



**FARM COMMONS**

# Building Strong, Legally Enforceable Sales Relationships with Availability Sheets and Invoices

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**DISCLAIMER:** This guide does not provide legal advice or establish an attorney client relationship between the reader and author. Always consult an attorney regarding your specific situation.

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This section will explain why availability sheets and invoices are important and how to use this resource.

## Why Use This Toolbox?

For many farmers, the right sales structure is to distribute an availability sheet, take orders, and then deliver the product with an invoice. This system is easy and allows for great flexibility. Beginning farmers uncertain of their production or growing conditions find this system ideal as they establish relationships with commercial buyers. This structure is a good option for farmers with established markets who need low-risk outlets for extra product.

Taking orders after distributing an availability sheet is an easy system to set up, but it's not without complications. Any time a person sells a product, things can get tricky. What if a customer feels the product was misrepresented before the sale? What if the customer doesn't pay for the product? Many things can go wrong. When disputes are unresolved, legal problems can quickly follow. Buyers can file lawsuits and farmers can sue for payment. Of course, everyone hopes these issues don't happen, but hoping alone isn't a prevention strategy.

“Everyone hopes these issues don't happen, but hoping alone isn't a prevention strategy.”

Farmers can mitigate the legal risks of selling product via availability sheets by using clear, written communication. Communication happens at many points: putting customers on their distribution list, distributing availability sheets, taking orders, delivering product, and accepting payment. Each of these is an opportunity for farmers to build a strong relationship that never encounters legal trouble.

A good availability sheet and invoice process can protect the farm over the long term if things do go wrong. With a little advance planning, farmers can create legally enforceable agreements within the system they are already using. If a farmer needs to enforce a sale or gets sued him or herself, the process is a bit easier with good documentation. Solid documents also boost a farmer's confidence too. It's always easier to ask for what you deserve when you have records to back yourself up. Over time, clear agreed-upon procedures help set and raise standards for both farmers and buyers. The entire food and farming community has much to gain from excellent sales documents!

## How to Use This Toolbox

“Legal tools are  
are just like  
any other tool a  
farmer uses, so  
that’s how we  
present them.”

Farm Commons focuses on creating flexible, adaptable tools that empower farmers to move forward in addressing their legal matters. Farmers (and business owners of all types) are sometimes under the misimpression that legal matters can be addressed by simply using the “correct” form or language. This often isn’t the case, especially when it comes to sales law. The “correct” language varies widely between farmers as it’s based on each business’ unique circumstances and process.

There is no single availability sheet or invoice model that is best for all farmers. To build legal resiliency, each farmer will need to follow a process of exploration, negotiation, and drafting that is unique to his or her farm.

Legal risks cannot be completely eliminated by using a good set of sales documents. Enforceability depends on many factors such as the specific circumstances of the problem that arises, the farmer’s specific state laws, past practices, and many other factors that can’t be explored in a resource like this. This toolkit is designed primarily to help farmers build their own strategy to avoid legal problems through good communication; which is also good legal protection should a problem materialize. **This toolkit IS NOT legal advice specific to any circumstance and should not be used as such.**

Take a look at how we’ve structured this toolkit to better understand how to use it.

Our toolkit empowers farmers using a very unique approach! Legal tools are just like any other tool a farmer uses, so that’s how we present them. Before you begin, take a look at how we’ve structured this toolkit.

### **Section 1: Opening the Toolbox**

The first thing you’ll want to do is get a basic understanding of why the tool exists and how it works. That’s this section!

### **Section 2: See the Tools in Action**

The best way to learn how to use a tool is to watch someone else use it first. Check out the fictional story of Farmer Anders and see how he uses this toolkit to build an excellent set of sales documents for himself.

### Section 3: Read the Tool Manual

Before you use a tool yourself, you want to get a really good idea of its capabilities and design. We will discuss of the legal basis for why and how Farmer Anders structured his documents as he did.

### Section 4: Adapt the Tools

The last step is to make the tools work for you. The only good sales documents are the ones that are adapted to your business, and our models illustrate the final result for how Anders adapted the products to his business.

Now, you'll be ready to do the same.

## Our Objectives:

### After reading this resource, farmers should:

1. Understand the potential of good communication to prevent legal problems
2. Be familiar with the three steps for creating an excellent, legally resilient communications process through availability sheets and invoices
3. Know the legal role availability sheets and invoices play in a legal dispute
4. Have the resources to move forward with assembling their own availability sheets and invoices.

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This section will introduce our fictional farmer and explain how he used this toolbox to create an excellent set of documents for his business.

## SEE THE TOOLS IN ACTION

**Watching someone else use a tool is often the best way to become familiar with it ourselves. It's usually more fun and educational than starting with the manual, right? We think so!**

**Let's take a look at how fictional Farmer Anders approaches his communication through availability sheets and invoices. We will follow along as he makes decisions, sends emails, takes payment and more.**

**After reading this short story, farmers will have an excellent grasp Farm Commons' recommendations for strong, legally-resilient sales relationships through availability sheets and invoices. We'll explore the subtleties of Farmer Anders' choices in the next section.**



Farmer Anders is just beginning his own farm. He has a lot of food service experience and is hoping to sell product as it comes in to a few restaurants and a caterer that he’s worked at in the past. Knowing his production will be unpredictable, he’s looking to distribute availability sheets. But at the same time, he needs some stability. His farm doesn’t have a lot of flexibility – he is the only employee, he has another job, and his margins are very thin. If he has to waste time or product, that will have a big impact on whether he can continue. Anders wants to increase his chances of success, and he’s planning to do it by creating clear procedures that work for him and potential buyers. By getting off on the right foot, he’s hoping to build his reputation and his ability to provide excellent service long into the future.

“By getting off on the right foot, he’s hoping to build his reputation and his ability to provide excellent service long into the future.”

Anders decides to use the standard means of communication for many folks who sell to restaurants – the availability sheet. Each week, Anders will distribute a list of the products he has available along with the price. Buyers will then place weekly orders, and Anders will deliver the product. The system seems simple enough. But, Anders knows there’s still plenty of room for things to go wrong. Menus change, chefs come and go, and in the hectic pace of a kitchen, mistakes are made. Anders knows he has to prepare for these inevitabilities.

First, Anders thinks through how things might go wrong, and how his business will be affected.

The first step of preparation is Anders thinking through his ability to handle contingencies. He looks at his harvest system and compares it to the day customers must submit orders. If orders are submitted late, can he still harvest? Anders ponders his other market outlets. If folks change their orders, does he have any way to re-route harvested product or get back into the field for new items? Anders starts by analyzing things that might go wrong and how those contingencies would impact his business. He designs some procedures for customers to follow that would minimize the impact while still allowing buyers the flexibility they need.

Anders wants to make sure his procedure is through. So he drafts his own terms for his sales, making sure that he allows for contingencies of all sorts.

**Anders’ Terms of Sale:**

*“My availability sheets will include varietal information and tasting notes as appropriate. Product is all certified organic. Most of my items are sold bulk by weight. A few smaller varieties are sold in clamshells or printed bags by*

*weight. Some of my items are quite unusual and typical quality standards for shape, coloring, or cosmetic damage may not apply. Instead, availability sheets will indicate quality parameters with a description of color, shape and presence of any soft spots, scald, or other cosmetic issues. Product with any edibility defect will be sold as 2nd quality.*

*If a buyer is upset with product quality, the buyer must text me a photo of the problem within 2 hours of delivery. I will return to the location to discuss the situation with the buyer within 4 hours. I will work to provide a replacement within 24 hours or refund the buyer's cost for the damaged portion of the order.*

*Buyers must submit orders by Tuesday at 4pm for a Thursday delivery. Include the variety, weight, and indicate if substitutions will not be allowed. I will notify buyers if an order cannot be filled by Wednesday at 9am. Buyers may change orders before noon on Wednesday. Modifications requested after Wednesday at noon may be honored at my discretion and I will let buyers know as soon as possible if I will not be able to modify the order. I reserve the right to charge a fee if the order is less than \$40, total.*

*Deliveries are made between noon and 4pm on Thursdays. I drop off an invoice at the time of delivery and expect payment within 15 days. I reserve the right to charge a 5% late fee if an invoice is paid late.*

*My peppers should be washed before use and, if received bulk, should be repackaged from their waxed box into a closed, vented container upon delivery."*

Expect commitment from your buyers, even if you are in the early stages of your business.

Even though his business is just in the beginning stages, Anders also expects a level of commitment. If a customer orders a product, Anders expects them to accept delivery and make payment for it. If an order change must be made, Anders expects the buyer to follow his procedure. In return, Anders is making commitments as well. He will provide quality product in a timely manner and communicate fully about any unexpected changes.

Sure, Anders doesn't necessarily intend to enforce these commitments against his buyers. If someone doesn't pay, Anders might simply choose not to sell to that buyer again rather than go through the trouble of forcing payment. But, that isn't really his point. Commitments, no matter how expected or minor, have the best chance of fulfillment if they are communicated. As Anders would prefer to avoid

having to ever consider enforcement, he goes for clear communication from the start.

Select your buyers carefully to increase your chances of a successful long-term sales relationship.

In addition to good communication, Anders focuses on selecting his buyers. Some farmers might be thinking that's backwards. Shouldn't Anders focus on convincing buyers to select him? Anders thinks back to his needs and his limitations. If a buyer needs delivery and order flexibility but Anders can't provide it, both parties will be disappointed. Disappointment won't help Anders meet his long-term goals.

How does Anders select good buyers? First, he looks at his design for the ideal ordering procedure. The perfect buyer would have needs that match his. Anders uses his insider knowledge from his background in the food service world. He knows that his target buyers all place orders on Tuesday, the same day Anders would like orders to be made. That's a great start, and perhaps Anders' most important consideration. But, his procedures list is long. Likely, there will be a couple of his preferred processes that don't work as perfectly for his buyers. Anders is prepared to negotiate to find a good compromise where necessary.

Be upfront about your ordering procedures right from the start with potential buyers.

Anders calls up his potential buyers, introduces his new business, and asks if he can drop by a sample of his products. When the buyer agrees, Anders also drops off an information sheet about his farm, which includes a sketch of his ordering procedure, as Anders outlined above. When Anders calls back a few days later to ask the buyer if he liked the product, Anders also asks about the procedures. Would they work for the buyer? Would something else work better? They discuss and any modifications are outlined.

It can be helpful to send a follow-up email to potential buyers to reiterating terms and get a clear commitment.

Anders is pleased with this start – the buyer liked the product, appreciated Anders' consideration of business procedures, and agreed to be placed on Anders' distribution list. But, it's not quite enough for Anders. He'd really like to make sure he has clear communication on procedures and some kind of commitment from the buyer before he goes forward. So, Anders sends a quick email to the buyer.

**Anders' Email:**

*"Dear Buyer,*

*It was terrific to talk with you yesterday. I'm so glad you liked my peppers and want to be placed on my order list. You will receive an availability sheet beginning next week.*

*I'm thrilled my ordering and delivery procedures will work for your operation. As we discussed, I will modify my regular delivery window as a convenience to your kitchen to between 2 and 5pm on Thursdays. For your convenience, I'm pasting a copy of my sales terms below. They are the same as we discussed yesterday. Please keep these for your reference in case you ever need to modify an order or have an issue with product quality. Let me know if anything will not work for you. If I don't hear back, I'll assume we are still in agreement.*

*Thank you again. I'm excited to work with you.*

*-Anders"*

This email helps Anders clearly communicate with buyers while managing his legal risk. By clearly offering terms and giving the buyer a chance to object, Anders is laying the foundation for an enforceable contract. He is pretty sure he'll never chose to enforce the contract but he values the ability to do so in the case that things do go askew.

In reality, buyers probably won't have time to look closely at his email or the procedures. This might not be a legal concern, necessarily, but it is a practical concern for Anders. How can he improve his chances of a good relationship if buyers may not clearly know his procedures? Even if they do read it now, will they remember the specific procedures for changing an order months later? Anders addresses this reality by making sure his procedures are stated clearly throughout the buying process.

**Anders' model availability sheet:**

**Anders Farm, Inc.**

Anders Anderson  
Waltham, Michigan

**SALES AVAILABILITY**

Thursday, August 14 to Monday August 18, 2014

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

ITEM	DESCRIPTION	count	pack	UNIT PRICE	Notes	TERMS	DELIVERY	NUMRFR
1	Carmen Peppers	bulk	per pound	\$28.00	Italian frying style, tapered, at least 75% red color coverage. 1st quality with no damage.	See Terms Below	For Tuesday August 19, 2014	Week 24
2	Carmen Peppers, 2nd quality	bulk	per case	4.5	Same as above with no more than 20% cosmetic damage from scald or scarring.			
3	Mini Peppers- mixed colors	12 8-ounce clamshells	per case		Sweet, fresh-eating peppers in mixed colors. Perfect for snacking. 1st quality with no damage.			

*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 Tuesdays.**  
 Modifications may be made until noon Wednesday.  
 If an order change is made after noon Wednesday we may not be able to make the change. Buyer will be notified if we cannot. A convenience fee of 5% may be added to an order changed after noon Wednesday.  
 Email your order to andersfarm@...com. Orders MUST CONTAIN the Item number or description plus quantity desired. Please note if substitutions are not allowed.  
 This sales availability is an Estimate, only. Actual availability may change. Although we are confident in our estimate, if a change is unavoidable, we will let you know by 9am Wednesday. 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 9am if we cannot deliver your order without an additional charge.  
 Our goal is your satisfaction. If any order does not meet your quality expectations, please let us know by texting a picture of the problem to 123-456-7890 within 2 hours of delivery.

THANK YOU!

Every time buyers receive an availability sheet, they see Anders' ordering,

For a full-size version of Anders' model availability sheet, please refer to page 34 in the "Adapt the Tools" section of this resource.

changing order, and other relevant terms right there. Anders' availability sheet also makes it clear that these procedures are truly "terms" of the sale. His availability sheet places this reminder in red to help it stand out. Below, the terms are highlighted in yellow. Buyers will be reminded that Anders is serious about his needs.

At the same time, Anders uses a friendly tone wherever possible. He reminds customers that his goal is customer satisfaction.

Repeat key terms in an availability sheet to clearly communicate with buyers.

From a legal perspective, Anders is best protected when his sales terms are clearly communicated before the customer places an order. This is why Anders repeats key terms in his availability sheet. Buyers have the chance to consult the terms and confirm whether they wish to follow them by placing the order. Anders would benefit even more by repeating every term, such as paying invoices within 15 days. But, Anders needs to balance space and tone with legal best practices. By sending the email first with full terms and then repeating relevant terms on the availability sheet, he tries to strike a good balance.

When a buyer submits an order, follow up with a confirmation email that reiterates relevant terms.

When buyers submit an order, Anders' follows up with a confirmation email. This is another chance to reiterate relevant terms.

**Anders' confirmation email:**

*"Dear Buyer,*

*Thank you for placing an order with Anders' Farm. We look forward to picking and packing your peppers tomorrow. If you need to change your order, you must do so by noon on Wednesday. As we pick to order, changes made after that time may not be honored. We will let you know by phone if we cannot honor an order change.*

*We are confident in our availability forecast but nature is fickle. If your order cannot be filled as placed, we will let you know by Wednesday at 9am.*

*Please inspect your order as soon as possible when it arrives tomorrow. We strive to provide consistent quality. If you disagree for any reason, text us a photo of the problem within 2 hours of delivery. We will work with you to resolve it.*

*Thank you again,*

*Anders"*

A confirmation email will help Anders in court, if it ever comes to that.

Anders has a legal reason for reiterating his terms on the availability sheet and confirmation email, too. If Anders ever chooses to enforce his agreement, it will be easier for Anders to convince a court that the buyer knew and agreed with the terms. Because they are communicated in many ways and times, the buyer has ample opportunity to object.

Last, but certainly not least, Anders needs to get paid. As outlined in his introductory sheet and email, he drops off an invoice due within 15 days. The invoice is Anders' final chance to communicate with buyers about the sale. Everything on the invoice should be old news to the buyer – they've heard it a few times before. From a legal perspective, that's exactly as it should be. Anders has again highlighted his terms in red, and put a colored box around them at the bottom.

For a full-size version of Anders' model invoice, please refer to page 36 in the "Adapt the Tools" section of this resource.

Anders Farm  
Wallhalla, MI

Date: 12/23/14  
 Invoice #: 1111  
 Due: Net 15 (1/7)  
 Late Fee: 5%  
 For: See Additional Terms Below

INVOICE

**Bill To:**  
 Buyer  
 Company name  
 Street address  
 City, ST 00000  
 Phone

Quantity	Description	Unit price	Amount	Column1
1	Item Number 1	\$ 2.00	\$ 2.00	
1	Item Number 2	\$ 2.00	\$ 2.00	
1	Item Number 3	\$ 2.00	\$ 2.00	
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
			\$ 0.00	
<b>Subtotal</b>			<b>\$ 6.00</b>	

Credit	\$ -
Delivery fee	0%
<b>Balance due</b>	<b>\$ 6.00</b>

Thank you for your prompt payment!  
 Late payments are subject to a 5% 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 with a text picture of the issue 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.

Anders' procedure as a whole is designed to protect him legally while building a strong relationship with his buyers. He uses a friendly tone throughout and takes the opportunity to emphasize his commitment to good customer service. Legally, Anders clearly communicates his terms before a sale is received. Then, he reiterates them at relevant intervals to remind buyers.

“Some buyers may not be able to meet Anders’ needs, but he might consider it all for the best if those relationships don’t go forward.”

This process doesn’t convey that Anders is rigid or unaccommodating. To the contrary, he will happily modify procedures for specific customers. But, he makes sure that accommodation is clearly communicated. Some buyers may not be able to meet Anders’ needs, but he might consider it all for the best if those relationships don’t go forward. For those that he does work with, Anders is able to meet their needs long into the future.

At this point, farmers might be wondering about the practical and legal basis for Farmer Anders’ process. Why did he send the confirmation email with the terms after discussing them verbally? Why does he repeat himself often? How can other farmers build a similar system for their unique operation?

Farmers are used to things going wrong, and Farmer Anders is no different. His system isn’t a silver bullet and problems crop up. What will he do then, and how do the legalities of his availability sheet and invoice process play out when bad things happen?

**Read the next section - the Tool Manual - to find out what’s behind the story.**

## READ THE TOOL MANUAL

This section will explore the capabilities and structure of each of the tools so that you can effectively use them.

**Farmers might be left with more questions after reading our story about the fictional Farmer Anders and his ideal process in the previous section. Why did he send the confirmation email with the terms after discussing them verbally? Why does he repeat himself often? How can other farmers build a similar system for their unique operation?**

**Wise farmers will also be skeptical. Isn’t the story a little idealistic? Is that really all it takes to build legally resilient sales documents? Things are bound to go wrong. What happens then?**

**These are excellent questions, and we will explore them now. Consider this section to be the manual that comes with any new tool. You’ll get the most out of it if you take a little time to delve into the resource’s functionality. Legal tools work the same way. You could skip ahead to our models in the back, but you might not realize why we designed them that way, how to incorporate them into a full process, or how to adapt them effectively to your operation.**

**Now that we've gotten to know Farmer Anders, we will continue to follow him. Let's see what happens as Farmer Anders handles a sale. Here's our set up:**



Farmer Anders sends out an availability sheet that includes green beans. Chef Betty puts in an order for 30 pounds of beans – she is planning on using them at a wedding where the bride has specifically requested a green bean dish be included in the menu. The bride and her fiancée first met at the farmers market one Saturday years ago, when their hands met while scooping green beans out of the bin. They hit it off immediately, and since then they have joked that if it weren't for their mutual love of green beans, they never would have met. Anders and his green beans will play an integral part in the couple's wedding celebrations. He sets aside his entire green bean crop for that time period for Betty.

Anders' and Betty's specific situation will help us illustrate Farm Commons' process for developing strong sales using availability sheets and invoices. These are the steps Farmer Anders followed to create his system, which we will explore here:

1. Think through an ideal sales situation and any issues that may arise
2. Come to a consensus with the buyer
3. Put the plan in writing
4. Follow through on the agreement

## Step 1: Think through your ideal sales situation and any issues that may arise

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First, think through exactly how you want your sales to occur.

Anders' first step is to think through exactly how he wants his sales to occur. What day is ideal for him to harvest? Anders has a busy schedule between CSA pickups, farmers markets, and other produce drop-offs. When is the best time for him to make the delivery to Anne? What does he need to charge to make the sale worthwhile for his business? What payment procedure does Anders prefer, and what is the payment deadline? Considerations such as these will help Anders craft a clear vision of his ideal sale.

Next, think through possible contingencies.

Next, Anders should think about possible contingencies that might occur. For example, can Betty cancel or change the order? Is it okay if she needs the product at a different time or location than she initially decides?

Then, create a strategy to minimize the impact of potential changes.

After brainstorming potential problems, Anders should create a strategy to minimize the impact if cancellations, changes, and other contingencies occur. Is there a time frame where cancellations are less inconvenient for the farm? Would charging a fee make it more financially feasible to make changes after the order deadline? What is the procedure if Betty is not satisfied with the order?

One potential issue that Anders might experience is buyer misperceptions about his product. As the local food movement expands, new buyers are entering the market. Many things motivate these buyers: desire to market local foods, concern for the environment, and dedication to the best-tasting items. We can't necessarily predict the experience and knowledge of any specific buyer, so it is a good practice to assume that the buyer knows very little about your product.

For example, although farmers grow green beans of many varieties, Chef Betty may assume all local farmers grow haricots verts. Our farmer, Anders, grows a beautiful pole bean that his other customers love for its plump, crunchy pods – but Betty will be very disappointed if she is expecting a long, slender legume. Anders and Betty may also have different expectations about how the product will be packaged, delivered, or prepped. Anders can start off by laying out all the basic details for Betty, even if they seem obvious, to help set accurate expectations. His contingency plan should also include a strategy for how he and Betty will handle any disputes about the beans once they are delivered.

Identify your priorities to protect your revenue and manage your risk.

By thinking through his ideal arrangement and then making a contingency plan based on his needs, Anders is able to correctly identify his priorities for the sale and what he needs from Betty in order to protect his revenue and manage his risk.

### What if I need to make changes?

Anders understands the importance of this stage of the process, but it makes him a little nervous. Growing and selling greens beans isn't a black and white process. Things change, and sometimes he needs flexibility. What if he needs to change the timeframe or changes his mind about the price? What if the contingency

procedures that he lays out don't feel appropriate when they come about? There are ways to write procedures to give the farmer flexibility. This includes using language such as:

- "I have the right to reject order changes"
- "I may reject order changes"
- "I reserve the right to modify the price based on current market rates"

As you can see, discussion of terms does not have to mean setting the procedures in stone. It does, however, set the stage for accurate and open communication. Getting clear right from the beginning is the foundation of any strong sales relationship. Farmers will rarely go to court to enforce a sales agreement. Anders's time is much better spent developing the communication and procedures to prevent problems from happening in the first place.

## Step 2: Come to a consensus with your buyer

An effective and legally sound strategy for using availability sheets and invoices will outline how the farmer and buyer will handle a wide variety of inevitable issues and contingencies. In the previous step, we identified what issues might come up and how we can address them. The next step is to talk these through with your buyer and come to a consensus on how each of those situations will be handled.

Each farm may deal with changes, cancellations, payment, delivery, and quality issues in a different manner. To increase your chances of a positive sales relationship you're your buyer, you must communicate your specific details. The information on your availability sheets and invoices reflects the agreement you make with your buyer about how to conduct business. When you send those out, it should not be the first time that your buyer is learning of your policies and procedures.

You might be wondering, "How can we agree on something before I've put the terms in writing?" A helpful analogy might be to think of a sales relationship like a marriage. If you aren't committed to your partner already, a marriage certificate won't create a strong union. You have to work on the relationship first, and then back it up with the written agreement. Accepting a buyers' offer and agreeing to supply him or her with a certain product is certainly a commitment. But, its

////////////////////////////////////  
"Think of a sales relationship like a marriage... you have to work on the relationship first, and then back it up with the written document."  
////////////////////////////////////

effectiveness as a preventative strategy relies on the buyer authentically agreeing to your terms of the sale. The availability sheets and invoices that are sent out are only a reflection of the agreement that two folks have already created together. Focus on the style of communication that feels most comfortable to you, but make sure that you and your buyer come to a consensus on your respective needs, policies, and expectations ahead of time.

Sometimes, consensus is not possible. You might discover that your buyer needs you to compromise on terms that you are unwilling to change. If that's the case, while disappointing, you may decide not to move forward with that buyer. It can be tempting to skip this step, and just hope for the best. But, as we have been discussing, proactive communication about potential pitfalls and areas of concern prior to the sale is key in developing (and keeping) strong sales relationships that keep your business profitable, and you out of court. Recognizing an incompatibility early on can save you a lot of time, money, and mental energy down the road!

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Get creative! This process is an opportunity to develop unique sales arrangements that work for the specific business interests of you and your buyer. Take advantage of the flexibility.

An initial disagreement on the terms does not have to mean that the sale cannot move forward. Coming to a consensus with your buyer might mean a bit of negotiation. Sales arrangements have many details and moving parts, and it is common that both the buyer and farmer might have to compromise on some issues. Both parties are weighing the risks they are taking, and thinking about how to best protect their expected revenue. By coming to the table with a clear vision of what you need in order to go through with the sale, and what you might be able to compromise on, you and your buyer can figure out how best to meet your respective needs.

## Negotiation of Terms

There are many different ways to negotiate with your buyer and come up with an arrangement that works for you both. The first option is to present your agreement or list of terms first, before your buyer has a chance to do so. If your plan is well thought through and takes into account your buyers' goals, your buyer might decide to agree to it without further negotiation.

If that's not an option, or if the buyer does not agree with the terms you've laid out, it's time to begin thinking about what you are willing and able to compromise on, and what you are not. By getting your own priorities clear in your head, you will be able to keep your eye on the prize and not get bogged down

“It can be helpful to look at the situation from your buyers’ perspective to understand where his or her needs are.”

Keep your cool: The two most common negotiation styles are “adversarial” and “collaborative.” Experts have shown that in contract negotiation, a collaborative style without anger or big emotional display is more likely to yield the desired results.<sup>1</sup>

1 “Getting to Yes: Negotiating Agreement Without Giving In” by Roger Fisher, et al. Harvard University

by small details that might not mean as much to you. And, you get the added benefit of appearing very accommodating when you concede one of those less-important points!

It can be helpful to also look at the situation from your buyers’ perspective to help you understand where his or her needs are. A chef may set a menu at a certain time, and need to know of any changes within a certain period. A caterer might need flexibility to cancel an order if a farmer cannot supply what the client has requested. Observe how your buyer works with supplies and what kinds of relationships already exist with other growers. Try to determine if there is another person or factor that is influencing your buyer or putting pressure on him or her to make certain decisions. Understanding your buyer’s limitations and flexibility can help you negotiate intelligently and ultimately draft a procedure that will work for both parties.

Another strategy is to break the negotiation process into parts, rather than taking an all-or-nothing approach. For example, let’s say that Betty rejects Anders’ availability sheet when he first presents it. Rather than throwing out the whole thing and starting from scratch, Anders would be better off breaking the process into sections and going through each one. This would allow both Betty and Anders to pinpoint exactly where they are not in alignment, and also give the general feeling that they are making progress forward in their relationship. If Anders requires that Betty agree to all the terms he presents or it’s back to the drawing board (or vice-versa) it could be a long and frustrating process to come to a consensus.

Rather than look at the compromising and negotiation process with dread, Anders can re-frame it as an opportunity for marketing himself as dedicated to customer service. By working with Betty to understand her needs, he is showing that he truly wants to understand how to make Annie happy. Of course, this requires that he is honestly willing to do this, and compromise if necessary!

### Step 3: Put the plan in writing

Once Anders and Betty have come to an agreement on how they will work together to issue availability sheets and place orders, what happens if things go awry, and what conditions will work for them both, it’s time to put those details in writing.

**There are a few reasons why this step is important:**

**1. Make certain that you are on the same page (literally!)**

This is a final checkpoint to ensure that there are no misunderstandings between the two parties, and that the arrangement outlined in the availability sheet and invoice truly does meet both of their needs.

**2. Preserve collective memory with accuracy.**

While verbal communication and consensus-building is important in this process, without the written record, it can be difficult to remember exactly what was agreed upon. This eliminates the possibility for future disagreements and discrepancies in recollection of the agreement.

**3. Build enforceability and confidence.**

Having availability sheets and invoices that include written terms of the sale is a key factor in being able to effectively defend yourself in court. A written agreement helps the judge determine what each party's obligations were regarding the sale. The court makes its ruling based on that determination.

The ability to enforce an agreement might also make it less likely that enforcement is ever needed. This is because putting things in writing builds a strong foundation of communication ahead of time. Operating from a clear record often allows you to prevent and resolve problems outside of a court system.

But if, despite your best efforts, you need to go to court to settle a dispute, that ability to enforce the agreement can give you great confidence in defending yourself. Disagreement and lawsuits are still possible, even if you take the preventative measures suggested in this guide. If the dispute does reach a court, you can be confident in your argument knowing that it is backed up by the sales documents you were using. Without written terms, the court process could turn into a game of "he-says-she-says." If the farmer and the buyer claim to remember their agreement differently, it will be quite difficult for a court to determine what the agreement was, and how to enforce it.

Even if a dispute doesn't reach the court system, having clear availability sheets and invoices is helpful for enforcing accountability between you and your buyer. Let's say that Betty was to back out the sale at the last minute or fails to pay Anders. Anders can be confident in asking for what he is owed with the knowledge that his arguments will be backed up in court by his sales documents.

“The ability to enforce an agreement might also make it less likely that enforcement is ever needed.”

Sales documents can back up your argument in court, rather than relying on the memories of the farmer and the buyer.

“Anders can be confident in asking for what he is owed with the knowledge that his arguments will be backed up in court by his sales documents.”

The information on availability sheets can serve the same purpose as a formal contract.

Following through on an agreement is important for preserving ongoing relationships in addition to being legally imperative.

That confidence is valuable whether or not Anders ever decides to go forward with formal enforcement. Sometimes, just knowing that your agreement is robust enough to stand up in court is enough on its own to keep both parties accountable.

In case you are wondering – yes, a written agreement can also be enforced against you. But, having something in writing is still important in that situation, too! It’s important to realize that you can be held accountable for your actions whether your agreement is in writing, or not. While the terms of a sale may not be as clear without a written procedure, the fact that you have agreed to sell someone your product for a price means that you have entered into a commitment. The difference is that putting it in writing helps you set achievable objectives from the start and build in flexibility for yourself. This makes the chance of “mistakes” and disputes less likely.

So now that we see why we want to put our plan in writing, you might be asking how that works with simple availability sheets and invoices. Most folks are familiar with the structure of a more formal contract. Availability sheets are just lists of information, right? Yes, they look like plain old lists, but the information on them can all serve the same purpose as a formal contract. It creates a record of how the parties planned to buy and sell to each other.

We will explore these points in more detail and more ways to write terms into availability sheets and invoices in the “Adapt the Tools” section of this resource.

## Step 4: Follow through on the agreement

It should go without saying that both parties need to follow through on the agreement that they have crafted together. As the producer, Anders needs to make sure that he can meet his obligations in delivering the promised product, at the expected time. If not, he must be sure to follow the notification systems and deadlines he wrote into his contract. The same goes for his buyer, Betty.

Following through is an integral practice in maintaining good customer relationships. But, that’s not the only reason for Farmer Anders to hold up his end of the bargain. Legally, he has committed to doing what he says he will in his sales documents, email exchanges, and verbal communications. Failing to follow through is a breach of contract (whether using availability sheets and invoices or a

////////////////////////////////////  
“If a farmer fails to follow the procedures time after time... it is as if the agreement never existed.”  
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formal contract), and this can have ramifications ranging from the loss of the sales relationship to a lawsuit.

If a farmer fails to follow the procedures time after time, the pattern of behavior can modify the written procedures and it is as if the agreement never existed. This becomes a legal liability and it erodes the predictability we are trying to create with writing terms and procedures into availability sheets and invoices. Not to mention, all the time and effort put into to building the sales relationship and writing the documents goes to waste!

## What if things go wrong?

—————●  
In this section, we discuss why you might choose to enforce an agreement, and what your options are for doing so.

So far, we’ve discussed the steps Anders (and you) can take to prevent problems by building a strong sales relationship and writing availability sheets and invoices that reflect your mutual understanding with your buyer. But, sometimes despite our best efforts, things don’t go according to our well-laid plans.

If you are in a situation where a sale goes awry, you might decide to enforce your agreement. There are a few reasons why a farmer might seek outside resolution for a dispute with a buyer. If the sale is particularly large, or a substantial portion of the farmer’s revenue, enforcement might be necessary to get what is due, and keep the farm in business.

—————●  
Enforcing an agreement can set a precedent for future sales relationships.

A slightly less tangible reason why a farmer may choose to go through the sometimes-awkward process of enforcing a sales agreement is to set a precedent. By standing his or her ground and asking the buyer to uphold the agreement they’ve made, the farmer sends the message that this is not acceptable behavior, and it won’t be part of their business relationship. This is both for any future dealings with that buyer as well as for other current and potential buyers. Word does travel, as we all know, and having the reputation for being a fair and honest businessperson who expects the same from your buyers will attract the kind of business relationships that will serve you well over the long run.

Finally, seeking enforcement for an agreement may alleviate the negative impact that being treated unfairly can have on a business owner’s mindset. In some cases, seeking retribution could allow the farmer to continue on developing sales relationship a building a business with an open mindset, rather than operating

“Sales relationships are business, yes, but they cannot be completely unmarried from the personal components.”

from a fearful or resentful standpoint. Sales relationships are business, yes, but they cannot be completely unmarried from the personal components. Sometimes closure on a situation, whether that is financial or emotional, is key to move on in a fruitful and productive manner.

**As you can see, it is a very personal and individual decision to enforce a sales agreement. If you do choose to, you have a few options for enforcement We will discuss two of these options:**

- 1. Small Claims Court**
- 2. Perishable Agricultural Commodities Act (PACA)**

### **1. Small Claims Court**

Small claims court can be an excellent option for small business owners, including farmers, with a dispute to settle. Small claims court is accessible to non-lawyers, and is a common option for lawsuits involving small business owners and folks who do not want or need the more extensive procedures of regular court. To access small claims court, the claim (the amount of money that you are requesting from the other buyer) must be under a specific amount. This varies by state, ranging from \$2,500 to \$10,000.

Written agreements are still very important in court. When you enter into small claims court, the role of the judge is to uphold what the two parties had previously agreed upon. The role of the judge is not to decide what is “fair” from an objective perspective, necessarily. The judge will first try to figure out what the two parties had agreed to do for each other. A written agreement makes that task much easier and cleaner for everyone. Then, the judge will focus on whether the two parties actually met their mutual obligations. If they did not, the judge will look to the agreement of the parties first, when deciding on a resolution. The parties’ agreement is always the judge’s first source for a fair resolution.

This isn’t always an intuitive point, not just to farmers, but business owners of all types. It can be easy to assume that there are laws written down somewhere that say what exactly to do when there is a sales disagreement. In fact, the primary

The website [www.nolo.com](http://www.nolo.com) is a helpful resource if you would like to learn more about small claims court and what the limits are in your state. Just click on “Small Claims Court and Lawsuits” under the “Get Informed” category on the homepage of the website.

rules are the ones that you write into your contract (again, remembering that we are using “contract” to refer to other sales documents like availability sheets and invoices, as well). Without those, it’s up to the court to try to discern what the verbal agreement was between the buyer and producer, and how to uphold it. Wouldn’t you rather set those rules ahead of time, rather than playing a game of “he-said, she-said” and hoping that the judge takes your side?



A few days before the wedding, Betty’s bride customer changes her mind. She learns that one of her guests has an extreme peanut allergy, and sometimes has reactions to other legumes including soybeans, kidney beans and.... green beans. The bride doesn’t want to take the risk of having a medical emergency occur in the middle of her special day. There will be no green beans at the wedding. Betty cancels the order, and Anders is left with 30 pounds of green beans with no buyer. Anders just made a mortgage payment, though, and now his daughter wants to go to soccer camp. He’s stretching his financial limits to make everything keep running. He’s not in a position to take a loss at the moment. He tries to explain this to Betty, but she’s unresponsive to his calls and emails. He decides to take Betty to small claims court to get what he is owed.

If Anders and Betty have been working with a sales document that clearly states the terms of the sale, the court will be able to quickly discern that Betty had cancelled her order past the deadline that she and Anders had agreed upon.

The court will determine what the agreement was, and who breached it. If you do not have a written agreement, or if it is incomplete or unclear, a judge may have to fill in the blanks and pull from various sources to make their decision. In the case of Anders and Betty, this could include things like what they have each done in past sales arrangements, what most farmers and chefs do in similar situations, and so forth.

If Betty and Anders only have a verbal agreement, Betty might claim that she only agreed to buy the beans if the customer did, in fact, want them for her menu. Perhaps she remembers warning Anders that the bride might change her mind. Anders wouldn’t have much to go on to prove otherwise in this case. The court process might take a lot longer, and leave a lot more room for interpretation, than if Anders had come into the court with written, comprehensive sales documents and email exchanges to show that Betty had, indeed, agreed to buy the beans unless the order was cancelled within a certain timeframe.

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A clear written agreement helps the court make their decision. Without it, the judge may have to pull from multiple sources and fill in the blanks.

## 2. Perishable Agricultural Commodities Act (PACA)

Perishable Agricultural Commodities Act (PACA) is a law that can protect farmers from unfair business practices. PACA generally regulates large buyers, wholesalers, and dealers, and ensures that they are following fair trade practices. If you are selling large amounts of product and haven't gotten paid for your transaction, PACA may be able to help you get the money that you are owed. But, it does not always apply.

First of all, what is a "fair trade practice"? PACA sets basic standards for things such as rejecting produce without cause, not paying the agreed upon price, dumping (throwing out) product that doesn't meet standards, or misbranding or misrepresenting product. For example, in Wisconsin, the state PACA law prohibits a wholesaler from giving the impression that produce is from Wisconsin if it actually not.

**To determine whether or not PACA applies to you, begin by asking the following questions:**

- Do you have some form of written evidence that the buyer agreed to purchase the product at a stated price?
- Does the buyer have or should the buyer have a license?
- Are you selling fresh, frozen, or iced fruits or vegetables?
- Was the produce moved to another state or country?

If you answered yes to all of the above, PACA may apply to you. The next step would be to call the Department of Agriculture for guidance on next steps. There are both federal and state PACA regulations, and there are differences to when each apply. Be sure to look into both agencies' regulations.

**For more information on PACA, visit the website [www.flaginc.org](http://www.flaginc.org) and enter "PACA" into the search box. One particularly helpful resource is the article entitled "Federal Law Protects Farmers' Rights to be Paid for Fruit and Vegetable Crops".**

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To learn more information about when PACA applies, including how to determine if your buyer does or should have a license, refer to Farm Commons' flow chart on our website: "Does PACA apply."

## Insurance

This section will explore the role of insurance in sales agreements.

Up until this point, we've been discussing the risks of sales agreements as they relate to the relationship between the farmer and the buyer. We have been reviewing two main concepts: communication to prevent problems from occurring, and steps to protect our ability to succeed if problems result in a lawsuit. There are, however, two additional risks that we would like to touch on: crop loss and food safety incidents. These risks call for a different management strategy.

For much more information on insurance, watch Farm Commons tutorial, "Effectively Manage Your Farm's Risks With Insurance" at [farmcommons.org](http://farmcommons.org).

Insurance can play an important role in protecting your business. When you buy an insurance policy, you are essentially paying someone else to assume the burden of a risk. In the sales context, we are specifically concerned with the risks of crop loss and a food safety incident. In this guide, we are discussing a few basic options for risk management through insurance. However, to understand what policies are most appropriate for your unique situation, your insurance agent will be your best resource.

### Crop damage

As a farmer, your revenue is dependent on you supplying your buyer with a specific product during the time period you agree upon. If something happens to that product, your revenue is lost. This is where crop insurance can play a helpful role. In the case of a crop loss, crop insurance may be able to provide reimbursement for some or all of the lost revenue.



Anders does not carry a crop insurance plan. He was under the impression that crop insurance was only available for commodity farmers in specific regions of the country. While this may have been the case in the past, there are new options for federally subsidized crop and livestock insurance that might be appropriate for Anders and other diversified farmers. Many farmers report that these policy options are quite affordable.

One of the new crop insurance policy options available is the Whole Farm Revenue Protection (WFRP) through the United States Department of Agriculture's Risk Management Agency (USDA RMA). If Anders were interested in WFRP, he would first need to check into whether his farm is eligible. Then, he would need to make sure he could provide evidence of the sale and the revenue he was expecting to gain from it. Confirmed orders, distributed availability sheets, past sales records

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For more information on crop insurance options, please consult Farm Commons' guide: "Managing the Sustainable Farm's Risks with Insurance: Navigating common options" available at [farmcommons.org/resources](http://farmcommons.org/resources).

and more can be used to demonstrate a farmer's expected revenue from a sale.

Farmers interested in purchasing a WRFPP policy should contact a local agent who sells crop insurance. A list can be found at the RMA website, under the "agent locator" tab.

### **Food Safety Incident**

There are many variables that factor into insurance coverage for a food safety incident. These include the source of the outbreak, whether the product is being sold directly to the consumer, and the details of the agreement the buyer and producer come to ahead of time, among others. Depending on how the outbreak develops and the nature of the sales relationship, a producer could be held liable for the costs of a food safety incident. This is where insurance could be an integral management tool for the farmer. The appropriate insurance policy could pay for the ramifications of a food safety incident.



Let's say that the green bean sale that we have been discussing does go through. Chef Betty's bride has the green bean dish of her wedding dream. Unfortunately, half of her guests get sick immediately following the wedding. The incident is linked to Anders's green beans. At some point between harvesting and the wedding dinner, the beans were contaminated. The personal health insurance companies of the wedding guests see an opportunity to get paid back for the costs of the medical bills that have been incurred. A lawsuit ensues determine who is at fault in this situation, and who will pay the retribution.

Determining whether or not Anders is liable in this situation is complex. It depends on if Anders' actions, in this case most likely his harvesting and packing procedures, are considered negligent under the law. Negligence can be technically defined as behaving less responsibly than the average person would behave under similar circumstances. Negligence and liability is determined through the lawsuit process. Insurance could pay for the cost of an attorney for Anders to defend himself and his procedures. If he is found liable, insurance could also pay for the outcome of the judgment, up to policy limits.

Food safety incidents can have other financial ramifications. If Anders was selling to a grocery store where the contaminated beans were sold to a variety of

Additional insurance coverage does cost money, but considering the potential consequences of an incident occurring might make the money well-spent.

customers, he might have to issue a product recall. Costs can quickly pile up in the case of a recall. A lot of time and money can be spent tracking down product and retrieving it, not to mention the time that takes away from other revenue-driving activities. Insurance is vital for Anders' financial stability.

Additional insurance coverage does come at a cost, and it can be tempting to ignore the risks of a food safety incident occurring. Farmers might assume that because they follow safe practices, this will not happen. Accidents can happen to anyone, though, and the effects can be both financially and emotionally devastating. A single mistake can have steep consequences. Even if you are not found to be at fault, you may still incur large costs from having to defend yourself in court. When thinking about the costs of purchasing insurance, it is important to consider what might happen in the case of an incident occurring. Would your business be able to stand the financial impact? By asking these types of questions in advance of any incidents occurring, you can make a business plan that includes the cost of the insurance you need to protect your long-term vision for your farm.

To find insurance coverage for a food safety incident, the best thing to do is talk to your insurance agent about the right option for the kinds of sales that you are doing. Some key points to discuss are what is being sold, to whom it is being sold to, and what level of coverage you are comfortable with. From there, your agent will be able to present you with appropriate policy options.

“The base of a strong relationship between a farmer and a buyer is a clear understanding of exactly how they will work together before the first sale even occurs.”

## Conclusion

The base of a strong relationship between a farmer and a buyer is a clear understanding of exactly how they will work together before the first sale even occurs. Farmers and buyer set themselves up for success by clearly presenting product information and outlining procedures for addressing contingencies. This chapter outlines some of the issues that should be addressed and how to incorporate them into the sales process. In the next section, we will talk more about how to choose the sales structure that's right for you. No matter which you choose, you will be able to use the 4-stage process we suggest to navigate sales relationships smoothly and build a stable, resilient farm business. Lastly, don't forget the other risk management strategies that compliment good communication, including insurance.

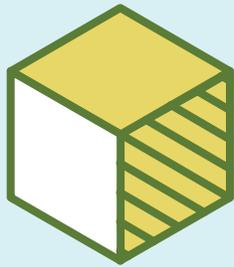
Now that we've seen exactly how Anders built his own sales process, availability sheets, and invoices, let's take a look at some tools farmers can use while following Farm Commons' 4-step process. It's time to put pen to paper!

### ADAPT THE TOOLS

This section will show how you can create an excellent sales process through availability sheets and invoices for yourself using these models and our process.

**Farm Commons provides three tools to help farmers move forward in following our 4-step process to drafting great materials.**

- 1. A checklist of things to consider for inclusion on availability sheets and invoices**
- 2. Anders' model availability sheet**
- 3. Anders' model invoice**



# Checklist

Use this checklist to help you consider what information to include on availability sheets and invoices

## Using This Checklist

Farmers who sell via availability sheets and invoices have a lot of information to convey to buyers! This checklist reviews the basic elements of a well-thought-out process and procedure. Some farmers will need to include more or less information, depending on their unique offerings and circumstances.

This checklist is designed to be used with our other resources, including the manual in the previous section. Let's review a few key take-aways from the manual.

1. All information should be communicated to the buyer before he or she requests a product. When and how to communicate these elements, exactly, will depend on a farmer's preferences and on the technology they use to distribute information. Farmers might send it to buyers via email, drop it off as a hard copy, or require online buyers to click a button indicating their acceptance of the terms.
2. Getting agreement upfront is important, but it may not be enough. Reminding buyers of your terms at frequent, relevant intervals can help everyone stay on the same page. For example, your buyer might realize they made a mistake just after they read an order confirmation email. The bottom of your email confirming the order is the perfect place to remind the buyer of how to change their order. It's much more likely the buyer will follow the procedure than if he or she had to hunt down an old copy of the procedures.

**Use the following checklist to help you draft a solid set of procedures.**

### Product Information

Writing out an availability list is fairly easy – just list the products you are selling, right? Although, it can be that easy, farmers are encouraged to not sacrifice thoroughness. “Red Peppers” is fine, but “Carmen peppers, red and green variegated color, elongated shape, sweet flavor,” might be better. Without further information, a buyer may assume the farmer's red peppers are just like the ones from their regular distributor. If the farmer's red peppers are actually longer, thinner-fleshed, or less sweet, the buyer may be disappointed. Head off that disappointment by helping buyers understand the unique virtues of your product with full descriptions. The right amount of detail depends on your buyer's experience and preferences. Being clear about product quality is beneficial for a couple reasons. First, farmers want happy buyers. Setting accurate expectations is a key first step towards that goal. Second, satisfied buyers are more likely to pay their bills on time, too.

 Full item name and description.

- Consider including varietal/grade information, organic certification status and other descriptors.

- ↳ Volume, weight, or count of each item.
- ↳ The price for each item, and whether it is by volume, weight, or count.
- ↳ Notes on the item's packaging. Will each lettuce head be wrapped in plastic? Will berries be in clamshells?
- ↳ Precise parameters for assessing product quality. Farmers might choose USDA standards or they might choose their own quality descriptors. Whichever a person chooses, they should be objectively measurable, such as size, numbers of blemishes, or percentage of color variation.

### **Ordering, Cancellation, and Modification**

Help buyers get your product quickly and easily by spelling out your full process. Inevitably, buyers need to cancel or modify orders at some point. Laying out a process from the beginning will help make the unpredictable slightly more orderly. Farm Commons recommends you design a procedure that works for your farm, and then work closely with your buyers to adapt it to their needs as well.

- ↳ How should buyers submit orders? Do you require submission through one means (online, by phone, etc) or do you accept multiple submission avenues?
- ↳ What information should be included in an order?
- ↳ When is your order deadline?
- ↳ Do you have a deadline for letting buyers know if an order can't be filled?
- ↳ Are order modifications allowed after the deadline?
  - If so, what is the timeframe for order modification?
  - If not, but buyers attempt to change orders anyway, how will these requests be handled? Will you notify them the change can't be accepted or deliver the original order?
- ↳ Do you have a minimum order?
  - If so, what happens if an order is below the minimum? Do you not deliver it or do you charge a fee?
  - What if an order drops below the minimum because you are unable to fill the order?

### **Payment Details**

Providing full detail, and providing it often, can help make sure you are paid on time. Consider these elements when drafting a complete payment policy.

- ↳ How will payment be expected?

- Will you need payment immediately as “cash on delivery” or COD?
- Will you supply an invoice?
- Do you use an online billing system?

☞ When is payment due?

☞ Is there a late fee if on-time payment isn't received?

☞ Are there any extra charges in addition to the item price such as:

- Fuel charges?
- Delivery charges?
- Fees based on volume such as a minimum order fee?

### **Quality Disputes**

A farmer's entire sales process is designed to prevent disputes but some times, bad things still happen. Especially when it comes to quality issues, buyers and farmers may feel uncomfortable discussing it. Talking about the possibility beforehand can make an uncomfortable process more predictable, at least. An agreed-upon process may make disputes less likely. If buyers understand their obligations to communicate about any perceived quality issue within a certain timeframe, they may take your .

☞ What is the timeframe in which buyers must inspect for quality and inform you of any issue?

☞ How should buyers notify you if they have an issue with quality?

☞ Do you want the buyer to hold the product in a specific way while the issue is investigated, such as under refrigeration?

☞ What is the process for resolving a disagreement over quality?

☞ How will the buyer be compensated if the process determines that the product was sub-par?

### **Delivery and Shipment**

Buyers will need to know when and how your product will arrive at their door. Make sure you offer full details about your delivery system, including contingency arrangements.

☞ When will the product be delivered? Do you have an established time, a delivery window, or an arrival by time?

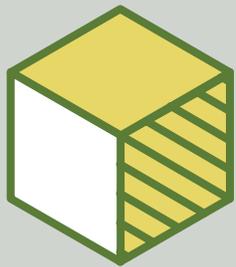
☞ If you cannot make the established delivery time, how will you notify buyers?

- What is your delivery mode? Should buyers expect you to deliver the product yourself or will you use a shipper distributor?
- Especially if you use a shipper or distributor, who is bearing the risk of product loss or damage during transportation? Are there any procedures for notifying each other of damage during transportation?

### **Product Handling and Care**

Your product may need different care after delivery than the product buyers are accustomed to providing. Consider giving buyers specific details about how to handle your product. You also have a legal reason for including care procedures. If the buyer's actions result in damage to your product, you will have an easier time defending yourself if you specifically informed the buyer about how to care for your product.

- Should your product be held under specific temperature or humidity requirements?
- Would your product benefit from additional packaging or preparation procedures upon receipt? For example, you may want buyers to remove accumulated water or transfer potatoes to a paper/breathable bag.
- Does your product require further washing? If so, it may be a good idea to specifically alert buyers to that.



# Model Availability Sheet

Use Anders' availability sheet as inspiration for your own.

**Anders Farm, Inc.**

Anders Anderson  
 Walkville, Michigan

**SALES AVAILABILITY**

Thursday, August 14 to Monday August 18, 2014

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

ITEM	DESCRIPTION	UNIT	PACK	UNIT PRICE	NOTES	TERMS	DELIVERY
1	Carmen Peppers	bulk	per pound	\$28.00	Italian frying style, tapered, at least 75% red color coverage; 1st quality with no damage	<b>See Terms Below</b>	For Tuesday August 19, 2014
2	Carmen Peppers, 2nd quality	bulk	per case	4.5	Same as above with no more than 20% cosmetic damage from scald or scarring		
3	Mini Peppers- mixed colors	12 8-ounce clamshells	per case		Sweet, flesh-saffing peppers in mixed colors. Perfect for snacking; 1st quality with no damage		Week 24

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 Tuesdays.

Modifications may be made until noon Wednesday.

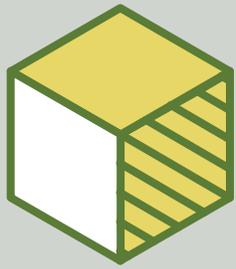
If an order change is made after noon Wednesday we may not be able to make the change. Buyer will be notified if we cannot. A convenience fee of 5% may be added to an order changed at

Email your order to andersfarm@...com. Orders MUST CONTAIN the item number or description plus quantity desired. Please note if substitutions are not allowed.

This sales availability is an Estimate, only. Actual availability may change. Although we are confident in our estimate, if a change is unavoidable, we will let you know by 8am Wednesday. 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.

Our goal is your satisfaction. If any order does not meet your quality expectations, please let us know by texting a picture of the problem to 123-456-7880 within 2 hours of delivery.

**THANK YOU!**



# Model Invoice

Use Anders' invoice as inspiration for your own.



Do you have questions or thoughts on how to improve this document? Please, click on the link below to fill out our survey online.

<http://farmcommons.org/survey>

## CONNECT WITH US!



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**RACHEL**  
REPONDS

Was this resource not quite what you were looking for? Do you still have more questions? Send your questions to Farm Commons and we will do our best to feature an answer in our blog. Read the most recent questions and answers in our "Rachel Responds" column.