



Charting a Path to Sales Opportunities for Diversified Farm Products

A Producer's Workbook



INTRODUCTION

What opportunities do I have to sell my product?

Welcome to this resource designed to help entrepreneurs chart a path to viable opportunities to sell their farm products. The path begins by identifying strengths and assets of your operation. Next, readers identify vulnerabilities that need to be addressed. As the future takes shape, focus shifts to building a sustainable relationship through legal agreements. At the end of the day, every sale of product off the farm is built on relationships.

This workbook takes a different focus as compared to other essential guides on financial planning, labor costing, and other business planning aspects of agroforestry production. Going hand in hand with charting out the farm's financial situation, we need to look at the farm's relationship dynamics. As we discover how much we need to earn per unit, we may gain a better understanding of which players in our community can support us in earning that money. By crafting an agreement to make it official, we protect our mutual understanding into the future.

The path to a stable, resilient farm operation is inevitably a winding one. A twisting and turning path doesn't have to bring anxiety, however. By keeping a close eye on the big picture, while recognizing our strengths and fostering our relationships, we can see the path take shape before us.

Here's to your journey!



HOW TO USE THIS RESOURCE

We suggest following these six steps to make the most of this guide.

SCAN THE HORIZON	Where are your instincts pointing you?
IDENTIFY ASSETS	What resources, passions, and relationships do you already have?
LET'S TALK MONEY	Do you have a clear cost of production already? Are you looking for a specific price per unit?
ALIGN WITH SALES OPPORTUNITIES	Which sales opportunities align with your situation?
ENVISION AN AGREEMENT	Communicating our needs and coming to alignment with a buyer
CHOOSE NEXT STEPS	Build on your strengths Plan to support your weaknesses
APPENDIX: SAMPLE AGREEMENTS	Explore model sales agreements you can adapt for your business

As we start out on our journey, let's scan the horizon.

Spread across the next few pages, you'll find a number of different options for how you might market your agricultural products.

As you survey the territory, your instincts will begin to kick in. You're likely to push a few options to the mental sidelines while identifying others as top candidates. But, wait, now isn't the time for action—we're still taking stock!

Now is the time to recognize where our instincts are at, while also putting our eyes towards the options we haven't considered. If we start off with a good sense of all our options, our choices become more intentional and deliberate, which is certainly a good thing for this long journey! There's nothing wrong with rejecting certain sales avenues- we must do that. But, as rough patches in the road come up, it becomes easier to change course (and our minds) when we have a sense of why we rejected specific opportunities in favor of others.

The next few pages give you a chance to take stock of your options, and to record your instincts as to which avenue is the best route for you.

As you complete this section, you'll have a sense of where you want to put your focus throughout the rest of this resource. And at the same time, you'll be ready to reorient as your situation changes.

One more thing before we start: **Remember that there is no single best answer for "how" to market an agroforestry product.** There are options that work for some people and not for others. Specific avenues are profitable for some operations while leaving others with a loss. A sales opportunity can be productive at first while turning into a poor choice as the operation grows.

The journey may be a winding one, but it's YOUR journey. You have a story to tell about your resilience and determination. Let's tell it!



Let's explore several options for selling farm products. We've provided space for reflection after each one.

Direct-to-Consumer Sales

Picture yourself:

- Tucking pints of your product into boxes for local pick-up
- Setting up your farmstand before opening in the morning
- Standing at the back door of a restaurant, delivering boxes

Direct-to-consumer sales are those made directly to the person who will use the product. Sales at a farmers market, roadside stand, or through a Community Supported Agriculture (CSA)* arrangement are classic examples. Restaurant buyers can also fall into this category, if they are small enough. Niche products that are not likely available through the chef's regular distributors- for example, fresh elderberries or local hazelnuts- can be particularly sought after by local chefs.

Direct-to-consumer sales tend to command higher prices than other options. However, in return they also demand a larger amount of effort to make each sale with more risk that the product will go unsold.

Direct-to-consumer sales can be processed or unprocessed. Processed product sales, like juice, dried fruit, or even a botanical salve, "add value" to the farmer's product and can be more profitable for that reason. Of course, adding value increases the effort required and risk involved.



GUT CHECK: What are your instincts telling you? Does this feel like it has potential for your operation?

*For more information on CSAs, see page 12. Also see the Appendix for a model CSA Agreement.

Wholesale

Picture yourself:

- Calling up or emailing local buyers to discuss availability and pricing on a regular basis
- Dropping off a modest volume of product on a regular basis at a store, warehouse, or distributor.
- Accommodating a variety of pack sizes and packaging needs for buyers

Wholesale sales are a shorthand for a selling product to a buyer who will then resell the product to someone else, usually the end consumer. The wholesale buyer may be planning to process the product themselves or develop a value-added product with it.

The use of the term “wholesale” varies across the agricultural industry. Here, we are referring to wholesale sales such as those to a local-scale food hub or distributor; sales directly to grocery or larger restaurant buyers; or sales to other farmers who will resell the product. We also include sales to small to mid-sized manufacturers that are not large enough to utilize brokers and consolidators to source their ingredients.

Wholesale sales will not command as high of price point as direct-to-consumer sales. However, in return the producer can sell more volume at one time, often with more predictability and consistency. Furthermore, the producer interfaces with fewer individuals when selling wholesale.

Large scale manufacturers and distributors buy from brokers and distributors, addressed on the previous page.



GUT CHECK: What are your instincts telling you? Does this feel like it has potential for your operation?

Broker or Consolidator

Picture yourself:

- Handling all of your product marketing for the year with a few calls to a single buyer
- Spending the majority of your time on production rather than on marketing
- Monitoring and inspecting your crops for careful adherence to strict quality standards

A broker is an entity that buys from grower/producers and then resells that product to manufacturers or distributors.

Some brokers buy only processed product (i.e. dried or frozen) while other brokers buy unprocessed product. A consolidator serves a similar market function as a broker. The difference is that a consolidator tends to purchase from grower/producers and from brokers, in order to assemble potentially larger quantities than a broker might handle. A consolidator tends to sell product to manufacturers and distributors.

Brokers and consolidators will buy the highest volume of product at a time, but in turn pay the lowest price per unit. Brokers and consolidators sell into national and international markets. These are large-scale, high-volume operators.



GUT CHECK: What are your instincts telling you? Does this feel like it has potential for your operation?

Co-packer Relationship

Picture yourself:

- Pulling up to a facility and dropping off product to be turned into juice, to be sold by another company
- Developing a sauce recipe and working with a chef to have it produced, using your ingredients
- Renting access to a kitchen facility where you make a product with your ingredients.

A Co-packer is an independent business that exists to help other businesses produce, manufacture, and package their products. For example, a farmer may want to offer elderberry juice or syrup for sale, but the economics of purchasing the farmer’s own juicing, bottling, and labeling equipment don’t pencil out. The farmer could contract with a co-packer, and the co-packer would do the juicing and bottling and labeling for the farmer. The farmer would receive the finished product, ready to market.

Co-packing facilities vary widely in terms of the equipment they have available, the services they offer, the scale at which they operate, and the prices they charge. Co-packers often have influence over the formulation, recipes, and production qualities so they can best use their equipment and create efficiencies for their business. Some co-packers will also buy unprocessed product for use in other product lines developed in their facility.

The costs of renting space in a facility or paying the co-packer to process product will need to be factored into a farmer’s projections for profits. Depending on the size and efficiency of the co-packers, costs and potential profits from these relationships will vary widely.

GUT CHECK: What are your instincts telling you? Does this feel like it has potential for your operation?



Farmer-Owned Cooperative

Picture yourself:

- Meeting with fellow farmers to plan pricing and marketing strategies together
- Negotiating with peer farmers about shared responsibility for production volumes and quality standards
- Helping to hire staff to conduct the day to day tasks of product marketing.

Farmer-owned cooperatives are organized groups of member-farmers that exist to help their members bring their product to market. Farmer-owned cooperatives take on many shapes and sizes from a few farmers to hundreds of farmers, and the markets they serve include both small-scale direct-to-consumer and commodity-scale transactions to brokers and manufacturers. The legal essence of a farmer-owned cooperative is that decisions are made according to a one-member-one-vote principle, rather than according to level of ownership or financial investment in the business.

Farmer-owned cooperatives will likely require professional help and a fair amount of time and money to set up. Ongoing meetings and management of the entity and cooperative members will be required. However, the goal is that pooling resources up-front will create the benefits of increased sales down the road for all members of the cooperative.

GUT CHECK: What are your instincts telling you? Does this feel like it has potential for your operation?

Success! We've scanned the horizon!

We've taken in the big picture and noted a few potential successes out there, waiting for us. But, we probably haven't picked a final destination yet- we still have more exploring we can do before we commit.

The next few pages review what we've covered so far and give you a little more food for thought!



Reviewing Marketing Strategies

The first three marketing strategies are summarized below, after a series of questions that can help you clarify what might resonate with you about each of them. Check off the boxes that describe you and use that to help guide you to the right marketing strategy. This information will supplement your 'gut check' reflections from the previous pages. You can also use this page as a summary of direct-to-consumer, wholesale and broker/consolidator marketing. Cooperative and co-packer relationships are covered on the next page.

I love interacting with lots of customers and I love sharing my story with them.

"Boutique" production excites me—growing various unique products for a specific audience on a small scale. The products can vary over time.

DIRECT-TO-CONSUMER

- Sales are made to individuals who will use the product.
- Price per unit is high.
- Effort per sale is high, as the producer must sell their product one unit at a time and buyers are inconsistent.

I want to minimize the number of buyers I have and the amount of marketing I have to do.

I want to focus on growing products in bulk and having a consistent supply for my buyers.

WHOLESALE

- Sales are made to grocery stores, restaurants, or similar institutions that will resell the product usually to the end consumer.
- Price per unit is in the mid-range, lower than DTC, but higher than with a broker/consolidator.
- Effort per sale is lower than DTC but higher than with a broker; often wholesale buyers are consistent and reliable.

I work best when marketing takes up as little of my energy as possible.

I have the capacity to produce a large volume of product and meet strict quality and timing specifications.

BROKER/CONSOLIDATOR

- Sales are made to a large-scale buyer that will resell the product, usually to wholesalers.
- Price per unit is low, but buyers require a high-volume of product for each sale.
- Effort per sale is also lowest compared to the other two sales opportunities. Brokers/consolidators will likely be consistent and reliable and might even provide sales contracts.

Reviewing Marketing Strategies

Co-packer and cooperative relationships have their own unique requirements, but can adopt any or multiple of the marketing strategies on the previous page. Here, again, check off the boxes that describe you. This information will supplement your 'gut check' reflections from the previous pages. You can also use this page as a summary of co-packer and cooperative relationships. See the next page for more information about processed "value-added" products and Community Supported Agriculture, an innovative direct-to-consumer marketing strategy.

I want to work with other local businesses to create value-added products made with high-quality ingredients.

I am interested in seeing my crops becoming value-added goods.

CO-PACKER RELATIONSHIPS

- Co-packers are individual businesses that help other businesses product, manufacture and package their products.
- The set-up can vary providing raw ingredients to renting a space to make one's own value-added products.
- Cornell keeps a list of kitchens and co-packers by state, but your local network might be the best way to find potential co-packer relationships.

I am part of a strong community of fellow producers- we trust each other and work well together.

Direct democratically run institutions appeal to me over hierarchical top-down decision making.

I need to pool crops with other farms to achieve the scale necessary to work with a wholesaler or broker/consolidator.

COOPERATIVE RELATIONSHIPS

- Sales are made to grocery stores, restaurants, or similar institutions that will resell the product usually to the end consumer.
- Price per unit is in the mid-range, lower than DTC, but higher than with a broker/consolidator.
- Effort per sale is lower than DTC but higher than with a broker; often wholesale buyers are consistent and reliable.

Community Supported Agriculture (CSAs)

CSAs are a direct-to-consumer marketing strategy but can also integrate co-packer relationships. If you haven't heard of CSAs, or thought they were only for diversified vegetable farmers, here is a short primer on this sales technique.

CSAs work a little bit like a subscription service. Typically, a CSA farmer sells shares of her farm's production in advance of the growing season. As the crops roll in over the summer, the farmer provides the season's harvest or products to each CSA member on a set schedule. The farmer gets money before the season starts to help with cash-flow, and the customer is guaranteed a season long supply of fresh farm produce or products. Anything can be sold in the CSA format! Fruits and nuts, salves, herbal tinctures, other farm products—you name it! What is key is setting up a clear CSA agreement with one's customers so that expectations are managed.

Just as the products offered via a CSA can be varied, so, too can the marketing of those products. Many producers that focus on a niche product work with a vegetable farm with an established CSA to provide an add-on option. Food hubs sometimes also have CSA style programs where they consolidate boxes filled with local products from numerous producers.

Value-Added Products

Processing the raw agricultural products you grow into products like mixes, syrups, salves or soaps (or many other items!) requires more thought into marketing strategies. Value-added products can be created by farmers on-farm or in a home facility and sold alongside any other direct-to-consumer products. They can also be created by farmers and then sold wholesale.

Farmers can also choose to develop a co-packer relationship with a company that processes the raw materials supplied by the farmer. That co-packer could then return the finished product to the farmer to sell, or the co-packer could handle distribution. Cooperative relationships could be formed to pool resources to create value-added products or build a processing facility. The possibilities are near endless!

Processing value-added products does create a need to balance new legal risks. If farmers are processing on-farm or in a home kitchen, there might be what are often called 'cottage food laws' that exempt those farmers from onerous food safety rules. However, if the product isn't exempt, the farmer will then need to determine what food regulations govern their products.

IDENTIFYING ASSETS

Now, it's time to hone in on our assets.

Wait, why are we talking about assets? Why don't we get into details about the most promising sales opportunities for agroforestry products? Shouldn't we at least be talking about pros and cons of different sales avenues?

We have more analysis to do before we are ready to explore sales specifics. Reviewing options helped prompt our instincts, but instincts aren't the whole picture. Our instincts can be hindered by lack of familiarity, and we don't always see hidden opportunities. **A critical analysis of opportunities from all angles can be very helpful. Mapping our assets offers an important additional angle to inform our decision making.**

There are so many good reasons to recount our assets. Identifying our assets can help us uncover opportunities we might otherwise miss. When our assets align with our instincts, we know we're on the right track. At the very least, **articulating our assets helps us leverage everything we've got for the sales opportunity of our choosing.**

Plus, it feels good to review the things we have going for us.

Let's dive in!



IDENTIFYING ASSETS

You likely have a lot more assets at your disposal than you first think. We'll start with personal assets, then move to community based assets, and finally institutional assets.



Personal Assets

Let's start with what you possess—what knowledge and experiences do you have that can help develop a marketing strategy? What skills have you developed that will benefit your marketing journey? Remember the interpersonal skills like relationship building or networking can be keys to success, so include everything!

What physical assets do you have that can help you with marketing decisions? Do you have savings to invest ? Do you have equipment that could help with processing?



Community Assets

Now let's look outward. What other farmers do you know in your area that could provide expertise, guidance, or advice? Are there local food hubs, co-packers, or community resources that would be helpful to you as you make marketing decisions? Do you have a community that will serve a strong customer base (potentially for a CSA structure)? What about members of your community that could invest in your business?

IDENTIFYING ASSETS

You likely have a lot more assets at your disposal than you first think. We'll start with personal assets, then move to community based assets, and finally institutional assets.



Institutional Assets

Finally—we've reached the outer ring of assets at your disposal. What organizations and institutions exist in your state or region that can support your marketing journey? Are there Extension Agents that provide good advice? How about non-profit organizations that provide education and technical assistance? Larger food-hubs, co-packers, and brokers or consolidators can also be listed here. What about resources that help with business planning or financial projections? Completing budgets can be very helpful in honing decision making.

Action Steps

Having a plan increases motivation. Look back over your assets and choose a few of the most promising that you can make a plan to capitalize on soon. Is there knowledge you can brush up on? A community member you can reach out to for mentorship? A food hub to call and ask about them buying your product? An organization you can reach out to?

IDENTIFYING ASSETS



Reflection

Is there a discernible pattern to your assets? Do they point towards a particular sales opportunity? Is this sales opportunity aligning with what your gut instincts told you in Step 1?

What assets would you like to acquire? What in your current list of assets could you leverage to acquire new assets? (For example, are there people in your community that can connect you to an organization that could provide you technical assistance?)

Commit. Commit to taking at least three of the Action Steps you listed above. What sales opportunities come out of this work?

What's next? Do your top sales opportunities offer an opportunity to earn the prices you need?

Great work, we've explored our instincts and outlined our assets! We have some powerful leads on the best sales opportunities for us.

Now is a good time to reflect on our financial situation. Our financial dynamics can dictate what we need to secure from a sales relationship.

Have you determined your cost of production?

Many farmers, whether in the business planning stages or well into their production years, analyze their costs of production regularly. Like the name suggests, the cost of production is the cost the business owner incurs to create their product—for example, one bunch of asparagus or a pound of hazelnuts. If you know how much it costs to produce a pound of product, you have a starting point for how much you need in a sales price. The amount you charge per pound above your cost is your profit.

How do you determine how large your profit should be? That varies widely depending on the product and what the market will allow. Other growers and agricultural service providers are good resources for determining average prices.

If you are just getting started with costs of production, search for templates and research studies online. Farm economists and Extension educators have published cost of production analyses and worksheets for many crop types.

Generating a working number for your costs of production is an incredibly helpful step to finding a suitable sales outlet for your product. You'll be able to tell at a glance if you need to pursue a higher-value market like direct sales or whether the lower prices received from a broker will work for you.

The worksheet that follows provides a place for you to document initial information and instincts. Return to it often as your business plan evolves.

But, what prices can I expect from certain markets?

Determining your own cost of production can be difficult and time-consuming. Geography, demand, and buyer knowledge play a huge role in determining the price any specific market pays. We understand how important this information is to exploring a sales opportunity. Let's look at an example.



Markets vary widely depending on product and circumstances, so you will have to do some of your own research. Let's use hazelnuts as an example. Here are sample prices being paid for raw hazelnut kernels in the Midwest, as determined from research papers, USDA reports, and direct-to-consumer sales platforms at the time of writing in 2023.

The following chart illustrates the economic spread between sales opportunities. Notice how the price received at the direct-to-consumer level is 10 times higher than the price at the broker level. At the same time, the farmer selling to a broker likely moves 10 times the product volume, as compared to the direct-to-consumer farmer. Furthermore, the direct-to-consumer farmer likely puts in a lot more work to sell each individual unit. DTC marketing strategies take a lot of interpersonal work, as the number of customer interactions is extremely high and can cause administrative difficulties.

The direct-to-consumer market isn't necessarily a better choice, just because the prices are higher. Volume is lower and the energy (time and expense) required to make one sale is larger.

Sales Opportunity	Potential Price Paid July 2023
Hazelnuts, raw kernels, Direct-to-Consumer	\$25/lb
Raw hazelnut kernels, wholesale	\$12/lb
Raw hazelnut kernels, Broker or Consolidator	\$2.50/lb



Reflection: *What do you see when considering the spread between retail and broker/consolidator sales for your farm? Where do you envision yourself, in terms of prices received?*

The direct-to-consumer market isn't necessarily a better choice, just because the prices are higher. Volume is lower and the energy (time and expense) required to make one sale is larger.

Product Type	Cost of production

Don't have this information yet? That's understandable. Here are other ways to use this page to help narrow down sales opportunities.

- *Ballpark your desired price per unit based on the information you do have*
- *Indicate whether your costs of production/needed price is higher or on par with a typical commercial producer.*
- *Leave this blank and come back to it as your business plan develops.*

ALIGN WITH SALES OPPORTUNITIES

We're making progress! We have sketched price expectations, looked at our assets, and listened to our instincts. Now, it's time to put it all together.

Let's align our situation with the common sales opportunities available to us. The table below summarizes much of what we've explored thus far:

1. How much interaction do you want with your buyer?
2. How much volume are you capable of moving?
3. What price do you need for your products?
4. Do you need product specifications that are broad, narrow, or variable? For example, if you cannot meet specific size, ripeness, and packaging demands, you need broad specifications.

	Interaction	Volume	Price	Specifications
Direct-to-Consumer	Lots	Low	High	Broad
Co-packer	Lots	Low to Medium	High	Broad
Wholesale	Some	Medium	Medium	Variable
Farmer-Owned Cooperative	Some	Medium	Medium	Variable
Broker or Consolidator	Little	high	Low	Narrow

Time for details! Explore the specific opportunities and vulnerabilities behind these broad opportunities.



ALIGN WITH SALES OPPORTUNITIES

Direct-to-Consumer

Opportunities: Direct-to-consumer sales allow the producer to be in full control of the product, including when, where, and how the sale is made, as well as what farm products and ingredients go into the item. Direct-to-consumer sales allow the producer to build a strong brand identity and use that to build customer loyalty. Working with a Co-packing facility can make production and marketing easier, depending on the value the co-packer provides. Direct-to-consumer sales are a good opportunity to test new products and concepts or assess market potential for the grower looking towards larger scale future opportunities.

Vulnerabilities: Being in full control of the product also means having to make decisions about all aspects of the product including doing the research, testing the product, setting the price, and developing the marketing plan. It can be difficult for a small business owner to excel in all these areas, while breaking into a new product market with the need to educate customers about the product's value or usage. Profitability can be hard to come by, despite receiving higher prices for the product.

Reflection:

- Is the groundwork necessary to develop a direct-to-consumer product something you are willing and able to do?
- Do you have the business acumen to focus on many, varied aspects of a direct-to-consumer enterprise?
- Do you have the skills, equipment, and tools necessary to create a value-added product?
- If you are focusing on raw agricultural products, are you prepared for the low volume and lower profitability of these sales?

Next Steps:

- ___ Develop your business plan for a raw or value-added product including target market, input costs, price setting, and marketing approach.
- ___ Explore co-packer facilities and their benefits.
- ___ See our Appendix for a sample Community Supported Agriculture Agreement. This can help you think about the intricacies of any DTC customer relationship.



ALIGN WITH SALES OPPORTUNITIES

Wholesale

Opportunities: These buyers tend to operate on a small to medium scale, offering a valuable opportunity for producers who aren't a fit for retail sales but not large enough for broker/consolidator sales. Wholesale sales tend to be highly variable from one buyer to the next- and that can be an opportunity for farmers to find a precise niche for their production. A regional grocery chain may have a strong seasonal demand for a fresh item that the producer can fill. A local baker, brewer, or restaurant may have the flexibility to match availability and timing as nature dictates. These relationships can be an opportunity to work directly with the person using your product to generate an understanding and cooperation with long-term potential. These sales are often small to medium in terms of volume and profitability is highly variable.

Vulnerabilities: Because these sales are so variable and niche-driven, little can be assumed in the relationship. It takes the extensive discussion to make sure the expectations of buyer and producer are clearly communicated and can be met. By contrast, in broker/consolidator relationships, there are industry standard terms, sizes, prices, etc that can drive a common understanding. With general wholesale relationships, there are fewer reliable shorthands and less efficiency in the negotiations. Wholesale buyers who aren't large enough for the broker/consolidator market may be less familiar with the producer's limitations and may have unpredictable expectations about product quality or processing capabilities. Unconventional agroforestry products may also have unconventional storage, processing, or shelving/display needs that require further discussion. Considering that the buyer is also a small business navigating an uncertain marketplace, these buyers may come and go more often than the larger, stable buyers. These buyers also often resist agreements in writing, often owing to the unpredictability of their own enterprises.

Reflection:

- Do you have the persistence to work through the details of a wholesale relationship? Are you ready for the marketing and education effort necessary to help buyers meet their goals for your product?
- Do you have relationships with groceries, restaurants, breweries, food hubs and other buyers in your local and regional area?
- What's your capacity to meet buyer needs for packaging, delivery, and quantity expectations?
- Are wholesale sales a useful trajectory for your business, perhaps as a stepping stone to broker sales?

Next Steps:

- ___ Assess potential buyers for your product locally and regionally- what are they purchasing right now and from whom in your product categories?
- ___ Reach out to potential buyers to gauge interest in your product and understand their potential use of it.
- ___ To support the development of the relationship, see our full checklist and a sample agreement in the Appendix.



ALIGN WITH SALES OPPORTUNITIES

Brokers and Consolidators

Opportunities: Brokers and consolidators can be reliable, committed buyers of large volumes of product. This can offer the farmer stable opportunity for growth within the market served by the broker or consolidator. Farmers can minimize their time spent marketing by connecting with a few brokers or consolidators with the potential to purchase most or all of their harvest. Prices and quality specifications tend to be clearly communicated by these buyers ahead of time. These buyers most often deal with dried or processed product, not raw product.

Vulnerabilities: Brokers need large volumes of product and need their quality specifications to be precisely met. Brokers and consolidators are almost guaranteed to also require a food safety certification. The broker may reject product that does not meet quality standards they set. This can be especially hazardous if the broker's purchase was for substantially all of a producer's harvest. Brokers and consolidators may be operating on specific timelines that match production, warehousing, or other supply chain concerns. In turn, a producer needs to be able to manage their production as well as the drying or processing details efficiently and to specific standards.

Reflection:

- Do you have avenues to connect with brokers and consolidators such as attending trade shows, conferences, or industry associations?
- Can you connect with fellow producers who can share their experience and tips about meeting the demands of this market?
- Do you have the ability to produce at large volume with careful quality control?
- Do you have access to the processing facilities that may be necessary to meet buyer specifications?

Next Steps:

___ Connect with a broker to learn more about current demand and sales opportunities- discuss volume needed, processed or unprocessed, quality specifications, and average prices.

___ Building on the relationship: If so, move on to discussing timing of sales, mode of delivery, responsibility for transportation, and other concerns.

___ To support the development of the relationship, see our full checklist and a sample agreement in the Appendix.



ALIGN WITH SALES OPPORTUNITIES

Co-Packer

Opportunities: Working with a co-packer can be a terrific way to reduce the equipment, expertise, and cost burdens of launching a value-added product. Co-packers can bring expertise that will help develop a better product, faster. Some co-packers also have connections to marketing opportunities.

Vulnerabilities: Producers are limited to the equipment, procedures, and capabilities of the specific co-packing facility, which may change over time. Producers with an established product line may need to make modifications to meet facility capabilities. Co-packing services come at a cost.

Reflection:

- Do you have an established product line and do you understand your production specifications?
- Do you have flexibility to modify aspects of your products to meet the capabilities of a co-packer?
- Are you interested in minimizing the skill and investment required to produce a value-added product?
- If you don't know any local co-packers, who in your network can you ask? What conferences or industry events can you attend to find options?

Next Steps:

____ Research available co-packing facilities: where are they, what are their capabilities/services? Search using the terms 'food hubs,' 'commercial kitchens,' 'shared kitchens,' as well as 'co-packers'.

____ Contact suitable co-packing facilities to discuss availability and pricing.

____ To support the development of the relationship, see our full checklist and a sample agreement in the Appendix.



Farmer-Owned Cooperative

Opportunities: Farmer-owned cooperatives can give producers an opportunity to pool financial resources and/or consolidate products so they can better serve a market. This can be especially valuable when the market is not well established by spreading those early risks among many producers. Pooling financial resources can be helpful in affording quality consultants, equipment, and skills development, as needed to further develop a market.

Vulnerabilities: Working as a team with other producers comes with its own challenges in terms of developing communication, establishing shared goals, and systems of effective decision-making. Fundamentally, the cooperative experiences the same vulnerabilities as any other agricultural business pursuing a market- it simply has the benefit of more people working together on its side.

Reflection:

- Do you have peer farmers who are pursuing similar goals and whom you trust?
- Are there existing farmer cooperatives in your area that you could potentially join?
- If so, does the group have a viable market and the potential capacity for members to meet that market opportunity?
- Do you have the desire to work through setting up systems of communication and decision making that will support the cooperative?

Next Steps:

- ___ Gather fellow producers together for a conversation.
- ___ Explore the extent to which you share goals, share a vision; explore whether you have a desire to work together to capture a market.
- ___ Reach out to a cooperative development agency to talk about business planning and support resources.





Reflection

Having identified your assets and mapped them to specific opportunities, where are you at now? What seems right as your primary sales opportunities?

How did your feelings about sales opportunities change as you went through this process? What things surprised you or caused you to change your mind?

How did you increase your knowledge or confidence in a sales opportunity you have been considering?

Next Up:

Let's celebrate! You've explored a variety of sales opportunities and done reflection on what might work for you. You're in a terrific place to move forward.

What would one of these sales agreements actually look like? Let's envision that process next. We're going to do that by exploring our specific needs and how we might communicate them to a buyer. Our next goal is to develop our confidence in our own needs and how we might secure agreement of the buyer.

Let's go to Step 5: Envisioning an Agreement

Wow, we've come so far!

Now that we've analyzed the opportunities that align with our assets, pursued leads in our geography, and developed the initial relationships to support our sales, we'll want to craft a more formal agreement, together.

Crafting a clear agreement starts with imagining the future.

We anticipate all the things we want and need out of the relationship. We think through the things that could go wrong. Then, we craft solutions for our problems, before they occur, while protecting what goes right. This is proactive thinking that's grounded in reality.

Let's envision your success in your sales opportunities. And then, let's write it down through a sales agreement.

By writing down our sales agreements, we achieve several things. First, we're more likely to remember our commitments and to be able to fulfill them when we can find them in writing. Second, all parties are more likely to be diligent about their commitments when pen and paper are part of the deal. Third, in the unlikely event that arguments come up, written agreements can provide a neutral starting point to rectifying the disagreement. Many folks valorize the "handshake" agreement as the truest expression of trust. It may or may not be accurate, but regardless, being thorough and writing things down helps us craft authentic agreements.

Write down agreements at the outset, when both parties are likely to be optimistic and not stressed out. The worst time to try and come up with an agreement is when conflict has already erupted. Another note: attorneys can be helpful to draft or review agreements, but aren't necessary. See our Appendix for notes on when to use attorneys, and some tips on how to effectively do so.

Here's how we'll move forward:

- Match your buyer to a sales agreement style
- Explore the issues you will need to arrange with and/or communicate to your buyer
- Memorialize your agreement on specific issues on paper.

Let's do it!



First, let's match your sales opportunity or buyer to a specific sales agreement style.

Sales/Buyer Opportunity	Agreement Style
Direct-to-Consumer Sales	Retail Agreement
Wholesale sales	Wholesale Agreement
Broker / Consolidator Sales	Wholesale Agreement
Co-Packer Sales	Production and Packing Agreement
Farmer-Owned Cooperative	Any of the above, depending on the type of sales the co-op makes.

The coop also needs cooperative bylaws which govern how decisions are made, but that's an separate issue from the sales the cooperative makes to buyers.

Next, we will explore (Retail, Wholesale, Production and Packing) the specific issues we'll need to discuss to come to a clear agreement between buyer and seller.

Beginning on the next page, you'll find detailed lists of issues. **You will also be directed to model agreements that explore how buyers/sellers decide on these issues in the Appendix.** But don't be limited by what others do—you can write your own vision for the future.

Direct-to-Consumer Sales Agreement Style

Direct-to-consumer sales are unique in that there is rarely any print or signed agreement. When we buy something at a farmers market or roadside stand, we certainly don't sign a piece of paper before giving dollars and getting a basket of berries!

But, that doesn't mean we aren't coming to an agreement. When the buyer sees a sign that says, "\$3 per bundle" next to a stack of asparagus, we're making a legally enforceable claim. There are other commitments wrapped up in the context of the sale, such as a statement about where the asparagus is coming from (farm sign?), and the assumption that the word "asparagus" means what the average person thinks it means.

In arrangements like a CSA system where we are taking money ahead of delivery, it's especially important to be clear about the terms of the arrangement. Farmer and customer may have very different ideas of what a CSA is and how it runs. Clear communication prevents problems before they develop.

Review the following checklist of items to consider for direct-to-consumer agreements. Write your own answers to the posed questions in the second column so that you can start outlining your own expectations for the relationship you may enter into.



Issue	Expectations
What is being bought and when? What farm products are being bought, how much, and when? Is this a one-time transaction or recurring? If we don't know yet, how will availability be communicated at the appropriate time?	
How are we communicating? Especially if orders are being taken on a recurring basis, we need to establish how that is communicated- phone, email, or text? What is the deadline? Who must receive the communications? What confirmations are expected?	
Money details What is the price for the goods being offered? Is there a unit attached, such as per pound? What payment forms are we accepting? Any additionally charged fees?	
Quality standards. Especially if the customer can't see the product at the time of purchase, are we sharing important details about quality standards?	
How is delivery handled? If the doesn't happen in person, how does the person receive their product? What happens if the product isn't delivered (in the case of postal delivery) or the buyer doesn't show up (in the case of a drop off)?	
How are orders modified or cancelled? The unexpected happens- how does either/ both sides communicate about that? Are there penalties for changed orders or product not delivered?	
How do we want to handle disputes? What communication do we want (and when do we want it) if either side is unsatisfied? If we can't work out an agreement do we turn to a mediator or other resolution strategy?	
Money details What financial compensation does each party receive in return for performing their responsibilities under this agreement? When is payment due, and what happens if it's late? What is the form and mode of delivery for payments?	

Remember

There are any number of ways to answer these questions and document a decision. CSA is the most complex of direct-to-consumer sales and, for that reason, we have included a model agreement for drafting one in the Appendix, which can be modified for any type of retail sale.



Wholesale Sales Agreement Style

Review the following checklist of items to consider for wholesale agreements. Write your own answers to the posed questions in the second column so that you can start outlining your own expectations for the relationship you may enter into.

Issue	Expectations
What is being bought and when? What farm products are being bought, how much, and when? Is this a one-time transaction or recurring? If we don't know yet, how will availability be communicated at the appropriate time?	
How long does the relationship last? Is the agreement for a one-time sale or will we use it to guide us for sales in the coming months, years or longer?	
Are other sales relationships permitted? Is the producer the only vendor from which the buyer purchases? Is the buyer the only person the producer sells to?	
How are we communicating? Especially if orders are being taken on a recurring basis, we need to establish how that is communicated—phone, email, or text? What is the deadline? Who must receive the communications? Is there confirmation expected?	
What specifications must the product meet? What quality or appearance standards must be met? Size standards? Packing standards? If the product is processed (including frozen), have we specified exact processing standards?	
What packaging or labeling standards do we have? How is the product packed for shipping or labeled?	
How is delivery handled? Who is responsible for preparing or loading products? Who is arranging transportation- which includes who pays for it and insures the product while in transit.	
How are orders modified or cancelled? The unexpected happens—how does either/both sides communicate about that? Are there penalties for changed orders or product not delivered?	
What if we want to end our relationship early? Many things happen that change business priorities. Can and if so how, do we get out of the relationship?	
How do we want to handle disputes? If we can't work out an agreement in the normal course of business, do we turn to a mediator or other resolution strategy?	
Money details What financial compensation does each party receive in return for performing their responsibilities under this agreement? When is payment due and what happens if it's late? What is the form and mode of delivery for payments?	

Remember

There are any number of ways to answer these questions and document the decision. View a model sales agreement in the Appendix to see how buyers and sellers might memorialize their agreement as a formal sales contract.



Co-Packer Agreement Style

Review the following checklist of items to consider for co-packer agreements. Write your own answers to the posed questions in the second column so that you can start outlining your own expectations for the relationship you may enter into.

Issue	Expectations
What services are being provided? Exactly what is being produced and/or is being packed? If it's being produced, who decides upon or has control over the recipe/formula, process, and ingredients? If it's being packed, who decides upon and secures the pack size, methods, and supplies used? When does this happen?	
What does the producer supply to the processor/packer? What product is the farmer/producer supplying (ingredients or product to be packed) and what are the standards or specifications in terms of size, quality, etc? Does the producer supply labels, supplies, or components?	
Who stores or warehouses the product? Who is financially responsible for storage and warehousing? Are any fees charged? Who is addressing liability for product while in storage, including liability for loss/destruction or contamination?	
Is the product being transported? Who pays for the transportation, who arranges it, and who insures the product during transportation?	
How are we communicating about services? If it's not already stated above, how are we communicating about when and how we intend to take advantage of the services, especially if our needs are unpredictable according to how the product ripens or when it's ready for harvest?	
How are service needs modified or cancelled? The unexpected happens-how does either/both sides communicate about that? Are there penalties for services reserved but not used, for example?	
What if we want to end our relationship early? Many things happen that change business priorities. Can we get out of the relationship, and if so, how?	
How do we want to handle disputes? If we can't work out an agreement in the normal course of business, do we turn to a mediator or other resolution strategy?	
Money details What financial compensation does each party receive in return for performing their responsibilities under this agreement? When is payment due, and what happens if it's late? What is the form and mode of delivery for payments?	
How do we want to handle disputes? If we can't work out an agreement in the normal course of business, do we turn to a mediator or other resolution strategy?	

Remember

There are any number of ways to answer these questions and memorialize a decision. View the Model Co-Packer Agreement in the Appendix to see how buyers and sellers might memorialize their agreement around product packing.



Reflection

What questions in the agreement checklists you reviewed sparked a reaction in you? Were there surprising questions? Any that felt scary? Or ones that brought up details you hadn't thought of?

Did thinking about what went into each agreement change your thinking on the best sales opportunity for your business?

What questions do you still have? Where can you go to get answers (refer back to your list of assets to help answer this question!)?

Congratulations on taking the first steps of your journey! No matter where it leads you, you've done great work to consider your situation and ponder your next steps.

We hope this workbook has guided you through the bends and turns of a producer's journey to sales opportunities for your diversified farm products.

Read on in the Appendix for more concrete examples of agreements.

The appendix will include the following:

- Introduction/how to use the appendix
- When an attorney is required, and tips on working with attorneys
- Model Retail Sales Agreement
- Model CSA Agreement
- Model Co-packer Agreement

The introduction will talk about how model agreements must be used with caution, as personalization is the most important aspect of developing agreements.

The next section will address the questions of 'do I need an attorney?' and if so, 'how do I effectively work with one?'

The models will include sample language for contract clauses, if not entire sample contracts. Each model will come with explanatory context. There will be a lot of additional, and practical information in the Appendices.

INTRODUCTION TO THE APPENDIX	34
Contract Terms	35
Parties	35
Product	35
Specifications	36
Delivery and Shipment	36
Payment Terms	37
Problems	37
Assent	40
APPENDIX A: WORKING WITH ATTORNEYS	41
APPENDIX B: DIRECT-TO-CONSUMER — MODEL RETAIL SALES AGREEMENT	43
Model Retail Sales Agreement	45
Model Retail Sales Availability Sheet	46
Model Retail Sales Invoice with Terms	47
APPENDIX C: DIRECT-TO-CONSUMER — COMMUNITY SUPPORTED AGRICULTURE MODEL SALES AGREEMENT	48
Model Community Supported Agriculture Sales Agreement- Brochure Option	51
Model Community Supported Agriculture Sales Agreement- Long-Form Option (Online or Printed)	52
APPENDIX D: WHOLESALE — WHOLESALE or BROKER/CONSOLIDATOR MODEL SALES AGREEMENT	58
Model Wholesale Sales Agreement	60
APPENDIX E: CO-PACKERS- PRODUCT SERVICE SALES AGREEMENT	64

No matter the buyer, all sales contracts have the same basic structure. This Appendix guides you through four types of sales contracts: 1) Direct-to-Consumer Retail Sales, 2) Direct-to-Consumer Community Supported Agriculture, 3) Wholesale Sales to Either Retail Establishments or Brokers/Consolidators, and 4) Co-Packer Sales Covering Production and Packaging.

First, in this Introduction, we will walk through the portions of sales contracts that are common to all types of buyers. We will talk about who should be named in the contract as 'parties to the contract,' how to define the product being sold, what specifications might be necessary to define in the contract, and how to work with the logistical issues of delivery and payment terms. Finally, we will address a range of potential problems that can arise from sales agreements and relationships and how contract clauses can help to proactively protect you and your sales relationships.

In Appendix A we will address the thorny issue of working with attorneys. We hope to shed light on when an attorney is needed, how to prepare to work most effectively with one, and what you can expect from that relationship.

Then, we have one section of the Appendix that is dedicated to each of the four types of sales contracts. Before sharing with you a model agreement from each category, we will discuss how each particular buyer impacts the basic structure we set out here in the Introduction. As you learned in the Workbook, each buyer has different needs and styles. Here, we will show you how the basic sales contract structure laid out below can be tailored to whatever buyer with whom you decide to work.

And finally, the best part is that we will share a model contract from each of the four types of sales contracts we discuss! Often, real examples are the most helpful in driving home how to incorporate a new process into your business. We've got you covered! These models can be used as a tangible starting off point for developing your own sales contracts and moving forward with legally resilient sales relationships.

Disclaimer: This Appendix, nor the included model agreements, does not provide legal advice or establish an attorney client relationship between the reader and the author. Always consult an attorney regarding your specific situation; attorney review of sales contracts drafted by farmers and their buyers is recommended.

Contract Terms

When producers sell farm products to retailers—whether to an individual customer, a grocery store, a restaurant, or large broker—an array of common issues and contingencies come into play. These include order changes and cancellations, payment, delivery, and quality issues. By discussing and getting these details in writing at the outset of a sales relationship, the people involved can carry on their day-to-day business knowing what's expected.

In legal-speak, these topics are called contract 'terms.' Anyone contemplating a sales contract will have to work through, and come to an agreement on, a core group of terms. Those are what are explained below. One thing to keep in mind is that as the scale of a sales agreement increases, so, too, will the contract's complexity. Larger-scale buyers (i.e., brokers/consolidators and large co-packers) will often require more complex sales contracts and have less flexibility than direct-to-consumer sales agreements. Most (but not all) large buyers use 'industry standard' terms and may not be open to as much negotiation or personalization of the sales contract.

No matter the complexity or level of flexibility, a sales contract is, fundamentally, the way the people agree to do business. When you are working directly with your buyers who are ordering a modest amount of product, you will have more input and control over the contract. Large-scale buyers must have efficient and streamlined sales processes. Each has its benefits and drawbacks. However, before we get too deep into the differences between sales contracts by buyers, let us dig into what is universally true in agricultural sales contracts.

Parties

In any contract, you'll need to identify who the parties are. Usually a straightforward question, the parties are the people involved in the agreement. Most likely this will only be the farmer supplying the product and buyer—a person or a business—purchasing the product.

There are some instances in which the parties to a contract can get a little more complicated. If the products, or portions thereof, may be supplied by other farmers or operations, you'll need to list those individuals as parties. Maybe you are part of a producer group that aggregates to complete the contract? If so, the producer group should be listed as a party to the contract. Another example of a complication would be if a third-party transportation company is involved in product delivery. Or, depending on inventory and other cycles, a third-party storage facility owner might be involved in the contract.

The bottom line is that the parties need to be identified in the contract.

Product

The products are the essence of the agreement. The basis of the entire sales contract is the product being sold, so we need to be clear in answering the question of what is being sold? In some cases, this will be a single, consistent product. In other cases, exactly what is being sold will change and shift over the season according to availability. And, in production contracts, services can be the product, rather than a certain number of pounds of nuts.

EXCLUSIVITY

Here's a quick aside about contracts that might impact your freedom to contract with other parties, outside of the contract you are currently writing.

Exclusivity can go both ways. A retail buyer could agree to purchase certain farm products from only your farm, or at least offer priority to you when you have availability. Conversely, a farmer might agree to provide select products only to a specific buyer—and no one else.

Exclusivity terms aren't standard. We do not include these clauses in our model sales agreements in this Appendix, but these terms do exist and can be helpful in the right context.

If the sales contract is an agreement to sell all the product from a specific timeframe or acreage to a single buyer, then you might be entering into what is called an "output contract." These are regulated by state law, and they aren't always enforceable. If this is the type of sales contract you are entering into, you will benefit from seeking legal advice.

Specifications

Specifications for the product are often just as important as the product itself. These are the standards the product must meet to satisfy the buyer. The most basic product specifications will be about the quantity of product. For example, if a product is boxed, is there a particular expectation as to how many units per box, or the weight of each box or other packaging material?

Next, the most common specification is one of quality. The USDA grading system is often referred to, but this system can be harsh for small farms, as it is designed for more mechanized farms producing standard vegetable crops. One alternative approach is for the parties to come up with their own standards, one that considers that products grown in with certain practices might not reach the same size or might carry small defects that don't impact the actual quality of the product, just its aesthetics. Essentially, agreeing on this term might require producers to educate their buyers about their product and its standard appearance and markers of quality.

Larger buyers, like established wholesalers, will have preferred standards for quality, packing and labeling of the product. They might even have requirements for specialized certifications like Good Agricultural Practices (GAP) certification, or a sustainability, organic or 'natural' certification. These specifications need to be stated in the sales contract so there is no confusion over expectations. As a producer, you can assume that the bigger and more corporate your buyer, the more precise specifications you will be expected to meet.

Direct-to-consumer buyers also have standards! However, a sales contract cannot accommodate all of a producer's individual customers (thank goodness!). One key tenet of direct-to-consumer sales is that they rely on the customer's trust in the producer's ability to grow high-quality products consistently. Individual customer expectations won't be memorialized in the sales contract, though a producer may choose to include some quality and availability standards in the sales agreement to manage customer expectations down the line.

Here is a list of questions to consider and ask about when determining what specifications, you will agree to meet in your sales contracts. Likely not all of these will be applicable to your operation, but these are the issues to look out for.

- If there are certain packaging requirements, who supplies the packing materials?
- Is there an issue as to whose logo (the farm's, the buyer's, or both) go on the packaging?
- Can products be delivered in reusable boxes? If so, must plastic liners be used?
- What traceability (e.g., lot numbers) system is required, if any?
- What certifications are required or suggested?
- Are there production practices that are required, or favored?
- Are there inputs that the buyer does not want to be used on the product (i.e., synthetic pesticides)?
- What food safety standards must be met and does the producer need to be certified or could a farm visit by the buyer or sharing the producer's food safety polices suffice?
- Are there storage and temperature and conditions that must be maintained for the product (note this would apply to both the producer before the sale, and the buyer post-sale)?

Delivery and Shipment

Terms dealing with product delivery will vary widely depending on the buyer. But all delivery terms answer the same basic question: how do the products get to the buyer's facility or home? Does the buyer pick them up, or are they delivered by the producer? Who is responsible for arranging the delivery and is the cost of that delivery included in the purchase price? What vehicle is used and who drives it? Perhaps the buyer or farmer uses one of their vehicles, or maybe they rent one. Perhaps a third-party transportation service is used.

The delivery responsibility may seem obvious in many circumstances, but it's important to spell it out because if an accident happens, the delivery vehicle breaks down, or some other mishap occurs and the farm products are damaged or are not delivered on time, this will help us identify who has primary responsibility. This also prompts people to think about important logistics and safeguards, especially considering the commercial purpose of the transportation: is a commercial license required to drive the delivery vehicle? Are the vehicle and driver insured for accidents in the commercial context? Also, whether the products are delivered or picked up, is there a set time period that this needs to take place (i.e., Wednesdays between 7am and 9am)? Or will it depend on the order? What's the process when the products are delivered or picked up? For example, must they be checked in by a supervisor?

Payment Terms

Money is what drives any contract for sale. All discussions of money and payment cover the same basic issues: what does each party receive, financially speaking, in return for performing their responsibilities to the agreement?

Pricing is the key component of a sales contract. The price could be pre-determined, or it could be negotiated at each transaction based on the going market rate. Which is best for the parties in the sales contract? If the price is set at the outset of the contract, what circumstances would allow for renegotiation? Fluctuations of market availability—whether a surplus or shortage—impact the going market rate for products. Would that be a circumstance that would allow for flexibility in pricing?

An alternative approach would be to agree on a range of prices based on the season and availability. This could be a more streamlined solution. For example, pre-season price for will likely be cheap, but it becomes dirt cheap in the height of the season and goes back up again near the end. The parties could agree to a set of tiered prices based on historical buying trends and availability. Neither the farmer nor most buyers want to waste time going back and forth on prices each day or week, referring to national averages or commodity markets. It can be advantageous for everyone to agree upfront and move on.

Payment acceptance should be included in the sales contract, and also varies depending on the needs and preferences of the parties. Must payment be received at delivery (“cash on delivery”)? Or will payment be allowed to be invoiced and paid on a set schedule after delivery, say within 30 or 45 days? Typically, the smaller the buyer, the more quickly the producer will be paid. Community Supported Agriculture customers actually pay before delivery! It can be difficult, however, to get wholesale buyers to commit to payment within a set time given cash flow challenges they face from having to stock inventory and waiting to receive first payments from their customers. Whatever the situation, firm payment terms are something the farmer should strive to negotiate; otherwise, it will lead to cash flow issues on your end.

Finally, the **payment method** is a necessary term in a sale contract. Many farmers love the straightforward nature of the old-fashioned brochure, check, and postal service as a way to do marketing and take orders. Other farmers are using the web to reach customers and make sales. Service providers are popping up all the time in an effort to make buyer's and producer's business relationships easier. Many folks use online payments made through providers like PayPal or Google, either on its own or integrated with a self-hosted website. Any method will work, but it has to work for both parties!

Problems

Don't be confused by this heading—you likely will never find a section of a sales contract titled “problems.” Instead, you'll find a lot of different sections that address all kinds of problems that can arise and generally, how those will be handled. Here is a selection of ‘problem’ terms for you to consider for your sales contracts.

Imagine for a moment, that a buyer calls you a week after delivery of your product. The buyer claims the product has gone bad and therefore they won't pay you, or if they've already paid, they demand a refund.

What would you do in this situation? Will the terms of your sales contract help protect you?

This specific, all too common, problem is addressed by having clear specifications and expectations laid out before the sale, having the buyer agree to do a quality check of the product *at the point of sale* and relinquish other quality concerns, and having a clear, written refund and dispute resolution process.

When a product or a customer is hurt or damaged, there are a few sales contract terms that come into play. For example, most sales agreements include what is called an “**indemnification**” clause. This is simply a promise by the other party to cover your losses if they do something that causes you harm or causes a third party to sue you.

For example, let's say farmer Alexi sells apples to a grocery store under a sales agreement that has an indemnification clause. Someone gets sick from eating an apple. It turns out the apples were tainted with E. coli and it's traced back to Alexi's farm. The person who fell sick sues the grocery store. In addition, word gets out that someone got sick from eating an apple sold at the grocery store and store's sales plummet. Based on the indemnification clause, Alexi is on the hook to cover the losses—which could include damages from the lawsuit such as medical bills, as well as the store's lost sales. This can add up quickly. The situation could be flipped, too. Let's say the grocery store doesn't handle the apples properly, and the E. coli is traced to them. Given that they market the apples in association with Alexi's farm, folks stop buying Alexi's apples all over town and her sales plummet. If the indemnification clause is mutual, the grocery store may be responsible for covering this damage to Alexi.

The point here is to be on the lookout for indemnification clauses. Farmers are to some extent putting themselves at risk by including an **indemnification clause** in a sales agreement, particularly when it comes to food-borne illness outbreaks. However, most wholesale buyers will insist on having one. You can certainly try to negotiate to have it removed. If the buyer still insists, be sure that the indemnification clause is mutual and not just one way with all the risk on the farmer.

Likely a **commercial general liability insurance policy**, which is generally required when selling into wholesale markets, will also cover you for incidences arising under indemnification clauses. Be sure to review your policy or ask your agent to confirm you're covered, as you certainly don't want to be left without coverage in such a scenario.

What about circumstances that are absolutely not in the control of either party? For this, sales agreements often include what's called an “**Acts of Nature**” or “**Acts of God**” provision. This comes into play for changes or cancellations resulting from incidences that are outside the realm of human control—such as droughts or floods that causes damages on the farmer's side or large scale power outages, national emergencies, or natural disasters that interrupt operations on the buyer's side. For these types of scenarios, sales contracts will often excuse both parties of their obligations under the agreement and inflict no penalties. After all, no one is at fault and it's truly something they can't do anything about. Farmers should also consider scenarios that are seemingly minor but could impact their ability to fulfill an order on time. For example, if it's raining all day, you're simply not able to effectively harvest salad mix. That's not to say you should put all such scenarios in your agreement. The best approach and take away here is to be honest and communicate with your buyer upfront as early on as you can. Open communication helps form stronger relationships. The buyer will be far more upset if you don't show up with what they need and didn't tell them beforehand.

Most sales agreements include what's called a **"Risk of Loss"** provision. This specifies when each party bears the risk if the product is damaged or lost. This typically comes into play in the interim—the time in between when the product leaves the farm and when it arrives at the buyer's door. For example, if the delivery truck overturns on the highway and all the tomatoes are squashed on the road, who takes on the loss? Typically, the risk of loss transfers when it changes hands to the buyer. Here, the farmer would take on the loss of the squashed tomatoes if she was responsible for delivery—as the product was still in her hands. Whereas the buyer would bear the risk if she was responsible for picking the products up at the farm—as the product was in the buyer's hand at the point of pick up.

What if it's a third party that takes care of delivery? You'll need to decide at what point the risk of loss switches to the buyer—is it at the point of pick-up, or at the point of delivery, or do you share the risk of loss during delivery? Most often, if it's a third-party delivery service, they will have insurance that will cover the loss while in transit. Whatever the case, it's important to specify when the risk shifts from the farmer to the buyer.

Insurance coverage is a great way to head off and help resolve problems that arise. Typically, grocery stores and wholesale distributors will require the farmer to carry a commercial general liability insurance policy. The coverage varies from \$1–5 million. Be sure your insurance policy provides the required coverage in both amount and substance. For example, some insurance policies do not provide protection for food-borne illness outbreaks. Typically, this comes in the form of product liability, which is included in commercial liability policies. Most likely it will not be covered in your basic farm liability policy. It's in the farmer's interest, and the buyer's interest, to have a robust policy in place to cover food -borne illnesses. Talk to your insurance agent to confirm what your policy provides.

Now, ideally, disputes won't arise. But it's best to think through how you want them to be resolved if and when they do to be on the safe side. Is it okay for one party to automatically file a lawsuit if the other party fails to abide by a significant term (i.e. breaches the agreement)? Or are the parties required to strive to reach an agreement through mediation or arbitration? Arbitration is for all intents and purposes like a lawsuit. The arbitrator weighs all the facts and the parties are bound by what the arbitrator decides. Arbitration can be expensive, as you'll need to be prepared to defend your case. Mediation is generally less expensive and most often results in a fair outcome for all parties. It's up to you to decide how you want disputes to be resolved and include a provision accordingly. If you don't include a specific provision, the default is that the other party can sue you without trying to resolve it outside of court.

Other 'problem' terms include policies on cancellation, communication, and termination. Farmers have to anticipate what might go wrong with the sale in order to think about what policies need to be in place to be protective of the farm business. Might the buyer cancel or change the order? Could the buyer need the product at a different time or location than usual? After brainstorming potential problems, the farmer should create a strategy to minimize the impact if cancellations, changes, and other contingencies occur. Is there a timeframe where cancellations are less inconvenient for the farm? Would charging a fee make it more financially feasible to make changes after the order deadline?

Finally, how do you communicate with your buyer? Routine ordering might use a different communication system than asking for amendments to the contract, or to terminate the contract as a whole.

Assent

It may go without saying, but all the terms discussed above have to be agreed upon by everyone involved in the contract before there is a legally binding agreement. This means, a farmer cannot draft terms and policies about direct-to-consumer sales, but never share those terms and policies with their customer and expect to enforce a term once a problem arises. Farmers need to go beyond sharing the terms, and get effective, documented assent to the terms as well. Customers need to know what the terms of the sale are before the sale is completed, and they have to indicate assent in some way. This can be a signed agreement, or by checking a box (the infamous “I agree to the terms/conditions” box) at checkout during an online sale. Larger buyers will likely sign contracts, but smaller buyers (especially individuals) may require a little more creativity documenting assent to the contract. We’ll discuss this in each model agreement section.

Just remember, a sales contract must be shared with the other party before the point of sale, and the other party must agree to the terms for it to be valid.

Expensive lawyers, nonsensical “boilerplate language,” and unnecessary formalities are often what come to mind when people hear the word ‘contract’. The process can feel disheartening and intimidating, and can also feel so impersonal, and like something you would only do if you didn’t trust the other party. This explains why many farmers opt to avoid written agreements or paperwork whenever possible.

Neither option—boilerplate contracts nor paperwork at all—is optimal when it comes to cultivating strong, authentic business relationships. That’s because both options disempower the parties involved. Having no agreement (verbal or in paperwork) denies the farmer and his or her stakeholders the ability to proactively decide what’s best, considering their shared interests. What will happen if something goes wrong, or a dispute arises? What if circumstances change, or if disaster strikes? When the parties never arrived at agreement on these issues, judges, juries, and attorneys will decide the outcome by interpreting past cases or reading statutes and regulations. Farmers will be vulnerable, as someone else decides what is “fair” for all involved.

Boilerplate agreements typically don’t address nuanced issues that are significant and unique to the specific interaction. The agreement is simply a form to fill out, or sign. It’s not a result of dialogue and consensus, or mutual understanding between the parties. In this way, by simply agreeing to boilerplate language, the parties are stripped of their freedom and power to decide for themselves what is fair or how they want to handle their interaction. The boilerplate language—which people rarely read or understand—decides for them.

The good news: There is another path.

Parties can simply engage in open and honest dialogue about key aspects of the sales relationship—What are the goals and shared values? What are each party’s expectations and responsibilities? What are each party’s fears or concerns? What happens if things go wrong? The parties’ dialogues might consist of a single meeting, a series of meetings, or back and forth emails. Once the parties arrive at consensus, they write it down. That’s it.

That’s it? Yes, a sales contract is just an agreement between people as to what they are going to do for each other. Usually, it’s ideal if the agreement is also written down, in case we want to enforce it against each other in court. But, for the most part, farmers don’t have any real intention of enforcing their agreements in court. Going to court is expensive and litigation simply isn’t an option for many people. Some people approach the process of creating an agreement or contract with the goals of being able to enforce the contract in court, of gaining every advantage possible, and of protecting each of their interests in court. Farmers who need enforceability, need to gain an advantage, or need a contract that is as thorough as possible need to meet with an attorney. Attorneys exist for this very purpose. An attorney’s strengths are creating thorough, detailed, and enforceable contracts.

Attorneys are not as skilled in creative problem solving. Farmers themselves are much more capable of imagining creative solutions to their own problems. Attorneys can take those solutions and align them within existing interpretations of enforceability and within the broader framework of the contract as a whole, to ensure there are no vulnerabilities.

Farmers may also want an attorney if they are working with a large buyer and sense there is a power imbalance. In this case, an attorney’s advice might help strengthen the farmer’s position in the sales contract, or at least be able to properly explain the terms in a contract provided by a buyer so that the farmer fully understands what they are signing up for.

If it is a matter of where a farmer spends their time and energy (and potentially money), we can certainly say it is more important to have the conversations that lead to strong agreements and **then write those agreements down**, than it is to have those agreements signed off on by an attorney!

However, attorneys can be of great help, and we do suggest having attorneys review contracts before signing. Attorneys are experts at spotting seemingly small issues that might become huge problems down the road. An attorney can help a farmer determine if their modifications to a sample model agreement will render a contract unenforceable in court. Attorneys are often able to review documents drafted by farmers (especially documents that originate from a relevant, clear, detailed model) for an affordable fee. An attorney can explain the contract to you and provide advice for your specific situation.

This Appendix includes several “model agreements” for diverse types of buyers. These are all simply models that you can use as a basis for your own agreements—they are not intended to be used as they are.

The best sales agreement is the one that is unique to a particular farmer and buyer by considering the two parties’ own needs, resources, and skills. Model contracts have limited utility. These models are meant to inspire farmers as they structure their own unique agreements with buyers. Farmers are encouraged to consider these model agreements in the context of what they might need for their own unique circumstances.

Furthermore, these models only present one way a farmer and buyer could structure their relationship. The possibilities for variation are tremendous. This model is not the “best” agreement, by any means, but it is an example. We hope it serves as a solid foundation for your own sales opportunity journey.

Parties

The retail sales agreement included below is intended for small grocers, restaurants, or food hubs. All these buyers might also, technically, be wholesale buyers. It is really a matter of scale and style. If you are selling to small grocers and restaurants, certainly review both this model sales agreement below, and the wholesale ones. Both might have something to offer for your new sales relationship.

The parties to a Retail Sales Contract will be straightforward. These relationships are usually so individualized that all the logistics of the sale will be relegated to the farmer (i.e., typically the farmer will deliver the product to the storefront location). However, direct-to-consumer farmers will also likely be managing more sales contracts at a single time than farmers who sell to other outlets. So, in the end, they will be dealing with numerous 'parties,' but under separate contracts.

Products

The products sold in a Retail Sales Agreement can vary depending on the duration of the contract. These contracts could be a one-time order (for which it will be less likely there will be a signed, written agreement) or for an entire season or year. In the latter case, it can be helpful to set out an estimated timeline as well as a process and deadline for deciding on the details so that everyone will know what is expected and by when. One approach is to establish a general framework based on a production plan that the farmer gives to the retail buyer at the outset of the arrangement. This offers the buyer—perhaps a retail store manager or a restaurant chef—visibility into what products will likely be available at a given time so the buyer can begin planning their purchasing accordingly. Alternatively, the farmer might agree to periodically—whether weekly, monthly, or some other time period—provide the retail buyer with an “availability sheet” outlining which products are available for purchase. Either way—a production plan or availability sheet—no actual commitments are made at the outset. If the people choose to take the production plan or availability sheet approach, they will need to then figure out how committed orders will occur. By when must the buyer respond and notify the farmer of their commitment to purchase available product? We've included a sample availability sheet as part of the Model Retail Sales Agreement.

Specifications

These will likely be less standardized and strict than with a larger scale buyer, but agreeing on what constitutes a quality, acceptable product is indispensable.

Delivery

The terms of delivery will be pretty unique to that individual buyer. This is a downside to direct-to-consumer sales, that each buyer may have very different preferences; farmers find themselves catering to many different delivery (location, timing, frequency) requests.

Payment

The price point will be higher per unit for these contracts as compared with contracts with bigger wholesalers, but the volume will be lower.

Problems

You may find some small retail establishments have requirements for insurance coverage, but it won't be as universal as larger wholesale buyers. Fewer protections for potential issues will be inserted into these contracts simply because the volume and price point is lower, so there is overall, less risk.

Assent

Especially for smaller volume sales, many farmers are not interested in seeking a signed contract prior to the point of sale. Another option could be to use availability sheets or an invoicing system as a substitute for a signed contract.

For example, say a farmer distributes availability lists to potential buyers on a set schedule. There is plenty of opportunity to incorporate contract terms into this type of sales structure. For example, when a new potential buyer is added to the distribution list, the farmer can discuss the sales terms upfront. The farmer might write a quick note saying, “Dear Chef: It was a pleasure to meet you and I’m thrilled to hear you may be interested in ordering my product. I am adding you to my availability list.”

Instead of leaving the introduction at that, a farmer can then say, “I strive to create a convenient and hassle-free ordering experience for my customers. To do that, I have outlined several procedures for making, changing, or cancelling orders, as well as communicating with me about product or quality issues. I want you to be happy with these procedures so please let me know if they are acceptable to you.” The farmer could paste in or attach a full description of the procedures and processes developed previously, perhaps by using the checklist in the previous section. A note like that presents the “sales terms” in a friendly, accessible manner. And, it makes sure the terms were presented to the buyer before the point of sale and the farmer explicitly asked for confirmation that the terms were acceptable. The model agreement for this section also includes a sample availability sheet and invoice.

Model Retail Sales Agreement**BUYER:**

Name
Address
City, State Zip
Phone
Email

SELLER:

Rachel's Green Acres
123 Farm Road
Madison, WI 53704
608 616 5319
Rachel@rachelsgreenacres.com

Product Information

Rachel's Green Acres will sell to Buyer 30 lbs of green beans per week from approximately July 15 to October 1. Seller will contact Buyer one week before production will begin. If product is not available by July 30th, Seller retains the right to cancel the contract without penalty. Buyer acknowledges and agrees that green beans will be received in three 10 pound bags, placed into 3 wax boxes of potentially variable size. Buyer acknowledges and agrees that the green beans will not be of a specific varietal; in addition, the varietal may change over the course of the season. Seller agrees to provide only varieties described as suitable for fresh eating in various seed catalogues available to Seller. The product will have no greater than 5% damaged product, stems, or debris. Seller agrees to inspect product within 1 hour of delivery and to notify buyer within two hours of delivery if the product does not meet this agreement for variety or quality. Buyer and seller agree to mutually work towards prompt resolution of any disagreement over product variety or quality.

Delivery and Payment

Rachel's Green Acres will deliver the product weekly on Tuesday between 2 and 4pm. Seller bears the risk of loss during delivery. Seller will invoice Buyer at the time of each weekly delivery. Buyer agrees to pay \$2.50 per pound for the product, and will remit payment within 15 days of receipt of invoice. If Buyer does not remit payment within 15 days, Buyer agrees that Seller may apply a 2% late fee. If Buyer does not promptly pay two invoices due as part of this agreement, Seller retains the right to cancel the contract without penalty.

Modifications

Buyer acknowledges that Seller is investing in seed, acreage, labor, and time to carry out this agreement. If Buyer wishes to modify this agreement, Buyer agrees to notify Seller by 4pm on the Friday prior to the delivery date for which the modification is requested. If Buyer does not notify Seller of the desired modification by the deadline stated, the change may not be accepted by Seller. If Buyer does meet the modification deadline, Buyer and Seller agree to work together to modify the agreement. If the resulting modification decreases the weekly value of this contract (which is \$75) to the Seller by greater than 80% (i.e., a modification that drops the weekly sales total to less than \$60), the Buyer agrees that Seller may impose the greater of 5% or \$20 per week as a convenience fee.

If Rachel's Green Acres is not able to supply the 30 lbs of green beans from its own production, Seller will notify Buyer by 4pm on the Friday prior to the delivery date. Buyer and Seller may agree that Seller should source the shortfall from other area farms or may agree that Seller will provide a reduced amount. Buyer and Seller agree to work together towards a mutually acceptable agreement.

Signature of Buyer
Date:

Signature of Seller
Date:

Model Retail Sales Availability Sheet

Your Farm, Inc.

Name
Address

SALES AVAILABILITY

Thursday, August 14 - Monday, August 18, 2023

TERMS See Terms Below
DELIVERY For Tuesday, August 19
NUMBER Week 24

We are pleased to make available the following products. By ordering, you agree to our terms below:

ITEM	DESCRIPTION	COUNT	PACK	UNIT PRICE	NOTES
1	Frozen American Elderberry Vacuum Sealed Pack	1	1lb. pack	\$10.00	
2	American Elderberry Juice	1	12oz. bottle	\$25.00	
3	Aronia Jelly	1	12oz. jar	\$20.00	
4	Black Currant Juice	1	16oz. bottle	\$10.00	
5					
6					
7					
8					
9					
10					
11					
12					

We want to serve your business for years to come. To help us meet that goal, please note the following terms:

Orders are due by 4pm Monday, August 18. Orders placed after 4pm on August 18 will only be filled if you receive specific confirmation by 8am Tuesday, August 19.

If an order change is made after 4pm Tuesday, August 19, we may not be able to make the change. If the change order is crucial, a convenience fee of 5% may be added to the order.

A 2% delivery charge is added to each order.

This sales availability is an estimate only. Actual availability may change. Although we are confident in our estimate, if a change is unavailable, we will let you know by 8am Tuesday. If your order is under \$40, we may not be able to deliver it without an additional charge. We will call you by Tuesday at 8am if we cannot deliver your order without an additional charge.

Model Retail Sales Invoice with Terms

Your Farm	Date	12/23/23
Address	Invoice #	1111
City, State Zip	Due	Net 15
Phone	Late Fee	2%
Email	For	See additional terms below

Bill to:
 Buyer
 Company name
 Street address
 City, State Zip
 Phone

Quantity	Description	Unit Price	Amount	Column 1
1	Item Number 1	\$ 2.00	\$ 2.00	
1	Item Number 1	\$ 2.00	\$ 2.00	
1	Item Number 1	\$ 2.00	\$ 2.00	
Subtotal			\$ 6.00	

Credit	-
Delivery fee	2%
Balance due	\$ 5.88

Thank you for your prompt payment!
 Late payments are subject to a 2% late fee.

We strive to provide the best possible product. If the quality of any item does not meet your expectations, you must contact us within two hours of delivery. We will work with you to resolve the issue. If we cannot work out an understanding, we may provide a partial rebate.

Please see your availability sheet for the full terms of purchase including delivery fees, minimum orders and convenience fees for changed orders.

Community Supported Agriculture (CSA) works a little bit like a subscription service. Typically, a CSA farmer sells shares of her farm's production in advance of the growing season. As the crops roll in over the season, the farmer harvests what is ripe and packs a variety of products into a box. Each CSA member receives his or her share of the week's bounty. CSAs can also focus on one product and be delivered on a less frequent schedule, say monthly. Some farmers that specialize in only a few crops will work with other farmers to create a varied CSA offering for customers or offer their specialized crop as an add-on to a vegetable share managed by a different farm.

The concept behind CSA draws on the idea that the farmer and eater share mutual responsibilities to each other. Farmers and eaters are united under CSA in a mission to grow fresh, healthy, local food. The eater's role is to provide the farmer with revenue ahead of the growing season. By helping the farmer cover growing costs, the eater supports the success of the farmer. At the same time, the farmer creates a direct relationship with the person who will enjoy the fruits of his or her labor. The farmer's work becomes more meaningful, and that eater's dollar represents something more than just a purchase of farm products. The CSA model demonstrates how farmers and consumers can work together to build a healthy, rewarding, and resilient food system.

Parties

A CSA Sales Agreement is an agreement between the producer, and, hopefully, many different individual customers. This means you will be contracting with an ever-growing number of individuals. In order to make this manageable, you need to use the sales agreement as a way to set boundaries and manage expectations of your customers.

Some farms call members "shareholders" while other farmers call CSA buyers "members." Still other farmers may refer to members as simply "customers." From a legal perspective, it doesn't really matter what title is assigned to the buyer. A farmer can certainly call buyers "shareholders," but that will not necessarily make those individuals legal shareholders under corporate law. Likewise, a farmer can call customers "members," but that doesn't mean the organization is a "club" for purposes of any law relating to clubs. The law has its own definition of what a shareholder is and what a club is. It is very possible that a CSA could have shareholders or members, but that won't be the case simply because a farmer uses the title. Regardless of what you decide to call your members, the important part is to understand, assess, and manage your risks.

Product

In a CSA share, you, the farmer, gets to set what the product is based on availability! Farmers with flexibility and enough administrative overhead can experiment with offering customization options, but many CSA programs start off with a set expected 'menu' for the season.

In the CSA sales model, the producer has the highest amount of control and freedom over what is sold. This can be very exciting!

- What kind of produce can your members expect to receive throughout the season? Can you provide a timeline or chart outlining some general ideas of what might comprise a share box at different points in the season?

Farmers reaching customers unfamiliar with local agricultural production will benefit the most from a thorough description of the products expected and their timing. Again, accurate expectations are the key to customer satisfaction. Farmers should not be worried about getting sued if they do not, in reality, produce shell peas by the end of May, as their seasonality chart might indicate. Accurate wording is key, and farmers can use a simple phrase to this effect: "This chart is an estimate of what you might expect during the season. The weather, availability of labor, pests, and many other factors affect our ability to produce certain crops at certain times—this is just an estimate."

APPENDIX C

Specifications

Despite the freedom of determining the products delivered each CSA cycle, farmers do need to give your customers a clear idea of the type, quantity, and level of quality you aim to produce for them over the season even if specifics will change as conditions do.

Many farmers offer a selection of half or full shares to account for different size families. Of course, the cost of each delivery will need to reflect the value of the items included. As availability does fluctuate over a season, this is an area for CSAs that is rife for conflicts to arise. It is important to be as clear as possible to describe the products that are offered for sale and that will be delivered over the course of the season. If customers are confused, then there is no way you will be able to manage expectations and then you aren't able to adequately control your legal vulnerability. Accurate descriptions of your CSA options are a legal matter. If the court system needs to resolve a CSA dispute, the first thing the court needs to know is what the customer purchased. If the farmer and members disagree about that, a resolution will be very difficult.

Delivery

CSA farmers use a variety of ways to get the product to customers. Many farmers offer on-farm pick-up and delivery options. Often a CSA customer or local business will work with the farmer to serve as a drop-off location where other members can pick up at a location more convenient than the farm itself. Some farmers even offer home delivery.

Again, clear systems are necessary for a legally resilient CSA program. The dates of pickup or delivery need to be set in stone, and the timing needs to be communicated as well. Furthermore, a policy about what happens if a member misses a pick-up or delivery day or arrives too late needs to be stated in the sales agreement.

Farmers need to assume that CSA members won't comply with Plan A—and therefore need to have a Plan B as it will inevitably become relevant.

Payment

CSA prices are different from other sales outlets. The farmer is in more control of what the cost of the product is, and the price is paid upfront! Having prepaid for their products, if a customer's expectations aren't met over the course of the season, the farmer might have to handle concerns and complaints from customers.

Be sure the sales agreement includes a clear policy on what payments are accepted, and when those payments are due. Ask yourself if you want to accept payments online, by check or through a third-party service, like Venmo. Will you offer only a fully prepaid member share, or allow for partial payments spread over the season?

Problems

Clear communication between the CSA farmer and the CSA member is vital for the strength of the CSA program. So many things can go wrong—the weather can wreak havoc, members can misunderstand agreements, and farmers can overestimate harvests.

One of the most difficult problems specific to CSA Sales Agreements is the nature of the risk and reward of the program. Traditionally, CSA is a way for eaters to share the inherent risks of farming with producers. Shared risk often means that no refunds are given if the farm suffers a hailstorm, drought, tornado, or other natural disaster. These policies are perfectly legal if customers agree to them. But farmers may want to consider offering refunds in these situations for at least two reasons: insurance and member retention. In terms of insurance, under the relatively new Whole Farm Revenue Protection (WFRP) crop insurance policies available to diversified farmers, the farm's revenue must be at risk of loss. If a farmer does not have to offer refunds, the farmer's revenue from a

CSA may not be at risk. Including a written policy that refunds will be given in the event of a hailstorm, drought, etc., may protect the CSA farm's ability to qualify for a WFRP policy. (Note: eligibility for a WFRP policy is based on several criteria, one's exposure to risk being only one.) In terms of member retention, consider the situation where you do not have enough food to fill CSA shares. You may want to sell the little you do have at market or to local grocery stores. A policy that gives refunds to members under this circumstance will likely make them more understanding when they see your products at those other outlets, and more likely to sign up with you again the following year.

Some farmers would like to extend shared risk to beyond natural disasters. They may want customers to share in the risk of harm to the farmer's physical health, mental health, or family stability. Will members receive a refund if the farmer decides to stop farming midway through the season? Are members bearing the risk of the farmer's fatigue, burn-out, health event, or family emergency? There are no correct answers, legally speaking, to this matter. The legal best practice is to make sure the policy is clear and consistently applied. Beyond that, the market is the primary consideration. If the refund policy is too onerous for customers, people are less likely to sign up. If it's onerous for the farm, the operation may fail as a business.

Many farms appear to make refunds available on a case-specific basis, generally as a way to manage disgruntled customers. The farmer usually chooses to minimize damage by giving a refund and both parties go their separate ways. In that case, the policy is generally that refunds are given at the discretion of the farmer. Farmers might choose to offer a full refund for specific reasons (such as moving out of the area, financial hardship, etc.) and offer a partial refund (perhaps minus an administration fee) if the individual decides CSA is simply not the right choice. Still others will request that the member help recruit a replacement for their share. The right choice for any one farmer depends on their market pressure and the local conventions. Regardless of the farmer's reasoning and decision, whatever policy is decided upon must be clearly communicated.

Assent

The best legal practice is to get assent to the CSA agreement from your customers at the point of sale. The CSA agreement will not be effective if it is handed to a customer after they have submitted payment for a share and committed to a membership; customers should explicitly agree to the terms of CSA before putting money down. By providing full information first, you are allowing your customer to really decide if your CSA is right for them or their family. Legally speaking, you are also tying the terms of the CSA into your legal arrangement. If you provided pick-up details and refund information, for example, after you receive payment for the share, a judge could potentially throw those details out of the courtroom during a lawsuit. If you didn't provide the terms before the sale, assume they won't be a part of the deal should you find yourself in court.

But more than presenting the terms of the agreement to the customer at the point of sale, farmers also need some acknowledgement that the buyer has read and agreed to your terms provided. Now, it is clear that multi-page contracts, signed by both parties at the bottom of each page aren't a good cultural fit for a CSA program. Thankfully, there are other ways to document assent to contract terms. If you primarily bring in customers through tri-fold brochures, you need a member agreement that works through a brochure. The brochure itself will need to list the terms of the agreement, and customers may need to sign acknowledgement of those to include with their mailed check. If you make sales online, you may need to integrate a step where potential members agree to specific terms (checking a box before payment, for example). The Model CSA Sale Agreements illustrates these two methods.

Model Community Supported Agriculture Sales Agreement- Brochure Option
It is formatted as if one would print it double-sided and then fold it into a tri-fold brochure.

WANT TO JOIN? Fill out this form (both sides!) and return it to us in person or via mail. Be sure to include a check for the deposit amount. Expect a confirmation email five days from receipt of Member Form and check.

Member Name: _____

Member Address: _____

Member Phone Number: _____

Member Email: _____

Please select Share Type:

REGULAR SHARE

- Weekly delivery starting June 1
- 6-7 farm products
- Total price \$660
- Deposit required at sign up: \$330
- 12 weeks total

BIWEEKLY SHARE

- Every other week delivery
- 6-7 farm products
- Total price \$360
- Deposit required at sign up: \$180
- 6 weeks total, starting June 1

HALF SHARE

- Weekly Delivery starting June 1
- 3-4 farm products
- Total price \$400
- Deposit required at sign up: \$200
- 12 weeks total

By joining Lazy River Farm's CSA Program, you will be supporting local, sustainable agriculture and taking part in our extended community of eaters and farm enthusiasts!

We offer two pick-up locations for the upcoming season. All pick-ups are scheduled for Thursdays beginning the week of June 1.

On farm at 1234 Abbot Road.
Chester Thursday Farmer's Market at Tryon Square

Sign up by March 1 and choose on-farm pick-up for a 10% discount!

Join Us Online at lazyriverfarm.com to see pictures of sample CSA boxes and life on the farm!

Community Supported Agriculture (CSA)

Information & Sign-Up Forms

LAZY RIVER FARM
1234 Abbott Road
Chester, KT
(879) 345-6789
lazyriverfarm.com

In order to sign up for the CSA Program, you must indicate that you have read and accept the terms below by checking the boxes:

I understand that my purchase is eligible for a refund only if I move out of the area or if I experience a personal/financial hardship. Refunds will be prorated. I understand that refunds for reasons of personal preference will impose a hardship on my farmer who has already incurred time and expenses on my behalf. The farm will grant refund requests for personal reasons on a discretionary basis.

I understand that my purchase indicates agreement with some shared risk. If, due to weather, insects, or other event beyond the farm's control, total share volume will be reduced by half or more over the remainder of the season, according to averages over the past 10 years, I will (6) receive a refund, prorated as to the remainder of the season. I agree that if uncontrollable(7) events reduce the total volume of the produce I would otherwise receive by up to 50%, that

I will share in this loss.

I understand that I must pick up my CSA share from the above location between the hours of 4 and 7 pm, and that if I do not do so, my share may be donated to a local food pantry.

I understand that important communications from the farm will be delivered via email and that opening these emails is my responsibility.(9)

WHAT IS COMMUNITY SUPPORTED AGRICULTURE?

Members of the CSA pay for a seasonal share upfront, allowing the farm to make critical investments in the season's crop. Once the season is underway, members receive a box with top-quality farm products at the rate they choose (weekly or biweekly options available)!

DO I CHOOSE WHAT IS IN MY WEEKLY BOX?

Your boxes will be packed with a rotating selection of the farm's best products. The contents will change weekly, and the farm strives to curate a healthy mix and variety of perfectly in season farm products for you. We aren't able to offer customization at this time.

WHAT IF I DON'T KNOW WHAT TO DO WITH AN ITEM INCLUDED IN MY BOX?

We've got you covered! All CSA members will receive an email four days before delivery detailing the contents of the upcoming box and sharing recipes and news from the farm. We are committed to helping you learn about the food you eat and how to incorporate it into your life!

All CSA members are invited to our annual potluck gathering on the farm!

Here's a sample of what one week of a Regular CSA Share may include:

- A dozen farm-fresh pastured raised eggs,
- Elderberry syrup made here on-farm,
- Two heads of lettuce,
- 1 lb. carrots,
- Family size kale bunch,
- 3 lbs. potatoes, and
- 2 lb. long beans.

APPENDIX C

Model Community Supported Agriculture Sales Agreement- Long-Form Option (Online or Printed)

Hamilton Grange Farm: CSA Member Agreement

Welcome to membership in Hamilton Grange Farm! We are excited to have you join us. You are a valuable, integral part of our community. Hamilton Grange Farm is built on a foundation of commitment—to the land, to our animals, and to each other. That commitment is reflected in everything we do, including signing up new members.

This agreement represents our commitment to you. We will work hard to bring you the best and most delicious produce possible. We want you and your family to enjoy good eating by having a connection to the source of your food. In return, we need you to commit to us.

Please take a few minutes to carefully read through this agreement as it will help us lay the groundwork for a successful year together. There are several places in this agreement where your information, selection, or agreement is needed. These places are highlighted in yellow.

Membership Options

Check to Select	Share Type	Estimated Volume	Start Date and Duration	Price
	Regular	Go to our website and click on the tab that says, “See our boxes,” for real-life pictures of our shares through the seasons	About the first week of June, for 20 weeks thereafter	\$660
	Half—Every Other Week		About the first or second week of June, and every other week thereafter for 10 weeks*	\$360
	Half—Every week		About the first week of June, for 20 weeks thereafter	\$400

**Every Other Week members will be assigned to alternating weeks, according to pick-up site. We will let all members know whether their share starts on the first or second week of the season by May 15.*

Risk and Reward

Shared risk and reward are the heart of the traditional CSA model. By joining our farm, you are becoming a part of our agricultural community. Together, we agree to share in the risk and reward of farming. If the year is especially abundant, you will receive product of exceptional quality and size. If the year is a difficult one with difficult pests, disease, and weather pressures, you may receive fewer items or items of lesser quality. If we experience an extreme natural disaster, such as a flood or tornado, you may receive no further products at all.

At the same time, you can share in the abundance of the farm! We consistently hear from members that they don’t want more produce. Most members can’t use any more than we already distribute in each box. Some members want more items for canning or freezing. For those who do want more, we provide bulk products at discount rates. Beginning in August, we will announce bulk buying opportunities for our members—extra tomatoes, kale, green beans, broccoli, and pumpkins available for bulk purchase at 10% below our wholesale rates, which change each year and throughout the season. Availability and current discount pricing will be announced in our member newsletter.

APPENDIX C

To build a strong, resilient business that can follow through on its obligations, Hamilton Grange Farm also sells at three farmers' markets. If you need more farm goodness, come by our stand! At the same time, we don't want you to worry about being shortchanged by our markets. You may occasionally see items at our farmers' market stand that aren't in your boxes. This is because we use the farmers' market to test new items. We trial new varieties and vegetables in small amounts, first, for sale at the farmers' market. If customers like them and we can produce good quality, we will grow the item at scale for all our CSA members. The farmers' markets help us build our skills, so we can confidently commit to getting our CSA members abundant items of the best quality.

- **I understand Hamilton Grange Farm's Risk and Reward Policy above, and I agree to share in the risk and reward of farming, as described. Initial here _____.**

Share Expectations

New to CSA at Hamilton Grange Farm? Welcome! We are thrilled you are considering joining us. We want you to be happy with your box. To make that happen, we'd like you to do us a favor. Go to our website and click on the tab that says, "See our boxes." There, you will find photographs of our boxes for an entire year. Does it look delicious to you? Are you excited about vibrant greens in spring, root vegetables in the fall, and waiting until August for delicious, sun-ripened tomatoes?

- Yes: I'm in!
- I'm not sure: That produce isn't quite what I expected.

Perhaps you might want to join our CSA Newbie program. With our Newbie program, you get the chance to experience the excitement and thrill of CSA without commitment. You will receive three boxes—one in spring, summer, and fall. You pick these boxes up at our farmers' market stall.

If the Newbie program sounds like a good idea to you, there's no need to finish this agreement. Sign up at our farmers' market stand beginning in April, instead.

Farm Events

Community is the heart of Hamilton Grange Farm! We want to see you out at the farm! As a member (up to two households per share), you get access to our farm events, below.

Tomato Festival: In late August (date TBD) please come to the farm to celebrate the tomato harvest! We will taste test all our varieties, host tomato preserving demonstrations, and enjoy homemade tomato pizzas from a brick, wood-fired oven. This event is free to members and one guest (or guest household). The tomato season is fleeting, and we can only welcome you to taste test tomatoes at the Tomato Festival.

Family Yoga on the Farm: Every Saturday, members are welcome to experience Yoga on the Farm, led by fellow member Sandra Sonin. Sandra is a long-time farm member and invites other members to join her. This event is free to members of all ages. Children must be accompanied by an adult.

Baby Animal Days: Everyone loves baby animals! Come and visit our baby chicks, lambs, and bunnies during the spring. We host Baby Animal Days three times per year. Admission is \$15 per family—up to two adults may bring up to three children per ticket. We will let you know when Baby Animal Days will be held by April 30 of next year.

As a farm share member, you become both part of our business as well as our extended family. As such, we ask of you the same respect we ask of one another. When visiting the farm, please treat our property as you would your own home. Mind your feet and all the signage that alerts you to restricted areas. Our baby plants are delicate, and we need to make sure they don't get stomped on!

APPENDIX C

Because of the delicate nature of our work and other natural unpredictable risks of farm life, we ask that you please stay by the side of your children as they explore the farm. We do our best to carefully maintain and properly account for any potential hazards, but animals and nature don't always follow the rules, so we need you to. Along those same lines, we also ask that you refrain from bringing pets onto the property other than disability assistance animals. In general, we just ask that you are mindful of your actions so that we can continue to open up our farm to you and your family.

- **I understand the events Hamilton Grange Farm offers. I agree to follow all posted signs and rules at the events, and I understand that all pets must stay at home. Initial here _____.**

Payments, Refunds and Cancellations

Check to Select	Payment Plan	Due Date
	Full: Share reserved with payment in full at sign up	With this agreement
	Partial: Share reserved with half the payment at sign up and half by July 1.*	Half with this agreement, half by July 1. See below.

** If you choose the Partial payment plan, you will receive a reminder that payment is due two weeks before July 1. We appreciate your timely payment. If circumstances arise that prevent you from paying your balance, please contact us to discuss a plan. If your payment is late and we do not hear from you, we may not pack a share for you until we hear from you. We will communicate with you via email if we can't distribute your share because of nonpayment. We thank you in advance for understanding.*

If you move out of Townsville or suffer a hardship that prevents you from utilizing your share, you may be eligible for a refund for the remainder of the season. Refunds are given at the farm's discretion—please call us to discuss options. If you decide CSA isn't for you, we ask that you look for a replacement member to take over your share. The farm depends on each member's commitment to cover expenses and provide enough food for everyone. Please call us to discuss a refund.

If Hamilton Grange Farm cannot fulfill its obligation to deliver quality shares in the quantity estimated to members for reasons other than extraordinary disease, pest, and weather events, all members will receive a refund of the remainder of the season.

Receiving Your Share

Please check the pick-up site you wish to utilize, and confirm that you understand the pick-up site rules, below.

Community is the heart of CSA, and the share pick-up site is a chance to meet your neighbors and fellow members! To make sure the site runs smoothly, we have a few rules.

When selecting your site, please make sure you can retrieve your share within the pick-up time frames listed. You will be provided with your pick-up site host's contact information via email—please read and keep this email. If you have any questions or emergencies, please contact the host. You may contact the host and arrange to pick up your share at a later time; however, site hosts may not be able to refrigerate your share.

Site rules, including where to park and how to select your share, will be provided in advance to all members via email. This information is very important—please look for it.

APPENDIX C

Check to Select	Site Location	Pick-Up Time Frame
	Townsville, Fridays, North Branch Neighborhood	4-7 p.m.
	Townsville, Wednesdays, West End Neighborhood	4-7 p.m.
	Hamilton Grange Farm, Wednesdays	3-9 p.m.

- I understand that I must pick up my share within the pick-up time frame that corresponds to the site I selected above and that if I do not, it may be donated. Initial here _____.
- I understand that picking up my share is my responsibility, and that site hosts may not be able to hold my share. Initial here _____.
- I will look for the site rules via email and agree to abide by them. Initial here _____.
- I understand that dogs are not allowed on the farm, either for share pickup or for farm events (even super-friendly dogs are not allowed, unfortunately). Initial here _____.

Communication

Like any strong community, we need good communication. Hamilton Grange Farm will email you a newsletter every week. This newsletter will contain updates, farm event information, and recipes. We don't want you to miss out—please whitelist info@hamiltongrangefarm.com and/or check your spam folder if you don't receive our emails.

Essential information about cancellations, delays, or problems will be delivered via email or text, as indicated by the member below.

In this agreement, we listed several times and means of being in touch. Here is a helpful chart so you have this information all in one place.

Reason for Communication	Mode of Communication	Note
Farm experiences a cancellation, delay, or problem with shares	Farm will send text or email, as preferred	Please indicate preference below
Member experiences delay or problem picking up shares	Member will call the site host as soon as possible	Site host contact information contained in email sent on or around May 15
Member experiences need for a refund or has a billing question	Member will call the farm	123-456-7890
Member has other questions	Member will call or email the farm, and farm will return message within five days	123-456-7890 or info @ hamiltongrangefarm.com

APPENDIX C

Your Contact Information and Agreement

Primary Household/Member

The primary household/member is responsible for payment of the share, in full. Every share must have a primary householder/member.

Member Name	
Member Address	
Member Email	
Member Phone	
Communication Preference	Circle One: Email Text

Secondary Household/Member

If other families/households will be sharing in membership, please provide the secondary householder/member's contact information. We discourage sharing between more than two households and are only able to provide access to farm events for up to two households per share.

Member Name	
Member Address	
Member Email	
Member Phone	
Communication Preference	Circle One: Email Text

Congratulations! You made it through the Member Agreement process! We are so happy you have chosen to join us. We look forward to sharing our farm with you for years to come.

To finalize your membership, please submit payment below. By submitting payment, you are indicating your agreement to this Member Agreement.

APPENDIX C

Parties

Wholesale sales relationships are between a farmer and other businesses that will resell the product. Sometimes these are grocers or restaurants. They can also be brokers or consolidators. Smaller retailers and restaurants might be satisfied with the more informal Retail Sales Agreement in Appendix B.

If the products may be supplied by other farmers or farming operations, for example through a producer group, you'll need to either list those individuals as parties or the producer group as a whole. Be sure to also include contact information for all the parties—including email, phone, as well as mailing address. This way it's readily accessible for ongoing communications and invoicing throughout the arrangement.

Wholesale sales contracts allow for negotiation for exclusivity or having a priority relationship, at least. Given so much uncertainty and vulnerability in the market of farm products, the wholesale buyer will most likely not want to give up some level of flexibility. However, some small farmers have successfully negotiated priority relationships with wholesale buyers. A priority arrangement is a great compromise. A buyer will turn to you first (or second, if you're in second priority and so on) when they need kale. If you don't have it, they can then go to the next in line. This is where your negotiating skills and strategies come in. Why should you be the number one farmer the buyer goes to for kale? Sell yourself.

Product

To wholesalers you will likely be selling less variety, but higher volumes of the products that are ordered.

One approach is to establish a general framework for what products will be sold over the course of the season is to lay out the season's trajectory. What crops will you grow, what varietal, expected yield and date range.

This gives the wholesale buyer visibility into what will likely be available at a given time. Providing such a production plan can work especially well if you've successfully established a priority relationship. The buyer can begin planning or at least anticipating their purchase accordingly. Even if you haven't secured a priority relationship, it still puts the farmer in a good position. Given the advance notice, there's a good chance the buyer will turn to you when the time comes. The downside of this approach is that unless you have also secured a priority relationship, all that the buyer is committing to is the possibility of buying from you. If and when they do follow through, they essentially agree to follow through with all the provisions in the agreement.

Another approach, if the buyer will agree, is to get commitments from the buyer for specific crops and amounts. The downside of this approach is that there's always the possibility that something may happen, and you won't be able to fulfill these orders when the time comes. It may be challenging to find a buyer that will agree to such specific commitments up front.

Specifications

Wholesalers often have requirements for product specifications that will dictate how you grow your products. From food safety certifications to following the USDA grading system, be sure to have conversations with your wholesaler about their expectations, and factor in the cost of compliance as you decide whether a buyer fits into your business plan.

APPENDIX D

Delivery

You'll need to clearly outline how the order process takes place when the time comes. By when must the farmer notify the buyer of availability? By when must the buyer respond and notify the farmer of their commitment to purchase the available product? If it's a distributor-buyer who is taking orders from its customers on an ongoing basis, such as a food hub, there will likely be an initial step where the distributor notifies the farmer what's needed to fulfill the customer order. The farmer would then notify the distributor-buyer whether she has availability to fulfill the order. The distributor will respond to confirm the order. This could happen in a number of ways, based on various time schedules and various communication platforms (i.e. emails, phone, texting, online order software, and so on).

Whatever it is, it's best to set out the details in your agreement so there's no confusion down the road. Setting time frames also helps ensure timeliness and efficiency, as folks are far more likely to abide by a time frame when it's set out in writing. Having a set schedule that you can count on could help your farm business run more smoothly. It gives you clearer visibility into when orders will come in versus just being on a whim.

Of course, after the order is confirmed, the buyer must somehow take possession of the product. Most likely the wholesale buyer will require the farmer to deliver the products to the store or distribution center. Some food hub distributors send out a delivery truck to pick up products at the farm as an added service. Whether it's delivery or pick-up, is there a set day and time frame (i.e. Wednesdays between 7am and 9am)? Or will it depend on the order? If it's general, you could include a clause such as: "Farmer agrees to deliver all products by the time mutually agreed to when the order is confirmed." For an example of a more specific time frame, see the sample agreements. Also, what's the process when the products are delivered or picked up? Must they be checked in by a supervisor? This would be in the interest of the farmer, as it provides a level of accountability that your products were received without issue or mix-up.

Payment

It's essential to address price and payment terms. Is the price pre-determined or will it be negotiated for each transaction based on the going market rate? If it's set at the get-go, under what circumstances can the price be renegotiated? For example, what if there's a huge surplus or shortage in the market for a particular product?

As for payment terms, it can be tough to get wholesale buyers to commit to payment within a set time given cash flow challenges they face from having to stock inventory and waiting to first receive payments from their customers.

Nevertheless, firm payment terms are something the farmer should strive to negotiate; otherwise it will lead to cash flow issues on your end. One thing's for sure, it is very rare to have a buyer who will make a full or partial payment up front! Typically, it's net 30 or net 45 from delivery. Another issue to address is if the buyer doesn't pay on time, will they have to pay interest? Also, how does invoicing take place? Often wholesale buyers require an invoice or packing slip at delivery or pick-up and require that a supervisor sign it for their records.

Problems

Under what circumstances can committed orders be changed or cancelled? The parties should carefully consider and negotiate how to strike a balance between firm commitments they can count on and the reality of unpredictability in this market.

One way to strike this balance is to establish time frames for when changes or cancellations can occur. The sample agreements in this Appendix takes this approach. Changes to committed orders are permitted so long as there's 48 hours notice. Cancellations are permitted so long as there's 72 hours notice. If the buyer makes a change or cancels an order within this time frame, the farmer can

APPENDIX D

minimize her loss by not harvesting the crop or try to find another buyer. If the farmer makes a change or cancels within this time frame, it gives the wholesale buyer plenty of time to source the product from another farmer in time to meet its customers' needs. Of course, these time frames need to be chosen based on your relationships and farming practices.

Another issue to consider is the consequences of changes and cancellations— whether within or outside these time frames. Typical sales contracts will enforce penalties or fees for breaking such terms. However, the farming world is unique given so much uncertainty and factors that are out of the respective parties' hands. Given the inherent unpredictability of farming, such a penalty can seem harsh for the farmer. Typically, a wholesale buyer will be able to buy from another source, even with late notice. So, the risk and harm is rather minimal. Again, this agreement primarily serves to facilitate a strong relationship and smooth transactions; it's not so much about enforcement and penalties.

Sticking with the theme of respect and trust, the sample agreements do not include penalties if changes or cancellations are made. Typically, these matters can be resolved in a cordial matter so the relationship can continue on. With that said, whether to include penalties is something the parties should thoughtfully consider and negotiate based on their specific circumstance. Do you want to require the buyer to pay a percentage charge for all changes or cancellations? Or perhaps impose a percentage charge for only those changes or cancellations not within the permitted time frame? Or no penalty charge at all, no matter what?

Once the product is delivered, what are the circumstances under which the buyer could reject the product? It might not be feasible for wholesale buyers to inspect the products on the spot, whether delivery or pick up. The Sample Marketing and Distributor Agreement provides an example for this scenario. It gives the distributor-buyer a window to inspect the product up to six hours after pick-up. The distributor-buyer must notify the farmer of its decision to refuse the product along with a valid reason within this set time frame. That way, it's clear that it's not something the buyer did that made the product turn—such as improper storage and handling. In addition, the distributor-buyer must provide photos to support the decision. That way, the farmer can actually see whether it's a valid reason. These are some examples. The key is to set a clear policy upfront, and to make it fair for both parties. The reality is that small wholesale buyers typically will not reject produce, particularly if you've established clear expectations about quality upfront. With that said, the more the farmer is able to stand behind the quality of their products and accept rejections or make price adjustments if the customer is not satisfied, it helps ensure future sales. It's always good to start off with "I appreciate you telling me.... And (explanation)." Remember, the motto for good customer relations is that the customer is always right.

Typically, grocery stores and wholesale distributors will require the farmer to carry a commercial general liability insurance policy. The coverage varies from \$1-5million. Be sure your insurance policy provides the required coverage in both amount and substance. For example, some insurance policies do not provide protection for food-borne illness outbreaks. Typically, this comes in the form of product liability, which is included in commercial liability policies. Most likely it will not be covered in your basic farm liability policy. It's in the farmer's interest, and the buyer's interest, to have a robust policy in place to cover food -borne illnesses. Talk to your insurance agent to confirm what your policy provides.

Assent

Likely, these sales relationships will be governed by a signed contract.

APPENDIX D

Model Wholesale Sales Agreement

MARKETING AND DISTRIBUTOR AGREEMENT

Date: Month, Date, Year

Parties:

Sun Town Food Hub (hereinafter referred to as “Distributor-Buyer”)
321 Distributor Lane
City, State, ZIP
(987) 654-3210

High Sun Farms (hereinafter referred to as “Farmer-Supplier”)
123 Farm Road
City, State, ZIP
(123) 456-7890

Distributor-Buyer and Farmer-Supplier are entering this Marketing and Distributor Agreement (“Agreement”) to memorialize their mutual understanding regarding Farmer-Supplier’s production and supply of farm products to Distributor-Buyer. This Agreement is for the benefit of both parties: Farmer-Supplier has interest in the marketing, distribution, and increased wholesale sales of its farm products; Distributor-Buyer has interest in aggregating local farm products to meet the demands of its restaurant, retail, and institutional customers. As such, Distributor-Buyer and Farmer-Supplier agree as follows:

1. Farm Product and Committed Orders

- a. **Farm Product.** Farmer-Supplier plans to grow the produce listed in the attached 2024 Production Plan Table (“Farm Product”).
- b. **Priority.** For the duration of this agreement, Distributor-Buyer agrees to purchase Farm Product from Farmer-Supplier if and when needed and available, prior to purchasing Farm Product from another seller.
- c. **Order process.** Proposed orders, availability, and committed orders of Farm Product will be established as follows:
 - i. **Proposed orders.** Distributor-Buyer will notify Farmer-Supplier of needed Farm Product within 5 days before date needed.
 - ii. **Availability.** Farmer-Supplier will respond, notifying Distributor-Buyer of Farm Product availability to fulfill the proposed order within 4 days before date needed.
 - iii. **Committed Order.** Distributor-Buyer will then notify Farmer-Supplier to confirm any committed orders within 3 days before date needed.
 - iv. If proposed orders need to be fulfilled within less than 5 days notice, the Parties agree to notify each other of availability and confirmation as soon as possible.

2. Communications

- a. All communications regarding availability and orders shall be conducted by phone or email through Farmer-Supplier’s representative and Distributor-Buyer’s Purchasing Manager.
- b. The Parties agree to engage in professional, constructive communication at all times.

APPENDIX D

3. Pick-up and Distribution
 - a. Distributor-Buyer agrees to pick up Farm Product for committed orders at Farmer-Supplier's farm within a mutually agreed to pre-arranged timeframe.
 - b. Farmer-Supplier agrees to have all Farm Product harvested and packed before a scheduled pick-up.
 - c. Distributor-Buyer will take care of all distribution and delivery of Farm Product to its customers.
4. Pricing, Invoicing, and Payment
 - a. Distributor-Buyer agrees to pay the price specified in the Table attached.
 - b. Farmer-Supplier must provide an invoice upon pick-up specifying: Farmer-Supplier's name, address, date, Farm Product name(s), lot number, count (# or lbs), price, and order total.
 - c. Invoices must be signed by Distributor-Buyer's representative upon pick up.
 - d. Distributor-Buyer must pay invoices in full within 45 days of receipt; any late payments may be subject to a 2% per annum interest charge.
 - e. All credit requests must be mutually agreed to and in writing.
5. Change Orders, Cancellations, and Acts of Nature
 - q. If either Party needs to change pick up days/times or volumes for a committed order, it must notify the other Party via email or phone within 24 hours of the scheduled pick up. The Parties must strive in good faith to negotiate a mutually agreed upon change.
 - b. If either Party needs to cancel an order in full, it must notify the other party as soon as possible, with no less than 36 hours of the scheduled pick up.
 - c. If a Party cannot fulfill a committed order in full or in part due to an Act of Nature beyond its control (e.g. a production or harvest problem – such as drought, nonstop rain, hail, flood, or other such Acts of Nature; or a distribution problem – such as a national emergency, natural disaster, city-wide power outage, or other such Acts of Nature), the Party must notify the other Party as soon as possible. Both Parties shall be fully released from obligations under that order.
6. Packing and Labeling
 - a. Farmer-Supplier agrees to pack Farm Product per Distributor-Buyer's standards set forth in the attached Packing and Grading Specification Chart.
 - b. Prior to packing, Farmer-Supplier must clean all Farm Product (to be free of dirt and debris) as appropriate for the particular product.
 - c. Farmer-Supplier agrees to supply single-use packing boxes and per unit materials (e.g. ties, rubber bands, clam shells, etc), unless otherwise agreed to in writing.
 - d. Farmer-Supplier must label all boxes specifying the farm name and address, Farm Product, special qualities as applicable, exact count of units supplied, and lot number. If Farm Product being supplied is a different size than the agreed-upon standard, the atypical products must be packed separately and labeled with an explanation (e.g. "46 small heads of lettuce packed=count of 23").
7. Growing, Handling, and Storage
 - a. All Farm Product produced and supplied by Farmer-Supplier must be Certified Organic, Registered Organic, Certified Naturally Grown, Food Alliance Certified, and/or certified by a reputable 3rd party sustainable certification.
 - b. All Farm Product must be grown locally (150-mile radius of City).
 - c. The use of GMO seeds is prohibited.
 - d. Farmer-Supplier shall maintain Good Agricultural Practices (GAP) certification.

APPENDIX D

- e. The Parties agree to abide by all applicable food safety laws and implement good food safety practices on the farm and whenever handling Farm Product, equipment, tools, and food-contact surfaces to prevent contamination.
- f. The Parties agree to store Farm Product per the temperature and conditions appropriate for that product.
- 8. Quality Standards.
 - a. All Farm Product must meet the grading specifications listed in the attached Packing and Grading Specification Chart as amended from time to time.
- 9. Right to Refuse
 - a. Distributor-Buyer has the right to refuse any Farm Product that it judges as unacceptable for any valid reason – such as exposure to chemicals, rotted, damaged, overly-ripe, sprouting, sunburned, diseased, insect damaged, and being otherwise unmarketable.
 - b. Within 6 hours after pick up, Distributor-Buyer must inspect Farm Product and notify Farmer-Supplier of its decision and provide a valid reason to refuse Farm Product, including pictures.
- 10. Marketing and Promotions
 - a. Distributor-Buyer agrees to market Farm Product to the best of its ability to its customers.
 - b. Distributor-Buyer agrees to promote Farmer-Supplier's Farm Product in association with Farmer-Supplier's farm name to help develop brand name recognition.
 - c. Farmer-Supplier will provide farm photos in digital format upon request, and will allow Distributor- Buyer to reproduce, enlarge, and use the photos for promotion purposes.
- 11. Risk of Loss. Farmer-Supplier bears the risk of loss of or damage to Farm Product until the point of pick-up (i.e. loaded into Distributor-Buyer's truck).
- 12. Insurance. Farmer-Supplier agrees to carry general liability insurance coverage of \$2,000,000.
- 13. Indemnification. Neither Party shall be liable for injury or damage to persons or property caused by the other, its agents, employees, or contractors and each Party agrees to protect, defend, and hold the other Party free and harmless from any claim, demand, or liability arising from any such injury or damage.
- 14. Alternative Dispute Resolution. Prior to taking any action in a court of law, the Parties agree to attempt to resolve in good faith any dispute, claim, or controversy arising out of or relating to this Agreement through mediation under the guidance of a mutually agreed upon third-party mediator.
- 15. Length of Agreement
 - a. This Agreement is effective for the 2024 growing season.
 - b. Either Party may elect to terminate this Agreement if the other Party fails to substantially abide by a significant term and does not cure its failure within five days after receiving written notice.
- 16. Effect of Agreement. This Agreement is the entire agreement between the Parties in relation to the subject matter; it replaces all previous representations or proposals not contained in this Agreement.

Signature of Buyer:

Name:

Date:

Signature of Farmer-Producer:

Name:

Date

APPENDIX D

Production Plan Table

Crop	Varietal	Unit	Price Per Unit	Expected Yield	Expected Date Range
Kale	Curly, Lacinato	Bunch (approx. 1 lb.)	\$1.50	750 bunches	Jun–Oct
Beets	Detroit Dark Red	Bunch (~3–5 beets at 1 ¼ lb. per bunch)	\$0.90	400 bunches	July–Oct
Lettuce	Romaine	Head (~1¼ lb. each)	\$1.00	350 heads	June–Oct
Tomatoes	Brandywine	Pound	\$1.55	900 lbs.	July–Oct

APPENDIX E

Parties

Farmers can contract with co-packers, or with businesses that will create a value-added product out of the farmer's raw agricultural products.

Farmers who value predictability and stability, and therefore may not enjoy the inconsistency and low-volume sales indicative of selling to restaurants or at farmers' markets, might find a good relationship with a co-packer. These buyers will want quality agricultural products but will also purchase large volumes at a time.

In the Model Product Service Sales Agreement below, the co-packer, or buyer, has a specific variety of a crop that he wants the farmer to grow and will provide the seeds to the farmer. This could be one way this relationship could work.

Product

A Co-Packer Sales Agreement is a unique sales relationship. The contract presented here illustrates what is also called a production services agreement. Here, the farmer isn't selling the item itself (i.e., tomatoes). Instead, this farmer is selling her services in growing the tomatoes for, say, a commercial salsa company. This isn't common among direct-to-consumer farmers who produce locally marketed products, but it has a long history in the vegetable commodity market. With some modifications, the basic structure of selling a service rather than a good can be very beneficial for farmers who market locally. It can allow farmers to share risk with the buyer while exploring new varieties and production methods.

Specifications

Because the buyer in this model agreement is providing the seed and carrying a greater risk of loss because of the payment structure (he is paying the farmer for labor and input costs, not just the product), the buyer wants to work closely with the farmer to monitor pest and disease pressure, quality parameters, and other aspects of production.

In this way, these types of contracts will likely go into more detail on not only product specification, but production specification as well. If buyers have less involvement in inputs and control over varieties, there may be fewer clauses regarding production specification.

For example, if the buyer were to provide transplants and not only seeds, would the contract contemplate the quality and size of the transplants? Or do the parties want to put restrictions on where seeds (or transplants) can be sourced from? Are any certifications required? Are there growing techniques that are prohibited?

Delivery

Who is responsible for the transportation of the product? Where will it be delivered and by whom? Do any standards need to be followed during the transportation, for example, must the product be refrigerated? Who will be responsible for paying for delivery?

Payment

These contracts can be set up like the model sales agreement below, where the buyer will invest into some of the input costs of the crop. In this model agreement, the buyer provides the seed to the farmer and rather than pay by the pound for the harvested crop, he prefers to pay the farmer for their labor and input costs. The farmer is being paid for the service of growing out and harvesting the crop.

The payment for this model agreement will be a flat fee for the labor, to be paid in installments and the reimbursements for inputs will be paid monthly.

Of course, this is only one way to do it. Other payment schemes can be agreed upon by the parties.

APPENDIX E

Problems

As usual, specific dispute resolution procedures should be spelled out in this agreement.

Since this contract is for production, a few other unique issues will need to be addressed in the contract. Questions to answer include: What happens if the plants are damaged or destroyed? Must they be replanted and if so, during what timeframe? Is there a procedure for making a replanting decision?

Furthermore, the buyer may need to seek assurances that there are no existing liens on the crop, or any that might be created over the season. The issue of insurance will also need to be resolved—will the buyer require insurance to be carried on the product? And if so, does the buyer expect receipt of any insurance payment received for lost product?

Often, whether the parties can transfer their responsibilities to another party will be spelled out in the contract. If the farmer cannot go through with the production, could they assign the contract to another farmer?

As always, the agreement also needs to address how and when the agreement can be terminated or amended.

Assent

Again, as in a wholesale agreement, most often these agreements will be signed by both parties.

PRODUCTION SERVICES AGREEMENT

This agreement for production services (“the Agreement”) is entered into by: **Anne Baker’s Produce** (hereinafter referred to as “Farmer”) and **Zach Smith’s Salsa Company** (hereinafter referred to as “Buyer”). Collectively, the Farmer and Buyer will be referred to as the “parties” to the Agreement.

Recitals¹

1. Farmer operates a farm, Anne Baker’s Produce, on land she owns at **123 Farm Lane in Goodsoil City, State, ZIP**. Farmer has experience growing tomatoes for specialty markets and processors.
2. Buyer operates a salsa processing business, Zach Smith’s Salsa Company, at 123 Processing Lane in Goodsoil City, State, ZIP. Buyer is in the general business of manufacturing condiments for sale to the general public, under a brand that prioritizes sourcing from local farmers.
3. Buyer has bred a specialty tomato variety for his salsa company.
4. Buyer wishes for Farmer to grow tomatoes from his seed for his use in his salsa production.

Section 1: Planting Specifics

1. Buyer will provide Farmer with tomato seed on or before February 1st, in a quantity sufficient to plant the acreage stated below. The quantity provided will account for Farmer’s standard tomato loss rate between seeding and transplanting.
2. Farmer shall seed the tomatoes and raise the transplants in her greenhouse.
3. Farmer shall transplant the tomatoes into the 3 acres in the far northeast portion of Farmer’s property. The tomatoes shall be transplanted at a 24-foot spacing with rows no closer than 3 feet apart. Farmer shall use her preferred weed and fungal control techniques, which may include plastic mulch².
4. Farmer shall provide cultivation, fertilization, and pest control as necessary. At all times, the production standards shall adhere to Farmer’s organic plan.

Section 2: Harvest Specifics

1. Farmer shall contact Buyer by phone in the week before the plants reach 45 days from transplanting. After Farmer notifies Buyer, the two shall work together to monitor tomato maturity on a regular basis by mutual agreement.
2. Buyer and Farmer shall set a 5-day harvest and delivery window at a mutually agreed-upon time, during which Farmer shall arrange for or conduct the tomato harvest, packing, and delivery at her own cost³.

¹Contracts often begin with a section called “Recitals.” This section contains information that isn’t necessarily part of the binding agreement. Rather, the statements here might inform and illuminate the contract if it is enforced in court. The address of the parties, however, does need to be in the Agreement.

²This level of specificity isn’t required. The two contracting parties will need to discuss what, if any, farming techniques are dictated by the agreement. You’ll find a lot of specific guidelines for planting, harvesting, and storage of the product throughout this Agreement. These clauses must be designed by the two parties to the Agreement and tailored to the product being sold and needs of the buyer.

³Whatever the specifics of the agreement, the parties to the contract will need to arrive at a plan for determining and setting harvest for the product that accommodates all concerns. This clause attempts to balance the concerns of both parties by allowing the farmer to choose the exact day of harvest withing a certain window. Cost of harvest is mentioned here because it is such a large expense.

3. Farmer shall arrange for or conduct operations to clean, pack in tomato boxes, and store the tomatoes at above 55 degrees and 85–90% humidity.
4. Farmer shall transport the tomatoes to Buyer in a temperature-controlled vehicle.
5. Farmer shall deliver the tomatoes to Buyer's facility or to his agent, as determined by mutual agreement. If the delivery location exceeds 50 miles from Farmer's farm, the parties shall split transportation costs equally⁴.
6. If tomatoes meeting the quality standards under Section 3(5) (or, if no standard has been set, typical processing quality standards) are unharvested due to negligence of Farmer, Buyer may conduct or arrange for harvest of the tomatoes in his sole discretion. Buyer may reduce fee payments made to Farmer under Section 4(2) by the value of Buyer's costs incurred to harvest the product.
7. Farmer shall allow Buyer and his agents access to Farmer's property for the purposes of harvesting product under Section 2(6)⁵.

Section 3: Production Specifics

1. Farmer agrees to grow the tomatoes in a good, farmlike manner and in accordance with the best organic agricultural standards and practices prevailing in the region. Farmer has an affirmative obligation to exert her best efforts to produce a good crop.
2. Farmer agrees to maintain organic certification, as currently present on the acreage, at all times while this Agreement is in effect.
3. Farmer will replace a destroyed or damaged crop if practical and mutually agreed upon⁶.
4. Buyer and Farmer shall consult from time to time about pest or weed control, cultivation, irrigation, or fertilization. Farmer shall have exclusive responsibility for formulation and carrying out of growing obligations.
5. Buyer and Farmer shall consult about product quality at the same time as they set the harvest window in Section 2(1). Buyer shall set product quality standards for ripeness and defects at that time. Farmer shall harvest product meeting the quality standards set by Buyer and shall not deliver product below the standard⁷.
6. Buyer may reject substandard produce at the time of delivery.
7. Farmer warrants that there is a suitable and adequate supply of water available to irrigate the acreage identified in Section 1(3) as necessary to produce tomatoes at a typical level of quality and yield as is typical on irrigated tomato farmland in the region.

⁴The mile limitation here makes sure the farmer isn't vulnerable to outsized shipping costs.

⁵These clauses are in this contract because the buyer had input costs for the crop. Since the buyer contributed to the cost of growing the crop, the buyer will want some assurance they can access the crop even if the farmer cannot or refuses to harvest it. Notice the lack of harvest must be 'negligent' on the farmer's part to allow the buyer to harvest—the buyer cannot just decide to harvest on a whim.

⁶This is a significant provision. The Farmer in this contract gets paid a flat price for her labor. If she has to repeat the process of seeding, raising transplants, and transplanting, she will make less per hour. But at the same time, if the crop is damaged, the buyer will still want to get his tomatoes. Allowing replacement only if practical and agreed upon gives Anne an "out." Perhaps the farmer can negotiate with the buyer for extra labor fees in exchange for replanting. They would discuss details like those when laying out their mutual agreement for replanting. The buyer is motivated to provide the farmer with what she needs to replant because he knows she has a right to simply not replant/replace, if they can't come to an agreement.

⁷Quality standards play a more important role when the buyer is purchasing product by the pound. In that case, we would want a more precise quality standard and for it to be established ahead of time so the farmer can plan to maximize acceptable yield. The motivation to maximize yield is a bit less dominant in this more experimental production scenario. Still, a quality standard is useful—it allows the farmer to save time by not harvesting product the buyer doesn't want, while sparing the buyer from having to dispose of unwanted product.

APPENDIX E

Section 4: Payments

1. Buyer shall reimburse Farmer for her input costs in producing the crop including the proportionate share of any fertilizers, pest or disease control inputs, potting mix, and greenhouse supplies used in producing tomatoes identified to this Agreement. Farmer shall invoice Buyer monthly for reimbursement of costs incurred. Farmer shall substantiate the request for payment with records including, but not limited to, receipts or greenhouse logs. Farmer agrees to keep such receipts and logs in a manner that can be separated from the Farmer's other business activities⁸.
2. As a fee for the services performed by the Farmer under this Agreement, and for all the charges and costs incurred by the Farmer for labor, equipment, materials, and other items necessary to fulfill this Agreement but not directly reimbursed in Section 4(1), Buyer will pay the Farmer a fee of \$2,000. The fee shall be paid in two equal installments. The first installment shall be due on or before July 1. The second installment shall be due on or before October 1⁹.

Section 5: Ownership of Crop

1. Legal and beneficial title to the tomatoes identified to this Agreement transfers to Buyer as soon as the plants are growing or can be identified¹⁰.
2. Buyer has an exclusive right to sell the crop at his sole discretion and is exclusively entitled to the proceeds from any such sale.
3. Farmer warrants that no security interests, liens, or encumbrances have been created concerning the crop and none will be created without the express written approval of Buyer¹¹.
4. Farmer shall not sell, deliver, or dispose of tomatoes from acreage covered by this Agreement except to Buyer or as specified in this Agreement.
5. No other acreage of tomatoes of the same variety as described in this Agreement shall be grown on the premises. If additional acreage of the same variety is grown, it becomes subject to this Agreement¹².

⁸The farmer in this Agreement isn't being paid by the pound, she's being reimbursed for input costs here (and paid for her labor in the next section). First, the farmer and the buyer need to agree on exactly which input costs are shared. For example, this list doesn't include tractor time or fuel. Folks might want to include that and other additional costs. Whatever costs are agreed upon, we need to be sure those costs can be substantiated with actual records—receipts, logs, or whatever is appropriate to the input costs being reimbursed. Requiring records can prevent any issues with billing down the road. Then it's only fair that the farmer is expected to keep those records separate from her normal business operations. Otherwise it might be difficult for the farmer and buyer to determine which went to this contract's tomato production. Farmers and buyers might also consider requiring the farmer to submit a budget ahead of time for the buyer's approval. This would be especially important if the buyer is unfamiliar with the input costs of production or if the farmer has an unusual or resource-intensive system of production.

⁹This flat-fee arrangement may be unusual to many farmers and buyers. An hourly fee for labor seems more intuitive but comes with potential problems. For example, a farmer might be motivated (or appear to be) to take a long time on tomato tasks to earn extra money under this contract. A flat fee incentivizes efficiency. The fee for this make-believe scenario was set at random. Don't rely on it as a typical fee for such an arrangement.

¹⁰In this Agreement, the seed is the buyer's, he is reimbursing the farmer for the input costs, he's paying the farmer a fee for her labor, and the tomatoes are exclusively his. The farmer cannot sell them elsewhere. The plants are technically his as well. Why is this important? It may become important if the farmer experiences financial trouble and creditors pursue her assets. This makes it clear that the tomatoes are not the farmer's. They won't be available to the farmer's creditors. The parties to a similar agreement may have other reasons for wanting to assign ownership, such as securing an insurance policy on the crop.

¹¹This clause achieves a similar purpose to Section 5(1). Farmers are sometimes in a situation where creditors place a lien on their crops. This usually happens after a farmer does not meet their financial obligations. The Buyer here, because he stands to own the crop, wants to make sure no one else already has a lien on the crop. If someone has a lien already, that could limit his ability to take the tomatoes himself.

¹²This clause means that the Farmer couldn't take extra seed or plants provided by the Buyer and plant them for her own purposes.

Section 6: Indemnification and Risk of Loss

1. Farmer bears risk of loss to her own equipment and structures while conducting her business operations, including those operations to fulfill the obligations of this agreement. Buyer may bear risk of loss if the loss was caused by negligence of Buyer, Buyer's agents, or Buyer's employees¹³.
2. Farmer bears all risk of loss due to the negligent or intentional acts of Farmer, her employees, agents, or contractors.
3. Neither Party shall be liable for injury or damage to persons or property caused by the other, its agents, employees, or contractors, and each Party agrees to protect, defend, and hold the other Party free and harmless from any claim, demand, or liability arising from any injury or damage¹⁴.

Section 7: Termination or Default

1. This Agreement is terminated immediately if Farmer allows or causes a lapse in organic certification on the acreage identified to this Agreement, as required in Section 3(2).
2. In case of fire, strikes or other labor disturbances, lack of transportation facilities, shortage of supplies, floods, earthquakes, action of the elements, invasion, war, riots, insurrection or rebellion, interference by civil or military authorities or passage of laws, or any unavoidable casualty or cause beyond the control of Buyer or Farmer, which affects the Party's performance under this Agreement, the Party is excused from performance under this Agreement during the period of inability to perform¹⁵.

Section 8: Nature of Relationship

1. Farmer and Buyer operate independent businesses. The Parties are not in, nor intend to create, a partnership. Neither Party has any rights to the profit or interests of the other Party. Each Party enters into this Agreement as an independent contractor. Neither Party shall be responsible for the actions or agreements of the other¹⁶.
2. Buyer shall have no right to direct or control any of Farmer's employees.

¹³For example, if the plastic mulch laying equipment is broken by the farmer, the buyer is not going to assume any responsibility for fixing the equipment.

¹⁴This is what is commonly called a "hold harmless" clause. It works like this: Let's say that while the buyer is on the farmer's property for a meeting, he backs his truck into a vehicle owned by the farmer's irrigation repairwoman. The repairwoman asks the farmer to pay her back for the damage to her vehicle. This clause means the Farmer can go right to the Buyer say, "Hey, you caused this damage and you need to take care of it fully." If the Buyer doesn't, the Farmer could use this clause to demand that he make it right.

¹⁵Potentially all kinds of things could happen that would make it impossible for the Farmer to grow the tomatoes or for the Buyer to fulfill his duties, including taking delivery of the tomatoes. This clause excuses each party if they can't perform their duties because of causes completely outside their control, such as an earthquake.

¹⁶Legally speaking, this is a very important clause. This relationship could potentially be viewed as a partnership, which has important tax and liability consequences. Here, our parties don't want those consequences and so they need to specifically state in their agreement that they are not a partnership, they are not conducting business together, they don't share profits, and they can't commit each other. They affirmatively state that they are independent contractors. These clauses aren't necessarily helpful if the Parties aren't actually behaving this way, of course. Putting it on paper doesn't make it so, but the structure of this agreement shouldn't create a legal risk of a partnership.

Section 9: Miscellaneous

1. Buyer may assign his responsibilities under this Agreement to another Party. Farmer may only assign her responsibilities under this Agreement by mutual agreement of Farmer and Buyer¹⁷.
2. If the acreage or any portion of it is condemned or taken by any authority possessing the power of eminent domain, any payment received as compensation for loss of the tomatoes identified to this Agreement shall become the property of Buyer and this Agreement shall terminate as of the date title vests in the condemnor.
3. This Agreement may be executed in counterparts, each of which shall be considered an original and all of which shall constitute one and the same agreement¹⁸.
4. If any part of this Agreement is invalid or unenforceable, the remainder of the Agreement shall remain effective.
5. Any amendment to this Agreement is ineffective unless in writing and signed by both Parties.
6. Prior to taking any action in a court of law, the Parties to this Agreement agree to appoint a dispute resolution committee to evaluate the dispute and make recommendations for its resolution. The Dispute Resolution Committee shall consist of three persons: (1) One adult appointed by Buyer who is not a member, partner, director, or employee of Buyer's business or an immediate family member of Buyer; (2) One adult appointed by Farmer who is not a member, owner, partner, director, or employee of Farmer's business or an immediate family member of the same; and (3) a neutral individual to be agreed upon by both Parties. The Dispute Resolution Committee shall review written submissions and supporting evidence submitted by both Parties within 30 days of the Committee's creation. The Dispute Resolution Committee shall make findings of fact and propose a resolution for the dispute within 60 days of the Committee's creation. The Parties may accept the resolution if they wish. If the Parties do not accept the Dispute Resolution Committee's proposed resolution, the Parties agree and acknowledge that the Dispute Resolution Committee's findings of fact shall be presumptively valid in a court of law. Buyer and Farmer agree to each assume 50% of the costs of the Dispute Resolution Committee, as they are incurred¹⁹.

¹⁷When a person "assigns" an agreement to someone else, they put someone else in their place as the Buyer or Farmer.

¹⁸This means that the Parties don't have to sign the exact same paper copy of the Agreement. They can each sign their own copy.




¹⁹This is a nice way to resolve the many issues that may come up. For example, if we have damaged product and we can't agree on whether it was caused by negligence or natural causes, Farmer and Buyer could use this process to appoint people to review the situation and suggest a resolution. Ideally, the committee is not emotionally invested and will be able to suggest a resolution that works for everyone.

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