship is negative (and significant at the one percent level)! This is true both in the model and in bivariate correlations. The more the farm relies on CSA for sales, the lower the earnings \( r = -0.4, p = 0.01 \) and the less likely it is to be profitable \( r = -0.29, p = 0.03 \). Figure 1 visualizes this relationship — the full circles (representing high proportions of total sales from the CSA market channel) are more likely to be lower on the y-axis (earnings) and of a darker grey (which signifies breaking even or operating at a loss). This is a puzzling contradiction, since CSA was originally conceived of as a win-win that would pay farmers a fair wage in addition to fulfilling other goals.

At first glance, this finding also contradicts recent studies comparing costs for CSA and farmers’ market marketing channels. One study of four farms in central New York that use direct marketing (including two CSA farms) found, “the CSA was the top performing channel, based on ranked factors of volume, unit profits, labor requirements and risk preferences,” but “optimizing sales requires the flexibility of combining different channels” (LeRoux et al. 2010: 23). Similarly, examining three CSA farms in California, Hardesty and Leff (2010: 32) found that “marketing costs in the CSA channel were lower than those in the farmers’ market channel for all three of our case-study farms.” Although Hardesty and Leff do not reveal the identity of their cases, my study collected some of the same data and I can triangulate two case identities with reasonable certainty. These two operations are two of the most professionally-run CSAs in my sample of 54 CSA farms, meaning that their operators have a great deal of experience running them and have spent decades streamlining their operations — this puts them on the high end of Figure 1. Hardesty and Leff’s study, then, is likely not broadly representative of the range in Figure 1, so the greater profitability of the CSA channel is not necessarily widespread.

More specifically, CSA farmers’ descriptions of their CSA pricing strategy and how it relates
to farmers’ markets show that they often do not take into account the extra labor of CSA. These often unaccounted for costs include coordination efforts keeping track of membership, newsletter writing and printing, hosting farm-based events, as well as box and transportation costs. A common practice in calculating the CSA share’s exchange value was to use only the farmers’ market exchange value of the produce included in the share. Some use that price and give members a discount. As one farmer noted about pricing his shares, “It’s basically [farmers’] market value, minus ... 15 to 20 percent” (Farmer 27). This pricing strategy can mean that CSA box prices could be below the cost of production, especially if compensation to their own labor power were to be included.

It is generally assumed that socially-embedded market relationships translate to less exploitation of farmers, since consumers are supposed to be more willing to share risk and to commit for the long-term (or landlords are willing to cut CSA farmers a break, as seen above), but these data show that social embeddedness also cuts the opposite direction. A different form of surplus extraction replaces the surplus extraction that occurs from unfair market exchanges in conventional markets. Unfair exchanges can be self-imposed because of a sense of obligation to CSA members, to whom farmers often feel very close. In other words, greater social embeddedness can allow for a sharing of risk, as CSAs were originally conceived of doing, and even the commodification of these relationships into community economic rents as suggested by the CSA farmers with the highest earnings, but it can also enhance the farmer’s sense of obligation to members to her/his economic detriment. For example, many CSA farmers noted that they tended to give too much produce in their shares. Noted Farmer 13,

I actually made ... my CSA shares smaller because I kept [saying], you know, “I really want them to get a good value,” and they [members] go [in the farms’ questionnaires], “We can’t eat that much!” [Laughing.] That was consistently the feedback I got. “This is too much!”

Others mentioned the psychological pressure:

You get paid up front but that also means that you have commitment up front to provide a basket full of fresh, delicious produce. We have a capitalistic model here and if your subscriber doesn’t like it, you are going to lose them. There is a pressure to produce week
after week after week. If you compare that to farmers’ market, you can bring anything you have, some days you have more, some days you have less, so what? There is not the psychological pressure there is with a CSA. You can find CSA farmers out there at night mumbling, “I need more” (Farmer 15).

This interpretation is consistent with the regression model. Another significant variable, and one negatively related to farmer earnings, was whether the CSA is organized with a direct connection between the farmer and the members, meaning that a farm partner personally handles membership communication and logistics. This direct connection is significantly, negatively related to earnings (at the ten percent level). Personally knowing members serves very well the goal of building social relationships, but it also enhances farmers’ sense of obligation. In contrast, CSAs that hire someone to run the CSA are more likely to have higher farmer earnings. Having a person in this position shields the farmer from a large workload, and can decrease the sense of obligation that can be detrimental to the farmer making a living, and/or serve as a third party to look after the farmers’ economic interest even if farmers neglect them.

The interviews revealed that the obligation and loyalty felt by the farmer toward her/his members often negates the original CSA equity relationship. Many farmers mentioned feeling pressure to provide a “normal” share regardless of what happens during the growing season. Many conform to this pressure by supplementing their boxes with produce purchased from nearby farmers when production is lean or not diverse (13 percent do this all of the time, 44 percent do it sometimes). They feel a responsibility to provide their members what they think they expect, which many farmers describe as consistency — of both quantity and diversity from week to week. In this way, the social embeddedness of the CSA relationship perversely acts to negate the reciprocal nature of the equity relation by prompting farmers to engage in pre-emptive self-exploitation. CSAs run like this, which are very common in the study site, share the bounty in times of plenty, but are not reciprocal when production is low or too homogenous — farmers are not sharing the risks of production, but rather taking a self-inflicted economic hit, one hidden from members since it is not
communicated as such. The regression model supports this: the “share_indicator” variable stands for CSA farmers purchasing from other farms for supplementing their CSA box, and was coded categorically (with 0 = never, 0.5 = sometimes, 1 = always, meaning that the higher the number, the more likely it is that farmers are spending their own money to supplement their boxes). This variable is negatively related to earnings, although the relationship is not significant at the ten percent level. It nonetheless runs in the same direction as indicated by the interviews.

The importance of alternative rationalities

Although the analysis above explores the various characteristics of CSA farms related to farmer earnings (i.e., the objective production function of the farm operation) and has advanced explanations, we must also account for farmers’ motivations (i.e., the subjective). Farmers might not have high earnings because high earnings do not matter much to them. This is in direct contrast to capitalist rationality: “The only possible motivation for putting money into circulation on a repeated basis is to obtain more of it at the end than was possessed at the beginning” (Harvey 1999: 13). As Mooney (1988: 4) notes, “Other logics persist, sheltered by the discipline of hard work and the sanctity of private property.”

The interviews revealed that the vast majority of CSA farmers are not engaging in profit maximization, and many are not interested in a monetary return to their labor (i.e., having more money than they put into circulation). Indeed, some took issue with questions about profit. Farmer 31 asked, “What do you mean by profit? Do you mean having good food to eat, friends to share it with?” Farmers 9A and 9B also considered growing their own food to be a profit — what Gibson-Graham (2006) would call self-provisioning labor — rather than interpreting it in purely monetary terms. In short, there are clearly other values and rationalities driving how CSA farmers run their operations. The quotes below make the point, but similar sentiments were expressed by most CSA farmers.

The point of what we are trying to do is much bigger than grow food and make money — I
mean that’s not even the point. It’s to live sustainably and create communities that are growing their own food (Farmer 56B).

When people ask us if we make money and I say, “No,” they ask, “Well, why do you do this?” And I say, “Because there are a lot of benefits.” We grow our own food. We get to meet great people. We have a lot of connections in the community. So it is more than just about money (Farmer 30A).

Others run their CSA and likely capture community economic rents, although they do so within the context of broader social and environmental commitments (see also Galt et al. 2012). The following conversation about farming philosophy with two new CSA farm partners — whose earnings fall within the average rate of profit — illustrates the social and environmental embeddedness of their business objectives.

Farmer 3A: We want to run it as a sustainable business and ... we would like to make money farming so we can buy land to farm ... .

Farmer 3B: I'd say just in a nutshell: connect with the community, maintain or enhance the soil quality, maintain or enhance the wildlife quality, run a sustainable business, an efficient business where we make money, 'cause if we were to loose money we probably wouldn't do it.

Farmer 3A: But it goes without saying that we love it, too. This is our dream job if we can make it work well ... .

CSA farmers’ rationalities lie along the low to moderate end of Block’s (1990) continuum of instrumentalism. CSA farmers tend to fall between low instrumentalism — where CSA farmers explicitly state that they do it despite not making much or any salary because other benefits of their operations matter so much to them — to moderate instrumentalism, where they express their desire to make a decent living within the context of other important values. None are on the high end of instrumentalism, in which economic self-interest trumps all other values when making economic transactions.

Many CSA farmers try to avoid externalizing the negative consequences of their production and distribution systems that are commonly externalized in other kinds of farming and food systems. This means a great deal of work, which farmers often bear by spending more hours working and cutting their own earnings. This fits very well Weber’s (cited in Mooney 1988: 64)
concept of substantive rationality, which “may consider the ‘purely formal’ rationality of calculation in monetary terms as of quite secondary importance or even as fundamentally inimical to their respective ultimate ends.” In most CSA farmers’ substantive rationality, personal sacrifice is preferable to personal gain through exploitation of environment and others. Yet, this also raises the question of how long this can continue. As Kalberg (1980: 1169) notes about various rationalities, “[i]n history’s battleground, interests have struggled against interests, and values and ‘ideas,’ regardless of the clarity of their formulation or their intrinsic plausibility, have died a sudden death unless anchored securely within social and economic matrices.”

Conclusion: can CSA overcome self-exploitation?

CSA farms matter greatly because they create a number of benefits: vastly increasing the diversity of cultivated and non-cultivated land, a more ecological and non-toxic agriculture, localized distribution less vulnerable to fossil fuel depletion and climate disruption, greater social connections and understandings between producers and consumers, and, in California, year-round employment that is rare for farmworkers. Thus, the analysis here is a sympathetic one, meant to provoke further discussions and analyses of the causes and consequences of self-exploitation.

While the profit rates of some farms for their CSAs are higher than for other market channels, for most CSAs the return to farmers’ labor power is very small, and for many, non-existent. Most CSA farmers, like other farmers, undervalue their own work in monetary terms. Thus, self-exploitation in CSA is a real phenomenon, and is unjust because of the value farmers provide to their members. While I have highlights different rationalities at work, we should not sit back and say that it is up to the farmers’ preference, in part because self-exploitation in CSA should not exist since the original CSA concept insisted on a fair wage for the grower (Henderson and Van En 2009; Lamb 1994). Yet self-exploitation does exist, in part due to social embeddedness creating a sense of personal obligation that cuts into farmers’ economic well-being.

I have also argued that rationalities cannot, and should not, be conceptualized as singular.
Many farmers are engaging in self-exploitation and enjoyment of their activities and the expansion of a kind of agriculture that they see as an antidote to the industrial agrifood system. Yet, even as an AFN, CSA is still subject to many of the tensions arising out of its entanglements in a larger capitalist political economy. In the short-term, simple commodity producers cannot easily escape being subject to the workings of capitalism, in that they will need to accumulate some capital—in order to participate in a “normal,” expected lifestyle in their society (Rainwater 1974). We need CSA farmers to have decent earnings since this can lead to longer-term viability for their farms and their farming livelihoods, although not through decreasing workers’ wages or environment degradation. Yet, in the longer term, CSA farmer earnings might decline since barriers to entry are small, economic rents are subject to erosion through competition (Guthman 2004b), and “strategic imitation” (Goodman 2004: 9) of CSAs by delivery-based food retailers is occurring. Further analyses could show if competition already reduces CSA farmers’ earnings.

Andrew Lorand, a CSA farmer involved in one of the first CSAs in the U.S., Indian Line Farm in Massachusetts (McFadden 2004), noted the importance of farmer salary at the first CSA conference in California:

People are paying you to get a specialized product, but they’re not paying you enough to live in the same world that they do. CSA is the first step to that. A CSA is creating a microcosm economic association which must support the farmer to live in the real world ... This is a social justice question, a basic issue of democracy and exchange (Cohn 1993: 20, emphasis added).

Following Lorand’s logic, what if we compare CSA farmers’ and, by extension, farmworkers’ incomes with those of their members? This starts getting into uncomfortable territory for those who see class hierarchies and income differences as legitimate and unassailable, but it is territory we need to explore for a more just world. Just because farmworkers and farmers—the work of both being fundamental to almost everyone’s existence in industrial society—do not earn the average household income (or more) does not mean, ethically speaking, that they should not. This opens up important questions for deliberation within CSA communities and beyond, such as: how is wealth
created, how is it distributed, and by which mechanisms of power? How much should different members of society be paid for what kinds of work?

A practical answer to addressing self-exploitation is for CSA farmers to raise the price of their shares to raise (or create) their salaries. There are also changes to farming and member management arrangements that will allow for greater efficiencies, especially through divisions of labor and specialization. Both of these processes rely more on capitalist rationality than on the mutualistic relations that are supposed to underpin CSA, and they do not directly confront the large problem that using a “what-the-market-will-bear mentality in determining a share price” makes it impossible for their members “to recognize and know the true needs of the farmers” (Lamb 1994: 44). Another problem is that raising prices runs against one of the values in many AFNs: accessibility. As Guthman et al. (2006: 682) note, “it is not clear that [CSAs and farmers’ markets] can provide an easy win-win solution for lower income consumers.”

Another approach, more in tune with CSA’s origins, is through participatory budgeting as done by many of the first CSAs. Lorand (Cohn 1993: 4) describes it:

Trauger Groh ... gets all his members in a room and says, “This year we are going to produce 36 different vegetables and three kinds of flowers, and if you are lucky we can also sell you some mulch. Here is what we need to do this: these are our costs...these are the salaries...these are insurance expenses.” He lays it out down to the last penny. The members all look at him and turn white. They feel bad because the farmers are getting so little salary, but we are used to that. He goes around the room and everyone pledges what they choose until the budget is covered. This puts a great deal of pressure on individual members. For our budgeting process, we wanted a softer, more Americanized approach. We divided our core group of six members into producer and consumer groups. The producer group determined what to grow and how much it would cost, while the consumers decided whether member families could meet that; then some real negotiation took place between the groups. Next, they showed the rest of the membership the total budget and asked for a pledge of 1/100th of it per family [for the 100 member families].

While this takes more time, these processes, fundamental to Steiner’s conception of economic

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14 Subsidies from non-profit organizations can support lower income consumers’ participation in CSAs (Andreatta, Rhyne, and Dery 2008; Guthman, Morris, and Allen 2006), and important changes that allow food entitlement programs like the Supplemental Nutrition Assistance Program to be used toward CSA have been accomplished nationally (FNS 2012). These are ways of increasing access that can help mitigate reduced access caused by higher share prices.
associations (Lamb 1994), could result in more just outcomes for farmers.

CSAs, in theory, should foster open dialogue about farmers’ and farmworkers’ earnings, how members might better cover them, and issues of food access. CSA farmers, farmworkers, and members are supposed to be engaging in a moral economy in which these questions are central, and, fundamentally, not decided through the dictates of an amoral self-regulating market. This is not just a fanciful idea, since CSA was meant to be a more just food system in our own backyards. Doing anything less will allow economic rationality — exchange based on a self-regulating market that is completely apathetic to questions of justice — to trump the other kinds of rationalities and values that CSA farmers, and many members, hold so dear.

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Figure 1: Per farmer annual earnings in relation to the distribution of surplus value

Sources: Author’s farmer interviews and surveys 2010-11; \textsuperscript{a} from Martin and Mason 2004: 192.
Table 1: Attributes of CSA farms in the study

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Minimum</th>
<th>Maximum</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Northern foothills (Amador County and north)</td>
<td>35%</td>
<td>0.48</td>
<td>0</td>
<td>1</td>
<td>54</td>
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<td>Southern foothills (Calaveras County and south)</td>
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<tr>
<td>Acres</td>
<td>43.53</td>
<td>92.91</td>
<td>0</td>
<td>440</td>
<td>48</td>
</tr>
<tr>
<td>Horticulture focus (binary)</td>
<td>88%</td>
<td>0.33</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Raises livestock (binary)</td>
<td>48%</td>
<td>0.50</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Uses manure or green manure (binary)</td>
<td>69%</td>
<td>0.47</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td><strong>CSA type</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Box model</td>
<td>71%</td>
<td>0.46</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Cooperative box model</td>
<td>15%</td>
<td>0.36</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Farm-based aggregator</td>
<td>10%</td>
<td>0.31</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Farm membership/share</td>
<td>8%</td>
<td>0.28</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Non-profit</td>
<td>6%</td>
<td>0.23</td>
<td>0</td>
<td>1</td>
<td>54</td>
</tr>
<tr>
<td><strong>Members</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members in 2009</td>
<td>586</td>
<td>2326</td>
<td>6</td>
<td>15000</td>
<td>43</td>
</tr>
<tr>
<td>Members in 2005</td>
<td>463</td>
<td>1224</td>
<td>0</td>
<td>5000</td>
<td>16</td>
</tr>
<tr>
<td>Members in 2000</td>
<td>289</td>
<td>313</td>
<td>20</td>
<td>1000</td>
<td>8</td>
</tr>
<tr>
<td>Members in 1990</td>
<td>168</td>
<td>42</td>
<td>112</td>
<td>200</td>
<td>4</td>
</tr>
<tr>
<td>Hosts member events (binary)</td>
<td>81%</td>
<td>0.39</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td><strong>Shares</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share price per week</td>
<td>$25.75</td>
<td>$8.09</td>
<td>$6.00</td>
<td>$55.00</td>
<td>44</td>
</tr>
<tr>
<td>Year-round availability (binary)</td>
<td>58%</td>
<td>0.50</td>
<td>0</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>Minimum number of weeks for share purchase</td>
<td>10.20</td>
<td>10.57</td>
<td>0</td>
<td>50</td>
<td>53</td>
</tr>
<tr>
<td>Always supplement by buying from other farmers (binary)</td>
<td>13%</td>
<td>0.34</td>
<td>0</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td><strong>Labor and finances (all finance data are for 2009)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employs permanent employees</td>
<td>38%</td>
<td>0.49</td>
<td>0</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>Number of permanent employees</td>
<td>10.34</td>
<td>32.69</td>
<td>0</td>
<td>200</td>
<td>44</td>
</tr>
<tr>
<td>Year-round farmworker hourly wage</td>
<td>$10.18</td>
<td>$2.55</td>
<td>$8.00</td>
<td>$17.50</td>
<td>21</td>
</tr>
<tr>
<td>Seasonal farmworker hourly wage</td>
<td>$9.21</td>
<td>$1.45</td>
<td>$8.00</td>
<td>$13.00</td>
<td>20</td>
</tr>
<tr>
<td>Farm partner/s has/have off-farm employment</td>
<td>42%</td>
<td>0.50</td>
<td>0</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>CSA is profitable</td>
<td>54%</td>
<td>0.50</td>
<td>0</td>
<td>1</td>
<td>41</td>
</tr>
<tr>
<td>Gross sales per cropland acre (horticulture-focused farms)</td>
<td>$17,158</td>
<td>$19,545</td>
<td>$1,000</td>
<td>$100,000</td>
<td>32</td>
</tr>
<tr>
<td>Per farmer annual earnings</td>
<td>$25,408</td>
<td>$38,906</td>
<td>$0</td>
<td>$150,000</td>
<td>36</td>
</tr>
<tr>
<td><strong>Farmer demographics</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of farm partners</td>
<td>2.71</td>
<td>2.38</td>
<td>1</td>
<td>13</td>
<td>48</td>
</tr>
<tr>
<td>Average age of all farm partners</td>
<td>42.88</td>
<td>11.28</td>
<td>25</td>
<td>64.5</td>
<td>48</td>
</tr>
<tr>
<td>Farmer A has a bachelor's degree or higher</td>
<td>79%</td>
<td>0.41</td>
<td>0</td>
<td>1</td>
<td>47</td>
</tr>
<tr>
<td>Farmer A is female</td>
<td>35%</td>
<td>0.48</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>Women as percentage of farm partner team</td>
<td>40%</td>
<td>0.30</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
</tbody>
</table>
Table 2: Descriptive statistics for variables in the OLS regression model

<table>
<thead>
<tr>
<th>Variable name</th>
<th>Description</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min.</th>
<th>Max.</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>fin_per_partner_earnings</td>
<td>per farmer annual earnings</td>
<td>$25,408</td>
<td>$38,906</td>
<td>$0</td>
<td>$150,000</td>
<td>36</td>
</tr>
<tr>
<td>f_a_age</td>
<td>age of Farmer A</td>
<td>43.1</td>
<td>12.8</td>
<td>25</td>
<td>73</td>
<td>48</td>
</tr>
<tr>
<td>emp_perm_number</td>
<td>number of permanent employees on the farm</td>
<td>10.3</td>
<td>32.7</td>
<td>0</td>
<td>200</td>
<td>44</td>
</tr>
<tr>
<td>typ_box_model</td>
<td>type of CSA is box model (binary)</td>
<td>71%</td>
<td>0.5</td>
<td>0</td>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td>rent_below_market_value</td>
<td>land tenure arrangement includes below-market-value use of land (binary)</td>
<td>36%</td>
<td>0.5</td>
<td>0</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>fin_sales_percent_csa</td>
<td>CSA sales as a percentage of farms' total sales</td>
<td>57%</td>
<td>34%</td>
<td>5%</td>
<td>100%</td>
<td>42</td>
</tr>
<tr>
<td>mem_direct_connection</td>
<td>direct connection to members (binary)</td>
<td>0.6</td>
<td>0.5</td>
<td>0</td>
<td>1</td>
<td>54</td>
</tr>
<tr>
<td>share_indicator</td>
<td>purchase from other farms for CSA box (index, 0=never, 0.5=sometimes, 1=always)</td>
<td>0.3</td>
<td>0.3</td>
<td>0</td>
<td>1</td>
<td>54</td>
</tr>
</tbody>
</table>

Table 3: OLS regression model for farmer earnings

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>MS</th>
<th>Number of observations</th>
<th>F (7, 22)</th>
<th>Prob &gt; F</th>
<th>R-squared</th>
<th>Adjusted R-squared</th>
<th>Root MSE</th>
<th>95% Confidence Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>3.07E+10</td>
<td>7</td>
<td>4.39E+09</td>
<td>30</td>
<td>8.04</td>
<td>0.0001</td>
<td>0.72</td>
<td>0.63</td>
<td>23365</td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>1.20E+10</td>
<td>22</td>
<td>545925795</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4.27E+10</td>
<td>29</td>
<td>1.47E+09</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Variable name                   | Coefficient | Standard Error | t     | P>|t|   | Lower       | Upper       |                           |                      |
|---------------------------------|-------------|----------------|-------|--------|-------------|-------------|--------------------------|----------------------|
| fin_per_partner_earnings        | 1417.6      | ***            | 426.8 | 3.32   | 0.00        | 532.4       | 2302.7                  |                      |
| f_a_age                         | 578.2       | ***            | 131.4 | 4.40   | 0.00        | 305.6       | 850.7                   |                      |
| emp_perm_number                 | 32054.3     | ***            | 11810.4 | 2.71 | 0.01        | 7561.1      | 56547.6                 |                      |
| typ_box_model                   | 14240.1     | ***            | 9281.2 | 1.53   | 0.14        | -5007.9     | 33488.0                 |                      |
| rent_below_market_value         | -402.2      | ***            | 149.8 | -2.68   | 0.01        | -712.9      | -91.4                   |                      |
| fin_sales_percent_csa           | -18408.8    | *              | 10526.8 | -1.75 | 0.09        | -40240.0    | 3422.4                  |                      |
| mem_direct_connection           | -21532.6    |                | 15320.0 | -1.41 | 0.17        | -53304.3    | 10239.0                 |                      |
| share_indicator                 | -34489.9    |                | 24983.5 | -1.38 | 0.18        | -86302.4    | 17322.7                 |                      |
| constant                        |             |                |        |         |             |             |                          |                      |