

URBAN FARM BENEFITS LOW-INCOME CONSUMERS: GREENSGROW

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GREENSGROW

Philadelphia, PA

SECTORS: Production – Processing – Distribution; “Food Hub”

GEOGRAPHY: Urban; Programs linking urban and rural communities

WEBSITE: www.greengrow.org

OWNERSHIP TYPE: Non-profit Organization

YEAR FOUNDED: 1998

NUMBER OF STAFF: 6 full-time, 23 seasonal part-time

TOTAL REVENUES (2010): \$1.1 million

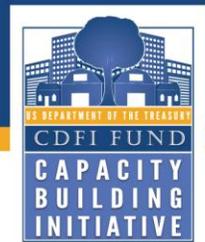
SOURCES OF CAPITAL: \$977,200 in farm revenue; \$81,000 in grants; \$17,000 in Community Commercial Kitchen revenue; and \$42,800 from special events. The Reinvestment Fund (TRF) CDFI provided a revolving working capital loan of \$18,700 which enabled a program of Community Supported Agriculture (CSA) enrollment for low-income residents in the community surrounding their urban farm.

OTHER FINANCIAL SERVICES NEEDED: Two bank accounts at a local bank.

IMPACT/OUTCOMES: Greensgrow has increased economic viability of 80 small and medium-sized farms in Pennsylvania while bringing fresh, healthy food to urban Philadelphia residents through its successful Community Supported Agriculture (CSA) and Farm Stand operations. It has increased access and affordability of fresh, nutritious, local food for low-income people by accepting SNAP and WIC. Greensgrow also provides nutrition education and healthy cooking classes to low income populations, as well as opportunities for small food entrepreneurs and organizations through its Community Commercial Kitchen.

Greensgrow began as an urban farm on an abandoned lot in 1997 and quickly emerged into a successful urban agriculture business. It now operates a thriving Community Supported Agriculture (CSA) which sells 500 shares of food from 80 Pennsylvania farms to urban Philadelphia residents, including 40 shares to low-income residents who may purchase specially sized and priced shares using their SNAP benefits through its *Local Initiative for Food Education* (LIFE) program, which was initiated in 2010 in partnership with The Reinvestment Fund (TRF).

Greensgrow is a federal 501(c)(3) nonprofit organization dedicated to promoting economic growth and development in economically distressed neighborhoods through the creation and operation of a socially conscious and sustainable agri-business enterprise. Greensgrow is in its 14th year of operation, and in addition to its successful CSA program, it owns and operates a commercial farm, a retail nursery, and a



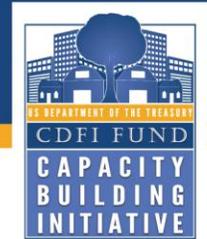
food distribution business specializing in locally-grown and produced products. It also operates a shared-use commercial kitchen, which it built at a nearby church. The kitchen is used both by Greensgrow to produce value-added foods from farm fresh produce for its CSA shares, and by community food entrepreneurs and organizations. Greensgrow also provides technical support and business consultation to various organizations, municipal governments, and other urban-agricultural enterprises that want to replicate the “Greensgrow Model.”

Urban agriculture is at the heart of Greensgrow. Each season the organization grows over 20 different types of vegetables, totaling over 2000 pounds of fresh produce for their farm stand and CSA. Due to the toxic nature of the existing soil on the site, they use large raised beds for their growing system. They have also instituted production in hydroponics, containers, green roofs, and off-site farms. They have increased their growing season by building high tunnels (inexpensive greenhouse structures) where they can grow greens year-round. They employ up to 23 part time seasonal workers, as well as 6 full time staff.

Greensgrow farm production, however, is not nearly enough to satisfy customer demand. Thus, Greensgrow purchases food from 80 Pennsylvania farms to split into shares and distribute to their shareholders. Their CSA season is 25 weeks long, beginning mid-May and ending early November. Shareholders pick up their food on a specific pickup day each week. Any share items that are not picked up by a certain time are donated to a local anti-hunger organization. Each week, the share includes a seasonal assortment (5-8 items) of locally grown, freshly picked vegetables from their own urban farm and the rural farms they work with, 2 types of fruits, a locally-produced cheese, and an additional dairy option (e.g. Yogurt, butter, eggs, or tofu). Occasional items of special interest are also included, such as fresh bread, mushrooms, apple cider, and honey. Full shares cost \$775 (\$32.30/week). Payment is due prior to the market season, to cover expenses.

To target low-income communities, Greensgrow launched its new *Local Initiative for Food Education* (LIFE) program in 2010. This program expands the ranks of its CSA with more low-income families and individuals who may pay for their CSA memberships using SNAP cards. The use of SNAP cards to pay for CSA shares has been approved by the USDA, under the conditions that pre-payments only cover two weeks’ worth of CSA deliveries – rather than paying for an entire seasonal subscription as is typically done in a traditional CSA. To overcome this obstacle, Greensgrow worked with TRF to create an innovative revolving loan fund that provides the program its working capital and is replenished every two weeks by LIFE member SNAP payments.

Greensgrow is committed to financially sustainable entrepreneurship. With a budget of nearly \$1.1 million in 2010, \$81,000 was grant revenue and enterprise operations earned \$977,200. Revenue details are shown in the chart below. The profits, about \$150,000 per year, are used to subsidize their other programs. Their community kitchen is not yet breaking even. It earned \$17,000 in 2010 and was mainly used to process farm products for distribution in CSA shares. However, several food entrepreneurs and non-profits use their kitchen space as well, and Greensgrow plans to increase this activity. Greensgrow also operates fully grant-funded nutrition education and cooking programs which specifically target low-income populations, including LIFE program members.



Revenue Sources (2010)	Amount of Revenue (2010)
Community Supported Agriculture (CSA) Operation	\$466,400
Farm Stand	\$129,600
Plant Nursery	\$304,700
Direct-to-Restaurant Sales	\$76,500
Community Kitchen	\$17,000
Grant Revenue	\$81,000
TOTAL REVENUE (2010)	\$1,075,200

Several key partners have joined with Greensgrow on the LIFE project including TRF and Philadelphia Coalition Against Hunger. TRF committed funds from the Pennsylvania Fresh Food Financing Initiative (FFFI) to create the revolving loan fund and the Philadelphia Coalition Against Hunger provides support to families and individuals who are eligible for SNAP benefits but have not yet entered the program. This year membership was limited to 25 families. In 2011, the membership will be opened up to a total of 40 subscribers. The long-term goal is to build the membership of low-income neighborhood residents to parity with the “traditional” CSA membership of middle and upper income participants. The food provided in the LIFE CSA shares is in no way subsidized and each basket contains a portion of fresh fruits and vegetables equal to the market value of the cost of each LIFE share (which is currently \$22/week).

Greensgrow also has key partnerships with the Delaware Valley Regional Planning Commission, a greater Philadelphia region quasi-governmental organization which has a Food System Stakeholder project funded by the William Penn Foundation, and St. Luke’s Church, which houses the community commercial kitchen where they process raw farm products. The USDA Community Food Projects Program provided grant funding and connection with national networks, and the USDA’s state Rural Development Office provided business planning and other related technical assistance.

Greensgrow is now working to open a second food hub in the low-income city of Camden, New Jersey. The goal of the Camden project is to establish a financially sustainable enterprise that increases the availability of affordable, fresh and healthy foods to low-income families who lack access to supermarkets or grocery stores that provide healthy food choices, and connects the area’s rural food producers to urban consumers thereby increasing the economic viability of New Jersey farmers providing direct sales of fresh produce to urban markets. The Camden project will aid the local community by offering fresh, locally-grown produce through a CSA program and a farm-stand. It will also provide education and training in the selection, preparation, and cooking of CSA foods. This ambitious effort faces many challenges, both financial and logistical. The organization is working closely with TRF and Cornerstone Ventures, a consulting and development company which specializes in the development of sustainable Social Enterprises that can demonstrate the ability to profitably integrate social purpose into their product and mission.