



## Market Ready Farm to Restaurant – Invoicing Considerations

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There are many factors to consider before selling your farm products directly to restaurant owners, managers, and chefs. Marketing management is an important component in the startup and decision-making processes for new and beginning producers interested in direct sales. The purpose of this series of publications is to inform Virginia producers about marketing and legal risk management tools, techniques, and resources available to help them prepare to sell food and food products directly to restaurant clientele.

Topics covered in this paper are expected to improve producer decision-making by providing a better understanding of product invoicing considerations to help them manage risks associated with the legal aspects specific to direct marketing relationships. The topics covered in this resource are not all-inclusive, but after reading this publication, producers should be better prepared to build relationships with restaurant clients.

This is one publication of a 7-part series, available on the Farm to Fork Direct Market portal. A resource list that include examples, resources, blog posts and case study YouTube video interviews of successful farm to restaurant business owners, and upcoming training dates is available at the end of this publication.

For questions about this or other farm startup topics, contact your local Virginia Cooperative Extension office.

People lose things, especially paperwork. When money is on the line, farmers are encouraged to develop and implement a process for tracking each individual sale and making sure that they follow up with buyers to collect timely payments. How do farmers make certain they get paid? By providing their clients with accurate and timely invoices of the sale with specifics of the deal and a transparent set of payment terms and due dates.

An invoice is simply a written document detailing the sale. An invoice can be simple or complex. Successful invoices should include the farm brand or logo, contact information for the farmer, including name, phone number, email, and address. This allows customers to get in touch with farmers if they have a question or there is a problem with payment timing, amount, or terms. The invoice must also describe the product (such as USDA organic tomatoes or natural beef) and list the quantity. The invoice should also list the product price and total end cost. Finally, the

# INVOICING

## What is an Invoice? written document detailing a sale

### Types of Invoices

**Paper**

- Paper invoice book

**Electronic**

- Generic computer invoice template
- Accounting software packages

### Record Keeping

**Physical Storage**  
Keep a copy of all invoices in a filing cabinet in chronological order



**Electronic Storage**  
Back a digital copy of all invoices up to an external drive or cloud storage



### Sample Invoice

**Southfork FARMS**

FARM LOGO DISPLAYED PROMINENTLY

INVOICE DATE & NUMBER

TO: [Name], [Company Name], [Street Address], [City, State, Zip], [Phone], [Customer ID]

QUANTITY, PRODUCT, LOT #, COST, & TOTAL

FARM'S COMPLETE CONTACT INFO

Salesperson	Job	Shipping Method	Shipping Terms	Delivery Date	Payment Terms	Due Date
					Net 15 days	01/01/2018

Qty	Item #	Description	Unit Price	Discount	Line Total
2 CASES		HEIRLOOM TOMATOES	\$20.00		\$40.00
Total Discount					
Subtotal					\$40.00
Sales Tax					\$2.12
Total					\$42.12

Date: 01/01/2018  
Invoice No.: [100]

Make all checks payable to (Southfork Farms)

**THANK YOU FOR YOUR BUSINESS!**

### Importance of Invoicing

- Tracking sales and providing records 
- Reference for collect payments 
- Structuring cash inflows and outflows 

Simple, effective way to improve farmer-restaurant communication and streamline financial planning



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invoice should list the transaction date and an invoice number so that both parties can link the invoice to a specific sale.

Invoices allow farmers to track each sale and provide records that can be stored in a database or kept organized in a paper filing system. This document serves to itemize the sale agreement between both parties. They are particularly useful when selling to restaurants because very few restaurants pay cash upon delivery. Thus, restaurants need a document to refer to when processing payments so that they know who to pay and how much. Likewise, farmers need a document to refer to so that they can remember how much they must collect from each restaurant and when, and provide a quick way to look up this information upon request. Knowing when to expect payments is especially useful for other areas of the farm business, like structuring cash inflows and outflows.

As far as the physical form of an invoice, there are a few different ways to construct these important documents. Farmers can purchase generic paper invoice books from an office supply store, or use a template invoice provided by your computer software which may be altered with specific farm details. Some accounting software packages, in addition to allowing farmers to do their own bookkeeping, will also allow for electronic invoicing. Farmers may use laptops, tablets, or cell phones to fill out invoices on site if necessary. Restaurants may prefer one type of invoice over another, so farmers should be sure to ask.

Finally, since invoices are the recommended method to document a transaction, farmers should have a way to safely store invoices. Keep duplicates of all paper invoices, and both hard copies and backup versions of online invoices. File hard copies and electronic backups in a physical filing cabinet in chronological order. Farmers should consider organizing them by year

or by customer so that they are easy to find later. Farmers should also give serious thought to keeping digital copies of paper invoices (via a scanner or photograph) and backing them up, either with external digital storage (such as thumb drives or external hard drives) or cloud storage. Keeping several backups in several places helps protect the farm's records in case one set of invoices gets damaged, lost, stolen, or destroyed.

Invoices are a simple, effective way to improve farmer-restaurant communication with every sale. Once set up, these documents take little time to maintain, and streamline farm financial planning, accounting, and sales. Every farmer engaged in selling to restaurants will benefit from implementing an invoicing system that works well for them and their customers.

For more information about direct marketing of your farm products in Virginia, please contact Kim Morgan at [klmorgan@vt.edu](mailto:klmorgan@vt.edu) or 540-231-3132, or, visit the Farm to Fork Direct Marketing Resources portal at [ext.vt.edu/agriculture/market-ready.html](http://ext.vt.edu/agriculture/market-ready.html). For more information and resources directly aimed at beginning farmers, visit the Virginia Beginning Farmer and Rancher Coalition Program at [www.vabeginningfarmer.org](http://www.vabeginningfarmer.org).

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COALITION PROGRAM



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## Resources

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Virginia Cooperative Extension Market Ready Farm-to-Fork Direct Marketing Resources portal. 2019. Link: <https://ext.vt.edu/agriculture/market-ready.html>

Virginia Cooperative Extension Market Ready Farm-to-Fork Direct Marketing Resources YouTube Channel. 2019. Link: <https://www.youtube.com/channel/UCnlhujb2Yq966WytPz4GuEw>

Virginia Cooperative Extension, Virginia Beginning Farmer and Rancher Coalition Program. 2019. Link: [www.vabeginningfarmer.org](http://www.vabeginningfarmer.org)