

Food: the common thread



Pennsylvania
Association for
Sustainable Agriculture



Since 1992, the Pennsylvania Association for Sustainable Agriculture (PASA) has been bringing farmers together to learn from celebrated experts — including one another — about what it takes to be successful and responsible producers. We've also been building bridges between farmers and consumers so that everyone can have access to fresh, locally and sustainably produced food — from "farm to fork."

We invite you to join us!

As the largest statewide, member-based sustainable farming organization in the United States, PASA seeks to improve the economic viability, environmental soundness and social responsibility of food and farming systems in Pennsylvania and across the country.

PASA is a network of people who care — we are farmers, mothers, activists, consumers, students, city folk, country folk and businesspeople. We are dairymen, educators, bakers, cheesemakers and CSA members. We all have a role in ensuring our food system is reliable for generations to come.

Visit PASA online:
www.pasafarming.org

To find local food resources in
your area visit: www.buylocalpa.org

Pennsylvania Association
for Sustainable Agriculture

114 West Main Street • P.O. Box 419
Millheim, PA 16854-0419
phone: (814) 349-9856 • fax: (814) 349-9840

Our work

Sustainable Agriculture Education

Each year over 2,000 people come together for our *Farming for the Future Conference*, one of the largest and most respected gatherings on this topic anywhere in the U.S. The conference is followed by a full season of **Field Days** and **Intensive Learning Programs** delivering practical information on sustainable farming methods.



Regional Marketing and Business Support

Our staff has helped develop new farmers' markets, connected restaurants and retailers to local food sources and assisted farms and other businesses with marketing and business planning. We have recently added **Food Alliance** sustainable certification as another tool available in our array of regional marketing services.



Consumer Outreach

Along with several partners, we coordinate **Buy Fresh Buy Local**® chapters in Pennsylvania, helping consumers find, choose and appreciate seasonal, local foods. The latest addition to this program is a new online social networking community called the **Good Food Neighborhood**™ which links local people to local food, farms and to one another.



Advocacy for a Safe, Sane, Sustainable & Fair Food System

In coalition with other organizations, we monitor legislative activities on statewide and national levels, making recommendations for policies that promote farmland preservation, farmer retention, protection of natural resources and increased access to healthy food.

Community Building

Our member potlucks, websites, workshops, listservs, meetings and programs have created a growing network of farmers, entrepreneurs and informed consumers who provide mutual support for our shared vision:

*Promoting profitable farms that
produce healthy food for all
people while respecting
the natural environment.*



PASA Membership & Contribution Form

Please complete this application and return with payment to:
 PASA Membership, PO Box 419, Millheim, PA 16854
 or join online at pasafarming.org



Benefits of Membership

As a member you will receive:

- A subscription to our bimonthly, *Passages* newsletter
- Discounted admission to our annual conference, field day & intensive learning programs
- Invitations to other special events, such as membership potlucks & Harvest Celebration dinners
- Free classified ad and discounted display advertising in *Passages*
- Voting privileges for board of director elections & bylaws
- Membership networking opportunities
- Annual membership in the Good Food Neighborhood™ program for consumers (separate online registration required)
- Discounts on Buy Fresh Buy Local® partner fees (coordinated through local chapters)
- Assistance with Food Alliance sustainable certification (if applicable)
- The satisfaction of knowing that you are helping sustain agriculture in your region

Lifetime Memberships & Permanent Business Partners

Contributions for Lifetime Memberships & Permanent Business Partnerships will be managed with care, sustaining both the ongoing membership as well as the long-term future of PASA. There are few things a member or business could do to symbolize their lifelong commitment to sustainability than to place such confidence in the value and viability of PASA itself.

- Sustaining Lifetime Member \$1,200
 Please complete the **Family/Farm Membership** field at lower left
- Permanent Business Partner \$3,000
 Please complete the **Nonprofit/Business Membership** field at lower left

 SUBTOTAL \$

Gift Membership

In addition to your own membership, you may give PASA membership to a good friend, family member, business associate or other worthy recipient on an annual or lifetime basis...a gift that keeps on giving!

- Student \$15
- Individual \$45
- Family/Farm \$60
- Lifetime Sustaining Member \$1,200

 SUBTOTAL \$

Name(s)	
Address	
City	
State	ZIP+4
Telephone	E-mail

Become a PASA Member

Name	
Company/Farm	
Address	
City	State
ZIP+4	County
Home Phone	Work Phone
E-mail	
Web Address	
Are you farming: <input type="checkbox"/> NO <input type="checkbox"/> YES — how many acres:	
How did you learn about PASA:	

PASA Membership Levels

- Student \$15
- Individual \$45
- Family/Farm Please complete field below \$60

Please list all names for this Family/Farm membership. You may include children between the ages of 14–22, and also multiple generations directly involved in the farm.

- Nonprofit Please complete field below \$100
- Business Please complete field below \$150

Please list up to two additional people associated with your business to receive individual membership privileges.

 SUBTOTAL \$

Payment

SUBTOTALS
 \$

CONTRIBUTIONS

PASA is a registered 501 (C) 3 organization and contributions are tax exempt.

Annual Fund \$

Arias M. Brownback Scholarship Fund \$

- Check Make check payable to PASA
- Credit Card Complete below

Total amount due
 \$

Card No.		Exp. Date
<input type="checkbox"/> VISA	<input type="checkbox"/> MasterCard	<input type="checkbox"/> Discover
Cardholder Name		
Signature		

**Pa. Assoc. For Sustainable Agriculture
Schedule of Membership Projects
For the Five Months Ended May 31, 2009**

	Newsletter	Website	Outreach 2009	Outreach 2010	Direct Admin.	Total
Revenue						
Merchandise, net	\$ 0.00	\$ 0.00	\$ (21.75)	\$ 0.00	\$ 0.00	\$ (21.75)
Advertising	1,039.00	0.00	0.00	0.00	0.00	1,039.00
Membership fees individuals	0.00	0.00	27,809.00	45.00	0.00	27,854.00
Membership fees nonprofit	0.00	0.00	11,110.00	0.00	0.00	11,110.00
Membership fees business	0.00	0.00	18,740.00	0.00	0.00	18,740.00
Membership fees student	0.00	0.00	1,405.00	0.00	0.00	1,405.00
Membership fees family/farm	0.00	0.00	42,670.00	120.00	0.00	42,790.00
Miscellaneous Earned Income	0.00	0.00	14.50	0.00	0.00	14.50
Heinz	0.00	13,027.42	0.00	0.00	0.00	13,027.42
Total Revenue	<u>1,039.00</u>	<u>13,027.42</u>	<u>101,726.75</u>	<u>165.00</u>	<u>0.00</u>	<u>115,958.17</u>
Operating Expenses						
Salaries	3,943.00	0.00	11,889.02	0.00	5,424.15	21,256.17
Payroll taxes	301.65	0.00	909.50	0.00	414.97	1,626.12
Staff benefits	565.05	0.00	1,694.95	0.00	841.01	3,101.01
Professional services	4,657.33	455.00	1,602.09	0.00	0.00	6,714.42
Phone/fax/internet	0.00	60.00	80.38	38.22	0.00	178.60
Postage	2,493.59	0.00	2,024.82	8.30	0.00	4,526.71
Supplies	0.00	0.00	1,046.35	0.00	0.00	1,046.35
Printing/copying	7,174.00	0.00	1,873.98	0.00	0.00	9,047.98
Dues/fees/subscriptions	0.00	0.00	1,412.82	0.00	0.00	1,412.82
Outreach/PR/advertising	0.00	0.00	1,500.00	250.00	0.00	1,750.00
Event services	0.00	0.00	2,005.00	0.00	0.00	2,005.00
Business travel	57.70	40.50	862.20	0.00	0.00	960.40
Lodging & meals	0.00	0.00	146.56	0.00	0.00	146.56
Furniture/equipment purchase/lease	0.00	21,031.59	0.00	0.00	0.00	21,031.59
Total Operating Expenses	<u>19,192.32</u>	<u>21,587.09</u>	<u>27,047.67</u>	<u>296.52</u>	<u>6,680.13</u>	<u>74,803.73</u>
Excess (Deficit) Revenue Over Expenses Before Capital Expenditures	(18,153.32)	(8,559.67)	74,679.08	(131.52)	(6,680.13)	41,154.44
Capital Expenditure	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Excess (Deficit) Over Expenses Before Deferred Revenues & Expenses	(18,153.32)	(8,559.67)	74,679.08	(131.52)	(6,680.13)	41,154.44
Deferred Revenues & Expenses						
Revenues 2010	0.00	0.00	0.00	165.00	0.00	165.00
Expenses 2010	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(296.52)</u>	<u>0.00</u>	<u>(296.52)</u>
Excess (Deficit) Revenue Over Expenses	<u>\$ (18,153.32)</u>	<u>\$ (8,559.67)</u>	<u>\$ 74,679.08</u>	<u>\$ (131.52)</u>	<u>\$ (6,680.13)</u>	<u>\$ 41,154.44</u>

**Pa. Assoc. For Sustainable Agriculture
Cost Report By Department
For the Twelve Months Ended December 31, 2008**

	For the Twelve Ended December 31, 2008	YTD %	Overhead Applied
Revenue			
Contributions - Unrestricted	\$ 176,660.81	12.90	
Contributions - Released from Restriction & Contracts	543,630.65	39.68	
Membership Fees	112,321.00	8.20	
Event fees & Sponsorships	461,917.70	33.72	
Goods & Services	75,330.79	5.50	
Interest & Endowment	11.69	(0.01)	
Total Revenue	<u>1,369,872.64</u>	<u>100.00</u>	
Expenses			
Mission Programs			
Western Projects	164,102.39	12.36	\$ 176,429.62
Southeast Projects	118,840.50	8.95	127,767.70
South Central Projects	7,263.04	0.55	7,808.63
North Central Projects	12,626.83	0.95	13,575.35
Educational Outreach	110,355.56	8.31	118,645.38
Membership	104,042.84	7.83	111,858.45
FFF Conference	319,389.51	24.05	343,381.77
Consumer Outreach	223,511.20	16.83	240,301.18
Partnership Projects	38,405.37	2.89	41,290.35
Mission Total	<u>1,096,537.24</u>	<u>82.71</u>	<u>1,181,058.43</u>
Support Services			
Development & PR	92,196.52	6.94	99,122.25
Accounting/Audit	44,655.48	3.36	48,009.97
Support Total	<u>136,852.00</u>	<u>10.30</u>	<u>147,132.22</u>
Unassigned Overhead			
General Administration	92,801.41	6.99	0.00
Total Expenses	<u>1,328,190.65</u>	<u>100.00</u>	<u>1,328,190.65</u>
Change in Unrestricted Net Assets	<u>\$ 41,681.99</u>	<u>3.04</u>	<u>\$ 41,681.99</u>

**Pa. Assoc. For Sustainable Agriculture
Statement of Financial Position
December 31, 2008 and December 31, 2007**

	Dec. 31, 2008	Dec. 31, 2007
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 559,966.02	\$ 268,161.61
Accounts receivable	160,891.79	168,704.72
Unconditional promises to give	9,205.00	29,890.00
Inventory	7,121.35	2,515.33
Prepaid expenses	50,901.55	56,274.47
Total Current Assets	788,085.71	525,546.13
PROPERTY AND EQUIPMENT, net of depreciation	50,943.66	26,341.40
OTHER ASSETS,		
Investment - Social equity mutual fund	6,744.68	10,065.30
TOTAL	\$ 845,774.05	\$ 561,952.83
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 51,663.39	\$ 34,575.45
Payroll withholdings payable	1,970.94	1,867.47
Accrued payroll	21,092.73	19,682.80
Deferred revenue	222,954.29	213,063.42
Total Current Liabilities	297,681.35	269,189.14
NET ASSETS:		
Unrestricted	127,199.83	85,517.84
Temporarily restricted	420,892.87	207,245.85
Permanently restricted	0.00	0.00
Total Net Assets	548,092.70	292,763.69
TOTAL	\$ 845,774.05	\$ 561,952.83

Pa. Assoc. For Sustainable Agriculture
Schedule of Operations and Net Assets
For the One Month and Twelve Months Ended December 31, 2008

	For the One Month Ended December 31, 2008	For the Twelve Months Ended December 31, 2008
Revenue		
Contributions - Unrestricted	\$ 25,985.50	\$ 176,660.81
Contributions - Released from Restriction	30,572.44	126,334.48
Contracts	45,150.09	417,296.17
Membership Fees	2,245.00	112,321.00
GFN Fees	220.00	910.00
BFBL Fees	4,740.00	10,896.60
Event registrations	59.60	316,986.70
Event sponsorships	-	144,931.00
Merchandise, net	-	13,299.60
Advertising	384.00	13,014.75
Interest & Dividends	624.40	3,332.31
Unrealized gain (loss) on investment	676.30	(3,320.62)
Miscellaneous Earned Income	258.21	37,209.84
Total Revenue	<u>110,915.54</u>	<u>1,369,872.64</u>
Operating Expenses		
Salaries	43,444.16	526,715.56
Payroll taxes	3,204.56	40,140.76
Staff benefits	1,100.09	61,844.33
Contract fees	21,483.26	95,348.41
Professional services	13,873.60	77,392.74
Honorariums	-	18,457.00
Rent	1,300.00	30,081.61
Utilities	504.78	6,376.68
Phone/fax/internet	997.57	15,665.50
Building maintenance	-	373.50
Insurance	505.01	7,183.37
Postage	2,509.62	18,576.95
Supplies	2,016.72	21,366.90
Printing/copying	3,641.95	47,648.92
Dues/fees/subscriptions	1,638.43	15,411.81
Outreach/PR/advertising	6,015.37	32,597.78
Awards & gifts	4,968.75	8,339.26
Event services	276.45	175,519.74
Event food	418.73	35,507.25
Training	-	3,474.84
Business travel	2,157.52	38,344.17
Gas/tolls/parking	235.30	4,837.45
Lodging & meals	964.03	13,337.00
Vehicle maintenance & repair	4,307.15	6,646.94
Vehicle insurance	62.25	730.76
Furniture/equipment purchase/lease	5,808.48	11,384.01
Furniture/equipment repair	130.00	648.79
Depreciation	1,294.42	14,238.62
Total Operating Expenses	<u>122,858.20</u>	<u>1,328,190.65</u>
Change in Unrestricted Net Assets	(11,942.66)	41,681.99
Temp. Restricted Net Assets:		
Increase (Decrease) in Temp. Restricted Assets	28,664.00	356,216.00
Net Assets Released from Restriction	(30,572.44)	(142,568.98)
Change in Net Assets	<u>\$ (13,851.10)</u>	<u>\$ 255,329.01</u>

**PASA 2009 Annual Fund
Goals vs. Actuals - April 2009**

April Report
May 15, 2009

	2008 Actual	2009 Goal	2009 Actual
CONTRIBUTIONS			
Direct Mail Gifts	19,835	22,000	2,798
Major Gifts, Individual (250+)	64,594	67,000	15,025
Major Gifts, Business (500+)	9,592	28,000	11,201
Other Unrestricted Contributions	250		29
Subtotal	94,271	117,000	29,053
GENERAL OPERATING GRANTS:			
****	25,000	25,000	0
****	5,000	5,000	0
OTHER	0	5,000	0
Subtotal	30,000	35,000	0
PASA DINNERS (net)			
Harvest Dinner/ West	8,089	12,500	0
Harvest Dinner/ SE	12,484	13,000	0
Meet the Farmer Dinner/ SE	0	2,000	0
May Kick-Off/Harrisburg	0	9,000	0
Harvest Dinner/Harrisburg	25,325	28,000	0
Subtotal	45,898	64,500	0
SPECIAL PROJECT & OTHER			
**** 5% Days	4,406	0	0
Bike Fresh Bike Local/ SE	12,034	7,500	0
Beef Cook-Off/ SE	1,881	0	0
Conference Auction (gross)	22,108	22,000	26,517
****	4,789	3,000	0
Farmland Artist Project	842	1,000	339
Beer, Cheese & Chocolate	721	0	0
Subtotal	46,781	33,500	26,856
TOTAL	216,950	250,000	55,908

Addendum to Jeff Cole's Presentation: Mass Farmers Markets

About Mass Farmers Market; Slide 12:

The Federation's main function at its inception was to do things and seek funding that the Department of Ag. and the University felt they could not, or could not continue to do based on budget cuts and perceived future cuts.

Stated mission at inception: To enhance farm viability by providing farmers markets for farmers to sell at. This was part of the push to move local farmers to retail and/or other value added production that occurred in MA from the late 70's on. As a result there was a great deal of attention to communities as the tool for setting up farmers markets. Lack of capacity, as well as the corporate mission, led to very little Federation attention paid to farmers in the markets. Though at that time Extension and the Department of Ag still had adequate resources to work directly with farmers.

Government & University support included free office space and clerical help, significant involvement on BOD, and easy access to grants.

However as state resources were squeezed and farmers paid more of the "freight" they took on more BOD roles and altered the concepts of funding streams. Funding concepts moved primarily to a fee for service system in an attempt to build in "easy" sustainability. To try to gather income and other support we developed membership structures. With this support farmers demanded more consideration of their needs. This set the stage for corporate adaptation. (It was required to survive.) It also led to mission expansion.

Current mission: To partner with farmers, consumers, and communities to help foster, enhance and sustain farmers' markets in Massachusetts in order to improve regional farm viability, consumer nutrition, and community support of agriculture.

About Mass Farmers Market ; Slide 13:

In MA the 1980' expansion forced a shift of corporate focus. It was based in volunteer market manager burnout/market failures. Membership demanded a model of market management that was based in "fee for service" i.e. a paid manager who managed markets for professional satisfaction and who would/could balance farmer needs for profitability with other factors.

Current Funding; Slide 14:

Market management: Model was predicated on the assumption of a central office and resulting systems efficiency/economies of scale. Currently about 35 % of revenues, but requires 40% of staff time. Issues are that each market is unique and perceived economies of scale quickly fall away. The “professional outsider” factor makes it harder to generate community support for our managed markets. As a charity we took on hard cases and when we turned markets around and we asked for actual fee for service rates, farmers and communities left to go on their own. This was/ can be problematic to the federation concept.

Gov Contracts- The Farmers Market Coupon Program. The Federation and Dept of Ag. started the program with pilots in MA (private grant funds). The Federation took on banking to ensure payments to farmers and highest accountability with lowest expense. We still do this and it is a major component of work and staffing. Provides 20% of income and uses the same % of staff time/expense. This helps with employment and accounting overhead where other projects don't.

Other contracts as appropriate. It may be farmer training, manager training, or other educational venues. These are often based in lack of funding for Extension & Dept of Ag to do them or do them on their own. We expanded to running regional farmers markets conferences, which did not prove to be financially viable 3 out of 4 times. At this time things may have changed but not drastically so. We collaborate now which reasonably fulfills our mission. % of income varies but is generally very small.

Events. From peddling food at fairs to selling cooking demo food at markets that also contain educational components. “High end dinners” and raffles- the drive is most significantly fundraising. Can be very time consuming.

Donations. Based in community outreach and BOD members who are not farmers. Coupled with events this has lead to significant BOD shift and creation of the job: Development Director.

In combination Events and Donations provide 25% of income but uses 25 % of staff time.

Insurance. “Culture of fear” led municipalities and other land owners to begin requiring insurance. No policy was available from regular commercial insurers. We went to Lloyds of London for first policy. Started to fill need , which generated more need. Due to expense as well as BOD philosophy was revenue neutral in itself. Our attempt to gain revenue was from membership, but our charitable philosophy / drive to support markets also allowed non- members to purchase. Nonmember insured dominated, which led to shift to generation income for the service itself. Fees now provide positive revenue. However the program revenues are not without work.

How does our program function? We worked with our insurance company to allow unlimited additional insureds on our policy. We do the paperwork and most record keeping in cooperation with insurer. Risk to Federation is staff work required in the event of claim. Provides 10% of revenues and about the same of staff time sometimes a bit more. But that is the role of a N/P. We are not supposed to make a profit.

Membership. We find that membership is a small portion of revenues - 3% of income. Farmers and managers are by nature frugal. Membership must be greater in perceived value than cost or members won't join. This leads us (when coupled with our strong organizational ethic of transparency) to the condition that membership services must cost more than revenues generated. We try to make up the difference with grants, economy of scale value propositions, and donations.

Business Support. We operate much like Public Television and Radio. We seek sponsorship. Sponsorship provides a business (that must meet BOD standards) access to our "customers", and at some level our "seal of approval". Now at less than 1% of revenues.

Creating Value; Slide 15:

Later 80's market failures led to proposed value proposition: Value concept was to give the industry what they asked for and charge a fair fee for service while competing on efficiency basis. Hasn't quite worked out that way. In general we find our ability to generate unrestricted revenues just barely (if it does at all) covers the corporate/employee overhead, especially as it relates to market management. It is hard to raise funds to cover employee health benefits, for example.

Maintain lower cost banking system for coupon program: N/P mission led to revenue neutral, program. But it keeps staff by the phone year round, which is also a great value to us (beyond employment cost offset).

Grants- What a nightmare of tail wagging the dog they can be. Many that I see are designed to not be a direct value prop to recipient org. But this is not to say that with great care and attention they cannot be helpful. But I emphasize "great care and attention".

Business- Now a great interest in farmers markets due to public attention and general feel good aspects. \$ comes mostly from marketing budgets and they seem to not allocate a lot of \$. Federation BOD initiated protocols to prevent a push to "sell our souls", has limited our success. More generically (from our perspective) markets seem to be selling themselves short. Often charging major corps just a vendor fee, or bringing them in for fee as an event. This has limited our ability to gather revenue. How to measure value? One possibility: "Authenticated" names still sell for about \$1.00 each. If a market has 1000 shoppers value might be \$1000.00 for access to those shoppers.

Market Management Benefits; Slide 16:

As a result of diversity we are often aware of the most critical elements/issues in farmers markets.

Ground truth allows our experience to be used to sway public policy and practice, especially at the local level without risk to the local market/manager. We do this by being the “expert, outside group” to deliver the “bad news”, the hard news, and to “make a case” in/with the press.

Managing Markets while operating state wide (and maintaining sanity) **Good luck**

- Need to continually reach out to members, both market and farmer
- Need to be fair and truthful around capacity
- Need to avoid stress by properly communicating realistic capacity to all levels and allow “outside of the box thinking”
- Need to ensure attention to the most critical issues, establishing (as much as possible) consensus on what those are.

Market Management Challenges; Slide 17:

All in all it “keeps us on our toes” which is both rewarding and taxing. The taxing elements in our mature farmers market system makes it seem to be proper and valuable to move away from management at this time. We are investing in a significant effort to carefully do so.

We have to mediate at various levels, vendor to vendor, now more than ever manager to manager (“stealing vendors), and community to market. There may be a value proposition in this.

The \$100,000.00 question: Can we focus and keep/create sustainable value?