

2011 World PEAS Annual Report



Overview

The 2011 season was one of continued growth and development for World PEAS. This year we expanded the CSA, diversified and grew low income markets, improved produce quality and freshness, made critical investments in infrastructure and hired additional employees. The World PEAS Cooperative achieved these goals while maintaining financial solvency, and increasing cooperative farmers' income.

Community Supported Agriculture

CSA sales still constitute the largest market for World PEAS, constituting 91% of total revenues. The 2011 World PEAS CSA built on our successful product mix developed over several seasons. World PEAS' CSA offered both large and small shares. A separate Extended Season Share offered 3 distributions in October and November. This year we sold 124 Large Shares, 302 Small Shares and 137 Extended Season Shares in 11 towns in the greater Boston and Lowell areas.

All shares included a blend of local fruit and vegetables each week, as well as periodic herbs. After several years of diligent modifications, we feel we have arrived at a pretty good variety and volume of each crop, as indicated by survey feedback from our CSA shareholders. The World PEAS CSA continues to feature exotic crops such as amaranth, long beans and bitter melon, which exemplify the diversity of farmers in the cooperative and differentiate the World PEAS brand. However, we have reduced the frequency of many exotic crops to meet shareholder preferences and to allow us a better opportunity to highlight these crops, their culinary preparation, and the farmers who grow them, through the CSA newsletter, The Pod.



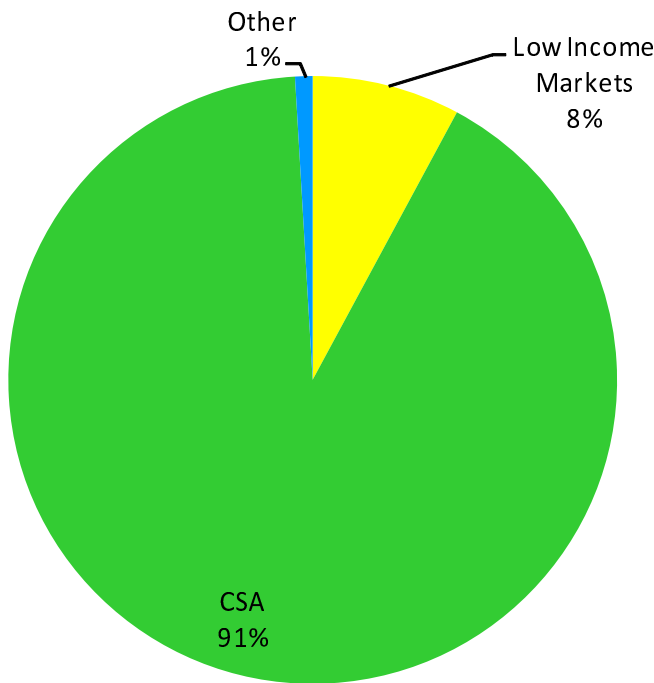
Low-Income and Other Markets

In addition to the CSA, World PEAS has continued its efforts to make fresh, local produce available to low-income consumers. World PEAS began providing produce to the East Boston Neighborhood Health Center (EBNHC)'s **Let's Get Movin' Program** in 2007. This program is made possible via a partnership between World PEAS CSA customers and EBNHC. World PEAS solicited donations from its CSA customers to partially match funding from the Let's Get Movin' Program. Combined, these two sources of funding were used to purchase \$3,750 of produce from World PEAS farmers, and provide it to EBNHC clients, free of charge. In addition, a total of \$1,869 in **locally-produced poultry** was donated to EBNHC clients from the New Entry pilot poultry project.



World PEAS and EBNHC staff, as well as corner store owners in East Boston, also collaborated on a pilot plan to have World PEAS produce supply these **inner-city corner stores**. This new corner store initiative generated \$370 in sales in 2011. EBNHC's

World PEAS Sales by Market



Food Services, also purchased produce from World PEAS for their health center cafeteria program. A total of \$1,284 of World PEAS produce made its way to the Hospital's cafeteria this season.

World PEAS has partnered with the local Lowell-area **Women, Infant, and Children's (WIC)** agency since 2010. WIC provides federal grants to states for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are at nutritional risk. World PEAS secured donations from CSA shareholders to provide \$500 worth of produce, free of charge, to Lowell-area WIC recipients. World PEAS donated an additional \$304 of produce from excess supply remaining after CSA distributions. The produce was distributed to families following their appointments.

World PEAS established relationships with regional **homebound senior networks** to provide produce

to low-income, homebound seniors. In 2011, World PEAS established partnerships with three senior networks who received funding from Massachusetts Department of Agricultural Resources (MDAR) to purchase produce for a total of 375 homebound seniors, thereby generating \$9,861 in sales for World PEAS farmers.

World PEAS established a partnership with Community Teamwork Inc.'s (CTI) **Summer Food Service Program** in 2010. This federally-funded program provides free, nutritious meals and snacks to disadvantaged school-aged children during the summer. Revenues in 2011 for this program were \$928. World PEAS sold an additional \$804 of produce to CTI's **daycare center**.

In August 2010, a World PEAS CSA shareholder held a fundraiser in Lowell to raise awareness of sustainable agriculture and hunger issues. A total of \$800 was collected at the event, and the funds were donated to the **Merrimack Valley Food Bank**, to purchase fresh produce from World PEAS farmers during the 2011 growing season.

World PEAS continued its farmers' market program with the **United Teen Equality Center (UTEC)**, an empowerment center for urban teens. Young people from UTEC participate in their Fresh Roots program, where they learn business skills associated with managing a farm and participate in culinary training by operating a catering company. Young people from the Fresh Roots program attend New Entry's business training classes and grow produce on land leased from New Entry. In addition to being one of the farms participating in the World PEAS Collaborative, UTEC partners with World PEAS to source produce to sell at farmers markets at Lowell General Hospital and at Tufts University's Medford campus. UTEC sold \$2,875 worth of World PEAS produce in 2011.

World PEAS began selling produce to Tufts' Dining Halls on the Medford Campus. This year, sales to Tufts totaled \$2,495.67

Several new markets presented themselves this season, and having piloted them for a season we are in a better

place to determine whether these markets are a good match for World PEAS. In some cases, such as with the corner stores, small volumes, difficulty coordinating orders, and strong price pressures may prove difficult for World PEAS. In many cases, crop by crop analysis is necessary to identify crops for which World PEAS can provide superior quality, specific volumes, better price, or where buyers are willing to pay a premium for local produce. Such analysis with the Tufts dining halls yielded a list of crops that World PEAS could provide at competitive prices or superior quality relative to their existing wholesaler. After this year's pilot with Tufts dining halls, both parties have agreed to increase volumes in 2012.

Produce Quality

This season we focused heavily on improving produce quality. After a particularly hot 2010 season, in which the quality of greens and other sensitive crops suffered during transport, we undertook four steps to improve quality: 1) we re-affirmed quality standards with farmers and packers, 2) hired a paid produce Packing and Quality Supervisor 3) we adjusted farmers' harvest schedules to ensure that crops are refrigerated for sufficient durations before being packed, and 4) we purchased a refrigerated box truck for deliveries.

These efforts produced noticeable improvements in produce quality this season. Given the constant influx of new farmers into the program, we recognize the importance of ongoing efforts to train farmers, and diligently inspect produce before distributing.



Infrastructure and Employees

In addition to the new Packing and Quality Supervisor position, this year we also hired a paid driver. Doing so freed up time for the World PEAS Coordinator to manage the increasing number of producers and markets. In 2012, we plan to combine these two part-time positions and create a single full-time position capable of monitoring produce quality throughout the supply chain, from receiving, through packing to delivery.



We had a fantastic team of packers this season. They were hard-working, dedicated, tolerant of the occasionally unpleasant working conditions under our old tent and a pleasure to work with. Several of the packers returned from last year, which was a tremendous benefit. We hope we can entice them to continue working with us in future seasons.

We also made a major investment in a new refrigerated delivery truck. The added volume of this truck far exceeds that of our old van, which had reached its maximum capacity with last year's volume. In addition, adding refrigeration during delivery is important to our quality improvement efforts. We also invested in a full wrap for truck box; arguably making our truck the best looking vehicle on the road. We expect this will provide cost effective outreach for both World PEAS and New Entry's training programs.

Actuals

Projections

	2008	2009	2010	2011	2012
	100 Reg. Shares, 73 Fr. Shares, 43 Ext. Shares	217 Reg. Shares, 136 Fr. + Fr. Shares, 60 Ext. Shares	108 Sm. Shares, 196 Lg Shares, 137 Ext. Shares	Sm. Shares, Lg. Shares, Ext.	302 Small Shares, 124 Lg. Shares, 137 Ext.
Price Per Share	Reg=\$500, Fr=\$60, Ext=\$75	Reg=\$550, Reg. + Fr=\$710, Ext=\$75, Memshp.=\$50	Lg = \$695, Sm = \$450, Ext. = \$120	Lg=\$705 Sm=\$465 Ext.=\$125	Lg=\$710 Sm=\$470 Ext.=\$130
CSA Revenue					
CSA Commission + memshp. earnings	\$8,111	\$59,834	\$79,898	\$100,942	\$112,225
Total CSA Revenue	8,111	59,834	79,898	100,942	112,225
CSA Personnel					
CSA Coordinator (including overlapping time between outgoing and newly hired)	27,872	33,373	33,373	33,373	38,277
CSA Program/Finance Coordinator	2,987	3,931	5,000	4,000	4,500
Paid Share packer, Coordinator + Driver	900	3,122	300	3,430	9,880
Workshare	0	1,335	1,920	3,540	4,950
Driver	0	24	0	3,800	
Intern	1,616				
Benefits @ for qualified personnel	8,640	11,191	12,663	12,333	15,302
Total CSA Personnel	42,015	52,976	53,256	60,476	72,909
Capital Improvements					
Packing Area Upgrade			1,661	610	1,500
Total Improvements			1,661	610	1,500
Vehicles					
Maintenance/Repair	66	700	1,033	1,768	2,800
Vehicle Wrap				2,954	
Total Vehicles	66	700	1,033	4,722	2,800
Travel					
Gas/Tolls Reimbursement/Travel	1,370	1,700	1,671	3,217	3,314
Conference Costs	0	344	0	400	200
Total Expenses for Travel	1,370	2,044	1,671	3,617	3,514
Other					
Printing/Outreach/ Advertising	459	788	492	2,212	2,433
Data Communications	0	292	376	709	730
Produce distribution boxes, clipboards, bags, rubber bands, signs, color paper and ink cartridges for newsletter	1,68	2,071	2,401	3,079	4,618
Office/Field Space (includes allocation of phone, electric and rent, port-a-john)		2,624	3,022	3,608	4,600
Other				213	
Loss of Revenue through Cluster Coordinator/Host Shares	0	1,100	2,970	4,130	4,330
Total Other	627	6,875	9,261	13,951	12,382
Indirect Expense	0	5,960	5,705	6,609	7,525
Total Expenses	44,078	68,555	72,587	89,985	100,630
Retained Earnings Before Depreciation	-35,967	-8,721	7,311	10,958	11,595
Depreciation Expense (2)	0	0	0	2,863	5,727
Earnings after Depreciation	-35,967	-8,721	7,311	8,094	5,868

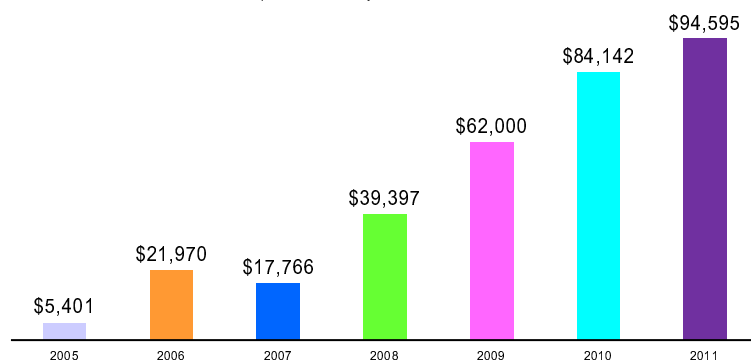
World PEAS Income Statement

Despite adding additional paid staff and purchasing the new delivery truck, World PEAS remained financially solvent in 2011.

World PEAS sold 425 pre-packed shares in 2011, up from 304 in 2010. This generated \$244,975 in CSA revenues. Additional markets, including sales to elder service agencies, and other low-income markets, Tufts and the EBNHC's Dining services, and other non-CSA markets accounted for \$27,070. Of these sales, World PEAS earned \$100,942 in the form of commissions on sales.

Combined Income for World PEAS Farmers through Coop Markets

These numbers reflect income after cooperative commissions have been deducted, but do not reflect any other expenses incurred by the farmer.



Expenses in 2012 are expected to be slightly higher than in 2011 as we take on rental expense for the new packing space. We will also depreciate a full year of the new delivery truck, compared to just half in 2011. We have also budgeted for some overlap between the current Marketing Coordinator, who is planning to return to school, and his replacement.

Farmer Earnings

Farmer earnings through the World PEAS Cooperative have steadily increased since 2007, generating a combined income of \$98,942 for World PEAS farmers, as well as \$73,305 for other local farms where we make wholesale purchases of crops World PEAS farmers don't produce.

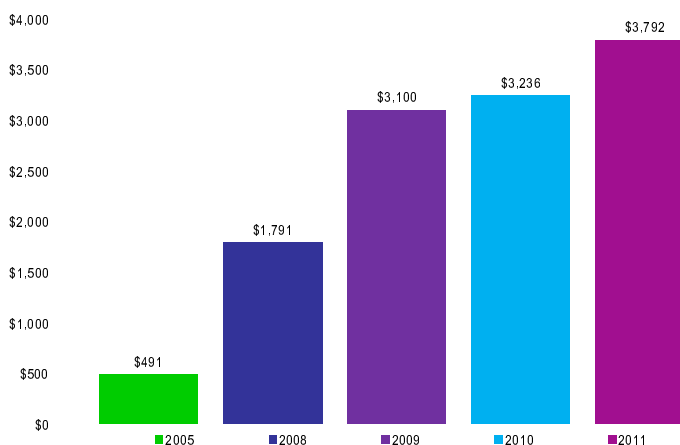
While average World PEAS earnings through the cooperative were \$3,792, many farmers, especially those with more experience, and who devote more time to farming, earned up to \$11,000 through World PEAS, in addition to their other marks.

For example, one farmer increased his income through the World PEAS Cooperative from \$124 in 2005 to \$8,181 in 2011. This farmer and his family grow a diversity of crops for both the World PEAS and independent flea markets, and has benefitted from introduction of high value crops such as baby bok choy, mustard greens and broccoli raab. Through New Entry's Farmland Matching Program, this farmer has found an independent farm site in Boxford.

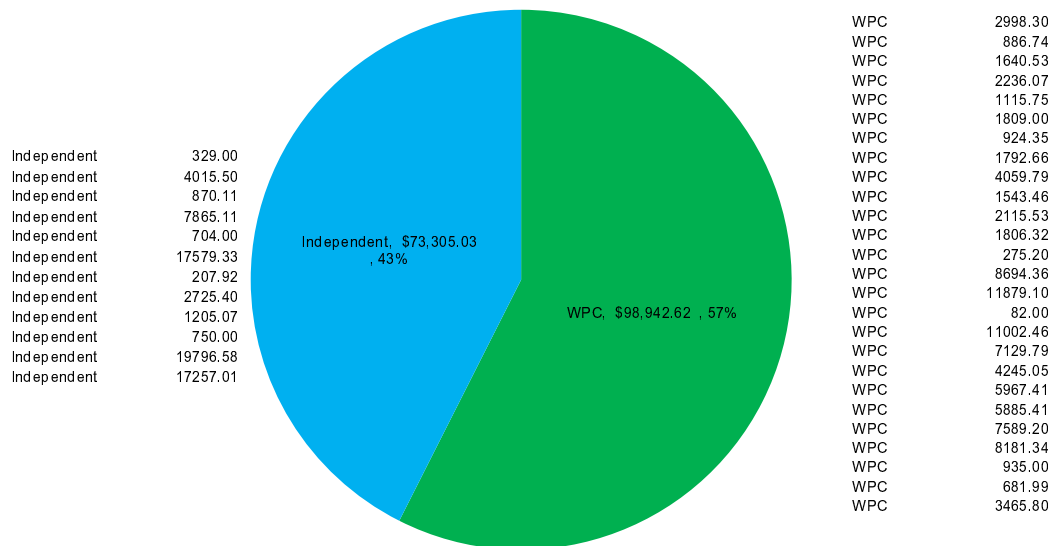
Another farmer continues to increase her sales through the World PEAS since joining the cooperative in 2006. In her

Average Sales by World PEAS Farmers through Cooperative

These numbers reflect income after cooperative commissions have been deducted, but do not reflect any other expenses incurred by the farmer.



Sales by World PEAS and Established Farms



first season, she sold \$1,621 through World PEAS. In 2009 she sold \$3,973 followed by \$6,151 in 2010 and \$5,885 in 2011. Building on prior adoption of organic measures to improve her marketable yield, New Entry’s Technical Assistance Provider offered specific recommendations on fertilizer rates. New Entry’s Farmland Matching Coordinator has also identified an independent farm site for this farmer who has now transition off of New Entry’s incubator farm sites. She is already planning to grow sweet potato greens, collard greens, cabbage, eggplant and tomatoes for a value of \$6,120 during the 2012 season.

Plans for 2012

World PEAS is off to a good start for the 2012 season. After compiling customer feedback and holding our annual farmer meeting, we have set our new goals and are making headway towards achieving them.

Having outgrown our existing packing area, we are planning to rent some space in a barn or warehouse. This will not only make the job of packing shares more enjoyable and efficient, it will also provide improved storage options for crops such as winter squash, and tomatoes which require non-refrigerated storage.

Looking to reduce packaging waste, and improve efficiency in our cooler packing operation, we are investing in reusable totes for produce storage in the cooler. However, given the cost of these totes, and the number of customers, for the time being we will continue to use waxed cardboard boxes for distribution to customers.

Along with hiring a full-time Quality Control Coordinator, and updating our Post-Harvest Handling Manual and Field Training, we are incorporating systems of improved farmer feedback to ensure continued improvement in quality. New Entry’s Technical Assistance Coordinator will also work with farmers to improve production practices that extend produce longevity post-harvest.

Responding to customer requests, World PEAS has also begun taking registration online. This step will not only reduce administrative costs, it will also better facilitate sale of other seasonal items, such as pasture-raised chickens, fair-trade coffee, bulk boxes of tomatoes or other items for canning.

We plan to sell 475 CSA shares, and expand our low-income and other markets. This is more modest growth than we have achieved in prior seasons, but will give staff a chance to refine administrative activities, such as more promptly responding to customer queries. This will also facilitate the transition between our outgoing Marketing Coordinator and his replacement.

We thank all of our CSA shareholders, community partners, institutional customers, packers and farmers for a wonderful 2011 season. We look forward to the 2012 season, which is just around the corner.

