

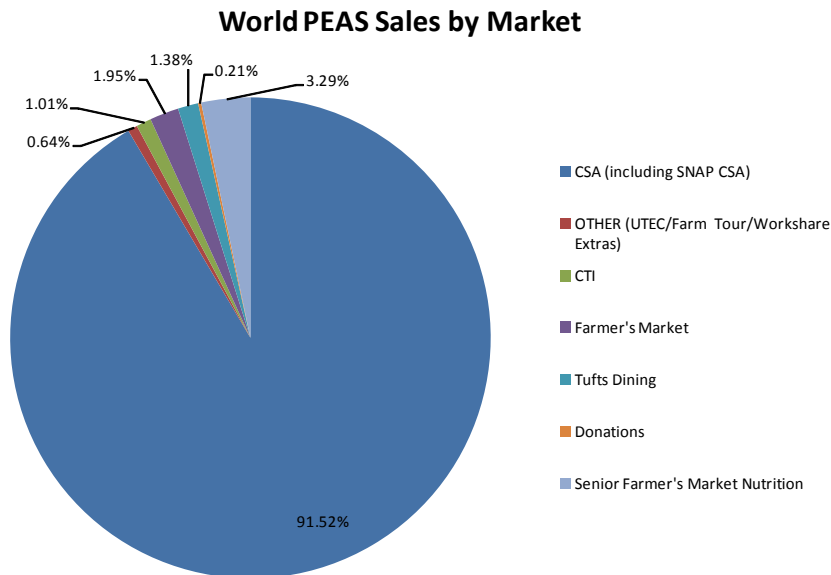
2012 World PEAS Annual Report



World PEAS is a program of the New Entry Sustainable Farming Project
nesfp.org

Overview

World PEAS, established in 2005, serves as a flexible, living wage market for under-resourced and beginning farmers who have graduated from the New Entry Sustainable Farming Project's Farm Business Planning Course. Since many farmers in our program face many barriers to accessing high value, direct to consumer markets (limited English language skills, limited production capability, lack of time/transportation, etc), World PEAS aggregates produce from over 30 farmers every year, establishing crop production schedules in the winter and offering guaranteed marketing outlets through our CSA and institutional sales. The 2012 season brought about many significant changes for World PEAS, including the establishment a physical packing site,



transforming the collaborative into a true Food Hub. While CSA registration essentially remained similar to 2011 levels, due in the most part to staff transition and lack of a staff member to conduct outreach during the winter months, great strides were made to enhance the infrastructure and capacity to be able to expand operations to reach more CSA members and expand growth through additional markets in 2012. Due to the major investments in infrastructure by relocating and expanding the packing site, and staff transition, World PEAS did run a deficit in 2012 due to significant capital improvement costs. If the Food Hub achieves its sales goals in 2013,

however, the operation will again be on track to achieve financial solvency.

The various market areas that World PEAS Food Hub distributes to are shown on the graph above. The CSA continues to serve as the primary sales outlet, accounting for over 90% of total sales. The Tufts Farmer's Market, supplied by World PEAS and operated by a youth-services program (UTEC), constituted almost 2% of our sales in the 2012 season. The Food Hub also provides fresh fruits and vegetables to Tufts Dining Services, the Community Teamwork, Inc. Summer Feeding Program, two Senior Farmer's Market Nutrition Programs, as well as other donations to non-profit partners.

Community Supported Agriculture

CSA sales still constitute the largest market for World PEAS, constituting 91.5% of total revenues. The 2012 World PEAS CSA share offerings remained the same as the successful produce mix developed in 2011, offering both small and large shares, including fruit. The separate Extended Season Share provided 3 distributions in October and November. Mid-way through the summer, based on customer interest, we also offered a pilot Academic share—a small share delivered in September and October to the Tufts University Medford campus. In 2012, we sold 80 Large Shares, 338 Small Shares and 95 Extended Season Shares and 6 Academic shares at 19 different pick-up locations in the greater Boston and Lowell areas.



All shares included a blend of local fruit and vegetables each week, as well as herbs offered every few weeks during the season. After several years of modifying the share contents based on survey feedback, we have determined the quantity and variety that seems to be most suitable for our shareholders. The only crop we are discontinuing for the 2013 season is bitter melon, which receives negative feedback year after year. We continue to add to the crop variety in the World PEAS shares, adding currants and gooseberries in the 2012 season. Last year, the CSA featured over 75 different crops, including Asian and African crops such as sweet potato greens, callaloo, and daikon radish, which showcases the diversity of farmers serving the Food Hub and differentiates the our brand from other CSAs.

Due to staffing transitions, we were not able to host shareholder meetings prior to the beginning of the growing season, and chose to host a webinar for interested shareholders to attend. However, low attendance at the webinar indicated that in-person connections are likely more desirable and we will again host several meetings for shareholders prior to the 2013 season. In an effort to increase our social media connections with shareholders, we created a Pinterest account featuring recipes for CSA crops by season. Based on survey feedback, we will also host a few events for shareholders to connect with both our farmers and each other. Offering opportunities to connect shareholders and create an engaged community among our constituents will be an important factor in shareholder retention in an increasingly competitive CSA market.

Expanding Low-Income Household Fresh Fruit and Vegetable Access

In order to meet our mission to expand access to healthy, culturally preferred foods to under-resourced communities, the World PEAS CSA expanded our low income food access programs in 2012. Through collaboration among various Community Teamwork, Inc. (CTI) departments, and funding from generous shareholder donations and a USDA Farmer's Market Promotion Program grant, World PEAS piloted a SNAP CSA program in 2012. Individuals who receive SNAP benefits, or qualify as low-income based on household income levels (according to CTI metrics), signed up on a week-to-week basis to receive a small CSA share for the subsidized price of \$10 (the actual value of the small CSA share is approximately \$23), which were distributed at the Lowell Farmer's Market. Participants were recruited for the program through various social service agencies in Lowell and through a wide range of multi-lingual promotional materials. The SNAP CSA program ran for 14 weeks, and 188 shares were purchased and distributed to low income families and individuals in the Lowell community.

In addition to conducting individual outreach to SNAP CSA participants, World PEAS also established a partnership with the Pathfinder program, a local emergency homeless shelter located within the Acre neighborhood in Lowell. Pathfinder directors wished to incorporate more local, fresh produce into their daily meals programs, and purchased the equivalent of 14 small shares, to be delivered in bulk, to their shelter for 16 weeks during the growing season. World PEAS subsidized half of the cost of the 14 shares through the "Share-a-Share" donation program, which also supported the SNAP CSA subsidy. The increased amount of fresh produce incorporated into food services at the Pathfinder shelter was very well received among their clients, and Pathfinder has committed to purchasing 12 shares for the 2013 season.

New Entry Sustainable Farming Project

Register now
for a weekly box of fresh fruits and vegetables
and double the value of your SNAP!
Receive \$20 of produce for just \$10

Pickup at the Lowell Farmers' Market

Regístrate ahora por un semanal caja de fresco frutas y legumbres de y **doble el valor de su SNAP!** para recoger en el Mercado de Productores de Lowell

Lowell Farmers' Market
Open Fridays, starting in July
2pm-7pm
JFK Plaza
(at Lowell City Hall)
On bus routes #6, #7, #9

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Another partner in our food access initiatives is the Lowell Women, Infant, and Children's (WIC) agency, which World PEAS has partnered with 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. In addition to donating a limited number of items in bulk to the WIC office (around a \$215 value), World PEAS also donated 105 small shares and 16 large shares from customers who were unable to collect their shares and requested that we donate their box. This amounted to \$2,991 worth of produce donated on behalf of our shareholders to clients receiving WIC services.

World PEAS has also established relationships with regional homebound senior networks to provide produce to low-income, homebound seniors. In 2012, World PEAS continued to work with two senior agencies (Kit Clark Senior Services and Somerville-Cambridge Elder Services) who receive funding from the Massachusetts Department of Agricultural Resources (MDAR) to purchase produce for 225 homebound seniors, generating \$ 5,618 in sales for World PEAS farmers.

World PEAS established a partnership with Community Teamwork Inc.'s (CTI) Summer Food Service Program beginning in 2010. This federally-funded program provides free, nutritious meals and snacks to disadvantaged school-aged children during the summer. Revenues in 2012 for this program were \$1,725.

Farm to Institution

In an effort to maintain diversity among the World PEAS markets and to increase the amount of produce we can purchase from program farmers, the Food Hub has partnered with Tufts Dining Services to provide fresh vegetables for their dining halls. After identifying produce that is within a reasonable price range for Tufts food service operations, we projected September and October orders with Tufts Dining Services. Bok choy, swiss chard, and kale were purchased on a weekly basis. During the "Local Food Week," Tufts Dining also ordered significant volumes of sweet corn and heirloom tomatoes. In 2012, Tufts Dining Services purchased \$2,350 worth of produce from the World PEAS Food Hub.

In addition to using our local produce in their dining operations, Tufts also worked again this year with World PEAS and UTEC to offer a farmer's market on their Medford campus. Due in part to increased marketing efforts by Tufts Dining Services, the volume of produce sold at the Tufts market increased significantly this season. UTEC purchased \$3,335 of produce to sell at the Tufts Dining Market. While the total volume of sales to UTEC is slightly lower than 2011 values, UTEC operated two farmers markets that year, as opposed to the one market they operated in 2012. In 2013, we are again partnering with Tufts and UTEC to provide produce for the Tufts Market, and potentially to an on-site farmer's market at Lowell General Hospital.

Infrastructure Improvements

The new packing site, located in a warehouse space in the Mor-Wire & Cable Building off of Crosby Street, in Lowell, was formally opened with a ribbon cutting ceremony with local government officials and other community partners on September 26th (although we moved into the packing facility in June). The indoor packing space not only creates a much more pleasant work environment for staff members and volunteers, particularly during inclement weather, but also has greatly increased the quality of crops stored outside of the cooler, such as tomatoes. In prior years, tomatoes were stored outdoors on the farm on shelves outside of the cooler, exposed to the elements and potentially to pests. The new indoor storage space for these delicate items has drastically increased the quality for this high value item.

The loading dock and packing facility have also drastically increased the efficiency of the packing operations.

In prior years, all crops had to be carried out of the cooler in individual containers, down several stairs, and loaded by hand into the packing area. With the purchase of a pallet jack, and a loading dock with two truck bays, we can now load full pallets of produce in and out of the cooler, and then take those full pallets directly into the packing area. This reduces exposure to the elements and allows the produce to remain in the



cooler for as long as possible prior to packing in individual shares, increasing the quality of the product. This also greatly reduces the physical effort required by volunteers who had been required to lift several heavy boxes on a daily basis at the former packing site.

The one-time expenses necessary to outfit the packing facility amounted to just over \$13,000. In addition to investments in the facility, the Food Hub also purchased 300 grey plastic totes for farmers to pack produce into for CSA delivery. These totes, which have all been engraved with serial numbers, increase the storage capacity within the cooler (as they nest within each

other and stack easily) and also offer us a uniform, consistent, and reliable inventory and tracking system for farmer deliveries.

Staff, Intern, and Volunteer Experience

In 2012, World PEAS staff experienced significant transition. The prior coordinator, Matthew Himmel, returned to graduate school and a new CSA and Food Access Coordinator was hired in April. Also, rather than two part-time employees to assist with delivering produce, supervising quality control, etc., the Food Hub hired a full-time, seasonal Assistant CSA Coordinator. Having a full-time Assistant Coordinator enhanced the continuity of operations and allowed for the CSA Coordinator to focus on market development and farmer communication. Strategic planning, accounts receivable, farmer payments, and management of the pilot SNAP CSA are coordinated by the CSA manager.

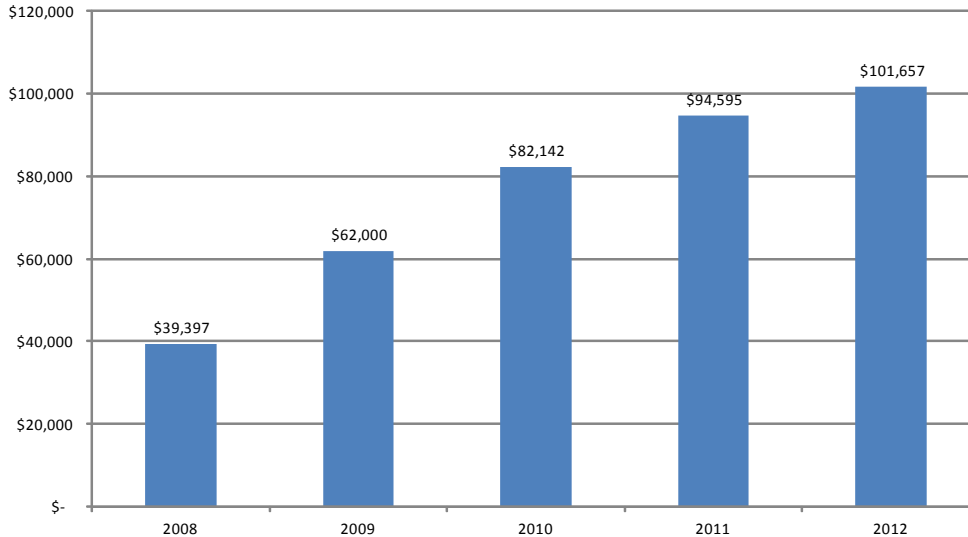
The World PEAS Food Hub could not operate without the dedication and energy of a team of volunteer share packers. Seven individuals contributed to our weekly packing operations, contributing 960 hours of service. Using the Independent Sector's value of volunteer service, estimated at \$22.14 per hour, our share packers contributed \$17,904 of in-kind service to World PEAS (the total value of their volunteer hours less the value of their complimentary CSA shares). World PEAS farmers contributed significant volunteer time to the management of a greenhouse for seedling production, and the coordination of a bulk order of supplies, compost, etc. through NOFA. World PEAS also collaborated with the Spindle City Corps, a summer youth service program in Lowell, and the Boston University First-Year Student Outreach Project, for a number of one day service events.



In order to have the capacity to operate our SNAP CSA program, the Food Hub established a partnership with UMass Lowell's Co-op Scholar program. We were fortunate to work with a rising sophomore who received a stipend from the university to serve as an intern with our Food Access initiatives. He conducted outreach to SNAP recipients, followed up with customers on a weekly basis, and distributed shares each week at the Lowell Farmer's Market. His hard work and commitment to the project provided significant support to the logistics of the pilot year for the SNAP CSA program.

Farmer Earnings

Combined Income by World PEAS Farmers through, Food Hub



The number of farmers, as well as their individual and collective earnings through the World PEAS Food Hub, has increased steadily since 2007. In 2012, the number of farmers participating in the Food Hub slightly decreased, mainly due to land access issues. The average income of farmers in the collaborative and the percentage of total produce purchased from New Entry program farmers, both increased this year. In 2012, 23 World PEAS farmers sold \$101,657 in produce through World PEAS. An additional 9 independent farms, filling gaps in World

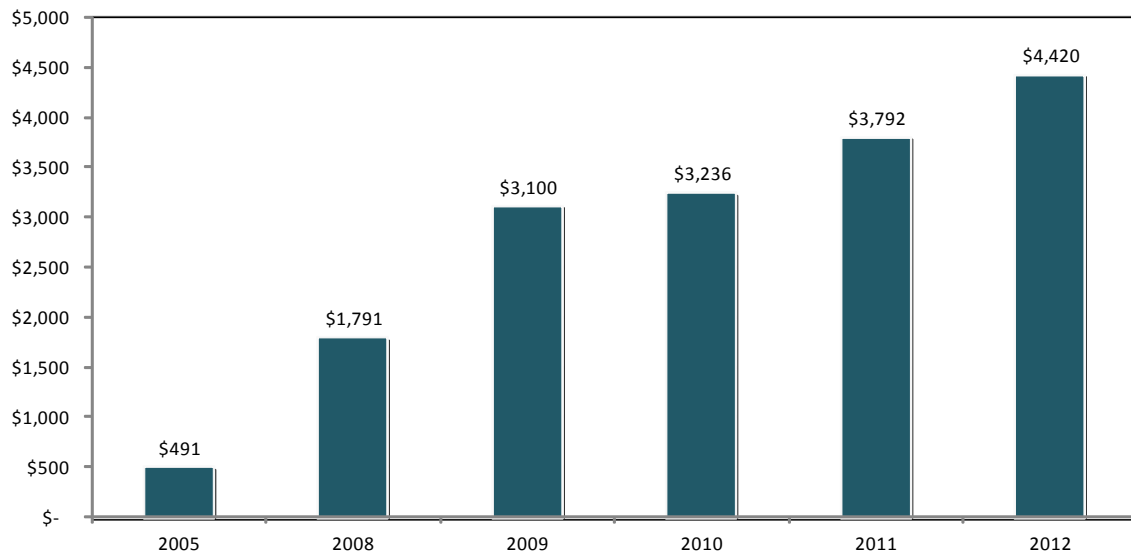
PEAS farmers' production, generally at wholesale rates, earned a combined income of \$68,705. This year represented an all time high in the percentage of produce purchased from New Entry farmers, with 59.7% of the total produce purchased by World PEAS coming from our beginning, immigrant, and refugee farmers. The ratio of produce sourced from earnings by World PEAS farmers and independent farmers in 2012, is displayed in the pie chart on page eight.

In addition to having a higher percent of total produce coming from World PEAS farmers, individual earnings increased as well. Earnings among our program farmers through the Food Hub average \$4,429 in 2012, a 17 % increase from 2011. However, depending on years of experience, time available to dedicate to farming, and to a smaller extent, acreage, the individual farmer earnings do vary significantly. Three farmers, with several years of experience farming with World PEAS, earned over \$10,000 through sales to World PEAS, while many of the more recent graduates of the Farm Business Planning Class earned within the \$1,500-\$3,000 range.

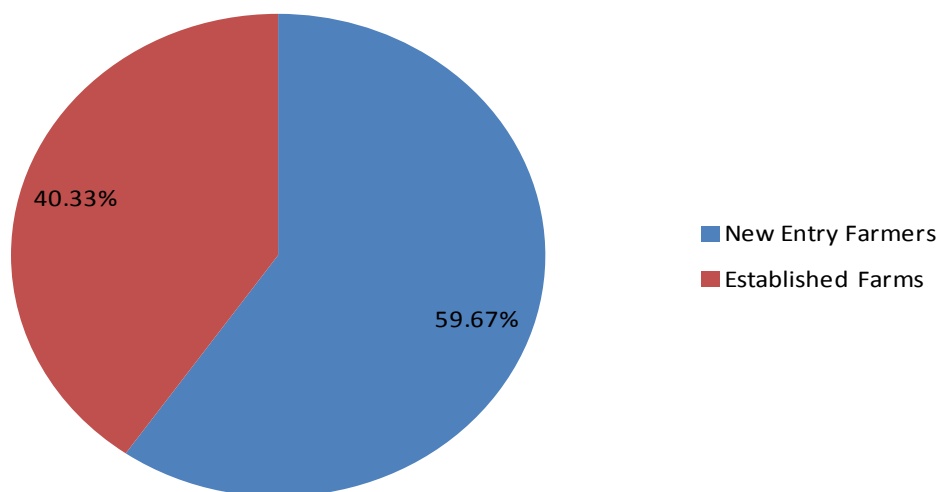
While the earnings through World PEAS are insufficient to constitute a farmer's only source of income, for many of the World PEAS farmers, they are an essential component of household earnings. The majority of World PEAS farmers are amongst the 80% of American farmers who have an off-farm job. Cumulative earnings by farmers over the course of several years, shown on the graph above, are significant. It is important to note that this income does not reflect the monetary value or health benefits of produce to be consumed by the farmers and their families, nor the potential benefits gained when the produce can be used to barter for other goods or services.



Average Sales by World PEAS Farmers through Food Hub



Sales by World PEAS Farmers vs. Established Farms



World PEAS Income Statement

Due to investments in infrastructure and staff overlap during training for the new CSA Coordinator, the World PEAS Food Hub experienced a deficit this year. World PEAS sold 418 full price shares in 2012, just slightly fewer than the number as sold in 2011. CSA sales generated \$73,327 earnings through our commission on produce and membership dues to cover overhead and administrative costs. Additional markets, including sales to elder service agencies, summer feeding programs, Tufts Dining services, and other non-CSA markets represented \$17,302 of our total 2012 earnings.

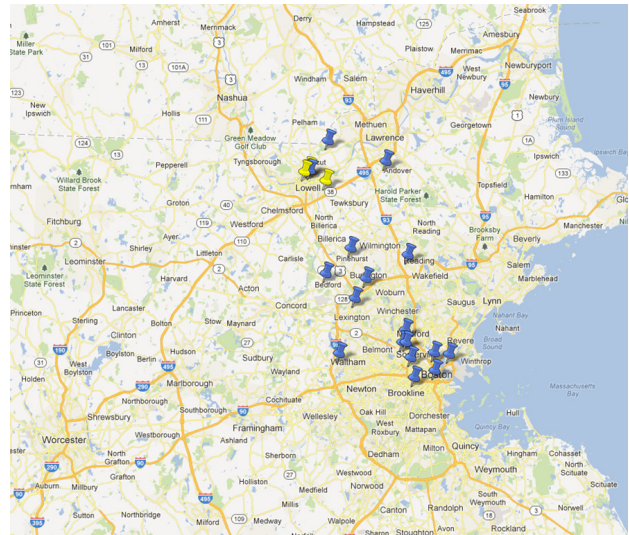
Expenses in 2013 are expected to be only slightly higher in 2013 than in 2012. We have also purchased an additional refrigerated truck to allow us to serve markets and institutions not on our CSA delivery route. As the CSA market in the greater Boston area begins to become saturated with producers, impacting customer demand, expanding our markets to institutions and restaurants will be essential in growing the Food Hub operations.

	Actuals			Projections
	2010	2011	2012	2013
	108 Sm. Shares, 196 Lg Shares, 132 Ext. Shares	302 Sm. Shares, 124 Lg. Shares, 137 Ext.	332 Small Shares, 80 LG. Shares, 94 Ext.	400 Sm. Shares, 100 Lg Shares, 50 Student, 3 Bonus
Price Per Share	Lg = \$695, Sm = \$450, Ext. = \$120	Lg=\$705 Sm=\$465 Ext. =\$125	Lg= \$710 Sm=\$470 Ext. =\$130	Lg= \$795 Sm=\$525 Fall =\$225 Bonus = \$2,000
CSA Earnings				
CSA Commission + membshp. earnings	\$79,954	\$100,959	\$73,327	\$105,419
Total CSA Earnings	79,954	100,959	73,327	\$105,419
CSA Personnel				
CSA Coordinator (80% time thru 2011)	33,373	28,708	33,844	39,500
CSA Program/Finance Coordinator	5,000	8,000	6,000	3,000
Paid Share packer Coordinator + Driver	300	3,430	11,544	9,880
Workshare	1,920	3,540	4,010	4,110
Driver	0	3,800	323	0
Intern			198	203
Benefits @ for qualified personnel	12,663	12,114	14,534	14,813
Total CSA Personnel	53,256	59,591	70,452	71,507
Capital Improvements				
Packing Area Equipment/Repair	1,661	610	862	700
Total Improvements	1,661	610	862	700
Vehicles				
Maintenance/Repair	1,033	1,465		600
Vehicle Wrap		2,954		0
Total Vehicles	1,033	4,419	0	600
Travel				
Gas/Tolls Reimbursement/Travel	1,671	3,785	1,474	1,511
Conference Costs	0	243	269	276
Total Expenses for Travel	1,671	4,028	1,743	1,787
Other				
Printing/Outreach/ Advertising	492	2,284	952	976
Data Communications	376	1,271	1,182	1,000
Produce distribution boxes, clipboards, bags, rubber bands, signs, color paper and ink cartridges for newsletter	2,401	2,699	3,980	2,500
Office/Field Space (includes allocation of phone, electric and rent)	3,022	6,662	7,794	12,000
Other		304	130	133
Cluster Coordinator/Host Shares	2,970	4,130	4,590	4,705
Total Other	9,261	17,350	18,628	21,314
Indirect Expense	5,977	7,708	8,216	8,612
Total Expenses	72,859	93,706	99,901	104,519
Retained Earnings	7,095	7,253	-26,574	900

Plans for 2013

In order to be able to cover the additional costs of operating the new indoor packing facility, and to continue to provide competitive CSA offerings in an increasingly saturated market, the World PEAS CSA is re-structuring our shares for the 2013 season. Due to low registration for the Extended Season over the past several years, we have discontinued the Extended Season option for 2013. However, we have extended the full CSA season from 18 weeks to 20 weeks to offer the same number of deliveries as most other Boston-area CSA programs.

Also, based on interest expressed by members of the Tufts community over the past few seasons, we have decided to formally offer a Fall/Academic share, which is the equivalent of a small share, but only delivered for 8 weeks in September and October. We are not restricting this option to students, but expect the majority of registrants to be undergraduates in the Tufts community. The coffee CSA option has also been eliminated, as the costs for operating this add-on exceeded our income from the program. There continues to be interest among shareholders for an egg CSA offering, and our team will explore this option with producers this coming season.



World PEAS has also established new partnerships for distribution locations in an effort to enhance our shareholder base and serve new communities. Due to low shareholder registration and changes in staffing at the host sites, we are no longer offering distributions at Triumvirate Environmental, the Massachusetts Hospital Association in Burlington, or the Winchester delivery site. However, we will now be serving employees at One Burlington Business Center and Merck Research Laboratories, and have added a delivery to Waltham at the First Lutheran Church. We hope to see these new distribution sites grow in the coming years. The following map shows our projected 2013 CSA distribution points in blue, as well as the locations of our food access programs, shown in yellow.

Based on customer survey feedback, we are slightly changing the contents of the shares. The quantity of items in the small and large shares does seem to be meeting the customer expectations. Of the survey respondents, 83% indicated that the CSA share size they registered for contained the appropriate amount of food for their needs. The main concern expressed in surveys was a desire to have a greater quantity of some items, rather than very high variety within individual boxes. For example, instead of offering one cucumber and one squash on a given week, we could include two cucumbers one week, and two squash the next.

In 2013, we are planning to sell about 450 CSA shares, while also expanding our partnerships with low income programs. The distribution of our traditional SNAP CSA will be modified to a “first come, first served” option to reduce staff time needed to follow up with individual clients and to eliminate the need for pre-payment a week in advance by SNAP CSA customers. In addition to again working with the Pathfinder program to provide bulk orders of subsidized CSA shares, we are in the process of establishing a partnership with the Merrimack Valley Food Bank, to provide produce for both their Summer Lunch and Community Market programs.

We thank all of our CSA shareholders, community partners, institutional customers, share packers and farmers for a wonderful 2012 season and we look forward to a fun, engaging, and bountiful 2013 season.

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