



**TRELLIS**

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## **Building a Protected CSA**

***DISCLAIMER: Remember, this outline is a guide.***

***Be sure to contact an attorney if you have questions or specific issues.***

Community Supported Agriculture (CSA) is an alternative, locally-based economic model of agriculture and food distribution. Often, in a CSA, members receive weekly shares of food from a specific farm in exchange for guaranteed payment. It's a great way for customers to eat and invest locally, and farms benefit from the guaranteed income that supports up-front costs.

One of the most important legal protections you can build for your CSA is its terms and conditions. You can use these terms as a contract or on your website when folks sign up for your farm's CSA. In this resource we outline four key provisions to have in your CSA terms and a link to our CSA terms template we have available!

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### **1. Detail Clear Payment Terms**

Needless to say, you want to get paid for your products. Having detailed payment terms and a refund policy are key to communicating payment expectations to customers, protecting you if a customer doesn't pay, and making sure they understand in what scenarios you'd issue a refund. There are a few ways you can require payment depending on your needs. Some CSAs ask for a deposit or a percentage up front. Others ask for full payment or allow installment plans. Either way-you want to clearly communicate payment terms to your customers!

### **2. Be Specific About Delivery and Pick-up Terms**

Clauses in your contract surrounding terms for delivery or pick-up (or both!) give you a chance to communicate your specific requirements surrounding them to your customers. For pick-up, you'll want to specify exactly where they are to pick-up and when, to make sure they aren't wandering around your farm or coming at hours you're not there. You'll also want to detail what happens if they don't pick up their box. For delivery, you'll want to specify a window when deliveries occur, but leave enough protection for yourself in case something comes up during the normal delivery schedule and accounts for potential unexpected situations – like what to do if an address provided isn't accessible for your delivery.

You will also want to explain that it's important CSAs are picked up on time or removed from their delivery location if the customer can't be there for deliver to ensure freshness of the products.

### **3. Explain the Inherent Risks of Agriculture**

As any farmer knows, disasters, bad weather, pests, and more can strike and severely affect your harvest. Having language explaining the risk of agriculture makes it clear to the customer that they are sharing in the risks and rewards of local agriculture with you.

You will also want to explain that a CSA means direct from a farm, and the products might naturally have more spots or variation in color than a grocery store's – and most people understand that, in fact, many want that – but there is still a chance that some of the produce a customer receives is rotten or spoiled. We recommend a clause that explains this risk, and how customers can notify you in the event they receive rotten produce.

### **4. Include a Cancellation or Change Clause**

Because there is so much planning and time involved in coordinating a CSA and your field obligations during the season, you will want your contract to reflect the actual change or cancellation policy you have in place. Some CSAs might allow for vacation holds or to change a pick-up date. Others do not allow for cancellation or refunds unless an unforeseen situation comes up.

Depending on the situation, we often recommend having a no-refund policy because many farmers use CSA payments to fund their up-front costs and rely on those sign-ups to know how much they need to grow or if they need to find buyers for excess. Some CSAs allow customers to transfer their CSA to someone else rather than cancel.

#### ***NEXT STEPS:***

- Trellis has a [CSA terms and conditions template](#) available for sale in Trellis Template Library™ that includes all these terms and more and details what each provision means and how to customize it.
- Other legal considerations for your CSA might include making sure you're following all of the [employment and labor laws](#) like overtime and minimum wage rules; and protecting your business through the creation of a [business entity](#), having the right formational documents and getting insurance. Talk to an attorney to help you with your farm's unique goals and needs.