



Sveriges lantbruksuniversitet  
Swedish University of Agricultural Sciences

Department of Economics

# Community Supported Agriculture

## -In a Swedish context

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## Summary

Swedish agriculture faces new challenges on an aggregated level, as well as for individual farms. The number of farms in Sweden is decreasing, but the average size of farms is increasing. Much of the structured change can be explained by the increase in global competition and the design of the CAP within the EU. The situation also creates a detachment of the consumers from the food production. As a reaction to this large scale production, alternative food production business forms have emerged.

Community supported agriculture (CSA), is a fairly new business concept in Sweden. It is an alternative food production business form that builds on close a relationship and cooperation between the producer and the consumer and the concept is well-established in other parts of the world. The economics within CSA is built on the idea of pre-payments from consumers and as a result the consumers and producers share the financial risks linked to the insecurities of not knowing the outcome of the harvest in advance. The business model has financial similarities to crowdfunding and therefore it has been useful to use information about the crowdfunding model to analyse the empirical material collected for this thesis. Trust and a strong relationship between the farmer and the consumer is vital within this business model. Therefore, theories on relationship marketing and details from the shared value concept have been used in this project. Also, in order to obtain a better understanding of the development process of new businesses, theories on business platforms have been applied to the empirical material.

The aim of this project is to identify social, economic and political environmental enabling factors for food producers who work with CSA as an alternative marketing strategy for food crops in Sweden. This was done in a case study where five business owners of CSA farms in Sweden were studied. An additional interview was also done with a project manager of a CSA project in Sweden. This project has a flexible design and subsequent to the literature review, a narrative analysis of the empirical material was finalised.

The results indicate that the social factors explain why individuals choose to start CSA farms in Sweden. Contributions to society, the lack of sustainable food production and detachment from the consumers and the food production are strong motivations for developing CSA in Sweden. The increasing interest in locally produced and organic food is one of the enabling factors for developing CSA farms in Sweden. The results also reveal that the required level of bureaucracy is challenging for farmers who want to develop an alternative agricultural business form due to the complexity of the administration. Finally, the pre-payment financial model is a possibility for the farmer to receive payments all year around instead of just during the harvesting season and the risks are therefore reduced, even if there are indications of a greater pressure for the farmers to satisfy their consumers.

For future research an interesting area would be to investigate a concept of cooperation between CSA farms and the public sector. Today there is little knowledge about CSA, and bureaucratic barriers which complicate the development of a possible cooperation. Further studies could also investigate if CSA might contribute to increased employment while developing the local food systems.

# Sammanfattning

Svenskt jordbruk möter nya utmaningar på grund av det minskade antalet gårdar och de ökande gårdsstorlekarna som sker som en konsekvens av den allt strängare konkurrensen på den globala marknaden och utformningen av jordbrukspolitiken inom EU. Detta innebär också ett ökat avstånd mellan konsumenter och matproduktion. Som ett svar på denna utveckling har alternativa jordbruksformer uppkommit.

Andelsjordbruk som är ett relativt nytt koncept i Sverige är en alternativ marknadsföringstrategi för jordbruksprodukter. Den bygger på ett nära samarbete och relation mellan producenter och konsumenter och konceptet är väletablerat i olika delar av världen. Finansieringen av ett andelsjordbruk går ut på att konsumenterna betalar lantbrukaren i förskott, vilket innebär att konsumenterna och producenterna i realiteten delar på den finansiella risken eftersom man omöjligt kan veta avkastningen på skörden på förhand. Finansieringsmodellen inom andelsjordbruk har likheter med crowdfunding, och därför har det konceptet varit användbart vid analysen av det empiriska materialet. Tillit och en stark relation mellan producenterna och konsumenterna är betydelsefull i andelsjordbrukets affärsmodell, därför har teorier om relationsmarknadsföring och konceptet om delat värde använts i detta arbete. Eftersom nyetablerade företag ofta är sköra har affärsplattformen använts för att bättre förstå utvecklingen av de nya företagen.

Syftet med detta projekt är att identifiera möjliggörande sociala, ekonomiska och politiska faktorer för matproducenter som arbetar med andelsjordbruk som en alternativ marknadsföringsstrategi i Sverige. Detta är gjort genom en fallstudie där ägarna till fem identifierade andelsjordbruk i Sverige har intervjuats. En intervju gjordes också med ledare av ett andelsjordbruksprojekt i Sverige. För att kunna fånga upp detaljer inom det ännu ej välutforskade området har vi i denna studie använt en flexibel design. Efter litteraturgenomgången gjordes en narrativ analys av det empiriska materialet för att ge en rättvis bild av det beskrivande insamlade materialet.

Resultaten i detta arbete antyder att de sociala faktorerna är en av de starkaste anledningarna till att individer i Sverige väljer att starta andelsjordbruk. Bristen på hållbar livsmedelsproduktion, avståndet mellan producenter och konsumenter och en vilja att bidra till samhället är starka motivationsfaktorer för att starta andelsjordbruk i Sverige. Det ökande intresset för lokalproducerad och ekologisk mat är också en god förutsättning för att andelsjordbruket kommer kunna utvecklas. Resultaten visar också att den svenska byråkratin gör det utmanande för dem som vill utveckla ett alternativt jordbruk eftersom det är ett komplicerat system och mycket administration. Slutligen tyder resultaten på att förskottsbetalningen ger en möjlighet för lantbrukare att få inkomst under hela året istället för endast vid skörd. Det innebär att den finansiella risken för lantbrukare minskar. Det finns dock indikationer på att förskottsbetalningen även kan medföra en ökad stress för att tillfredsställa konsumenter.

För framtida studier så skulle ett intressant område att studera vara möjliga samarbeten mellan andelsjordbruk och den offentliga sektorn. I dagsläget finns för lite kunskap om andelsjordbruk och byråkratiska hinder som försvårar situationen. Att se om andelsjordbruk skulle kunna bidra till ökad sysselsättning och utvecklade lokala matsystem kan vara ytterligare intressanta forskningsområden.

## Abbreviations and special terms

CABVG - The County Administrative Board of Västra Götaland

CRM - Customer relationship management

CSA – Community supported agriculture

LRF - The Federation of Swedish Farmers

RM – Relationship marketing

WWOOF – Word wide opportunities on organic farms (a global organisation).

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# 1 Introduction

*This chapter gives an introduction to this thesis, a problem background is presented to give the reader a deeper understanding of the selected topic. The first sections will lead up to the aim and the research questions. After, the delimitations of the thesis are presented, and the last part of this chapter offers an outline of this research project.*

## 1.1 Problem background

Farming practices have played an important role in the history of mankind. Farming made it possible for humans to move from a hunter-gatherer lifestyle to live of what the land provided, stationary, which allowed the development of communities (Tilman *et al.*, 2002). After the World War II an increase in mechanization of labour took place, which led to efficiency improvements within the agricultural sector among others. Innovations made it possible for mankind to feed about six billion people (Tilman *et al.*, 2002). As a result of the mechanizations and innovations, a decreased number of people was needed within the agricultural work force which led to an urbanization, and other work opportunities (Clunies-Ross & Hildyard, 2013). The food production has become an industry where the producers' primary goal is to maximize yields (Tilman *et al.*, 2002), but despite these innovations the industry face various challenges (Giovannucci, 2012).

Along with the intensification of farming practices, a huge loss of biodiversity has become an issue, due to the homogeneity of cultivated crops (Benton *et al.*, 2003). Consequently the ecological systems surrounding cultivated land becomes damaged (Benton *et al.*, 2003). The pressure on the earth is great and according to Rockström (2010) three out of nine of our planetary boundaries have been exceeded, namely: diversity, nitrogen leakage and climate change, and it is partly because of the industrialized form of agribusiness. Mass production of meat cause leakage of nitrogen and phosphorus and furthermore it is a threat to animal welfare (Cederberg, 2010). Apart from biological and welfare issues, there are also other concerns related to the intensification of farming practices, like financial pressure on farmers, especially on young farmers (Hakelius, 1999).

Food production has become an international industry where import and export between countries is more common than it has been before (Kumm, 2010). The price of produce depend on the prices current on the world market due to globalization, and with increased quantities and the nature of the product, there is not much room for farmers to negotiate profit (Rundgren & Meyer Von Bremen, 2013). They are exposed to fluctuating world market prices, high competition, growing debts and little room to differentiate their products to help them handle the situation on the market (Rundgren, 2013). Since Sweden joined the EU in 1995, changed conditions and greater global competition became a reality (www, Jordbruksverket, 2013, 1), consequently, the pressure on farmers increased (Mefford, 2010). Svensson (*et al.*, 2014) reveals that Swedish farmers are in general in greater debt compared to farmers in other EU countries.

Since 1940 the number of Swedish farms have decreased steadily (www, Jordbruksverket, 2013, 2). While the amount of farms decrease, the average farm size in Sweden increase, and the agricultural business generally becomes more specialized and more efficient (Hakelius, 1999; www, Jordbruksverket, 2013). In Sweden the amount of imported meat has increased, according to Kumm (2010), 20 percent of the pork and 40 percent of the beef consumed was

imported in 2009. The highly production oriented way of farming and the increasing amount of imported food, creates a distance and a detachment from the farmers to the end consumers.

As a revolution to the detachment from the actual food production process, consumers interest in locally and regionally produced foods has increased (Wretling Clarin, 2010). Customers are more interested in how, and by whom the food they are consuming is produced. Studies indicate that customers are feeling misguided when buying groceries (Ekelund, 2010) and as a consequence of this, small local businesses such as, dairies, butchers and farmers markets are developing in Sweden (Wretling Clarin, 2010).

## 1.2 Problem

Historically, increasing the size of the farms have been a possibility to increase productivity and gain economies of scale. In Sweden the number of agriculture businesses are slowly but steadily decreasing, while the volume of imported food products is increasing (Svensson *et al.*, 2014). Also, approximately five percent of the swedish farm businesses own only about 35 percent of the arable area, and the farmers income fluctuate much throughout the years (*ibid.*). The Swedish farmers are also deeper in debt compared to other EU-countries (*ibid.*). Consequently, the financial risks farmers are dealing with at an every-day basis are great (Miller *et al.*, 2004). While this is the reality for many Swedish farmers, consumers are focusing more interest towards sustainable food production (Ekelund, 2010). As a result of this, alternative ways of producing and market crops are opening up on the Swedish market. Opportunities to exceed customer needs while addressing the high risks farmers are exposed to on an everyday basis are developing in Sweden.

Various alternative agricultural processes have appeared as a reaction to the detachment from the food production. The expressions for these range from sustainable agriculture, civic agriculture, local food systems, regenerative agriculture, to alternative food networks (Feagan 2014). One response to these concerns, is community supported agricultural (CSA) which can be described as an alternative, direct marketing method. There are numerous variations of how to manage a CSA farm, but it can essentially be described as a localized food production system where farmers sell shares of farm products directly to customers (Bruch & Ernst, 2010; Feagan, 2014). CSA generally practice ecologically sensitive methods of farming, contributes to building a considerate community and educates shareholders about agriculture and the realities of food production through their participation (Bruch & Ernst, 2010; Feagan, 2014). This is a way to share the risks of farming with a community of shareholders, in other words, to divert the big risk that otherwise one person has to take (the farmer) into smaller shares of risk spread out on various people within the community (Bruch & Ernst, 2010). Apart from these basics, the operational aspects of CSA can vary significantly with aspects such as; what is being produced, the size of shares, how these shares are accessed, presence of a “core group”, and availability and possibility of “working” shares. First and foremost, CSA provides consumers and producers a chance to act intentionally on principles and values that are normally not feasible within the dominant food system today (Feagan, 2014).

The relationships between the farmer and customers is of great value within the CSA concept, due to the fact that the farmer and the customers have a direct cooperative relationship (Adam, 2006; Bruch & Ernst, 2010). Relationships, trust and commitment within organisations are factors of great relevance within the CSA concept, as well as in relationship

marketing (**RM**<sup>1</sup>). RM, shared value, crowdfunding and CSA are all concepts which seeks a long-term beneficial relationship for both parties (Gummesson, 1999; Porter *et al.*, 2011; Bruch & Ernst, 2010). RM is to our knowledge mostly studied within the strategic management in large businesses. Crowdfunding is a fairly new concept which has not been academically studied extensively (Mollick, 2014; Belleflamme *et al.*, 2014), but is a business model with similarities to the CSA business model. This thesis uses the theories of, RM, and the business platform as well as information from crowdfunding as a business model and the concept of shared value to analyse CSA where the consumer has an important role. The theories are analysed within a unique context which has not been studied before.

There is a lack of knowledge and understanding of the contextual enablers for CSA in Sweden, which might be because of the very few examples of existing farms (Åter, 2015, 1). However, there is a growing interest in CSA (Sjöblom, 2015) and the empirical gap should be filled in order to fully recognise the contextual conditions of developing CSA in Sweden and to look into what opportunities CSA has to offer. CSA as a concept is still relatively unknown in Sweden (van der Krogt, 2006). There are a few established farms in Sweden, but there is not a lot of research done in this specific context. CSA is already an established concept in other parts of the world, for example in the United States of America (van der Krogt, 2006), and an establishment in Sweden could be a way to further develop the agriculture business.

### 1.3 Aim

The aim of this study is to identify enabling social, economic and political environmental factors, for food producers who develop community supported agriculture farms as an alternative marketing strategy for growing food crops in Sweden. To reach this aim, one research question is presented.

- *What are the motives found in the process of developing a CSA farm?*

### 1.4 Delimitations and clarifications

This is an independent master thesis which has focused on CSA in a Swedish context. Six different established or former established CSA farms in Sweden have been identified, unfortunately one of these farms was not able to contribute to this project. The other five farms (Ramsjö gård, Nyttogården, Stackvallen, Bastefalls småbruk and Dahls trädgård) have contributed with information about their situation. One interview have also been done with the project manager of a CSA program in order to receive more information about the CSA situation in Sweden. The focus of this project has been the financial, social and political environmental conditions since these fields are inclusive and provide valuable empirical information and deep understanding about the enabling factors for CSA.

This research is done from the farmer's perspective. This means that the focus of the research, the interviews and the literature review is based on the Swedish CSA farmers and their perspective. No empirical data has been selected from CSA farms outside Sweden since they are not a part of the focus group. However, most of the existing scientific literature about CSA farms are from outside Sweden (mostly USA), which gives indications of the CSA situations in other parts of the world. Data from the five contributing farms has been collected, and the situation on the farms are different from each other. Since there are only a small number of CSA farms in Sweden, a collection of data from all of them seemed most

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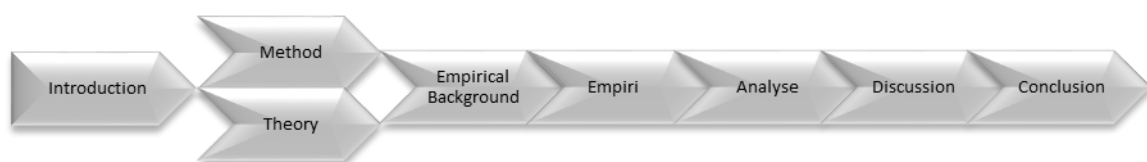
<sup>1</sup> RM is not a generally used abbreviation, but one used within this paper.

suitable. The farmers interviewed in this project market themselves as CSA farms. The costumers receive their products regularly even if the administration around these processes vary. The interviews have been completed in person, over the phone or by e-mail. One main interview has been done with each farm owner, but in some cases additional questions have been asked to clarify specifics.

Given the context bound nature of the phenomenon CSA, it is assumed that enabeling factors of developing CSA farms, need to be complemented with studies of conditions for CSA in different parts of the world, to enrich the theoretical understanding. The focus of the theoretical perspective has been the relationship between the shareholders and the farmers, and the somewhat unusual financial model since this element has high explanatory value.

## 1.5 Outline

This master thesis is divided into eight different chapters. Figure 1 presents an overview of the structure of this project, and is introduced to give the reader an illustative way to understand and follow the work-process. This first chapter has presented a problem background and a motivation for the work presented in this thesis. It will also give the reader an introduction to the problem being studied and subsequently lead up to the aim of this thesis. The following chapter, number two, covers an introduction to the methodology used when designing this research and motivates the different choices made and also offers the reader an explanation to how this thesis was conducted. The third chapter presents a theoretical review and offers an academic base and a theoretical background. The empirical data is later analysed on the basis of the literature presented in chapter three. In the following chapter, number four, there is a description of the empirical background to present the concept of CSA further and to give information so that the reader is familiar with the concept in order to undersrand the empirical data which is presented in chapter number five. The five different CSA farms are placed in a certain order, in the empirical section. Chapter number six is where all the collected empirical data is analysed using the literature in chapter three. After the analysis in chapter six follows a discussion in chapter seven. The discussion centers around the empirical findings in this thesis and its relation to other research conducted within the same field of study. In the discussion the analysis chapter and the work presented in this thesis is discussed. The conclusions of this thesis are presented in the final chapter, number eight. That chapter also gives suggestions for future research.



*Figure 1. Illustration of outline.*

The illustration in figure 1 reveals that the next chapter about the methodology and the third chapter about the theories have been developed closely together. Obviously, non of the chapters have been written completely seperate from each other, but chapter numer two and three are important to develop before continuing to work on the other parts of the thesis. The

methodology chapter is developed throughout the whole working process and is important in order to present the motives behind the choices made within the thesis.

## 2 Method

*This chapter will present the methodological approach used within this research. Here the purpose is to clarify what tools have been used to collect data and explain how and why different data has been selected. A researcher can never be completely objective since knowledge and past experiences always have an impact on how they structure their work (Robson, 2011). Because of this it is essential for the researcher to be reflective and transparent (Alvesson & Sköldberg, 1994). Subjectivity might not be an issue if the writer is aware of the problem and present a well-developed triangulation of information and facts. This chapter clarifies how the methodology is used to make this project as trustworthy as possible and explain what choices have been made and why. This thesis is built upon a flexible design and a case study with six different empirical cases. To increase the understanding of the subject of CSA a literature review has been done.*

### 2.1 Literature review

When doing a literature review it is of importance to systematically identify, locate and analyse relevant information for the project of interest (Robson, 2011). A literature review helps to explain terminology and definitions, and to find research examples of similar research areas (*ibid.*). It is of great importance to conduct a literature review in order to achieve a deeper understanding of the subject (Robson, 2011).

In the early stage of this project relevant information and articles for this particular topic were given by supervisors and colleagues. Information about the subject and relevant articles were also collected from previous courses<sup>2</sup>, which have been of great value in this process. Thus, more information was collected through reference lists which led to other related research. The literature review was given considerable focus in the beginning of the project, but has been a process elaborated throughout the entire project.

To improve the literature review keywords were identified and used in databases such as: Primo, Google Scholar and Istor. The words most commonly used within this research were: Community supported agriculture (as well as the abbreviation CSA) and also the Swedish term “andelsjordbruk”, alternative agriculture, crowdfunding, relationship marketing, shared value, local food systems, marketing strategies, and sustainable food. Other words related to these words and abbreviations have also been used throughout the literature review. Peer-reviewed articles have been used to make sure the information is trustworthy. No limitations have been made regarding the publication years, but year restrictions were used to see how CSA publications have developed over the years.

The CSA concept is not yet well established in Sweden, and therefore a lot of the information about CSA is gathered from other parts of the world. To collect information about CSA in Sweden, information from newspapers and media have been reviewed since there is a very limited amount of peer-reviewed articles within this particular subject and context.

After doing an extensive literature review the theoretical framework was identified. The theories, business models and concepts used in the theoretical framework are of significant use to fulfil the aim of this thesis and to obtain a greater knowledge and understanding about

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<sup>2</sup> Courses which have provided articles and information to this thesis: Environmental and social risk management & Assessment, Environmental and social responsibility marketing, Strategic management and Research methods

CSA. Shared value is a fairly broad concept which provides an understanding of the basic values of CSA. Relationship marketing (RM) and crowd funding were selected to give an understanding of the importance of relationships, and the financial model within the CSA business model. Since CSA is rather newly established in Sweden, it seems important to compare the business model to similar ones. Crowdfunding is suitable to use since it is a business model built on small contributions from multiple financiers (Kuppuswamy & Bayus, 2013). RM as a theory made it possible to show and understand the importance of deep and long-term cooperation between producers and consumers, something that is crucial within CSA. To get an understanding about the development of newly established businesses (which were most of the cases) the business plan theory was added during the process. The research design used in this thesis made it possible to be flexible and to complement the theories during the entire length of the process.

## 2.2 Research design

When writing a thesis it is necessary to choose what research design to use since it will work as the framework of the entire project. Fixed designs are suitable to use when the study is focused on quantified data, with large scale studies and large numbers of participants (Robson, 2011). A fixed research design does not capture subtleties and complex individual human behaviour (Robson, 2011). In flexible research designs however, there is a need to construct an appropriate method to collect the information needed to fulfilling the aim. A flexible design can generate original findings due to the possibility to reconsider tools and frameworks (Robson, 2011).

This thesis is focusing on understanding human behaviour and to get a deeper understanding of CSA. It is challenging to acquire an understanding of phenomenon that are not well investigated, and to be able to apprehend subtle details a flexible design is used within this project. The conclusion of the aim will not be quantitatively measurable, and the flexible design is useful when gathering qualitative data (Robson, 2011). Fixed and flexible designs should not be mixed up with quantitative and qualitative approaches, since the different designs are the structure of the future work while the approaches are ways to collect data (Creswell & Clark, 2011).

### 2.2.1 Qualitative approach

Traditionally there are two different basic social research approaches; quantitative and qualitative (Robson, 2011). The quantitative approach is similar to “natural science”, and historically, this approach was seen as too weak for social research, due to the neglecting of human beings in social situations (*ibid.*). Quantitative research should traditionally be based on facts which have been observed and experienced and it is of importance that the researchers own beliefs and preferences are held back to make sure that the facts are value-free (Robson, 2011). Generally, a quantitative approach is used when the research is focused on the outcome of the data collected, and it is common to collect a great amount of data and to do generalizations (*ibid.*).

Qualitative research on the other hand is preferable to use when the key purpose of the research is to look deep into a social situation that is context bound (Robson, 2011). Gummesson (2006) states that a qualitative research approach is appropriate to use when a researcher explores a complex area where human activities have a crucial impact within that specific field of study. A qualitative approach is preferred when doing research within new fields where there is little theoretical knowledge and new concepts, since it is not as

dependent on a well-established theoretical framework as a quantitative approach (Robson, 2011).

The research in this thesis is based on a qualitative research approach due to the nature and the aim of this project, and the need for a deeper understanding of a concept within a certain context. It is important, in this case, to understand the business situation for CSA in Sweden. Since there are not many CSA farms in Sweden this research is based upon a few case studies in Sweden. For the same reason (Åter, 2015, 1) there is limited knowledge of the subject and a qualitative research approach is therefore appropriate to use. Given the contemporary nature of the concept, where few businesses are managed as CSA farms in Sweden, and there is a relatively limited literature coverage, this study was well suited as an exploratory comparative case study. Case studies offer a variety of ways to gather data while being flexible in the research process (Jørgensen & Phillips, 2002).

### 2.2.2 Case study

A case study is preferable to use when the purpose of the research is to look deep into a certain phenomenon which requires details that other research methods are incapable of gathering (Robson, 2011). Advantages with the case study is that the research method has the capacity to discover varieties in cultural, political, social factors (Battacherjee, 2012). It is a way of investigating which provides the researcher with several lenses when exploring a problem (Baxter & Jack, 2008). *“The case study is a research strategy which focuses on the dynamics presented within single settings”* (Eisenhardt, 1989, p. 534). When focusing on studying a situation within a certain context, a case study is the preferable way of conducting the research. (Eisenhardt, 1989; Robson, 2011; Goodrick, 2014). Eisenhardt (1989, p. 548) also state that a case study is *“likely to have important strengths like novelty, testability, and empirical validity, which arise from intimate linkage with empirical evidence”*. Flyvbjerg (2006) states that case studies are beneficial to use when the area of interest is not thoroughly studied.

To be able to reach the aim and answer the research question within this project it is essential to understand human interactions, as well as achieve a deep understanding of the concept and the CSA work in Sweden. This means that this research is context bound to certain businesses in a specific area, and that is the main reason for why a case study is preferable to use in this research. Since CSA is relatively newly established in Sweden, a case study of the established farms in Sweden should therefore be the best way to collect empirical information.

Case studies as a method is associated with limitations and opportunities as with every other method. One common risk is that the researcher is biased and have a tendency to confirm his/hers preconceived image (Flyvbjerg, 2006). It is also possible to criticize the difficulty in summarizing the case studies in a correct and rightful way (Flyvbjerg, 2006). Fortunately it is possible to avoid these risks. A flexible design gives the researcher a chance to modify the research question and the theoretical framework if the answers given by the interviewee gave new and valuable unexpected information (Dubois & Gabbe, 2002). Robson (2011) also state that to minimize the possibility of being biased, the researcher can keep to an audit trail.

### 2.2.3 Unit of analysis

The unit of analysis is one of the first things a researcher needs to decide, it can be a person, a collective or a scientific study (Battacherjee, 2012). The choice of cases within a field of study should be taken under great consideration since these samples are the base of the complete research (Eisenhard, 1989). According to Eisenhardt (1989, p 537) an appropriate



selection of cases can “*control extraneous variation and help to define the limits for generalizing the findings*”. It is important to select suitable cases in order to achieve a greater understanding of the reality (Robson, 2011).

In this research, CSA farms based in Sweden have been selected since there is limited knowledge and research done in this particular area. The case farmers included in this thesis must have had experience in running their CSA business concept for at least one season. This is to make sure that the interviewed farmers have an understanding and experience of the CSA concept. All farmers interviewed marketed themselves as CSA farms, which have been a key factor in selecting the cases. Through their experience they have the ability to identify, explain and motivate their opinions about the enabling factors. This means that we have not been looking into CSA farms which were established the very same year as this study was conducted. We have however, been looking into farms that began to develop a CSA farm, but for some reason decided later to not go through with it. Six Swedish farms were found through research, which matched our requirements. Since there were so few farms which fulfilled the requirement, all of them were contacted, and five of them agreed to be interviewed.

The units of analysis are different from each other and it was challenging to decide if the farms fulfilled our requirements. The farms are spread out in Sweden, but they all had some kind of pre-paying concept. They have also been trying to establish a close connection to their consumers by interaction or offering self-picking of the crops. Other recently established CSA farms which start their first season in 2015 have been identified, but since they have not yet tried the concept they have not been selected to be a part of this research.

#### 2.2.4 Collection of data

There are various ways of gathering information when doing a case study (Yin, 1984). Data can be collected through questionnaires, observations and interviews for example. Interviews are a flexible and adaptable way to gather data (Robson, 2011). It is also possible to achieve a deep understanding of a certain issue (Trost, 2005). With this in mind, it has not been said that interviews are an easy way to gather the right information. As an interviewer it is important to try to talk openly, freely and be honest while assuring trust to the interviewee (Robson, 2011). There are several ways to go about when doing interviews. Robson (2011) explains roughly three main interview techniques, *fully structured*-, *semi-structured*- and *unstructured* interviews. Fully structured interviews are done through pre-structured fixed questions in a certain order. Semi-structured interviews are when the interviewer has a guideline and a checklist of topics. Unstructured interviews are when the interview is completely informal (*ibid.*). Leech (2002, p.665) state that semi-structured interviews can “...*provide detail, depth, and an insider’s perspective, while at the same time allowing hypothesis testing and the quantitative analysis of interview responses*”.

In this research semi-structured interviews have been made, because of how suitable they are for this type of research. Primarily since it is important to have a guideline, but also be able to adjust questions and the order of the questions, otherwise it is possible to miss out on valuable information. In this project, open questions starting with “how” and “what” have been the base of most of the questions. This is a way to obtain a deeper understanding of every specific case and to pick up information which otherwise might have been lost. The farms interviewed are very different even if they have the same business model and by being flexible while interviewing it is possible to adjust the questions to the situation and the interviewee. Semi-structured interview questions are useful, as they provide a structure without constraining the

answers and gives the interviewees an opportunity to freely express themselves. To make sure the interview would run smoothly a test interview was done. Follow-up questions were also written down in case the interview would stagnate. After the interviews were done and the empirical information was collected it was important to analyse and interpret, according to (Robson, 2011).

When collecting data through semi-structured interviews the information requires a summarisation in order to be able to handle all the information (Robson, 2011). Qualitative data analysis differ from quantitative since it generally includes text instead of numbers (Miles *et al.*, 2012). The data might also be somewhat subjective since the researcher analyzes the data during the collection process (Robson, 2011). When gathering information through a qualitative procedure the analysing process starts as soon as the collection of data begins (Miles *et al.*, 2012).

In this project the interview questions (Appendix 1) were based on the theoretical framework. The oral interviews were recorded and notes were also taken during the interview, in order to have a backup if the technique failed or other difficulties arose. One interview was done by e-mail and added information through complementing telephone calls and e-mails was collected in order to obtain valuable information that might have been missed or misunderstood during the interviews. Table 2 illustrates a list with more information about the interviews.

Table 2 Information about the interviewees

<b>Name of the farm/Organisation</b>	<b>Name of the interviewee</b>	<b>Position in the business</b>	<b>Type of interview and date</b>	<b>Date for sent for validation</b>
Ramsjö gård	Karin & Anders Berlin	Owners	Personal 2015/05/06	2015/05/11
Nyttogården	Niklas Markie	Owner	Telephone 2015/04/27	2015/04/29
Stackvallen	Tobias De Pessemier	Owner	E-mail Sent 2015-05-04 Received 2015/05/11	2015/05/18
Bastefalls småbruk	Laurent Mertz	Owner	Telephone 2015/05/11	2015/05/11
Dahls Trädgård	Karolina Bertilsson	Part owner	Telephone 2015/05/12	2015/05/18
County Administrative Board of Västra Götaland	Lina Wejdmark	Project Manager	Telephone 2015/05/20	2015/05/22

## 2.2.5 Data analysis

Since this is qualitative research the facts analysed are from texts rather than numbers, which is often the case in quantitative research (Miles *et al.*, 2013: Robson, 2011). The analyzing process began already during the interview, and it is natural to create a context and make connections between the businesses, while gathering the data.

Notes and discussions during the interviews were the first step of the analysis. After the interview, the recordings were summarised and sent back to each interviewee. The empirical data was then corrected if the interviewees felt that the shared information was wrong, misleading or if the interviewee was uncomfortable with some of the details shared. During this whole process the collected data was analysed and comparisons and deviations between the farms were done. Different techniques were used, such as organising data into tables and code information through summaries in order to do a narrative analysis.

## 2.3 Qualitative assurance and ethical considerations

To reduce the human deficiencies there is a need to know what might affect the researcher (Robson, 2011). It is undesirable to not attain too much data, as it is necessary to be able to process all the collected information. Researchers have a tendency to ignore information that conflict with their own hypotheses and to ignore unusual findings (*ibid.*). One risk with this is the tendency to exclude irregular facts that are not reliable and the lack of information that tends to be overlooked. It is also possible to be over-confident when judging and to be inconsistent. Due to these facts it is critical to remember that a researcher can never be completely objective (*ibid.*). According to Robson (2011, 468-469) “*systematic, documented approaches to analysis help minimize the effects to these human deficiencies*”. In other words, systematic documented approaches is a way to reduce the risk of human shortages.

To ensure high quality, the knowledge of the inability of being objective was taken under consideration throughout the whole project. The interviews were summarised shortly after the data collection and the information was then processed thoroughly by identifying useful information. The information made it possible to see patterns, similarities and differences. The data was later formatted and structured together with the theoretical framework.

There are various ways to strengthen a study (Robson, 2011; Patton, 1990), triangulation is one way to do this. Investigator triangulation is when a researcher use a variety of references or evaluators to prove a certain point (Patton, 1990). This is done to increase the validity in a research project (Patton, 1990). Through triangulation one might counter threats of validity. However, it also has it difficulties, for example different methods of collecting data might make it difficult to compare data (Robson, 2011). To ensure quality it is therefore essential to gather the right amount of valuable information. It is also of importance to make sure that the collected data gives valuable information to the study (Robson, 2011).

To make this study as reliable as possible, various references have been used to prove certain academic statements and theories. Peer-reviewed articles have been used, as well as articles and theories which have been well cited, and triangulation is used to ensure quality. The collected empirical data has been selected carefully and the questions asked have been reviewed and carefully designed.

While doing research ethics is essential to keep in mind. Interviews can cause stress and anxiety for participants (Robson, 2011). Consequently it is important to prohibit as many negative consequences as possible for the people involved, by for example, make sure that the participants involved in the research are well aware of the situation (*ibid.*). To provide reliable and valuable data it is rather important to send the interview-script back to the interviewee to make sure that the answers are understood correctly (*ibid.*). This is also a way to confirm the information and to make the interviewee feel more secure and confident in what is being shared. According to Robson (2011) it is essential for the researcher to be able to adopt to the context, in order to stay open and be generous with information. This is a way to create a moral relationship, and consequently achieve more truthful, open and valuable information (*ibid.*).

Ethics have been taken into consideration during the entire research process. First and foremost the interviewees agreed to be taped and they claimed to have understood the purpose of the research. After the interview a summary was written and sent back to the interviewee to make sure they felt comfortable and to give them a chance to view the information that would

be used. If the interviewee requested changes due to misunderstandings or other reasons the information was changed or deleted. This was done to make sure the interviewee could trust us and to make sure they stayed open-minded. Develop a good relationship with the interviewees was highly valued in the process of writing this thesis.

## 2.4 Summary method

The literature review in this thesis was done to explain terminology and definitions and it was completed through the use of different databases with relevant key words. To make sure the information is trustworthy, peer-reviewed articles have been used. After a systematic research a conceptual framework was set up to help fulfil the aim of this thesis. The research is of a flexible design since the focus of this project was to understand social situations, which is also why a qualitative research approach was chosen for this study. A case study was completed with 5 different case farms, and an extra interview was also done with a project manager of a CSA project in order to gather as much information as possible about the concept and its situation in Sweden. To live up to the requirements of this thesis the cases needed to market themselves as CSA farms, with some sort of pre-payment plan and also they must have tried the concept for one season (which means that farms which has their first season 2015 were not fulfilling the requirements for this project). The empirical information was collected through semi-structured interviews through personal interviews, e-mail or telephone-interviews. The script was sent back to the interviewee, partly due to ethical consideration, to make sure they had a chance to review the information.

### 3 A theoretical review and conceptual framework

*In this chapter the concept of shared value, the theory of relationship marketing, crowdfunding as a business model and the theory of the business platform are presented. The reason for presenting these and to illustrate a conceptual framework is to increase the scientific understanding of the concept of CSA. The theories and concepts presented here are later discussed and analysed along with the empirical research to give this thesis an academic depth.*

#### 3.1 Shared value

*“The purpose of a corporation is to increase shareholder wealth, to satisfy the needs of customers and stakeholders, to create extraordinary value for civil society, and to protect human health and safety and the natural environment”* (Rainey, 2010, p. 97). This citation from Rainey implies that the basic aim for a business is to create more value than what already existed before the initiation of the business. The key concept of shared value is to create profit through good acts (Porter & Kramer, 2011). Despite these arguments for what a great business should embrace and make their aim, the capitalist market system and businesses today are the main actors accused of causing environmental, social and economic problems (Porter *et al.*, 2012). This can be explained by the fact that businesses often have an out-of-date approach to value creation, such as optimizing short-term financial performances instead of prioritizing long-term success and sustainability (*ibid.*).

Businesses need to create profit, as well as value for society and the environment has become more important due to expectations from the society (Rainey, 2010). Within strategic business planning, sustainable development has therefore gained increased focus. The definition of sustainable development is unfortunately very vague, and it has various definitions that have emerged in recent decades (Food and Agriculture: The future of sustainability, 2010). Food and Agriculture: The future of sustainability (2010) defines a few common principles that are frequently emphasized within sustainable development. Firstly, it is the commitment to fairness and equality. Secondly, it is the long-term responsibility. The last principle is that sustainable development incorporate integration. It is valuable to look into different definitions of a concept to receive a great understanding of the subject, therefore a selected amount of definitions have been summarized in table 3 below.

*Table 3 Definitions of sustainable development*

<b>Definitions of sustainable development</b>	<b>Author</b>	<b>Year</b>
<i>“Development that meets the needs of current generations without compromising the ability of future generations to meet their own needs”</i>	Bruntland Report, p. 45	1987
<i>“Sustainable development is a well-known societal guiding model that asks for the integration of economic, social and environmental issues in all societal spheres and levels in the short- and long-term”</i>	Steurer <i>et al.</i> , p. 264	2005
<i>“Sustainable development is a bridge concept connecting economics, ecology and ethics”</i>	Desai, in United Nations report p.2	2007

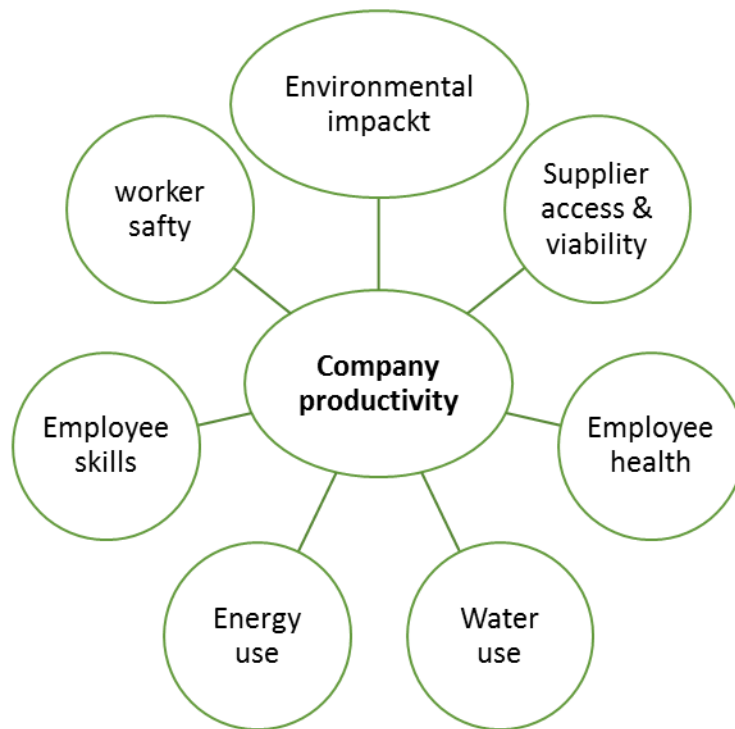
These three definitions are focusing on different aspects of sustainable development. Steurers (*et al.*, 2005) definition is focusing on economic, social and environmental issues and it states that sustainable development is looking into both short- and long-term development. Desais (2007) definition brings up ethics, which none of the other definitions do. The Bruntland definition is a classic definition which, since it is rather wide can include many of the more specific definitions. *“Development that meets the needs of current generations without compromising the ability of future generations to meet their own needs”* (Bruntland report, 1987, p.45) is the definition of sustainable development used within this paper. In this case it is more important to have a wide understanding about the concept than to go into depth in more focused definitions. Bruntlands definition is also commonly used and cited and describes sustainable development as a process rather than a static plan. The definition includes a long-term focus and is inclusive of many different aspects such as financial, ecological, social, and ethical.

### 3.1.1 Definition of shared value

Shared value is an advanced way of looking at sustainable development (Pers. com., Fones Sundell, 2015). It can for example be created by good working conditions (Larsson *et al.*, 2013). Porter & Kramer (2006) specified the issue of friction between businesses and society, and the authors' state that both parts should follow the principles of shared value, which implies mutual benefits. Furthermore, the authors describe shared value as *“meaningful benefits for society that is also valuable for the business”* (Porter & Kramer, 2006, p. 6). An increasing number of businesses recognise more than their private interest and embrace the shared value concept, also for long-term success (Food and Agriculture: The future of sustainability, 2010). By addressing shared value, businesses can recognise society's needs and challenges while generating profit (Porter & Kramer, 2011). It is also possible to obtain competitive advantages through a responsible business model. Porter & Kramer (2006) stress that shared value is a modern way to achieve profit and is not to be viewed as philanthropy which solely focuses on social responsibility. Porter & Kramer (2011, 66) defines the concept of shared value as *“policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the community in which it operates”*. Shared value is when businesses positively stimulate their communities while operating their business. Porter & Kramer (2002) address that it is central to seek long term relations between economic and social goals. A long term, sustainable focus is also one of the main factors within RM (Gummesson, 2002).

### 3.1.2 Shared value input

According to Porter & Kramer (2011) there are various ways shared value could be created when establishing a business, and it varies from business to business. The authors present a model of connecting advantages that a business might gain through increasing societal value (*i.e* shared value). Figure 4 is an illustration of shared value advantages.



*Figure 4. Connection between business advantages and social value, minor alterations (Porter & Kramer, 2011, 67).*

Figure 4 presents examples of different factors which can possibly increase a company's productivity while contributing to a greater community. The middle circle presents the company's productivity and the different circle around are examples of factors which can improve the productivity. If a business for example introduces a wellness program, the health of the workers might increase which will lead to less sick leave and increase the company's productivity (Porter & Kramer, 2011). This means that the society generates value from the business, as people might become healthier. The societal value might increase due to the fact that the company is taking responsibility and a business needs to identify societal needs to develop a business that can satisfy those needs (Porter & Kramer, 2011). Meeting needs can stimulate motivation and innovation and shared value means that the community benefits from the presence and the activity of the business (Porter & Kramer, 2011). To sum up, the shared value concept is about going further than just focusing on what is valuable for the company, but to see what might be valuable for the society and the environment surrounding the company. Communication, long-term focus and relationships are of great importance in shared value.

## 3.2 Relationship marketing

The relationship marketing theory, with its focus on relationship and cooperation contrasts strongly with transactional marketing, which is the traditional approach and is characterized by the four P's (product, price, place and promotion) (Nickels *et al.*, 1997; Brodie *et al.*, 1997). The transactional marketing has been criticized as out-of-date (Brodie *et al.*, 1997), due to the irrelevance to the interactive nature of markets. Seemingly, the traditional marketing approach with its base in the four P's cannot be effectively applied to all marketing areas regardless of its nature (Li & Nicholls, 2000). RM however, is a theory investigating in successful relationships with stakeholders (Gummesson, 2002). According to Gummesson (2002) the willingness to trust and commit is essential in building relationships and networks,

which are key factors in developing a successful business today. The globalization of the world strengthens the fact that trust is critical, much due to the difficulties in monitoring businesses in general (*ibid.*).

### 3.2.1 Definition of relationship marketing

There are various definitions of RM, most of them emphasizing the development and preservation of long term relationships with customers (Li & Nicholls, 2000) and other stakeholders (Sheth *et al.*, 2012). Gummesson (1999) defines total RM as marketing based on networks, interaction and relationships, rooted in the management of the net of the seller, the market and the society. RMs' direction is towards long-term, mutually beneficial relationships with individual customers where value is created jointly between the parties involved. Another definition by Shani & Chalasani (1992) is RM as an integrated attempt to recognize, maintain and construct a network with individual consumers and to repeatedly strengthen the network for the common benefit of both parties, through interactive, individualized and value-added contacts over a long period of time.

These are all fairly broad definitions, and there are authors with classifications based on more narrow perspectives. One made by Vavra (1992) describes RM only as a customer retention where a range of after-marketing strategies are used for customer connection or staying in touch after the transaction is completed. Another popular approach with a current application within information technology is to focus on individual and one-to-one relationships with consumers that incorporates database knowledge with a long-term customer retention and growth strategy, something also called Customer Relationship Management (**CRM**) (Peppers *et al.*, 1993, 2004).

Morgan and Shelby (1994, p.22) define RM as: “*Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchanges*”, and make the case that commitment and trust are central to successful RM. They hypothesize that the commitment and trust of one party's relational exchange are key constructs and these are positioned as mediating variables between five important progenitors and five outcomes.

Relational exchanges take place everywhere within and outside a firm in different forms. To fully understand RM one has to distinguish between the *discrete transaction*, which has a clear beginning, short duration and a distinct conclusion by performance, and *relational exchange* that also traces to previous agreements, is longer in duration and mirror an ongoing process (Morgan & Shelby, 1994; Dwyer *et al.*, 1987). Furthermore, Morgan and Shelby distinguish ten separate forms of RM, which are classified with reference to a focal firm and its relational exchanges in four different groups of *lateral*, *supplier*, *buyer* and *internal partnerships*. Examples of *lateral partnerships* include strategic alliances with competitors, non-profit organizations such as public purpose partnerships (Steckel & Simons, 1992) and those between local, or national governments. *Supplier partnerships* are those between goods suppliers and service suppliers, and *buyer partnerships* refer to either intermediate customers or ultimate customers (Morgan & Shelby, 1994). Finally, *internal partnerships* include those between business units, employees and functional departments within the firm (*Ibid.*). Morgan and Shelby (1994) ends with an explanation that one might include RM as all of the mentioned activities. They state that “*Relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relational exchange*” (Morgan & Shelby, 1994, p. 22). This definition is further used within this thesis since it includes all relational exchange within and outside the business. This means that even if a



business has erased almost all middle hands in their business model, every single partner is included in relationship marketing.

### 3.2.2 Interaction levels in a relationship

Successful marketing needs to deliver a good solution for the customer, which in transaction marketing refers to a product, a physical good or a core service (Grönroos, 2004). In RM the solution is in shape of the relationship itself, as in the way it functions and leads to value creation and satisfaction of needs for the client (*ibid.*).

The customers' perception of relationships are cumulative and holistic, and the exchange or transfer of products handled in a trustworthy and appropriate manner are also a part of the relationship and in addition to that, some service elements are required. Without these, the product might be of limited or no value for the customer, destroying an otherwise good solution, some examples being; delayed deliveries, badly handled complaints, and a lack of information (Grönroos, 2004). The relationship arises in interactions where numerous types of contacts between suppliers and customers occur over time and these may be very different depending on the type of marketing situation. Some might be with people, others between machines, systems and people, and in some cases between systems of the customer and the supplier (*ibid.*). In order to comprehend and more easily analyze the interaction process one has to break it down into parts.

Holmlund (1996; 1997) has developed an understanding of the interaction process in order to reach an extended analytical depth in an analysis of relationships. Shown in figure 5 one can observe the interaction model divided into four different stages of aggregation; act, episode, sequence, and relationship level.

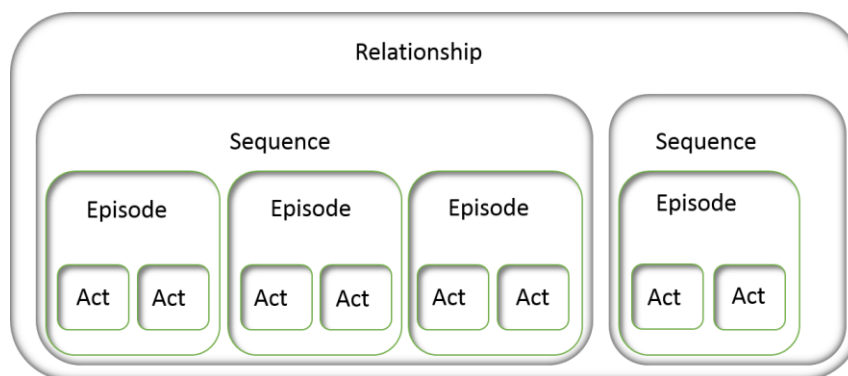


Figure 5 Overview of interaction model (Holmlund, 1997, p. 96).

The smallest unit of analysis in the interaction process model is the act. Acts can for example be interactions like: phone calls, hotel registration, plant visits and they might be connected to any kind of interaction elements, such as, services, physical goods, financial aspects or information and social contacts. Acts that are interrelated form a natural entity in the relationship called an episode. One act, for example the closing of a business deal, when combined with a correlated act leads to an episode. An episode is, for example, actual shipment or transaction of the decided business deal (*ibid.*). Then, interrelated episodes form the next level of analysis, a sequence, which often can be defined in terms of a period of time for example; a campaign, project or offering (Holmlund, 1996). This being said, implies that an analysis of a sequence may contain all kinds of interactions related to a specific period of time when a particular project has taken place, for example a restaurant visit. The last and most aggregated level of analysis is the relationship which is comprised of several sequences.

Sequences may overlap, follow one another directly, or follow with elongated and shorter intervals depending on the type of business (Grönroos, 2004). The way of dissecting the interaction process like this helps the observer to segregate and aggregate the different elements in the interaction process in order to analyze the different perspectives over time.

### 3.2.3 Value process of relationship marketing

Relationship marketing is noticeably more effort consuming than transaction marketing. This is why RM must create more value for the customer than transaction marketing might bring in single events (Grönroos, 2004). The value that is created during the on-going process has to be perceived and appreciated by the customer. According to Grönroos (2004) a value process is when customer value is evolving in a process over time, just as a relationship.

When the foundation of marketing are the transactions, the customer value is more or less completely embedded in the exchange of a product for money. The cost matches the price paid for the product. In a relational setting the total offering includes both a core solution and added service of different kinds. In other words, the cost includes a price for the product/service as well as additional costs, due to the fact that of the relationship (*ibid.*). The added costs are, according to Grönroos (2000) called relationship costs. The costs originate from the decision to commit to a relationship with a supplier or service business. The relationship costs can increase if a consumer has to, for example, keep larger inventories due to a delivery policy of the supplier (direct cost), or consider an increase in standstill costs due to delayed repair and maintenance service, or in general, consider other diversions then the once already agreed upon (indirect cost). Relationship costs may also be purely psychological triggered by the customer's notion that he/she has lost control over the situation or cannot trust a supplier or service business to perform as planned (Grönroos, 2004).

Trust and commitment are viewed as the two central factors and mediating variables because they encourage marketers to “(1) *work at preserving relationship investments by cooperating with exchange partners*, (2) *resist attractive short-term alternatives in favor of the expected long-term benefits of staying with existing partners*, and (3) *view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically*” (Morgan & Shelby, 1994, p. 22). Consequently, when both commitment and trust are in place, they produce outcomes that stimulate efficiency, effectiveness and productivity. Conclusively, commitment and trust lead right to cooperative behaviors that are contributing to relationship marketing success (Morgan & Shelby, 1994).

Morgan and Shelby (1994, p.23) define relationship commitment as “*an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely*”. Trust is conceptualized by Morgan & Shelby (1994, p.23) as “*existing when one party has confidence in the exchange partner's reliability and integrity*”. There are five different signs of relationship commitment and trust. *Relationship benefits* and *termination costs* which directly influence commitment, *shared beliefs and values* which directly influence both commitment and trust, and *opportunistic behavior* and *communication* which directly affect trust (Morgan & Shelby, 1994).

Relationship benefits refer to the requirements firms constantly seek for products, processes and technologies which increase value to their own offerings. Firms that gain greater benefits from their relationship, compared to other options on dimensions such as product profitability, product performance and customer satisfaction will be committed to the relationship (Morgan

& Shelby, 1994). The relationship termination costs are identified as all the expected losses from ending a relationship, including the result from the lack of comparable possible substitute partners. Due to these costs an ongoing relationship is seen as important, and therefore generating commitment to the relationship (Morgan & Shelby, 1994).

Shared beliefs and values show to what degree partners have the same values and beliefs about what goals, behaviors and policies are either important or not, appropriate or not, and right or wrong. When different partners share values and beliefs, they certainly will be more committed to their relationships (Morgan & Shelby, 1994). The perception of opportunistic behavior, as mentioned within transaction cost analysis literature is defined as “*self-interest seeking with guile*” (Williamson, 1975, p. 6). Hence, it is suggested that when a partner believes that another partner is engaging in opportunistic behavior, such insights will lead to a decline in trust. Opportunistic behavior affects and reduces relationship commitment which, as a result, can cause partners not to trust one another no more (Morgan & Shelby, 1994). Communication, a key forerunner of trust, can be defined roughly as the formal and informal sharing of convenient and meaningful information amid firms (Anderson & Narus, 1990). Morgan & Shelby (1994) theorize that if a partner’s experience of that previous communication from another party has been frequent and of great quality, i.e. well-timed, reliable and relevant, will result in an increase of trust.

Five outcomes of relationship commitment and trust have been recognized by Morgan & Shelby (1994), in addition to commitment and trust, which on their own are valued and desirable components of relationship development. These are as follows: *Compliance*, *tendency to leave*, *functional conflict*, *decision-making uncertainty* and most importantly, *cooperation*.

Compliance is defined as the extent to which a party accepts or adheres to another’s specific requests or policies (Steers, 1977), and it is suggested by Morgan & Shelby (1994) that relationship commitment positively affects this compliance. Trust on the other hand affects compliance solely through relationship commitment.

Tendency to leave is the likelihood that a partner will end the relationship in the near future (Bluedorn, 1982). Morgan & Shelby (1994) suggest that the strong negative relationship between organizational commitment and tendency to leave the organization (Mathieu & Zajac, 1990) also holds at an inter-organizational level. In the same way that excessive employee turnover is costly for firms, instability in partnerships is costly. Hence, “steadiness” is a desirable performance outcome (Kumar *et al.*, 1992) which Morgan & Shelby (1994) theorize can be attained by developing commitment.

Functional conflict is what Morgan & Shelby (1994) refers to when disputes are resolved amicably, since they prevent stagnation, stimulate curiosity and interest and provide a way through which problems can be brought up and aired and allow solutions to take form (Deutsch, 1969 ; Morgan & Shelby, 1994). Consequently, functional conflict may increase productivity in RM and be seen as merely another aspect of doing business (Anderson & Narus, 1990; Morgan & Shelby, 1994).

The uncertainty in decision making is referring to the degree of which a party has sufficient information to make key decisions, can make predictions of the consequences of those said decisions, and ultimately, if that party has confidence in those made decisions (Achrol & Stern, 1988). Morgan & Shelby (1994) postulate that trust affects and decreases a party’s

decision-making uncertainty since the trusting partner has confidence that the trusted partner can be depended on.

The only outcome postulated to be affected directly by both trust and relationship commitment is cooperation (Morgan & Shelby, 1994). One committed partner will cooperate with another party because of a need to make the relationship work. Both empirical evidence and theory show that trust also leads to cooperation (Morgan & Shelby, 1994). The motivation to cooperate arise as stated by Anderson and Narus (1990, p.45), "*Once trust is established, firms learn that coordinated, joint efforts will lead to outcomes that exceed what the firm would achieve if it acted solely in its own best interests.*" Simply put, business that are good at cooperating with partners will see results that are hard, if not impossible, to achieve on their own.

### 3.3 Crowdfunding

Finding external finance while developing a new business is challenging and consequently, entrepreneurial ventures often remain unfunded (Belleflamme *et al.*, 2014). Crowdfunding is a fairly new concept and model for finding finances to start a businesses, and the academic knowledge within the subject is not satisfying, as it has not been thoroughly studied yet (Mollick, 2014; Belleflamme *et al.*, 2014). Crowdfunding have similarities to micro-finance and crowdsourcing, but it should not be equated with these concepts since it is a unique fundraising concept (Mollick, 2014). In contrast to many other forms of venture finance, crowdfunding has a variety of objectives, from attracting funding capital, to creation of a marketing purpose (Mollick, 2014).

Crowdfunding is a business model which gives entrepreneurs the possibilities to raise money for investments (Chiu *et al.*, 2014). It is generally used to gather a smaller amount of money from a various amount of people (Kuppuswamy & Bayus, 2013). Schwienbacher & Larralde (2010, p.4) describes crowdfunding: "*Crowdfunding is the financing of a project or a venture by a group of individuals instead of professional parties (like, for instance banks, venture capitalists or business angles)*". This gives a wide understanding of the essentials in crowdfunding as a certain way of financing a project without turning to the general investors. To achieve a deeper understanding of the concept of crowdfunding a more developed definition might be useful. "*Crowdfunding refers to the effort by entrepreneurial individuals and groups – cultural, social, and for-profit – to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries*" (Mollick, 2014, p.2). This is a definition which includes the numbers of individuals and the basics of the concept. Crowdfunding is a pioneering way of gathering financial support from numerous individuals to develop a new business. And indeed, when President Obama signed the JOBS Act to legalize equity crowdfunding, he remarked that signing that bill could be a potential game changer for small businesses and start-ups (Mollick, 2014).

Crowdfunding could be a way to create better customer acceptance and to involve the customers in improving the business, which can be very valuable for the company and also lead to cost reductions (Schwienbacher & Benjamin, 2010). Cost reductions are mentioned as one of the main reasons for businesses to use crowdfunding (Schwienbacher & Benjamin, 2010). Crowds can be very efficient when it comes to solving issues, members of crowdfunding projects are often good at identifying product defects and to find solutions to the issues (Schwienbacher & Benjamin, 2010). Other reasons for businesses to use crowdfunding could be the fact that the customers share the risks associated with promoting

and producing the products (Parasuraman, 2011). Crowdfunding offers a way for the producers to outsource the risks involved in the development process, and to connect the financing of a project to the marketing of the same (Parasuraman, 2011).

### 3.4 A business platform

Business ideas are often built around a certain product, but what needs to be considered is the fact that developing a business is a whole process (Michanek & Breiler, 2004). It the beginning when establishing a new business, they are generally fragile and delicate (Landström & Löwegren, 2009). To avoid business failure it is important to have a development plan. Klofsten (1998) has developed a business platform which is a tool for businesses to help secure survival and continued growth. The business platform is made up of eight corner stones and three different levels presented in the table 6 below.

Table 6. The business platform , minor alterations (Klofsten, 1998, 27-28)

<b>Corner Stone</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Business idea</b>	A diffuse idea	More clear idea with a deeper understanding	A well planned idea which can be declared to others
<b>Products</b>	There are no products ready, there might be a prototype	Products have been developed and tested	Product are produced and have been tested by consumers
<b>Markets</b>	Markets might have been considered but not confirmed	Relevant consumer segments have been identified	A clear view of the markets has been mapped out
<b>Organisation</b>	The business is built on an informal structure	An organisation is developing	A functioning organizational structure is developed
<b>Competence</b>	Well-developed competence is missing in one or many parts of the business	Competences are developed	High competence is used within the business on different levels
<b>Driving forces</b>	Driving forces to develop the business is deficient	Driving forces and engagement is developed but not strong	Engagement & driving forces are strong and well established.
<b>Consumer relation</b>	No business is running and consumer relations are absent	Some business have been made but in an experimental phase	Various consumer relations and trustworthiness are established
<b>Other relations</b>	A diversity in relations is missing	A diversity in relations is staring to develop	There is a diversity in valuable relations

The eight cornerstones in the figure are: *Business idea, products, markets, organisation, competence, driving forces, consumer relations* and *other relations* (Klofsten, 1998). All of the corner stones are needed for the business survival and future development according to Klofsten (1998). The three levels indicate how developed the corner stones are. In the first

level the corner stones are basically only identified, the second level implicates that they are further developed. The last level shows that the corner stones are fully developed and that the businesses have the opportunity to prosper and grow.

According to Klofsten (1998) a business does not need to be at a level three on each one of the eight corner stones to be able to succeed and survive. However, half of them, namely; the product, the market, the driving forces and the consumer relationships are corner stones that need to be at level three for the business to be able to develop efficiently. Furthermore, the business idea, the organisation, the competence and other relations needs to be at least at a level two (Klofsten, 1998).

Many business owners today do not dare to fully engage in their own business, and commit to other work on the side part time (Landström & Löwegren, 2009). The business platform can be a tool for business owners who want to develop their businesses. Using it is an opportunity to attain an overview and a look deeper into where the business needs to be strengthened (Landström & Löwegren 2009). The business platform can be applied on every newly developed business, irrespective of industry (Landström & Löwegren 2009; Klofsten, 1998).

### 3.5 A conceptual framework

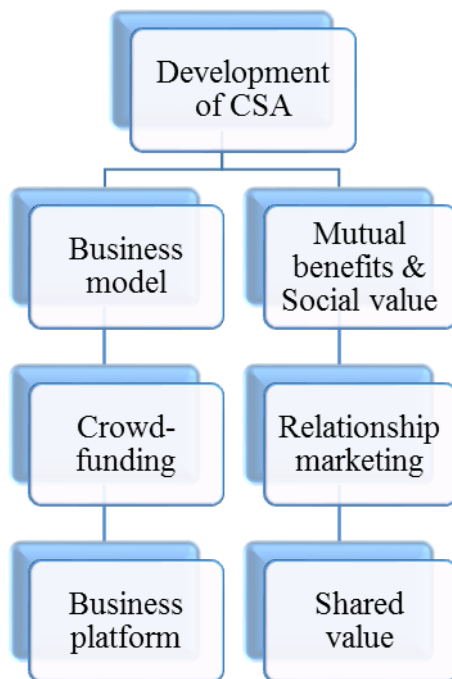
Klofsten (1998) describes the importance of the process while developing a business and states that the business platform is universal and can be analysed within every unique business. It can never be described as a static plan, but a process which should be reviewed and developed over time. The business platform presents different factors that are important to assure a continued improvement of the business (Landström & Löwegren, 2009).

The crowdfunding business model is, unlike the business platform, first and foremost focused on the financing of the business. It is a way to develop a business model that includes many funders instead of just the traditional ones, such as banks for example (Schwienbacher & Larralde, 2010). This model includes many relationships where many benefits can arise by involving customers as well as funders at an early stage of the product development process. It has been stated that funding is particularly difficult to attain for small businesses, and traditional financing methods like venture capitalists, bank loans and business angels are out of reach of these small businesses. Therefore, crowdfunding can be seen as a possible fundraising method attainable for small companies or project based initiatives and should be explored and promoted amongst these entities (Schwienbacher & Larralde, 2010; Royal & Windsor, 2014).

Many crowdfunded projects or businesses seek to raise smaller amounts of money to initiate an event or one-time project, or to obtain so called seed capital which allows entrepreneurs to raise the initial money needed to start their new businesses (Mollick, 2014; Schwienbacher & Larralde, 2010). The CSA farms, however, are not raising that kind of capital, what their financial model is built on is instead a continual support and cooperation with its members. Hence, within this thesis, the concept of the crowdfunding model as something more than just an initial funding phase will be explored. The phenomenon that is crowdfunding represents a possibly disruptive transformation of how new businesses are funded. More research is needed in order to keep up with policy and practice, both of which embrace crowdfunding (Mollick, 2014).

Within RM cooperation are of high value since it is a technique to explore successful relations with different stakeholders (Gummesson, 2002). It is a marketing method which is established through networks, relationships and interactions. According to Gummesson (2002) commitment to others while founding a business is a key factor to success. In RM the relationship leads to value creation and the satisfaction of needs, instead of exclusively a product or a core service (Grönroos, 2014). This means that a strong connection and trust are important factors within the RM theory. Since it is more time consuming than transaction marketing it is essential that it creates more value than the latter (Grönroos, 2014).

Shared value is when a company generates profit while forming values for the society and the environment (Porter& Kramer, 2011). The concept of shared value explains that a company does not need to compromise the environment or the society to develop a lucrative business. Porter and Kramer (2011) presents how adding societal value might increase productivity in a company. Together with the RM it shows how relationships and society can be vital factors when establishing a business, and understanding CSA. This is also presented in figure 7.



*Figure 7. Conceptual framework.*

Figure 7 illustrates how the theories, models and concepts are used together in this research to obtain a greater understanding about CSA. The business platform gives a basic explanation of factors that are of significant importance when developing a successful business. It is a rather broad theory, but useful since it can be applied to any business. In this case, it is not necessary to go deeper into the factors for successful business development, but instead to appreciate the basics. Having the business platform as a base while introducing the financial aspects of a business model extensively and combine it with the crowdfunding model helps in order to further understand the business model of CSA. Crowdfunding explains how entrepreneurs can raise money from various individuals in order to develop a business which has its similarities with the financial model used within CSA. Since the CSA business model is fairly new, it has been useful to look into different concepts, theories and models to grasp the business model and to understand development of CSA.

The phenomenon of shared value clarifies how businesses can create profit while contributing with long-term benefits to the society. In other words, the concept correlates competitive advantages with a responsible business form. Relationship marketing also has a long-term perspective, but emphasizes on how strong bonds and relationships can lead to successful business. The concept and the theory together describe how mutual benefits contribute to societal value which is one of the key factors in the establishment of CSA and present the importance of close relations and long-term perspectives in businesses.



## 4 Empirical background

*The objective of this chapter is to introduce background information about CSA and the Swedish agriculture. This is done in order to fully understand the collected empirical material in the next chapter. The chapter presents different CSA farms, the concept is defined and information about Swedish agriculture is presented to understand the circumstances and context when establishing a new CSA farm in Sweden.*

### 4.1 Agriculture in Sweden

In Sweden there has been an increase in the amount of imported food. One reason for this is the high Swedish production costs and the increased levels of consumption (Kumm, 2010). The imported food with lower production costs and lower legal requirements are competing with the domestic produce on the Swedish market (*ibid.*). Sweden has a variety of subsidies for the food production system, but a key issue for the farmers is the demanding and complex administration of the application process of these subsidies (Knaggård, 2012). The strict regulations in Sweden is a threat to the development of many new businesses (Forssell, *et al.*, 2014). Sweden is a part of the EU since 1995, which means that Sweden is also committed to the EU agricultural policy. EU's budget is around 1 300 billion Swedish crowns/year (www, Eu-upplysningen, 2015, 2), and 40 percent of this is spent on the agricultural sector within the union (www, Eu-upplysningen, 2015, 1). This year (2015) EU's contribution to Sweden was 6.2 billion sek for farm support, 2.1 billion sek for rural development and 129 million sek for market support. In Sweden the green industry (businesses within forestry, farming, horticulture and the environment of the countryside) include around 90 000 businesses within around 30 different branchings with a turnover of over 80 billion sek (Forssell, *et al.*, 2014, p.4). New ideas and entrepreneurial initiatives assure the future of this industry (*ibid.*). However, the fact remains that the import of food and agricultural products was about 70 percent higher than the export within the same category (www, Jordbruksverket, 2015, 2).

The consumers have an opportunity to influence the food production system by choosing consciously what to buy and consume (Ekelund, 2010). Buying organic milk or fair-trade coffee, for example is a way for the consumer to demonstrate dissatisfaction and pose higher requirements on the food industry sector (*ibid.*). Information is vital if the consumer is to make a "better" choice when buying food, and one way of communicating information is through branding. A way of replacing the need of information given through brands is to cut out the middle hand and have a direct communication with the farmer. Indicators show that the consumers trust the farmer more than organisations and the food retail stores. The rise in interest for local food production is a sign of this development (Ekelund, 2010). Nonetheless, over three quarters of all the food we buy in Sweden is from a retail store, and the rest is bought through special stores, gas stations, direct sales *etc.* This is among the largest market shares of retailers' food sales in the world (*ibid.*). The EU agricultural policy aims to benefit rural development and the farmers as well as the environment and the consumers. The EU has also increasingly observed that the high concentration of food retailers lead to disadvantages for the farmers (Ekelund, 2010).

## 4.2 History of community supported agriculture

Around the world people who farm and people who consume food establish communities around local food systems. CSA, AMAP, Reciproco, Teikei and ASC are different names for the same principle. Citizens are building a relationship and committing to local farms to share both the risks and the benefits of farming (www, Urgenci, 2015). The development within the industry of food production in this last century, and the last few decades of free trade have disconnected the people from the land where their food is grown, and many small-scale and family-scale farms have been driven to a point of desperation (www, Urgenci, 2015). A lengthy sequence of food scandals including illnesses from food-borne pathogens have led to a lack of confidence in the industrial food production system. Through CSA producers and consumers are offered a way back to unity, economic sustainability and health (www, Urgenci, 2015).

The concept of CSA originally came from Japan and Europe (Abbott Cone & Myhre, 2000; Schnell, 2007; www, Urgenci, 2015). In 1971, philosopher and leader of agricultural cooperatives, Teruo Ichiraku, started to inform consumers about the consequences of chemical use in food production and started an organic agricultural movement (www, Urgenci, 2015). Three years later, alarmed housewives got together with farmers to form what became the first Teikei (“partnership”) project (www, Urgenci, 2015). At the same time, a man named Yoshinori Kaneko realized, after making calculations on his production, that his farm could not only sustain and provide for his own family, but also ten more families. Said and done, he made an agreement with ten families in 1975 to provide them with wheat, vegetables and rice in return for labour and money (www, Urgenci, 2015). In Switzerland, a few years after, consumers and farmers established remarkably similar organizations, but no one has been able to prove a connection to the Japanese movement or inspirational influences (www, Urgenci, 2015). In 1985, a man called Jan Vandertuin imported the CSA concept to the United States from Tompinambour near Zurich. There he became the most enthusiastic advocate of CSA concept, disseminating the word at conferences of organic and biodynamic farmers (Schnell, 2007; www,Urgenci, 2015).

CSAs spread slowly but progressively across North America during the 1980s and 1990s and reached over 1000 projects by the year 2000. Most of these projects were small, organic family farms growing vegetables on approximately three to five acres. These farms recruited their members in the nearest urban area and averaged from 30 to 50 members, and typically also retained other markets (www, Urgenci, 2015). In the past years, something called the “locavore” movement, supported and stimulated by popular books and movies, in combination with the uncertainties of the financial crisis have doubled and even tripled that number (www, Urgenci, 2015).

## 4.3 Defining community supported agriculture

The purpose of CSA is to develop local, non-toxic and sustainable food products that reduce the distance between food production and consumption (Åter, 2015, 1). There are various definitions of CSA, table 8 illustrate numerous definitions from different authors.

Table 8. Definitions of community supported agriculture

Definition, community supported agriculture	Author	Year
<i>"...a localized food production and consumption system, organized to share farming risks between producers and consumers, practice ecologically sensitive forms of food production, and contribute to building community and educating the shareholders about agricultural processes and realities through their participation"</i>	Feagan & Henderson, p. 203	2009
<i>"Community Supported Agricultural, or CSA, is a direct marketing channel by which farmers sell shares or subscriptions for farm products to customers"</i>	Bruch & Ernst, p. 1	2010
<i>"Community supported agriculture (CSA) is one marketing venue that can contribute to the success of small farm"</i>	Oberholtzer, p. ii	2004
<i>"In basic terms, CSA consists of a community of individuals who pledge support to a farm operation so that the farmland becomes, either legally or spiritually, the community's farm, with the growers and consumers providing mutual support and sharing the risks and benefits of food production"</i>	DeMuth, p. 1	1993
<i>"Members (or shareholders) of the farm or garden pledge in advance to cover the anticipated costs of the farm operation, including the farmer's salary. In return, members receive shares of the farm's bounty throughout the growing season, plus the satisfaction gained from reconnecting with the land."</i>	Ernst & Wood, p. 1	2013

These different definitions (Table 8) all contribute to a deeper understanding of the concept of CSA, the fact that CSA farms have pre-paying customers and delivers products (which the customer in some cases harvest themselves) was important while defining a CSA farm within this project. The pre-payment means that they share the financial risks within the food production. Other relevant factors within this project have been the fact that there are no middle hands, which means that the farmers have direct contact with his/hers consumers and the fact that the food is locally produced and delivered. These factors can all be gathered from the different definitions of CSA.

No matter of the size, the location or the variety of food, CSA has basic characteristics. The first one is that the consumers and producers mutually support each other and share the risks and bounties of food production. This is done particularly by shareholders paying for their share in advance, covering all the anticipated costs of the farm operation including the farmer's salary. The second characteristic of a CSA is its local orientation, the direct distribution and direct connection to its shareholders (Feagan *et al.*, 2008; Feagan, 2014; www, communitysupportedagriculture, 2, 2015; DeLind *et al.*, 1999; Schnell, 2007). Feagan (2014) added that, in an ideal form of CSA the farmer offers a sustainable food system and also educates the customers about agriculture. These characteristics are always included in a CSA farm even if there are different in how they are developed.

There are four main approaches to CSA, *producer-led*, *community-led*, *producer-community partnerships* and *community-owned farms* (www, Communitysupportedagriculture, 1, 2015). The *producer-led* approach is the most widely used one and centres around that one farmer offers a share of his/her production in exchange for a fixed subscription. The share may vary with the inevitable uncertainties of production, and this is how the risks and rewards of the food production is shared between the producer and the consumer. In general the subscription

is paid in advance and for a comparatively long time period, which provides the producer with a secure income (Tennessee Department of Agriculture & USDA Rural Development, 2010; www, Communitysupportedagriculture, 1, 2015).

The *community-led* method is one where a community sets up and owns a farming enterprise, and therefore takes on direct responsibility for production. Volunteers and/or employed professionals can provide labour and the produce might be distributed amongst the members of the community and/or sold to profit the enterprise (Tennessee Department of Agriculture & USDA Rural Development, 2010; www, Communitysupportedagriculture, 1, 2015).

A *producer-community partnership* CSA anticipate that the enterprise which is owned by the community through a cooperative or similar structure, work in a close partnership with the existing producer to attain a long-term and secure supply of foodstuffs to its CSA members (www, communitysupportedagriculture, 1, 2015).

The last approach, a *community-owned* farm, is a farming enterprise that is secured through community investment, but does not necessarily trade primarily with its community members (www, Communitysupportedagriculture, 1, 2015). CSA is a concept which is evolving continually (Feagan, 2014), but in a very simplified form it is a predetermined agreement between a farm and a group of consumers who are described in different ways, for instance “members”, “subscribers” and “shareholders” (Cox *et al.*, 2008; Abbott Cone & Myhre, 2000).

The concept also has basic characteristics that one finds within all different forms of CSAs. The first one is that the consumers and growers mutually support each other and share the risks and rewards of food production. This is done particularly by shareholders paying for their share in advance, covering all the anticipated costs of the farm operation including the farmer’s salary. The second characteristic of a CSA is its local orientation, the direct distribution and direct connection to its shareholders (Feagan *et al.*, 2008; Feagan, 2014; www, communitysupportedagriculture, 2, 2015; DeLind *et al.*, 1999; Schnell, 2007). Feagan (2014) added that, in an ideal form of CSA the farmer offers a sustainable food system and also educates the customers about agriculture.

Factors that are of importance for defining CSA within this project have been the fact that there are no middle hands, which means that the farmers have direct contact with his/hers consumers. The consumers pays the farmers in advance, which means that they share the financial risks within the food production. The last requirement is that the food is locally produced and consumed.

## 5 Empirical study

*A case study is a preferable research method when studying a new area (Eisenhardt, 1989). It is common to study a case when the purpose is to understand the dynamics within certain settings, and it can be done to reach various aims and to test, or generate a theory (ibid.). In the beginning of this chapter an overview of the interviewed farms are presented. The interviews are more thoroughly introduced further on.*

### 5.1 Overview

To get an overview of the farms table 9 presents some basic facts of the cases analysed within this thesis. The table is done to make it easier to follow the interviews which later is deeper presented.

*Table 9. Information and facts about the farms*

<b>Farm name &amp; Owner</b>	<b>Amount of members</b>	<b>Production</b>	<b>Location</b>	<b>Establishment of the CSA business</b>
<b>Ramsjö gård</b> Karin & Anders Berlin	≈120 active ≈500 passive	Fruit Vegetables	<b>Björklinge</b> ≈ 20km outside Uppsala	2002
<b>Nyttogården</b> Niklas Markie	≈ 60 active	Fruits Vegetables Animals	<b>Resele</b> ≈ 30 km outside Sollefteå	2013
<b>Stackvallen</b> Tobias De Pessemier	≈ 75 fulltime	Fruit Vegetables	<b>Krokshult</b> ≈ 40 km outside Oskarshamn	2014
<b>Bastefalls småbruk</b> Laurent Mertz	≈ 10 members	Fruit Vegetables Animals	<b>Pelarne</b> ≈ 10 km outside Vimmerby	2012
<b>Dahls trädgård</b> Karolina Bertilson	≈ 30 members	Fruit Vegetables	<b>Ucklum</b> ≈ 50 km outside Göteborg	2014

The table demonstrates the names of the farms as well as the interviewed person. It also presents the approximate number of members and what type of production the farm mostly focuses on. The location and the development year of the business is also introduced in the table. The interviews with the five farm owners have been complemented with an interview with Lina Wejdmark who is the project manager of a Swedish CSA project. She has thorough understanding about CSA and its establishment in Sweden. A presentation of the case studies is made below in sections 5.2-5.6, and the interview with Lina Wejdmark is presented in section 5.7.

## 5.2 Ramsjö gård

Ramsjö gård has been an active CSA farm since 2002 (Pers.com., Berlin, 2015). It is a well-established farm with approximately 500 passive members<sup>3</sup> and about 120 active members. The farm is located in Björklinge, outside Uppsala, and it is managed by Karin and Anders Berlin. Ramsjö gård is also connected to an organisation called: World wide opportunities on organic farms (**WWOOF**). Through the WWOOFs network people from all over the world are welcome to Ramsjö gård to gain experience in growing organic food and to help out at the Farm. At the time of the interview, there were six people from five different countries helping out at the farm.

Karin explains that education and teaching is one of the most valuable factors with their farm. *“Interactions and education are some of the highlights with running a CSA farm”* according to Karin. Teaching about sustainable food production is important to both Karin and Anders who have been involved in food production for a long time (Pers. com., Berlin, 2015). Ramsjö gård, where they produce a wide variety of vegetables, potatoes and grains is the oldest CSA farm in Sweden.

The farm has been run by Anders and Karin since the middle of 1970 (www, Ramsjö gård, 1, 2015). In the 80's they were part of a horticultural association that was active for about five years, after that Karin and Anders looked for other channels to sell and deliver crops (Pers. com., Berlin, 2015). For example they also sold food products to stores, ICA and Hemköp and sold their homemade bread for many years.

Karin and Anders have travelled a lot to the United States of America, and during their trips they try and visit organic farms. This is where they were first introduced to the concept of CSA, 15 years ago (Pers. com., Berlin, 2015). Back in Sweden they reached out to about 30 families and decided to develop a CSA system. The first season they had about 30 baskets, but it developed quickly. In 2003 a local newspaper wrote about Ramsjö gård and Anders states that after the article was printed *“people contacted us like never before”*. Unfortunately it is impossible to satisfy too many customers and Anders states that around 200 baskets<sup>4</sup> are sufficient at Ramsjö gård if the aim is to have a functioning CSA business and live off the farm (Pers. com., Berlin, 2015). They are farming about 50 hectares, but not all of their crops are for the CSA business. Karin and Anders also deliver food to schools and this is another way to receive financial income.

Berlin (Pers. com., 2015) states that *“CSA gives the small farmer a chance to subsist financially”*. It is an alternative business model which interconnects the consumer side and the producer side. One of the reasons why Karin and Anders developed their business was to produce quality, sustainable food at a better price for the consumer, which is made possible since the middle hand is cut out (Pers. com., Berlin, 2015). Berlin explains that *“the CSA business model makes it possible to reduce the risk for the producer”* It does take a long time to develop a well-functioning CSA farm, but the network, the collaboration and communication with the consumers as well as the pre-paid baskets increases security for the producer in his/her business. Karin and Anders have one yearly meeting with the customers to

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<sup>3</sup> Passive members in this case are members who pays a small fee, but who are not receiving vegetables basket at the moment. Active members are the ones who are receiving baskets.

<sup>4</sup> The crops are delivered in baskets and the consumer pick up their basket or get it delivered with the goods for the time. The basket are sent back to the farm and get refilled with new crops every delivery.

talk, inform about the status of the farm and to discuss the crops and other issues. The social factor is important for Karin and Anders at Ramsjö gård (Pers. com., Berlin, 2015).

Anders and Karin reveals that one of the advantages with CSA is the fact that “*we are not dependent on fluctuations of the world market price*” (Pers. com., Berlin, 2015). Price dumps for different reasons does not matter since the customers have already paid for their food. Karin states that “*We offer something more than the general food store*”. In other words, they are not dependent on others than their local community.

One whole basket costs 250 Swedish crones, and half a basket costs 150 Swedish crones and there are 15 baskets/season which run between august and Christmas. The customer can choose between paying for the whole season two weeks before the first basket and paying for every basket two weeks ahead. However, Ramsjö gård only deliver the baskets paid at least two weeks beforehand. Karin and Anders delivers make deliveries at different spots where the customers can pick them up, and the customers are also welcome to pick them up at the farm. A disadvantage with CSA is the fact that the customers sometimes forget to pick up their basket, they have also had issues with stolen baskets, but in general the delivery systems works fine.

Anders and Karin do not have any ambition to employ anyone else at the farm, they get some help from WWOOFers, but otherwise they do most of the work themselves (Pers. com., Berlin, 2015). Karin and Anders believe that a Swedish CSA network would be very convenient both for already established CSA farms and also for developing CSA farms. Today, Ramsjö gård receives EU grants, which are shrinking, they also receive income from their CSA business, and by selling produce to schools. Both Karin and Anders believe in high quality sustainable food and they want to educate others about their farming practices.

### 5.3 Nyttogården

Nyttogården is a CSA farm located in Resele, which is in the northern part of Sweden. Niklas Markie who has developed the farm has been working with CSA for two seasons, and this (2015) will be his third (Pers. com., Markie, 2015). Niklas Markie has always been interested in quality food, his interest started when he was young and his grandmother taught him about food. He told us that “*my grandmother pulled me out to her allotment and started to teach me about the importance of good food*”. She cultivated her own allotment and she introduced him to home grown crops, since she thought it was important with quality food. When he grew older he got a horticultural education which he was not very satisfied with, since he did not get to learn anything about sustainable agriculture. Niklas states that “*the education thought me more about gardening than the actual production of food*”. During his educational years he discovered a lack of quality and diversity in the food which the grocery stores did not address. This motivated him to start his own business.

Niklas started off small, his first intention was to live a more simple life and grow crops for himself, but then he read about CSA on the internet, and he started to think about the business model; to get paid by co-producers for the work done on the farm (Pers. com., Markie, 2015). During the first season he started off small with 10 family’s paying 500 kr/month. Last year he expanded his farm with 30 families and this year he has approximately 60 paying families. His goal for this year is to have at least 70 co-producers<sup>5</sup>. This season he has increased the

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<sup>5</sup> Niklas uses the term co-producers, in other parts of this project it is going to be synonymous with customers.

price per share to 565kr/month and he has also hired an employee to work together with him on the farm. His intention is to raise the price to about 1000 kr/month/family, which is closer to the actual cost of production, but he wants to build up his farm and make sure he can offer his co-producers good and valuable products. Niklas explains that *“I know that the member fee right now is a little to low for me to be able to live off the farm, but I want to develop the farm first to make sure I can deliver great products”*. Right now he is in the start-up phase, and he is just starting to get to know the land he is cultivating.

Today Niklas is managing about 10 hectares, he has pigs, chickens, berries and vegetables (Backström, 2015: Pers. com., Markie, 2015). He is working with a variety of things, he takes care of the animals, he is making jam, lemonade, as well as delivering the products to his co-producers and organizes harvest dinners (Pers. com., Markie, 2015). One thing that Niklas really appreciates with having a CSA farm is the fact that he basically does not generate any waste at all. He says that *“It is great to have a personal relationship with the co-producers since I can explain about harmless defects on the food”*. He has the opportunity to explain to his co-producers that defects on some of the crops does not affect the taste, and he can give advice on how to use the wide variety of crops. As a result, he can deliver almost everything that he harvests and the co-producers understand that the more he delivers, the more products they receive. He also states that *“Even the most defected parts of the harvest can be used as pig food”*. Other benefits perceived from running a CSA farm is the fact that the farmer knows right away that his products are already bought and paid for (pers. com., Markie, 2015). *“It is a relief to know that you do not have to find customers after the harvest is done”* states Niklas.

One of the downsides with pre-paid products is the fact that it is very hard to try and calculate the price of the shares in advance (pers. com., Markie, 2015). Niklas admits that it is more expensive than what he initially thought, but he also states that he is still investing in the farm and those costs are going to decrease drastically in the upcoming years. To date, it has cost about one million Swedish crowns to develop the farm (pers. com., Markie, 2015). To financially help and establish his farm he received an investment support for young farmers of 250 000 Swedish crowns. One thing that Niklas thinks would help many farmers who want to get into CSA farming is reduced taxes in the start-up phase. *“If it was possible to have a reduced tax in the development phase, it would be easier to receive a decent salary while building the business”* states Niklas. Other than the investment support and the idea of reduced tax in the beginning Niklas is not at all interested in financial support. He wants his business to break-even without any external funding. Due to the CSA business model, with deliveries to pre-paying co-producers throughout the seasons, it is possible for a farmer to receive income during the whole year. Niklas states that *“work needs to be done at the farm during the whole year, but the payment is generally settled just in the fall, instead I make sure the co-producers pay for the whole year”*. Niklas sends out an invoice in the beginning of the year and then the co-producers pay one share of it every month, giving Niklas a monthly income.

Niklas has a close connection to his co-producers (Pers. com., Markie, 2015). Some of them willingly helps out at the farm. He delivers his products individually to the doorstep of his co-producers, and he is very open minded and observant of the wants and needs of his co-producers. He mentions that trust and attentiveness is important in his business and also states that organizational skills are valuable when establishing a CSA farm. He markets Nyttogården through a Facebook page and by entering different farmer's markets, but he also mentions that many of his co-producers know each other and have spread the word about his business.



Word of mouth is by far his best marketing method. A network for CSA farmers would be of great value to Niklas since he would have liked to have access to advice and support from other farmers in the same business field.

In the future Niklas hopes to run a business with about three employees and 300 co-producers (Pers. com., Markie, 2015). He wants to develop a sustainable agriculture business which is not in need of any external funding. He declares that he understands why young people do not want to get involved in the agriculture business since it is a field which, in general depends on financial support. Niklas himself saw a need for sustainable quality food products and he chose to develop a CSA farm. He cannot understand why CSA is not more established in Sweden, and he has been trying to convince the municipality to try his products. However, they do not seem to have the will to look into the laws and administration regarding public procurement to find a solution (Pers. com., Markie, 2015). Niklas can see a possibility for CSA to create many job opportunities as well as quality food and a sustainable biodiversity in Sweden. Niklas states that *“I intend to continue to educate myself to develop greater skills”*. He also address the need for more education and information about sustainable food production.

## 5.4 Stackvallen

Tobias De Pessemier and Sarah Preckler founded a CSA farm, located in Krukshult in 2014, called Stackvallen where they cultivate a wide variety of crops (Pers. com., De Pessemier, 2015). Tobias De Pessemier states that *“CSA is not about changing the industrial food system, but about building a radically different type of market: local, ecological and sustainable”*. They see CSA as a new form of small-scale sustainable farming that reduces the distance between the production and consumption of food, equally in time and space as in the human consciousness. Tobias and Sarah think that CSA farming has the ability to create a close community where abandoned old villages could become a new type of ecovillage. They would love to operate the farm with other people and attract extra newcomers to the area.

The CSA concept is not a rarity on the continent, and Tobias says that there are for example over 15 000 CSA farms in the US and almost 1 000 in France (Pers. com., De Pessemier, 2015). Tobias and Sarah got familiar with the CSA concept when they were working at their friend's farm in Belgium. When they were expecting their first child, they realized that they did not want to go back to their old lives and careers, so both of them quit their jobs and initiated the process of developing their own CSA farm. Tobias says that *“developing a conventional farm was never an option”*, but they took all knowledge they had from working at the farm in Belgium and specialized literature and made sure to develop a cultivation scheme that was suitable for the Swedish environment.

In 2013, Tobias and Sarah ran a test season to see how everything would turn out in the southern part of Sweden, and the following year they developed their CSA farm (Pers. com., De Pessemier, 2015). During the first year (2014) they had 52 shareholders out of which about half held a “half-share”, and the following season 2015 they have an estimated 75 full-shareholders. Tobias and Sarah calculates the necessary amount of the crops and how and when to harvest the different types. Shareholders are welcome to suggest crops that have not been offered to them yet. The workload is heavy since weeding and managing the nursery garden, for example requires manual labour. So far it has been hard to find a local producer/distributor of ecological plantlets from organic seeds that are challenging to

grow. This is something that is considerably easier in Belgium. Instead, at Stackvallen they cultivate everything from organic seeds, and they grow over 120 different kinds of vegetables.

Tobias says that one hectare is enough land to feed 200 people within a CSA system, but he does not think that one farmer or family could manage that kind of area and variety of different crops if all of it would be planted by them (Pers. com., De Pessemier, 2015). He calculates for about 6-10m<sup>2</sup> per plant group per person which equals around 36-60m<sup>2</sup> for each shareholder. The optimal amount of shareholders for Tobias and Sarah is approximately 100 members, which is feasible for where they operate. Most of the shareholders come to the farm to pick their own share. Tobias explains that *“we often meet our members and we talk about the cultivation and how to harvest the crops”*. These meetings allow the producer and consumer to interact and to connect. A minority (about 20 percent) of the stakeholders collect already pre-picked baskets. Workdays and other activities such as recipe sharing are also organized at the farm. In the end of November 2014 an anonymous survey was done, in which all the shareholders who participated replied that they were pleased with what they had learned, experienced and received during the season.

When Tobias and Sarah developed their CSA farm, they did not have any financial goals, but more of societal goals (Pers.com., De Pessemier, 2015). Today they do not get paid enough to be able to live off their farm. They charge their shareholders 2 600 sek per season which is the equivalent of about 100 sek per week. The participation fee is settled in one payment made in advance, in the beginning of the season. If they reach their goal of 100 members this means that they would have 260 000 sek to cover the entire season. Tobias states that *“there would not be much money left after taxes, but it would be enough to manage”*. During 2014 they approximately reached a break-even, but this did not including any type of salary, they still lived off their savings. In 2015 they will make a profit, but it will not yet be big enough for them to make a living. According to Tobias, in Belgium it is common that CSA farms cultivate about one hectare for about 200 shareholders. The cost per share on the continent is about 300 euros/person/season. One benefit of running a CSA farm is the shared financial risk between the producer and shareholders. Even if something would fail due to bad weather, maggots or other incidents, they would still have gotten paid for the current season.

When marketing their business, the members help spreading their message by “word-of mouth”<sup>6</sup> (Pers.com., De Pessemier, 2015). However, the most effective and important way to reach out to the people have been through informational meetings. In February they held different ones at the library in Oskarshamn, Hultsfred and Kristdala to name a few, and they have also held lectures at the Swedish Environmental protection agency (Naturskyddsföreningen) and all of these meetings have been efficient.

Stackvallen does not receive any subsidies or farm support (Pers. com., De Pessemier, 2015). They only get a very small amount of money for their traditional wooden fences (trägårdesgård) and protected farmland cairns (odlingsrösen) and because they harvest part of their hay with a scythe. They do not care much about subsidies or other kinds of financial support, and have a more independent and self-sufficient outlook on their business. Tobias express that *“subsidies only leads to paternalism and too much bureaucracy”*. For example they mention that several small-scale farms decided that they would no longer apply for farm support due to this fact. Too many Swedes, he says, only talk about making a change. Tobias

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<sup>6</sup> “Word-of-mouth” is a marketing method which includes current consumers of a product telling other possible consumers about it, who therefore help spreading information about it.

and Sarah feel that they have a social responsibility through leading a sustainable and local food production system (Pers. com., De Pessemier, 2015).

They think that the reason why the CSA concept is so relatively unknown in Sweden is because, as a country, it is isolated and more of an island separated from the continent. People's mentality on the countryside is often focused on the local area. Tobias suggests that *"Swedes might have a harder time than people on the continent, to thinking outside the box"*. A network for CSA farmers would be of value, and as an attempt to inform about CSA they have registered a webpage to build a network for CSA-farms, where they can get started on sharing information about planning and scheduling, crops and more.

## 5.5 Bastefalls Småbruk

Bastefalls småbruk is a small farm located in the middle of Småland, near Vimmerby. Laurent Mertz, who owns the farm is using about five hectares to grow crops and about 20 hectares for pasture for his animals. He has been running a CSA farm for three years, with the exception of the year 2014 when he was not able to run a CSA farm, due to personal reasons. He hopes to start the CSA business model again but the current interest from customers has not been what he had hoped it to be so he will not be running a CSA farm during 2015 either. His ambition is to restart the CSA business again next year.

Laurent moved to Sweden from Luxemburg, and worked as an electrician. As he was doing so he studied agriculture on a distance program from Linköpings University. He explains that *"my dream was to own a place where I could grow sustainable food"*. To reach his dreams he started off by working at a milk farm, while developed his own business on the side. In the beginning he had 10 customers whom he connected with through posters that he had on display in town. Further on Laurent also made connections with customers through his Facebook page and he states that *"all my customer know each other more or less and they communicated the message about Bastefalls CSA farm to each other as well"*.

One of the main reason why Laurent started with CSA was to get closer to the customers and to have a connection between the producer and the customer. This is something that he thinks has been missing a bit at his farm. He explains that *"I had hoped that more consumer would show up at the farm and help out with harvesting their crops"*. Unfortunately, not many customers have been prone to doing that. A few have come to the farm to pick produce for their own baskets but generally Laurent drive out to his customers to deliver the baskets. Laurent has established a self-picking plant to get the customers to pick their own share so that he has time to organize other activities, such as cooking meals and develop activities for children. Right now, his aim is to get the CSA business running again by attracting about 15 customers. But Laurent states that *"to make a living out of a CSA farm, I would probably need more customers, but that is not my main goal"*. Laurent has been working with milking cows on the side and out of his total stream of income about half came from the CSA farm.

One challenge that Laurent has recognised is the fact that the food culture in Vimmerby is limited. He explains that *"in Luxemburg people are more interested in trying new things than they are here"*. Laurent has a wide variety of food crops, but he has realised that he cannot grow crops which no one wants to buy, and he tries to ask the consumers if there are any specialties they really want him to grow. Another challenge Laurent describes is that *"it might be expensive to develop a CSA business, if you are in need of buying new equipment and so on"*. However, according to Laurent, if you start off small it does not have to be very

expensive, and the fact that the products are already paid for makes it easier to develop a business. He thinks CSA should be a developed concept and that consumers should consider to support more small-scale farming.

Laurent sends out invoices which the consumers have been paying before receiving their baskets. The first year, the customers paid 1000 Swedish crowns for the whole season at the beginning of the season. The year after he offered the customers to pay a one-time fee and then a fixed price for each basket. But Laurent describes that *“the fixed price for the baskets was challenging, especially when the customers went away on vacation, this is one reason why I think self-picking two times a week would be a better solution”*. It is important for Laurent to try and be more competitive pricewise than the grocery stores in order to compete. His goal was to attract families with kids to become members and he wanted everyone to be able to afford his products.

Unfortunately he explains that *“It has been difficult to attract CSA consumers, in Germany the CSA farms are fairly big and in many of these farms it is possible to buy a larger range of farm products that is not yet possible here”*. Laurent thinks that the grocery stores are in control of most of the agricultural business today and this might be why CSA is still a rather unknown concept to many. Laurent has been surprised about the limited knowledge of agricultural products amongst consumers. He says that *“people ask for products during the wrong time of the year and about products that are impossible to grow in Sweden, the food knowledge is very limited”*. This drives Laurent to continue with his farm. He thinks that it is important to educate customers. He is interested in permaculture and he wants people to understand and learn about food production. According to Laurent the education in Sweden is inadequate, and not very good at teaching about how to run ecological production for example. It is difficult to understand the complexity of markets, bureaucracy, culture, political climate and business administration.

Laurent thinks that Swedish politics and government should be focusing more on small-scale farmers. That would increase the number of jobs and it would be easier for small-scale farmers to establish their businesses. This year, Laurent did not apply for any agricultural grants, since it is so difficult with the administration behind the applications. He says that *“it is impossible to understand how to apply for subsidies when you grow a variety of diverse crops”*. It is also hard to understand the tax system when receiving payments in advance according to Laurent. He states that it would help to have a CSA network where farmers can connect and help each other out, market CSA and to discuss the business model, but it is necessary to understand that even if CSA farms are alike in many ways there are also differences that are important to acknowledge.

## 5.6 Dahls Trädgård

Dahls Trädgård was founded by Karolina Bertilsson and two of her friends (Anna and Sara) who, after graduating from a horticultural education decided that they wanted to develop a CSA farm in Ucklum outside Göteborg (Pers. com., Bertilsson, 2015). Dahs Trädgård is about half a hectare, and this is quite big since they do not use any machinery. Sara, who is a journalist was aware of the concept of CSA from writing for different environmental magazines. Anna, who has been studying to become a landscape architect, had discussed the concept of CSA during her education. The three initiators to Dahls Trädgård also got inspired by *Under Tallarna*, which is a co-operation that grows ecological crops and share knowledge about agriculture. The aim of Dahls Trädgård in 2014 was to have a CSA test-year and have

the business break-even, with no salary taken under consideration (Pers. com., Bertilson, 2015).

The first year did not turn out as they had hoped, unfortunately their crops got invaded by maggots and they did not dare to continue with the pre-paid food system (Pers. com., Bertilson, 2015). Karolina states that *“since we were unsure about the quality and volume of the harvest, we did not dare to go through with the pre-paying costumers”*. At that point they had 30 members, who had paid a membership fee of 300 Swedish crones. Dahls Trädgård kept the membership fee, but they did not go through with the pre-payment for the crops. Their plan had been to charge their members twice/year, and the price was supposed to be 225 Sek/week, which seemed suitable. Karolina thinks that *“a 200 Sek-basket is probably a bit too small, and would not pay for enough crops to feed a whole family”*. They also did some calculations on that if they had about 100 members, they would be able to receive some salary.

Instead of using pre-payment, they decided to sell their produce in a more traditional way, for example through farmers markets (Pers. com., Bertilson, 2015). Many people wanted to pay the membership fee even if they did not receive the products. Karoline says that *“it was a way for people around us to show support in our business, despite the misfortune with the insect pest”*. Even if they did not go through with the pre-payment system, they kept the social part of the CSA concept and had meetings and working days, which was an important part of the CSA concept. Karolina states that *“we were accepted and welcomed by the community right away, and this might have been due to the fact that I grew up in village originally, and had a few contacts beforehand”*.

One of the biggest advantages with CSA, according to Karolina, is the fact that you connect with consumers even before the product is produced (Pers. com., Bertilson, 2015). *“This was mostly convenient to us when we decided to not have any pre-paying members since people were already interested in their business and many were following our development and were updated through our Facebook- and web page”*. It made it easier for Dahls Trädgård to market their products. The social network was of great value and the opportunity to share the risks where beneficial to Dahls Trädgård. The business model of CSA is built upon a social network and does not only consist of the payment scheme between a producer and a consumer. According to Karoline *“it is built upon a direct connection and it is important for the us as well as the consumer to develop and build trust for the business to work”*

The pre-paying customers is a very valuable idea, but in Karolina, Anna and Saras case it turned out to be a bit of a burden as well (Pers. com., Bertilson, 2015). They were unsure if they would be able to meet their member's expectations, because of the maggots, and the uncertain situation made them discontinue the pre-payment system. *“We were afraid to disappoint our customers and it was a stressful situation where we felt the pressure”* states Karoline. The various challenges when developing a new business and the media attention did not make it easier. However, Karolina states that *“Except for the preasure, and we put most of it onto ourselves, CSA contains great advantages”*.

The fact that Karolina and the other owners felt support from their members throughout their development made it easier for them to develop their business, but it took some time to find their members (Pers. com., Bertilson, 2015). They participated in different information meetings, and the county administration board of Västra Götaland (Länssyttelsen) have a project called “Andelsjordbruk” (CSA), and through them they were able to introduce

themselves at different meetings. Their facebook- and web page also helped to inform new members about their business. Their already established members were also marketing Dahls Trädgård through word-of-mouth. Karolina had hoped that more members would have helped out at the farm so that it would have been possible to get a closer connection. She thinks part of the reason why people did not visit the farm was due to the location of the farm and the limited public transport system.

The concept of CSA has had a great success in Norway, where a lot of people want to be a part of a CSA farm (Pers. com., Bertilson, 2015). Karolina thinks that *“this might be a consequence of the high living standards and the difficulties of finding organic produce in the stores”*. She states that the convenience of the grocery stores reduces the number of people looking to be a part of CSA farm. In Sweden, the grocery stores have a wide variety of products and fairly high quality food, which makes it harder to attract people to be a part of CSA. Since it traditionally has been difficult to make money on growing vegetables, producers tend not to look into this production specialization either. To Karolina, Anna and Sarah it was important to be a part of a development towards sustainable food production. Karolina explains that *“We found pleasure in teaching and talking to others about Dahls Trädgård and sustainable food alternatives”*. She thinks it is important when developing a CSA to have fun and to believe in sustainable food production.

Karolina explains that *“if we had not been able to risk some of their own money, it would have been impossible to develop a CSA farm”*. They did not start off with any financial grants from the government or the municipality, instead they put some of their own money into their business association (Pers. com., Bertilson, 2015). There are no governmental financial support to receive, except start-up support, but the prerequisites were changing during their development phase so they were afraid to be obligated to return their received money due to the unclear information. Their municipality did not give them any support either, they were more focusing on the tourism industry. Karolina express wishes for support from the municipality in non-monitory ways, for example used tools, excess soil or other materials which would have been of low or no cost for them.

Karolina says that it would be valuable to have a network with other CSA farms, and she mentions that others are trying to develop CSA networks in Sweden (Pers. com., Bertilson, 2015). It would have been helpful, especially in the beginning when they were thinking about payments, transportations and support. Today, Dahls Trädgård is run by Karolina Bertilson and Carl Eriksson mostly for their own use but they have hopes to run a CSA farm again in the future.

## 5.7 County Administrative Board of Västra Götaland

The County Administrative Board of Västra Götaland (**CABVG**<sup>7</sup>) runs a project called: *CSA, a secure market for locally produced food*<sup>8</sup>, and it runs from January 2015 to December 2017 (www, Länsstyrelsen Västra Götalands län, 2015). It is a project in cooperation with Region Västra Götaland and Studieförbundet Göteborg, and the goal is to connect producers and consumers, helping them to find ways of cooperation through guidance and informative meetings (www, Länsstyrelsen Västra Götalands län, 2015).

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<sup>7</sup> CABVG is not a generally used abbreviation, but a made up one which is used throughout this master thesis.

<sup>8</sup> Own translation of: *Andelsjordbruk – säkrad avsättning för lokalproducerad mat*

Lina Wejmark is originally a crop production advisor and she got familiar with the concept of CSA when she was working at a CSA farm in USA, the year of 2008 (Pers.com., Wejmark, 2015). Lina states that *“I really value the business model since it is a way to closely connect the producer and the consumer while sharing the risks related to food production”*. Her goal is to develop the CSA concept in Sweden. In year of 2013 there was a project called Green Production (Grön Produktion) that was run by Mistra Urban Futures, which had a purpose of looking into new and alternative business models. They realised that CSA is in line with trends of subsistence farming and food safety. CABVG has chosen to engage in the CSA concept due to these opportunities and because it is a new business model in Sweden, while already functioning and established in many other countries.

Right now the CSA project is focusing mainly on informative meetings and to increase the knowledge of new opportunities to produce and consume local food (Pers.com., Wejmark, 2015). Lina is engaged in *“supporting CSA pilot projects with networks, marketing methods and advice”*. The project also cooperate with Göteborgs stad which means that they can connect people who are interested in sustainable food production with farmers who can lend out land.

*“Since there is a limited number of CSA farms in Sweden so far, it is difficult to understand the differences of CSA and other business models”* according to Lina. She also states that the main contrast of a CSA system compared other business models is the fact that the consumers/members should pay the cost of the food production in advance food (Pers.com., Wejmark, 2015). The model is built on splitting the cost early and consequently reducing the risks for the producer. Lina states that *“it is important to organise, plan and calculate the cost and the workload ahead since the business model also cut out the middle hand”*. However, CSA should not be mistaken as a subscription business model (Pers.com., Wejmark, 2015). They differ since the aim of the CSA business model is to tie strong bounds with the consumers, not just only a connection while prescription business models is just a prepaying subscription for a product. According to Wejmark (2015) the purpose of CSA is to create a partnership between the producer and the consumer.

Lina thinks that *“the Swedish culture and the fact that it is not acceptable to succeed or make money through hard work in Sweden makes it difficult to convince Swedes to try new business models”*. The agricultural sector is also very traditional according to Lina, not many farmers are willing to fully try a new concept. In Sweden the agricultural businesses have an opportunity to receive loans from the bank to cover their expenses until the farmers receive his/hers money for the harvest. This is something that is not as common in other parts of the world (Pers. com., Wejmark, 2015). Lina beliefs that this might be part of why farmers does not need switching to new forms of agriculture which involves a tight bond and dependence on the consumers instead of banks. It is also hard to convince Swedes to pay in advance for a product that is not yet produced. The uncertainty within the concept is hard for Swedish customers to understand and appreciate (Pers. com., Wejmark, 2015).

Lina also explains that *“Since the concept of CSA is not yet well established in Sweden a barrier occurs”*. Most of the Swedish municipalities and the Federation of Swedish Farmers (LRF), are not taking action in trying to develop CSA (Pers. com., Wejmark, 2015). LRF have been positive and supportive when told about the concept but they are not putting any effort into developing it or supporting newly established CSA businesses, since it concerns just a few of their members. Lina states that Urgenci (international network for community supported agriculture) has been asking European countries to cooperate and help CSA farms

to create a better bargaining position in the EU regarding for example subsidies (Pers. com., Wejdmark, 2015). The significant amount of turnover of people and financial assets within the CSA concept is important to demonstrate. Lina hopes to find a calculation model which can be developed to CSA businesses to make it easier to determine the prices of the products.

If people who are starting up CSA farms would use well developed calculations and plans for the business, Lina does not think it would be that hard to receive financial support (Pers. com., Wejdmark, 2015). Linas understanding of the current situation for CSA start-ups in Sweden is that *“many CSA farms in Sweden are very small and they are not built on any advanced business plans, but more on pure interest and a passion for locally, sustainable food from the farmer”*. For younger people it could be possible to receive financial support if wanting to develop a CSA farm is they are able to make a financially working business plan (Pers. com., Wejdmark, 2015). The potential of the business model and the added values are the strongest motivations for people who want to develop a CSA farm. Many Swedes are interested and thinks that CSA seems to be a valuable model, but very few are willing to actually support the concept.



## 6 Analysis

*The intention of this chapter is to provide a deeper understanding of the development of CSA in Sweden. Furthermore, this chapter includes an analysis linking the empirical findings to the theories presented in chapter three. This creates the foundation for the discussion that follows in the succeeding chapter. The first section focuses on an analysis including the empirics and the theory of RM and the concept of shared value. The subsequent chapter concentrates on the business platform and crowdfunding model together with the empirical findings.*

### 6.1 Values of operating a community supported agricultural businesses

The shared value concept is built on the idea that society can gain value from business operations (Porter & Kramer, 2011). According to Fones Sundell (Pers. com., 2015), shared value is an advanced way of looking at sustainable development. It gives meaningful benefits for society besides the benefit created for the business (Porter & Kramer, 2006). Businesses should consider added value in their business model and recognise more than their private interests (Food & Agriculture: The future of sustainability, 2010; Porter & Kramer, 2011). In other words, businesses should be looking into the society's needs. RM can be a way to create shared value. Relationships and networks are of great importance in order to operate a successful business according to Gummesson (2002). For RM to be successful there is a need to create more value for the consumers than created in regular transaction marketing since RM is more time and effort consuming (Grönroos, 2004). The entire value is embedded in the exchange of a product for money in an episode in transactional marketing, and the paid price for the product matches the perceived cost, when the foundation of marketing is completely transactional.

In the case of the CSA, transactional marketing is too narrow to explain the phenomenon, RM on the other hand considers added values. Therefore, the relational setting of RM is useful when analyzing CSA. The aim of RM is to build a long term, mutually beneficial relationship between the business and individual consumers (Gummesson, 1999) and refers to all the marketing activities focused on creating, maintaining and developing successful relational exchanges (Morgan & Shelby, 1994). This is done by: providing greater benefits than alternative partners, maintain high values and choose partners with similar values, communicating valuable information and avoiding taking advantage of stakeholder (Morgan & Hunt, 1994).

The investigated CSA farms in Sweden have all been concerned about the societal needs. Berlin (Pers. com., 2015) state that they initially developed their farm to actually decrease the price for the consumer and make sure their community had quality, sustainable food available. At Ramsjö gård, education has been a great part of their business. Berlins (Pers. com., 2015) are trying to develop their business to positively affect the society while creating value for their members. De Pessemier (Pers. com. 2015) explains that they did not have a financial goal while developing their business, but primarily social goals. They wanted to develop a different kind of local, ecological and sustainable market. Shared value indicate mutual benefits (Porter & Kramer, 2011) and the interviewees are very concerned with making sure their products are valuable for the society, through quality, minor environmental impact and strong relationships. According to Morgan and Hunt (1994), creating greater value

than other competing alternatives and maintain high values, as well as high value partners, is a way to develop long-term relationship marketing (Morgan & Hunt, 1994).

The importance of long-term relationships and strong bonds between the producer and the consumers are detected as a result of the semi-structured interviews which made it possible to distinguish nuances. In one dialogue, the interviewee strongly stated that he did not have any consumers, but co-producers (Pers. com., Markie, 2015). Others were talking about members rather than consumers (Pers. com., De Pessemier, 2015; Bertilson, 2015), and Berlin (Pers. com., 2015) were separating active and passive members. These differentiations indicates that the consumers are highly valued by the farmers in CSA businesses.

The value exchanged between the CSA members and farmers is more than just a transaction. The memberships include added services such as the home delivery that Nyttogården offers its members (Pers.com., Markie, 2015). Ramsjö gård gives their members the opportunity to come and spend time on the farm and enjoy additional seasonal fruits not offered through their baskets, or to receive recipes and cooking tips. In a relational setting like this, the cost consists of a price as well as added costs, due to the established relationship with another part (Grönroos, 2004). In that context the added costs can be called relationship costs (Grönroos, 2000). These can be either direct, meaning a cost that is incurred due to a demand from one party, or indirect referring to increased costs due to any deviation from what was agreed on (Grönroos, 2004). One direct cost seen among the relationships between CSA farms and their members is the extra cost that Markie (Per. Com., 2015) undergoes when he commits himself to home deliveries of the products. An indirect cost could be if members are not able to pick up their baskets and have to cancel, doing so with little margins. These relationship costs may also be purely psychological which is demonstrated and explicitly mentioned by Bertilson (Pers. com., 2015) when the burden of having to let their members down when they thought they were not able to deliver great products due to maggots became a fact.

Morgan & Shelby (1994) state that trust and commitment are two central factors for successful RM. Commitment and trust are two deeply rooted factors within all of the CSA businesses studied in this thesis. Noteworthy is the solid number of shareholders whom have been members for several years (Pers. com., Berlin, 2015). The simple act of becoming a shareholder or member on one of the CSA farms requires commitment, since the members often pay a yearly membership fee, and also have to pick up their baskets from assigned pick-up spot (Pers. com., Berlin, 2015), or come to the farm to collect their own share (Pers. com., De Pessemier, 2015). It also involves getting to know the farmers, which means an investment in interpersonal relationships that also helps to build trust between the actors. At Dahls Trädgård, the farmers were told to keep the membership fee even if they were not delivering any crops to the members (Pers. com., Bertilson, 2015). This is another sign of a strong commitment from the members.

The five precursors of relationship commitment and trust automatically lead to the strengthening of the two mediating variables. *Relationship benefits* and *costs* are clearly seen within the CSA business models. The relational benefits is primarily the product, which in this case is locally produced, sustainable, organic food, as well as the already mentioned added services. The relational cost would be that these are all very strong values that are hard if not impossible to retrieve anywhere else. The relationship termination cost is seen in the occurrence of the case farms as the very difficult task of finding a substitute to provide a product with the same qualities and values (Morgan & Shelby, 1994). Shared beliefs is the forerunner of both commitment, and the foundation of shared beliefs and values is very strong

within all the CSA farms studied in this thesis. One very clear sign of this is the unanimous answer given by all of the interviewees to the question “*why did you decide to develop a CSA farm*” and the outspoken belief that they have a social obligation to provide the community with good sustainable food. The belief that the conventional system for food production is unsustainable is also commonly shared with the members and shareholders who want to support a local, less toxic and transparent way of producing food (Pers. com., Markie, 2015: Mertz, 2015: Berlin, 2015).

Another one of the precursors mentioned is *opportunistic behavior*, which if present in one of the participants of a relationship would reduce trust as a result of decline in relationship commitment. This characteristic has not been identified in any of the cases studied, which is a good sign for the success of RM.

Communication, is another forerunner of relationship and commitment. The idea is that if one partner’s experience of previous and current communication from the other partner is of good quality, well-timed, relevant and reliable, this would lead to an increase in trust. The level of communication and the mediums of information sharing varies between the farms. Facebook is frequently used among the farms in this study. Through their facebook and their webpages they can keep member and others updated with information on daily activities, special offers and imagery of the farm where they can promote their beautiful environment (Pers. com., Markie, 2015: Berlin, 2015: Bertilson, 2015: Mertz, 2015).

The five outcomes of relationship commitment and trust that have been identified by Morgan & Shelby (1994) are; *compliance* and *tendency to leave*, *functional conflict* and *decision-making uncertainty* and last but not least, *cooperation*. The point made by the authors is that strong commitment positively affects the compliance and lowers the tendency to leave the relationship. On Ramsjö gård they charge all new members with a membership fee, which is not very high and a one-time cost. It does however have a symbolic meaning, and is the reason why Karin and Anders divide their members in two groups: active and passive. All farms either demand or ask members to come out to the farm to help out with different farm related tasks or to pick their own shares. This also builds commitment and would hence according to Morgan & Shelby (1994) lower the tendency to leave. Functional conflict is a positive outcome from handling disputes or disagreements amicably. One venue where such is especially addressed is during the annual meetings, where all CSA-members are invited to share and contribute with ideas and suggestions, all to make the farm, and in extension the shares, better and shareholders happier. Ideally this benefits everyone involved, the farmers gets some advice and help with product development and the customers receive a better product.

The uncertainty in decision making correlates negatively with the level of trust, meaning that if the level of trust is high between in our case the farmers and each one of the shareholders, both parties trust and believe in the decisions made. Due to the personal contact between the parties, and the transparency of all activities and the involvement of all parties in the most important decision-making processes, the trust and commitment grows strong. Last but not least comes cooperation as an outcome of relationship commitment. This is affected directly by both commitment and trust. One partner will cooperate with the other partner because of a need to make the relationship work. This commitment and will to cooperate is evidently not revealed only by the support the members show while helping out at the farms and sharing the financial risks, but also by the will to support when things does not turned out as planned, an example might be the destroyed crops at Dahls trädgård. From a bigger perspective, this is

what the CSA concept is built on, the joint effort and collective partnership in bringing a healthier, more sustainable and local system for food production to reality.

## 6.2 The development of a community supported agriculture business

The development of CSA has similarities to the crowdfunding model. These concepts are further elaborated on below.

### 6.2.1 Similarities and differences between crowdfunding and community supported agriculture

Finding the right funding to develop a business is not easy (Belleflamme *et al.*, 2014). The crowdfunding model makes it possible to avoid general investors, such as banks or venture capitalists, since it seeks to receive a small amount of money through a variety of investors (Schwienbacher & Benjamin, 2010; Kuppuswamy & Bayus, 2013). According to Schwienbacher and Benjamin (2010) one of the greatest reasons for using crowdfunding is to reduce costs by involving the consumers in the product developing process to make sure they can identify defects and find solutions to issues at an early stage. This is a way for the producer to reduce some of the risks which can occur while developing new product (Schwienbacher & Benjamin, 2010).

Crowdfunding as a business funding model has many similarities to the CSA funding model. The empirical cases in this project all have the producer-led approach, which indicates that the farmer seeks consumers to share his risks and rewards from the food production (*www, Communitysupportedagriculture, 1, 2015*). CSA as a business model suggests that a variety of people contribute to the food production by paying the farmer a certain amount of money before the start of the season (Feagan, 2014). The CSA model gives the small farmer a chance to survive and to reconnect with consumers (Pers. com., Berlin, 2015). The pre-payment and the reduced risk for the farmers contribute to an increase of the farmers' financial security. CSA is, as well as crowdfunding, a way to avoid external investors (banks, grants *etc*) (Pers. com., Markie, 2015; Schwienbacher & Benjamin, 2010).

The differences between crowdfunding and CSA is that the CSA funding model is based on a long-term and deeper connection between the consumer and the producers than the crowdfunding model (Pers. com., Wejdmark, 2015). Also, Schwienbacher and Benjamin (2010) state that reduced costs is one of the main ambitions of crowdfunding, while CSA is more devoted to and dependent on the relationship with the consumers and the production of healthy sustainable food (Pers. com., Mertz, 2015; Wejdmark, 2015; Bertilson, 2015). In the case of Dahls trädgård, the pressure to not jeopardize the relationship with the consumers actually led the owners to shut down the pre-payment part of their business (Pers. com., Bertilson, 2015). To maintain the valuable relationship with consumers means that the farmers need to deliver high quality products (Pers. com., Markie, 2015).

The reduced risk within crowdfunding is connected to the development of the product (Schwienbacher & Benjamin, 2010), while the reduced risk within CSA is more dependent on the fact that the farmers receive an income in the beginning of the season which makes the farms less exposed to risks related to external conditions like weather or pests (Pers. com., Markie, 2010; De Pessenier, 2015). Even if there are similarities between crowdfunding and CSA the reasons for the advantages and disadvantages differ.

## 6.2.2 Tools for developing a community supported agriculture business

Developing a business must be seen as a process rather than a static plan, and within the process different factors are important to consider in different stages of the process (Klofsten, 1998). In order for a business to develop successfully some factors (corner stones) must be very well developed to secure the survival and growth of the business (Klofsten, 1998). A well-developed product, a clear view of the market, engagement and strong driving forces from the funder of the business and deep consumer relations with a mutual trust are four factors that needs to be well-developed for a business to succeed (Klofsten, 1998).

One thing that all of the interviewees had in common was their driving force, which was not focusing on earning a lot of money, but to build a sustainable system for food production, where also their relationships to the consumers is of extensive value. They want to sell a great variety of quality products, without compromising the environment. Mertz (Pers. com., 2015) states that diversity in food production is important. De Pessemier (Pers. com., 2015) actually ran a test season to see how the crops would turn out before they developed their CSA farm. There has been an increasing proportion of consumers with an interest in local food (Ekelund, 2010), but some of the farmers had trouble with finding consumers (Pers. com., Mertz, 2015; Bertilson, 2015), which indicates that they might not have identified their market before they developed their business.

Even if many of the cases have had developed business ideas, the organisational structure, such as price, delivery and work strategies has not always been well developed. The idea of developing a farm which produces sustainable food is for example stated in all interviews. However, the price of the baskets, the methods of delivering and the information given from the farmer to the consumer have varied in many ways. Dahls trädgård put a price on the basket which they thought was suitable instead of making calculations of the price (Pers. Com., Bertilson, 2015) Markie (Pers. com., 2015), as another example, realised that he was doing so many different things at the same time and that he needed to be a bit more efficient. As Klofsten (1998) states, developing a business is a process and it is impossible to make a plan and never change it. Many of the interviewees are also relatively newly established, which means that they will probably look different in a couple of years.

## 6.3 The impact of the societal context

Sweden has an extensive legislative system, and farmers have had great difficulties with understanding the system, while for example applying for grants and subsidies (Knaggård, 2012). The strict regulations might be a threat to the development (Forssell, *et al.*, 2014) and the increased import of food products makes it difficult for Swedish farmers to compete on the Swedish market. The retail stores have a great impact on the Swedish food market, but the Swedish consumers have to some extent shown increased interest in locally produced food and they often put more trust into the farmer that different type of brands (Ekelund, 2010).

All of the interviewees in this study indicate that they do not put much hope in receiving external help, as a result of the Swedish legislative system. Mertz (Pers. com., 2015) and Bertilson (Pers. com., 2015) both refused to apply for subsidies because of the unclear instructions and the great deal of administration. De Pessemier (pers.com., 2015) mentions that for small farms the paternalism, the amount and the complexity of bureaucracy makes it not worthwhile applying for subsidies. It is very complex to apply for subsidies when the farm

produces a wide variety of products (Pers. Com., Mertz, 2015) . The legal system is not yet up to date to cope with other than the industrialised food systems (*ibid.*).

These complex systems might influence the possibilities of cooperations negatively. Markie (Pers. com., 2015) contacted the local municipality and asked them to try his products, but they declined since there would be too much administration problems due to the law of public procurement and food safety requirements. Bertilson (Pers. com., 2015) mentions that it is challenging to enter and compete on the Swedish food market. This might be due to the fact that the grocery stores have a variety of food options and that the grocery shopping there is very convenient. It might also take a while for Swedish consumers to get used to a new concept (Pers. com., De Pessemier, 2015; Wejdmark, 2015).

There are currently a limited number of CSA farmers in Sweden, consequently there are difficulties receiving support and an understanding of their businesses from official servants. If the Swedish institutional system was more compatible with the motion of CSA, it might make it easier for farmers to receive support (Pers. Com., Wejdmark, 2015). Due to this, it is important develop greater understanding of CSA and compare this research to previous investigation.

## 7 Discussion

*The aim of this chapter is to discuss the findings of the research and compare the results to other reports. The discussion part is where the results are taken into a larger context and the aim and the research question is addressed. The first section focuses mostly on the research question and the last section is addressing the aim and concentrates on the specific Swedish context.*

### 7.1 What are the motives of developing a CSA farm?

This study indicates that there are varied motives for developing a CSA farm, and even if the farms are different in many ways it is also easy to see similarities between them. Establishing a CSA farm is not done by individuals who are first and foremost focusing on profit. Instead the interviewees state that societal factors, like the need for local sustainable quality food has been a strong driving force (Pers. com., Pessemier, 2015: Berlin, 2015: Bertilson, 2015: Mertz, 2015:).

The participants in this study seem to be social individuals, who want to build a network as well as contribute with their products to, in their opinion, a better food production. These findings coincide with Bruch & Ernst (2010) report which states that CSA is not for everyone and a key factor to successfully establishing a CSA farm is the ability to build relationships and loyalty with members as well as offering a variety of quality food. The CSA farmers in this research actually seem to concentrate more on the society's, and their members' needs than the need to develop a profitable business. The business concept is built on the idea of offering society an alternative food source, through establishing a local food system, which enables people to make sustainable and healthy food choices (Pers. com., Markie, 2015).

Education and the possibilities to increase the level of knowledge in society is also a key driving force in running a CSA farm (Pers. com., Mertz, 2015: Berlin 2015: Markie, 2015). Since education is a key driver for the farmers, this might possibly be developed even further. If the CSA concept becomes well-established in the society the CSA farms could be a platform for educating children for example. Cooley and Lass (2015) enlighten that children who are members of CSA farms are well educated in agriculture. This indicates that CSA farms as a teaching platform can be a way to reach out to children with more knowledge about food production.

### 7.2 Developing a community supported agricultural farm in a Swedish context

Within the RM theory Gummesson (2002) describes the need for the businesses to develop a greater value than the plainly transactional for the consumer since it is a time-consuming method. CSA is actually time-consuming for both the consumers and the farmers, but it is also a business form which adds extra value due to those close relationships, the opportunity for the consumer to visit farms and to receive information about the products directly from the producer. Consequently, the time-consuming business form might also be a threat to the CSA businesses. The Swedish grocery stores are fairly well-developed and convenient to shop in (Pers. com., Bertilson, 2015) and they have a large market share of the food we buy in Sweden (Ekelund, 2010). This might be part of why it is challenging to develop CSA farms in Sweden.

Anderssons (2006) focus on the relationship between the farmer and the consumer, indicates that CSA in Sweden is not as community building as one might have hoped and states that the social factors are not the main reason for becoming a member in a CSA. If this is the case, the farmer might value the social network higher than their members do. However, Andersson (2006) announces that CSA might be valuable for those who are engaged in food production. Since 2006 the interest in local food systems has increased (Ekelund, 2010). At the time of Anderssons (2006) study Ramsjö gård was the only CSA farm in Sweden. The increasing number of established CSA farms may be a consequence of the increasing interest in food. This research, is coherent with the study of Sjöblom (2015) which indicates that the bond between CSA members and farmers is stronger than between the industrial food producer and the consumer. Sjöblom (2015) states that CSA strengthens the relationship between the consumer and the producer and the relationship to food from production to consumption.

However, even if there is a strong bond between the consumers and the producers within CSA, establishing a business is not easy, and there are factors which might be important to consider while doing this. According to Klostens (1998) business platform, the products, the understanding of the market, the driving-forces and the consumer relationship all need to be well developed in order for a business to grow successfully. The results in this project show that the driving-forces of the farmers are very strong and well formulated and they are very engaged in their farms and their products. However, the lack of a calculation model and pricing strategy for the price of the shares is one of the obstacles of CSAs in Sweden. Mistra Urban Futures Report (2015) suggests that the CSA business model needs to be customized for the Swedish conditions in order to become a profitable model. That statement is in coherence with this report.

A study conducted by Brown & Miller (2008) about the impacts of CSA in the United States, reveals that a very large percentage of the CSA farmers had a college degree, and were also more likely to be female and on average ten years younger than the regular farmer in the U.S. This would suggest, if transferable to a Swedish context, that CSA has the capacity to attract a younger and more diverse workforce into the agricultural sector. This would be a very longed for effect in Sweden where every third farmer is over 65 years old (www, Jordbruksverket, 2014, 3). CSA farms are increasing and new CSA farms are starting up continuously. Nevertheless, even if the farmers are driven individuals who develop their business due to their feeling of need for the products, institutional support and cooperation is needed in order for CSA to grow in Sweden.



## 8 Conclusions

*The aim of this study has been to identify enabling social, economic and political environmental factors, for food producers who work with community supported agriculture as an alternative marketing strategy for food crops in Sweden. To reach the aim, motives for developing a CSA farm have been investigated. In this last chapter the key findings are summarized and a final section presents suggestions for future research and demonstrates methodological considerations.*

To our knowledge there is limited research done on the subject of CSA in Sweden and therefore it has been challenging to conduct research in this fairly new area. Consequently, it is beneficial to keep a broad focus, as the one in this thesis, which captures the bigger picture such as enabling factors. Firstly, the social network and the bond between the farmer and the consumer are of significant importance for the running of CSA businesses in Sweden. The mutual benefits and the contributions to society have been a major part of the motivations for establishing a CSA farm. Secondly, the sharing of risks between the members and the farmers, lowers the threshold and provides a great chance for people who want to invest in a CSA business. Finally, the increasing interest for sustainable food production in society is essential for the farmers, who want to contribute with high quality, sustainable, local food solutions.

### 8.1 Practical implications

A social enabler for developing CSA businesses is that the farmer offers more than just a product. None of the business owners in this project have had profit as a motivation for establishing their CSA farm. Other motives such as: contributing with sustainable food, education, removing middle hands and building networks, have been of greater value for the farmers. This is an indicator that the application of the shared value concept and mutual benefits are highly significant within the CSA business model. However, in order for the CSA concept to really settle in Sweden, a network and a calculation model that can assist the farmers in setting the right price on their products and help organising the financial part of the business might be of help.

The results of this project also imply that due to the complex agricultural policy and the limited knowledge about the concept, the CSA farmers do not feel support from authorities in Sweden. Increased knowledge may lead to improved regulation systems as well as possibilities to cooperate with municipalities and governmental agencies. It could also lead to an increase in CSA members and interest from the society. The increased interest in locally produced, quality food is a political enabling factor for the development of CSA, as it is a reaction to the industrialised food system.

The CSA business model makes it possible for entrepreneurs to develop CSA farms to meet the increased interest in locally produced food. The business model is an economical enabling factors since the farmer does not need to seek external founding from banks and big investors. Like crowdfunding, the CSA model is built upon small contribution from various investors/members.

## 8.2 Future research and methodological considerations

The shared value concept, relationship marketing, the business platform and the crowdfunding model have been used as a theoretical and conceptual base in this project. These theories and concepts have been applied and analysed on small scale businesses where the consumer has been a part of the business in contrast to being just the end consumer. The CSA business model in Sweden offers a rare context in which the theories and concepts have not been applied before. The crowdfunding model has in previous research been used as a model to raise capital to initiate the development of new businesses or events. In the CSA business model, however, it has been analysed in a model where the raised money is collected pre- seasonally and where support and cooperation between the business owner and the members is essential.

This study has been a snapshot of how the businesses have been run until now. Since many of the cases are newly established businesses, it would be interesting to interview these farmers in the future to see how their business have been working out. This research has contributed with the farmers' perspective on CSA in Sweden. Hopefully this research will be useful when spreading the knowledge about CSA farms in Sweden. The interest in the concept has increased and hopefully it will continue doing so.

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## Appendix 1. Interview guide

### **Introduction**

How long have you worked with CSA?  
What is your background?  
Why did you decide to develop a CSA farm?  
Can you tell us about how your farm was developed?  
What goal did you have when you developed your farm?  
What are your goals today?

### **Economy**

What are the advantages and disadvantages with a CSA farm?  
What are the risks of a CSA farm?  
How does the pre-payment work?  
How do you calculate the costs of the shares?  
How did you find your members?  
Who are in charge of the decisions about economy and products?  
How many are working full time at the farm?  
What is the annual turnover?

### **Relations**

What is your relationship with your members?  
Are there contributions between you and your members other than exchanges of money and products?  
How important is trust between you and your members?  
Are there any relationships that are vital for you and your business to develop?  
Why do you think CSA is a fairly unknown business model in Sweden?

### **Political environment and society questions**

What type of social responsibility do you feel that you have?  
What are the political conditions to develop a CSA farm in Sweden?  
How do you think the future political climate might affect your operations?  
What types of support / subsidies do you use today?  
Do you have a network to connect and discuss the development of CSA farms?