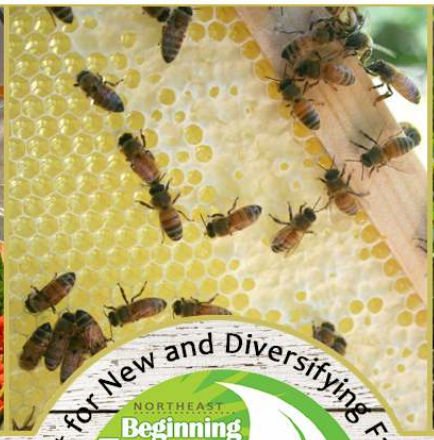

Support for New and Diversifying Farmers

NORTHEAST Beginning Farmers PROJECT

Updated & Revised for 2017!

Guide to Farming

in New York State

What Every Ag Entrepreneur Needs to Know

CORNELL small FARMS PROGRAM

Cornell University Cooperative Extension

How to Use This Guide

This guide is comprised of a series of individual fact sheets addressing topics pertinent to planning and operating a farm business. It is not enterprise specific. Rather it addresses topics common to operating a farm business in New York State. The fact sheets are meant to be brief and to the point. Additional details can be found via the web links provided or by calling the offices listed.

The guide is meant to be a resource for both beginning and established farmers. For beginning farmers, there are certain topics that are not relevant. To help guide you to those that are relevant to your stage of business, refer to the list below.

What's Important For *New* Agricultural Entrepreneurs to Know?

Matching the farmland to the chosen enterprise: Be sure to research soil, climate, forest and infrastructure resources. Buying or leasing the right property and the right amount of land is critical to the success of farming.
RECOMMENDED READING: Fact Sheets #1, 2, 3, 8, 9, 11

Legal forms of business: Don't sweat this at the outset. A sole proprietorship is the way to go and does not require a lawyer; however it is a good idea to register your business (DBA) at your County Clerk's office. If there are unrelated business partners, options are to develop a legal partnership or incorporate, but will require legal assistance.
RECOMMENDED READING: Fact Sheets # 12, 13

Where can I get money to start my farm? There are two basic options: use personal resources or develop a business plan and present it to a lender or investor. There are no grant funds available to start a farm.
RECOMMENDED READING: Fact Sheets # 4, 12, 31

Am I a farmer yet? There is no solid answer to this question. Some tests are: you have purchased equipment and are involved in production; you are keeping records on your farm purchases; you are filing the Federal Farm Tax return (Schedule F); you are selling agricultural products.
RECOMMENDED READING: Fact Sheets # 15, 16, 17

What can I raise profitably? This is an important question that can be answered through good research and business planning. Identify what you want to raise, investigate the costs and potential returns, and then decide if it meets your goals on paper, before you invest real money.
RECOMMENDED READING: Fact Sheets # 12, 14, 23, 24, 25, 26, 28, 29

What are the tax benefits? Farmers are exempt from paying sales tax on purchases of supplies used in farming. Some farm buildings are wholly or partially exempt from property taxes and once a farm

generates over $10,000 in sales, the land can also receive a property tax exemption. Additional tax exemptions apply once farm income becomes 2/3 of total income.
RECOMMENDED READING: Fact Sheets # 17, 20, 21, 22

…What's Important For *New* Agricultural Entrepreneurs to Know?

Where can I sell my products? This is the first question you should consider. What is your product and who wants it, and where are those people located? Market planning should not be overlooked. Most beginning farmers think about direct marketing as the place to start but this takes time, so consider what amount of time you have to invest in marketing and project potential returns by market channel.
RECOMMENDED READING: Fact Sheets # 22, 23, 24, 25, 26, 27, 28, 29, 30

What are sustainable farming practices? There are benefits to organic farming, but conventional farmers who follow integrated pest management and recommended agricultural environmental management practices can also farm sustainably. Become knowledgeable about farming practices and decide which of these best meet your goals.
RECOMMENDED READING: Fact Sheets # 10, 29

Where can I get help? Start with your county Cornell Cooperative Extension office and the county Soil and Water District office, and begin networking with other farmers. Read up on farm topics of interest, but experience is the best teacher. Once you do your homework, business planning is a critical step.
RECOMMENDED READING: Fact Sheets # 33, 34

What's Helpful for the *Established* Farm Enterprise?

Do you have $10,000 in gross sales per year? If so, have you filed for agricultural assessment of your property as a way to lower your property tax bill? If 2/3 of your income is derived from farming, you also qualify for the Farmers' School Tax Credit. Lower overhead costs by claiming these benefits.
RECOMMENDED READING: Fact Sheets # 15, 16, 21, 22

Are you ready to hire employees? If so, be aware of all of the paperwork requirements. Plan ahead before hiring.
RECOMMENDED READING: Fact Sheets # 15, 18, 19

Are you making money? Recordkeeping is essential to see if you are making money. Keep an eye on the business and adjust as necessary. If you have not developed a business plan, it can be a tool for monitoring progress towards your goals.
RECOMMENDED READING: Fact Sheets # 12, 13, 14, 15, 16

Are you managing risk? An established business has invested over time and should be adequately insured to protect that investment. Product liability is critical. For farms that host visitors, make sure you have sufficient general liability coverage.
RECOMMENDED READING: Fact Sheets # 5, 6, 7

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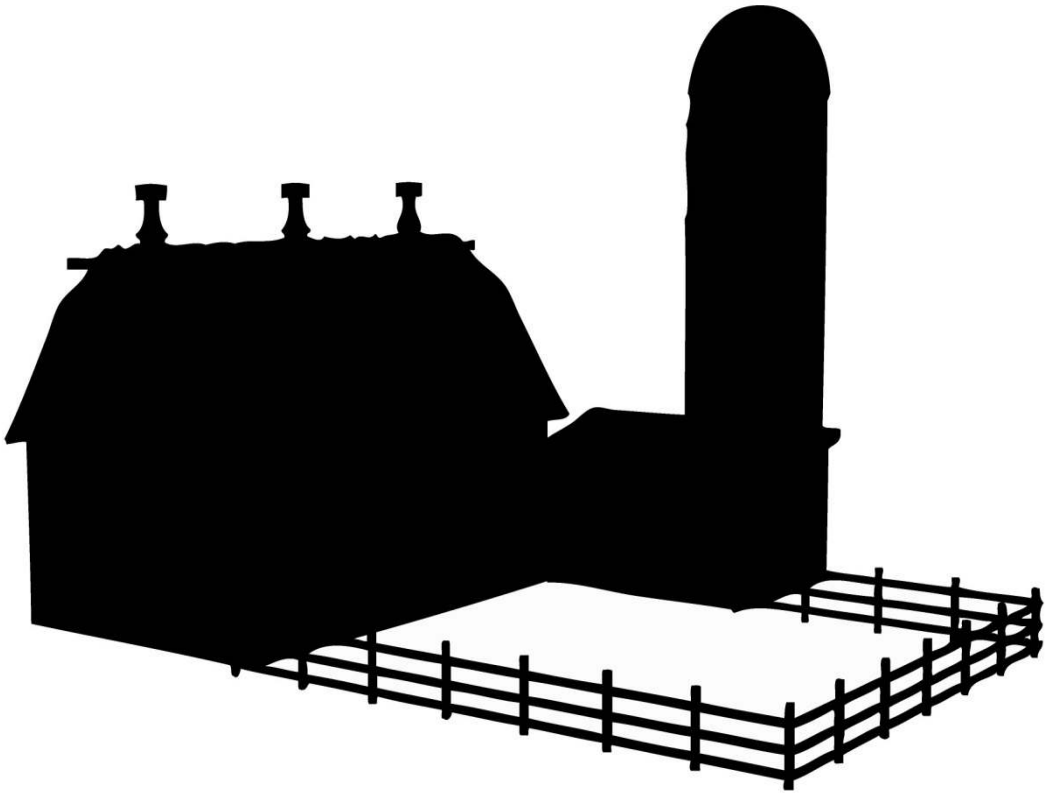
1 – Finding a Farm to Buy or Lease

Guide to Farming in New York State



Leasing Land and Buildings for Farming

The cost of buying land and paying a mortgage can add to the cost of starting a farming operation. Leasing may be an option for enterprises that require less infrastructure or where the investment in infrastructure — such as irrigation pipes, a greenhouse, or fencing — is portable. If infrastructure involves improvements that are not easily removed, like digging a pond or constructing buildings, then it may not be wise to invest on land you do not own, unless the owner pays for these improvements. If the property that you want to lease has buildings suitable to your enterprise, then a rental agreement might also include use of buildings.

Finding good farmland to lease may be as challenging as finding good farmland to purchase. You may find that people will respond to ads placed in small community papers, farm papers or in county

Extension or Soil and Water District newsletters. Contacting owners of a desirable property by personal letter and/or phone call can be effective too. Also, check with area realtors and farmers. Once you find some possible properties to lease, consider the soil type, drainage, if there is a water supply, and what it will take to bring the land into production. It is important to find a site that matches the production requirements of the enterprise you want to develop.

Written Leases

A written lease or agreement is a good idea whether you are paying rent, working on shares or permitted to use the land free of charge. A lease will specify the terms under which the renter and the owner will operate. The main goal of a lease is to develop a fair agreement understood by both parties. Landowner and tenant needs and goals should be identified.

A well-written lease should include:

1. Description of the land and buildings to be rented, and equipment if applicable. An accurate assessment of the conditions at time of rental is a good idea, including photos to document such.
2. Rights of each party: owner and tenant access and use. Spell out any restrictions.
3. Improvements that will be made and who pays for these. If buildings are involved, specify who pays for improvements like roofing, painting, etc. that are normal infrastructure, versus improvements made specific to the farm enterprise.
4. Agricultural practices to follow – outline organic or agronomically sound practices to be used, specify that fields be planted to a cover crop after use, list prohibited practices
5. Condition of land at end of lease – common practice calls for land to be left in the same condition as when first rented. However, land that was not been farmed for some years prior to the lease may actually be left in better condition. In this case consideration should be given to the cost of those improvements.
6. Payment terms under normal growing conditions and in the event of a crop failure. Payments should be based on the value of the property for farming purposes only (not for development).
7. Lease payment: leases can be paid in cash, in crop or livestock shares, or in some cases, landowners are willing to forgo fees if the tenant makes improvements.
8. Bringing land back into production – if land has not been actively farmed in many years, the cost of bringing land back into farming is considerable. Consideration needs to be given as to who should pay for these costs. The owner benefits in the long run from improvements that are made.
9. Length of the agreement and terms of renewal. A one-year renewable lease might be a good starting point for annual crops, or if planting perennial crops, a 3-5 year lease is preferable.
10. Early termination if initiated either by the owner or tenant and the consequences.
11. Insurance paid by owner (for land, buildings, equipment) and paid by tenant (for crops/livestock and production related improvements made by tenant).
12. Taxes are the responsibility of the owner.

13. Provisions for arbitration in the case of disagreements.

Determining Cash Rent

There are several approaches that can be taken when establishing a fair rental rate. These include: 1) the demand for land and going rate in a particular area; 2) the cost and return associated with a crop allowing for an acceptable profit and rental payment; 3) what the landowner needs to cover with regard to fixed costs or taxes. Generally a combination of these approaches may be needed to arrive at a fair rate.

Determining Share Rent

A shared rental agreement assumes that the landowner and tenant account for what each contributes to the production of a crop or livestock including fixed and variable costs; then calculate the percentage contributed by each party. This percentage can be used in setting return (crop or harvest returns) received by owner and tenant. Flexibility is needed in case of low harvest or prices. Owners may have to relinquish some shares if the tenant is dependent on sales for their livelihood.

Renting Farm Buildings

A key factor influencing building rental is whether the owner needs to obtain a minimum rent to cover fixed costs or not. Variable costs such as utilities can be assigned proportionate to use by the tenant. A key consideration for tenants is whether additional insurance is needed to cover losses of stored crops, livestock or equipment.

Sample Lease Agreement

A simple lease follows as a starting point. Consult an attorney if a more detailed lease is desired.

This lease is entered in this ____day of_____between_____, landlord, and _____, tenant. The landlord leases to the tenant to use for agricultural purposes_____acres of pasture and _____acres of cropland, and the following building: (list or attach a list) located in the Town of _____ and County of_____ and commonly known as _____Farm.

The tenant will pay the landlord $_____per year (or other specified time period) with payment to be made as follows:_____. The tenant will also pay all the costs of planting, growing and harvesting crops grown on the land. The tenant will be required to maintain and repair fences, tile drains, and diversion ditches, and make ordinary repairs to maintain buildings and equipment used, and pay for utilities such as electricity and water (if relevant) during the period of the lease.

The landlord will pay the taxes, fire insurance on buildings, major repairs or improvements, such as new fence, ponds, drain tiles, diversion ditches, etc.

The tenant will follow recommended conservation and agronomic practices in working the land. No green or growing timber may be harvested from the property by the tenant. The landlord has the right to inspect or enter the property at any time.

This lease shall be for ___years beginning (date)_____with automatic renewal for (how long):_____(years) unless either party gives written notice to the contrary at least 3 months (90 days) before the expiration of the current rental period. The rental rate may be adjusted annually to account for increases in taxes, insurance or other costs of ownership.

Any meadow land plowed for annual crops will be re-seeded to a perennial forage crop at the end of the lease period (unless the lease has been automatically renewed).

Any differences between the landlord and tenants as to their rights and obligations under this lease that are not settled by mutual agreement shall be submitted to an arbitrator or other such person who has authority to make a final decision.

It is agreed that the stipulations of this lease are to apply to and bind the heirs, executors, administrators, and assigns of the respective parties and is made and executed in duplicate.

In witness whereof the parties have signed this lease on this date of_____.

Landlord_____Tenant_____

Witness_____Witness_____

Materials adapted from: Pennsylvania Farm Link worksheet (out of print) and from Richard Eschler, former Cornell Farm Business Management Educator.

Web Resources: Sample Lease Agreements	
Type of Lease	**Download Online**
Simple Farm Lease	http://www.uslegalforms.com/us/US-801LT.htm Note: You must pay a fee to get a copy.
Short Term Lease	http://landforgood.org/wp-content/uploads/Sample-Short-Term-Lease.pdf Note: Requires email address.
Multi Year Lease	http://landforgood.org/get-resource/?fid=http://landforgood.org/wp-content/uploads/Multi-year-lease-template.doc Note: Requires email address.
Long Term Lease on Public Land	http://landforgood.org/wp-content/uploads/Sample-Long-Term-Lease.pdf Note: Requires email address.
Additional lease and land tenure resources on the Land For Good Website: http://landforgood.org/resources/toolbox/leasing/	

Helpful Contacts for Finding a Farm		
Organization	**Description**	**Contact**

NY FarmLink	This is a program of NY FarmNet. FarmLink provides information, consulting, referrals and resources related to transferring farm ownership to the next generation or non-family member.	www.newyorkfarmlink.org 1-800-547-3276
NOFA-NY	The Property for Rent/Sale listings are standard classified ads and are shorter in length and are not filtered by their details. Land Offered and Land Sought listings are more in-depth forms and listings for NOFA-NY's land linking database.	http://www.nofany.org/classifieds/land
Finger Lakes LandLink	A project of Cornell Cooperative Extension Tompkins County and Groundswell Center for Local Food and Farming.	http://www.fingerlakeslandlink.org
Catskills FarmLink	A project of the Watershed Agricultural Council, Catskills FarmLink maintains the regional working agricultural landscape by connecting farmers with underutilized land.	http://www.catskillsfarmlink.org
Farmer Landowner Match Program	The Columbia Land Conservancy established this program in 2008, and since that time it has grown to include more than 200 active participants. The program serves Columbia and Dutchess Counties in NY.	http://clctrust.org/working-farms/farmer-landowner-match-program
Farmland Match	Westchester Land Trust's Farmland Match program connects Westchester farmers who need land with property owners who have land to lease.	http://www.westchesterlandtrust.org/land-match
Land for Good	A service for farmers, landowners, and farm-seekers in New England, this group provides trainings, tools and counseling to keep land in agricultural production.	www.landforgood.org
New England LandLink	NELL is a program to help farmers and landholders locate and transfer farms in New England. NELL will also advise on land lease and transfer options.	http://www.smallfarm.org/main/for_new_farmers/new_england_landlink
LandLink Programs Across the Country	A compiled list by CFRA	http://www.cfra.org/resources/beginning_farmer/linking_programs
Cornell Cooperative Extension Agricultural Educators	The Beginning Farmer contact in your county extension office may also be able to direct you to farms for sale or farm realtors.	http://smallfarms.cornell.edu/contact/local-contacts
Grassroots: The Voice of New York Farm Bureau	Farm Newspaper with Listings of Farm Properties for Sale	www.nyfb.org 800-342-4143
Country Folks: Lee Publications	Farm Newspaper with Listings of Farm Properties for Sale	www.countryfolks.com 800-218-5586

Farm Real Estate Brokers*

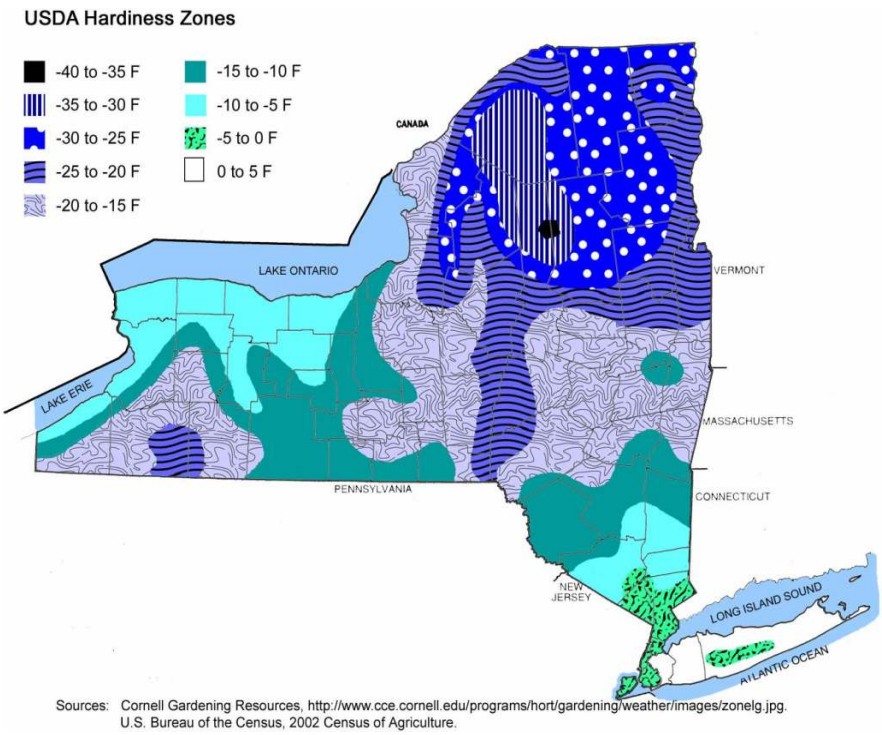
While conventional real estate brokers list farms for sale, most active farms are considered commercial property and are listed by real estate agents specializing in farm transactions. The list below does not imply endorsement of any of the following businesses:

Helpful Contacts for Finding a Farm		
Organization	**Description**	**Contact**
MLS Residential Search	The largest multiple listing service for residential real estate. Often contains small and medium farms.	http://realtor.com/
Farm Credit	Agricultural lender with an appraisal services; they would know of farms for sale	www.farmcrediteast.com
Farm Service Agency Real Estate for Sale	Listing of homes and farms for sale by the Farm Service Agency, many available with low interest financing	www.resales.usda.gov/
LandAndFarm	Rural property listing service	http://landandfarm.com
United County Real Estate	Rural real estate brokerage	www.unitedcountry.com
Come Farm with Us	Farm real estate listings in Jefferson County, NY	www.comefarmwithus.com
Farm & Country Realty	Rural New York State property listings and brokerage	http://www.farmandcountryrealty.com

**This listing of realtors is not intended to be complete, and listing does not imply endorsement by Cornell Cooperative Extension. Check with folks located in the area near where you hope to farm to find realtors who specialize in farm property.*

2 – Climate and Soil Considerations

Guide to Farming in New York State



Sources: Cornell Gardening Resources, http://www.cce.cornell.edu/programs/hort/gardening/weather/images/zonelg.jpg.
U.S. Bureau of the Census, 2002 Census of Agriculture.

Climate

Considerations

New York State's climate is very diverse. It is not uncommon that just 10 miles away, you could move from one microclimate to a completely different one. For example, precipitation is double the state average in the Tug Hill Plateau region and the recommended winter hardiness level changes from –5°F to –40 °F in a 100-mile distance as you travel from Wayne County to the Adirondacks.

Climatic factors that impact crop growth include:

- Minimum temperatures
- Hardiness zones
- Frost-free dates
- Growing degree-days
- Precipitation
- Air drainage
- Wind exposure

Featured Resource

Cornell's Climate Smart Farming program is an initiative that helps farmers in the Northeastern US reduce greenhouse gas emissions and increase farm resiliency to extreme weather through adoption of best management practices

http://climateinstitute.cals.cornell.edu/climate-smart-farming/

You can learn more about these factors on the Northeast Beginning Farmer website:
http://nebeginningfarmers.org/farmers/land/land-environment-facilities-tutorial/

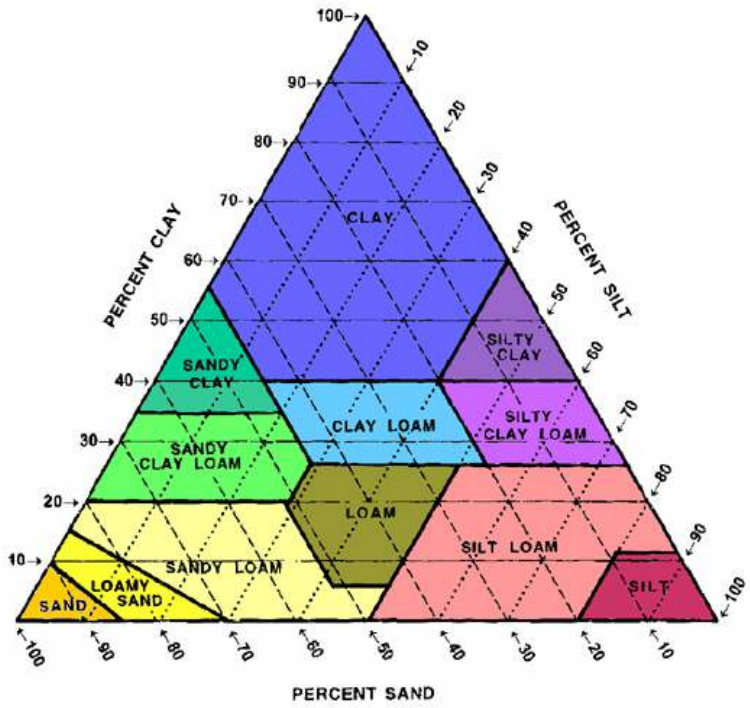
For information about the climate in a particular area of NYS, contact:

Northeast Regional Climate Center
www.nrcc.cornell.edu/index.html **or call 607-255-1751**

Soil Considerations

Soils vary in their properties and influence what crops will grow. Important soil characteristics include:

- Texture – the percent of sand, silt or clay particles that make up the soil, as depicted in the chart
- pH – acidity or alkalinity of the soil
- Fertility – nutrients available for crop growth
- Drainage



Select the best soil possible for high value specialty and agronomic crops; for hay or pasture, soil quality is slightly less critical.

Developing an understanding of the basics of soil physiology and the factors that affect plant fertility is essential for successful agricultural production.

What is Soil?

In addition to air, water, and nutrients, soils provide mechanical support to growing plants. There are four major components to soil: minerals, organic matter, water, and air. The approximate composition of a soil for optimum plant growth would have the solid space made up of 45% mineral and 5% organic matter, and the remainder would have roughly 25% water and 25% air. The water and air would be contained within the pore spaces of the soil.

Soil Texture

Soil texture refers to the size of mineral particles, specifically the relative proportion of various size groups in a given soil. This property helps determine the nutrient-supplying ability of soil solids and the supply of water and air that support plant life.

Soil texture is divided into three parts—sand, silt and clay—based on particle size. Silt and clay soils impart a fine texture and slow water and air movement. They also have high water holding capacity due to the higher percentage of pore spaces. These are referred to as heavy soils, with clay being the heavier of the two. Clay is also the primary plant nutrient-holding mechanism in the soil.

Soil textural names are how we refer to and identify our soils. Sandy to gravelly soils are referred to as lighter soils, as water moves through more rapidly than the heavier soils, and they have lower water holding capacities. Sandy soils contain 70% or more sand by weight. Clay soils have at least 40% clay and may have names like sandy clay or silty clay. Loamy soils possess the desirable qualities of sand and clay without exhibiting the undesirable characteristics of extreme looseness, low water holding capacity and slow water and air movement. Some examples would be clay loam, sand loam, silt loam, and silty clay loam.

Soil pH

Soil pH is used as a measure of its relative alkalinity or acidity. Soil test results for pH are based on a pH scale where 7.0 is neutral, above 7.0 is alkaline and below 7.0 is acidic.

Soil pH is critical to health plant growth. It directly affects the availability of the essential nutrients to plants. It is important to know the optimum pH for the plants to be grown. Soil pH also affects the adaptability of plants in a given soil. Most agricultural plants prefer a slightly acidic pH of 6.4. However there are exceptions so be familiar with the pH and nutritional needs of all the crops to be grown.

The addition of any liming (alkalinizing) or acidifying materials should always be based on the results of a reliable soil test. Over-application of either can lead to crop injury.

Soil Organic Fraction

A good, loamy soil contains about one-half pore space (air and water) and one-half solid material. Of this one-half solid material, 90% is composed of minerals (bits of rock). The remaining 10% is the organic fraction. The influence of this small part of the soil on the soil's ability to support plant growth is significant.

The soil's organic fraction is dynamic and is always undergoing a process of change. The organic fraction consists of living organisms, plant and animal residues, and plant roots. Adequate levels benefit soil in many ways including; improved physical condition, increased water infiltration, improved soil tilth, decreased erosion losses, enhanced nutrient availability, and retention for plants.

Soil Compaction and Depth

Fine textured soils are more easily compacted than lighter soils, especially when they are wet. Compaction reduces pore spaces that hold air and water. Plant growth in compacted soils will be significantly reduced. Operating equipment on wet soils can create problems in a field for an entire season or longer.

Sometimes a soil is referred to as being deep or shallow. Soil depth can be defined as that depth of soil material favorable for plant root penetration. Deep, well-drained soils of desirable texture and structure are favorable for plant growth. Shallow, poorly drained soils are very restrictive to plant growth.

Soil Testing Services

Agro-One Services will test soil for nutrients and pH and indicate amounts of lime and fertilizer needed. Soil samples can be mailed, shipped via UPS, or taken to Dairy One's sample pick-up points (see website), where you will fill out forms and pay for the testing. For more information, contact the lab:

Agro-One Agronomic Laboratory Services
http://dairyone.com/
800-496-3344

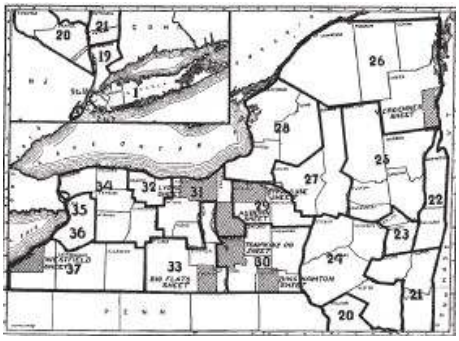
The Cornell Comprehensive Assessment of Soil Health offers soil testing services. They measure soil texture, available water capacity, field penetrometer resistance, wet aggregate stability, organic matter content, soil proteins, respiration, active carbon, and macro- and micro-nutrient content assessment. Additional indicators are available as add-ons, including root pathogen pressure, salinity and sodicity, heavy metals, boron and potentially mineralizable nitrogen. For more information and how to send a sample, contact the department:

Cornell University Comprehensive Assessment of Soil Health
http://soilhealth.cals.cornell.edu/
soilhealth@cornell.edu

Your county extension office may also accept samples; contact them to check. Many CCE offices can mail the samples for you, assist in analyzing results, take payment for testing or provide forms and boxes to farmers if they wish to mail their own samples. Results will be mailed in approximately 2 weeks.

Soil Maps

To learn about the soil types on your property, a useful tool available in almost all NY counties is the **USDA-NRCS Soil Survey** that consists of soil maps and descriptions of soil characteristics and capabilities.



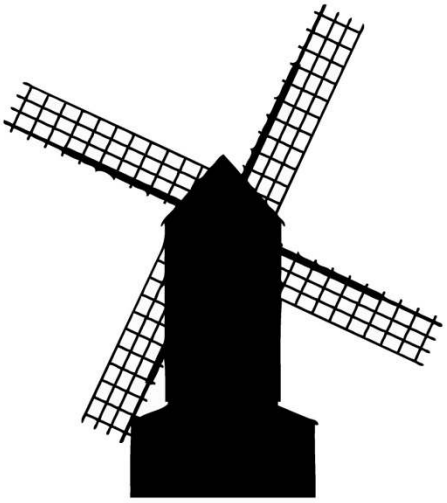
Finding a Soil Survey

Contact your local USDA Service Center, your NRCS State Soil Scientist, or your county Cornell Cooperative Extension office.

Maps can also be viewed online at:
http://websoilsurvey.nrcs.usda.gov

3 – Infrastructure Considerations

Guide to Farming in New York State



Evaluating Your Farm's Infrastructure

Different farm enterprises will require different types of infrastructure, equipment, and resources. It is important to have a good idea of what supporting infrastructure your operation will require and to inventory what exists. A good inventory will help in determining whether the enterprise you are considering is feasible at this point, or whether you have some work to do. As you evaluate what you will need for your farming enterprise, also begin to track the potential costs of necessary improvements.

- What do I have?
- What do I need? (And, what do I really need?)
- How will I get what I need?
- How much will it cost?

Buildings

What types of buildings will be needed for the agricultural enterprise you are considering?

- ☐ Will I have livestock that need housing? Remember, livestock facilities need to be correctly sized.
- ☐ Will I need storage facilities for livestock feed, equipment, or product that I will produce?
- ☐ Will I need a barn, greenhouse, washing/grading/packing shed for vegetable and fruit production? Is refrigeration needed, or will I need specialized facilities for processing?

Inventory existing buildings such as barns, outbuildings, sheds and houses.

- ☐ Are these buildings in good repair?
- ☐ Are they adequately sized for your enterprise?

You may be able to rent facilities, so keep an open mind when inventorying.

Power Source

You need to ensure that you have an adequate power source for your enterprise. Some operations may require different power levels, so make sure that there is adequate power capacity on your farm. Over-loading older or limited circuits can be hazardous and even disastrous. You may wish to consult with a licensed electrician to determine if your electrical source and wiring is adequate to supply your needs. If you rely on power for critical elements of your operation, consider having a back-up generator on hand in case of power outages.

Fencing

If you plan to have livestock, you will need fencing– and effective fencing, as you are responsible for animals that get loose. There are many types of fencing from portable to permanent, and livestock species vary in their fencing needs. Some animals do well with high tensile electric fence while others require a mesh style of fencing. Research what type of fencing you will need for your operation. Check with your local Natural Resource Conservation Service (USDA-NRCS) as well as your county's Soil and Water Conservation District (SWCD) for more information about livestock fencing alternatives and specifications. They should be able to refer you to contractors who install fencing and sell fencing supplies, and may even be able to offer you a cost-share grant for fencing. Consider putting up a perimeter fence and using portable, temporary fencing to form smaller paddocks within the perimeter to rotationally graze livestock.

Pasture for Horses or Livestock

Putting too many animals on too little land causes reduced productivity to both and can damage the health of the land in the long-term. As a general rule, allow for about one acre of pasture for each 1000 lb. (or one "animal unit") of **cows, sheep, or goats** for the growing season. If you would like to provide hay for your livestock's winter feed needs also, include another acre of pasture per 1000 lbs. of animals. Because **horses** graze over a longer period each day (up to 20 hours), and because they trample a lot of forage in the process, it's a very good idea to provide 2.5 acres per horse of grazing land during the growing season. To get help establishing a successful grazing system, contact your local Soil and Water Conservation District.

Deer Fencing

Deer are a major limitation to the production of horticultural crops including fruits, vegetables and ornamentals. Increasingly farmers have to invest in deer fencing in order to successfully grow these crops and minimize losses. Deer fencing is a major investment but a necessity in the long run. Fencing options include: 3 strand wire fence that is electrified or 8 foot high plastic fencing that provides a more secure barrier. For information on deer fencing, check the website:

Cornell Cooperative Extension: Reducing Deer Damage to Ornamental and Garden Plots
http://putnam.cce.cornell.edu/resources/reducing-deer-damage-to-ornamental-and-garden-plots

Unfortunately, there are no federal or state programs to help offset the cost of deer fence installation. Therefore, it is a production expense that must be calculated into start up costs.

Landowners may be eligible for a deer nuisance permit from the DEC; eligibility is based on "property damage and the lack of, or failure, of other practical alternatives to alleviate the problem." The DEC issues tags for a limited number of antlerless deer on the lands specified on the permit. Find more information in the following guide:

Department of Environmental Conservation
Landowner's Guide for Managing Deer
http://www.dec.ny.gov/animals/7199.html

Equipment

There is a wide array of equipment available for all enterprises. "Equipment" could mean a tractor and mower or it could mean a hoe and a rake or specialized equipment for processing. So, where do you start? One key is to start small, and build up your farm operation gradually to help you get to know what you need and when you need it. For example, before you purchase equipment talk with other farmers to learn what is essential and investigate options for equipment rental or options to buy used equipment.

Commonly Accessible Equipment Suppliers	
Organization	**Contact**
Tractor Supply	http://www.tractorsupply.com/
Farmtek	http://www.farmtek.com
Empire Tractors	http://www.empiretractor.com/
A.M. Leonard	http://www.amleo.com/
Tractor Supply	http://www.tractorsupply.com/

There are a few basic questions to consider when thinking about equipment:

- ☐ Assess what you have and what you need. Ensure that equipment is sized correctly for the job you intend to do with it. For example, ensure that your tractor has adequate horsepower to pull the baler you intend to use.
- ☐ Do you really need it? It may be more economical to rely on a custom operator to assist you or to lease equipment.
- ☐ New or used? There are obvious advantages to each. Consider your needs and financial resources carefully to make the best purchase.

Water Supply

Water resources include streams, rivers, lakes, ponds, wetlands, springs, wells, and aquifers as well as any means of conveying the water to your facility. You should be familiar with the location of the water resources on your farm. Consider what the water needs will be for your enterprise. For example, horticultural enterprises need a source of water for irrigation. Livestock owners will need to have a reliable and potable source of water for their livestock to drink. Whatever the water is used for, you need to determine:

- ☐ Is there enough water for your operation?
- ☐ Is there a way to bring water from its source to where you need it?
- ☐ Or, will you need to install water lines, irrigation structures or animal watering facilities?

Keep in mind that all water lines and structures will need to be appropriately sized to fit their purpose. For example, if water lines are too small, you may not be able to deliver enough water to your livestock-watering trough to meet their needs.

Resources		
Organization	**Description**	**Contact**
NRCS Technical Guide	This is an excellent resource for identifying conservation practices that may be needed for your farm operation. Landowners should seek assistance from their local USDA-NRCS Service Center office, RC&D office, or technical service provider for additional information.	Each state's NRCS Field Office Technical Guide may be found at www.nrcs.usda.gov/technical/efotg/
Soil and Water Conservation District	Your County Soil and Water Conservation District is available as a technical resource for infrastructure development.	http://www.nys-soilandwater.org/
Cornell Cooperative Extension	Your County Cornell Cooperative Extension can assist you with finding suppliers and dealers for the type of equipment you need.	http://smallfarms.cornell.edu/contact/local-contacts/

4 – Financing a Farm Operation

Guide to Farming in New York State

Getting Money for Your New Farm Enterprise

By far, the most appropriate source of money for your new farm is your own cash – no loans, no home equity, no family loans, and no credit cards. Relying on loans substantially (or entirely) puts your farm dreams at too great a risk. It is worth the patience to build up your own farm start-up account. *Most* farms can easily begin operating with $2-3,000 cash.

Set aside the personal cash you have available for your farm in a separate bank account called your "farm account." Use this money judiciously for your start-up expenses. When you earn income from the sale of farm goods, replenish this farm account and continue buying what you can afford for your farm. Chances are, you will be more inspired and creative with your purchasing knowing you have to stretch those dollars. Once your products have a clear demand and you are not able to keep up with sales, then it is time to consider a loan or financing to allow more rapid expansion of the profitable aspects of your farm.

If you reach the stage where you're ready for a loan, you will need to present potential investors or lenders with a solid business plan that exhibits a realistic strategy for paying it off (See Fact Sheet #12 in this Guide). Here are a few loan options:

Farm Service Agency Beginning Farmer and Rancher Program

A beginning farmer or rancher is an individual or entity who:

- ☐ Has not operated a farm or ranch for more than 10 years
- ☐ Meets the loan eligibility requirements of the program to which he/she is applying
- ☐ Substantially participates in the operation
- ☐ For farm ownership loan purposes, does not own a farm greater than 30 percent of the average size farm in the county
- ☐ All applicants for direct farm ownership loans must have participated in business operation of a farm for at least 3 years
- ☐ If the applicant is an entity, all members must be related by blood or marriage, and all stockholders in a corporation must be eligible beginning farmers

Farm Service Agency Beginning Farmer and Rancher Program

The Farm Service Agency (FSA) provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources.
www.fsa.usda.gov
315-477-6300

In Jan. 2013 the FSA announced a new microloan program with low-interest loans of up to $35,000, more flexible eligibility requirements, and shortened application and processing time. You can view a webinar and Q&A document about this program on the NE Beginning Farmer Project website:

Microloans from FSA: What's the Deal?
http://nebeginningfarmers.org/microloans-from-farm-service-agency-fsa-whats-the-deal/

Commercial Banks

Most banks have a commercial lending department to handle business loans, but few banks have an agricultural lending department prepared to work with agricultural business. Check with your bank to see if they write agricultural loans (most will if you have a Farm Service Agency or Small Business Administration guarantee).

Following is a partial list of NY banks with known agricultural lending departments:

Organization	Contact
Farm Credit (with branches in NH, NY, NJ, RI, MA, and CT)	www.farmcrediteast.com
M&T	https://www.mtb.com/personal/Pages/Index.aspx 800-724-2440
NBT Bank	http://nbtbank.com 800-NBT-BANK
Community Bank, NA	www.communitybankna.com 800-724-2262
Bank of the Finger Lakes	www.bankofthefingerlakes.com 315-789-1500
Farm Credit (with branches in NH, NY, NJ, RI, MA, and CT)	www.farmcrediteast.com
M&T	https://www.mtb.com/personal/Pages/Index.aspx 800-724-2440
NBT Bank	http://nbtbank.com 800-NBT-BANK

USDA Farm Service Agency Microloan Program

Revised in 2013, the new program offers a simplified application process. To qualify, it is helpful if beginning farmers have:

- ☐ A business plan that shows income and expenses and ability to repay the loan
- ☐ For established farms, a three year financial and production history is part of the application, along with a list of assets and debt

USDA Farm Service Agency

Designed to help small farm operations including beginning farmers secure loans under $35,000.
http://offices.sc.egov.usda.gov/locator/app?state=ny&agency=fsa

Microloans can be used for start-up expenses, annual supply costs, marketing costs, purchase of equipment and livestock, farm improvements, hoop houses, irrigation, delivery vehicles, etc. Microloans must be secured by a lien on property or products. Repayment term will not exceed 7 years.

Micro-Enterprise Loan Funds or Revolving Loans Funds for Small Business

Some county governments have micro-enterprise loan funds with attractive interest rates and repayment terms that can be used to finance farm operations. Check with your county Planning and Economic Development Agency/Dept. to find out if they have micro-enterprise loans funds that you might qualify for.

Organization	Description	Contact
Kiva Zip	Kiva has a long and solid reputation as a global microlender. Now they've set their sights on helping US entrepreneurs as well, with a particular interest in	https://borrow.kiva.org/borrow

	farmers. Through Kiva Zip you can get a 0% interest loan of up to $5,000 your first time. You may have a 6-month grace period and a 2-year repayment term, and once you've successfully repaid that loan, you are qualified for higher amounts, up to $50,000. Loans are crowd-sourced on Kiva's online platform, and are made primarily based on character references.	
Farm Credit's FarmStart Program	FarmStart is a relatively new venture with a mission to provide investments of working capital in farm businesses and farmer cooperatives that show sound promise for business success. The program can make loans to beginning farmers who wouldn't meet Farm Credit's internal credit standards. It requires no down payment or equity for five-year loans up to $50,000, as long as the business cash flows and seems to have a good chance of succeeding.	https://www.farmcrediteast.com/products-and-services/new-farmer-programs/FarmStart
NYS Consolidated Funding Application – funding from NYS Empire State Development	Funds for larger agriculture projects can perhaps be secured by working through local county economic development and planning organizations and the regional economic development council that covers your county. These entities set their own priorities for funding allocation. Each regional council is awarded a set amount of NYS funds based on their plans. Projects are submitted via regional councils and approved by the state. Some of the funding may be in the form of a grant, but mostly this is a loan program. Applications are long and complicated. Seek assistance as to whether this is an appropriate funding source to pursue.	http://regionalcouncils.ny.gov/
The Carrot Project	The Hudson Valley, Western Connecticut & Berkshire County Loan Program (also known as the Greater Berkshire Agriculture Fund) serves the four county region of Dutchess, NY, Columbia, NY, Litchfield, CT, and Berkshire, MA, and is administered in partnership with Salsibury Bank and Trust Company. The program offers loans up to $75,000; a volunteer loan review committee, which includes farmers and agriculture lenders, supports the work of the fund.	http://www.thecarrotproject.org/programs/loan_programs

Investors

With the concept of "Slow Money" (www.slowmoney.org) gaining popularity, investor circles nationwide are forming to fund local food systems. Depending on your location and farm plans, you may

be able to attract investors to fund start-up or expansion of your farm. Many Community Supported Agriculture farmers have used the strategy of fundraising from their membership to secure their land or build new facilities, usually offering repayment plus interest in the form of farm products. You will need to check in with legal and tax advisors about the implications for your farm, and you will also need to crunch the numbers and write a business plan to determine whether this is a strategy that can work for you. Search online for "slow money," "local investing opportunity networks" and "small farm angel investors" to learn more about the possibilities for your farm.

Residential Finance or Using Your Own Equity

While many banks are unwilling to lend money to an individual to purchase a herd of goats, for example, almost all banks offer home equity loans and/or other personal loans that you could use for your agricultural business. Home equity and personal loans may carry higher interest rates than business or farm loans available through the above sources. Be sure to check rates and terms. ***Never finance a business using credit cards as interest rates are enormous and, if payments are not made, can quickly spiral out of control.***

If purchasing equipment or supplies (machinery dealers, a farmer selling animals, etc.) ask the vendor about their credit options and terms, as they may be more liberal than a commercial bank because they can easily seize and make use of the asset if payment is not made. Again, be sure you know the interest rates and term.

5 – Farm Risk Management

Guide to Farming in New York State

The primary goal of risk management and insurance is to protect your assets from claims and lawsuits that may result from injury to persons or damage to property from accidents that are associated with your business. Effective risk management depends on combined efforts and close communication between yourself and your insurance company. Look for an agent with whom you are comfortable, who is well known and respected, who understands agriculture and businesses, and who will work with you to reduce your potential for risk.

When considering your risks, be sure to review the list below and describe your risks completely to your agent. You will not need all of the types of protection listed below, but it is important to know your options when shopping for insurance. Match your coverage to your needs for risk management.

Organization	Description
General Liability Insurance	Covers injuries to people and property for which your farm is judged liable and mitigates your losses from lawsuits
Automobile Insurance	Covers vehicle damage while in your vehicle or to another vehicle while traveling
Home Owners Insurance	Typically covers fire, theft, personal property, lightning, riot, aircraft, explosion, vandalism, smoke, theft, windstorm or hail, falling objects, volcanic eruption, snow, sleet, and weight of ice. Usually flood and earthquake need to be purchased separately
Farm Insurance	Covers barns, rental housing, equipment, animals, and other farm assets
Workers' Compensation Insurance	Required if you have employees or interns
Product Liability Insurance	For damages that may arise from the consumption, handling, use of or condition of products manufactured, sold, handled, or distributed by your business
Contract Liability Insurance	Covers the assumption of the liability of another party through a contract or facility use agreement. For example, you may be required to provide a certificate of insurance to buyers that includes $1 million in product liability and additional insurance
Environmental Pollution Insurance	Covers clean-up of manure, or pesticide spills
Crop Insurance	Can protect against annual production losses due to weather, pests and other insurable causes of loss. Federally subsidized coverage can be purchased from a certified crop insurance agent. Disaster programs provide up to 65% coverage for crops where crop insurance is unavailable and is provided by county USDA Farm Service Agencies
Life Insurance	To help your family in case something happens to the bread winner
Health Insurance	For yourself and family in case you need medical care
Business Interruption Insurance	Will provide living expenses if you are hurt and cannot work

Vendor's Insurance	Will cover your liabilities if you are selling at a farmers' market or trade show
Umbrella Liability Coverage	A liability insurance policy. It provides extra insurance protection over and above your existing policies and typically carries a high deductible

See also the list and description of types of insurance in Fact Sheet #6 in this Guide.

Ways to Reduce Your Liability

- ☐ If you have people coming to your farm, keep your property in good repair.
- ☐ Minimize or eliminate dangerous situations. This might include: aggressive animals, manure pits, moving vehicles or equipment parts, etc. Fence off hazards wherever possible.
- ☐ Bio-security is recommended. Provide booties and hand wipes for visitors who enter barn areas.
- ☐ When selling or serving foods, make sure all regulations are met and carry product liability insurance.
- ☐ All workers on your farm are required to be covered by workers compensation, even if they work for free! So if you have interns, apprentices, or employees, you are required to carry insurance for them (The only exception is if your farm is set up as a 501(c)3 non-profit). See fact sheets 6 and 18 for more details on insurance and labor laws.
- ☐ Test your water supply annually for bacteria if your water is being used for washing produce or processing.
- ☐ Negligence is when you fail to take normal steps to eliminate hazards or you create a hazardous situation and fail to address it.
- ☐ Avoid making false statements or publishing incorrect information that may damage a person's reputation as this can result in libel suits. Be careful of advertising claims or comparing your operation to others in a negative way.
- ☐ Manage your production techniques according to recommended best management practices.

6 – Farm Insurance

Guide to Farming in New York State

Farm Owner's Insurance

Like a homeowner's policy, most general farm insurance plans cover property damages and comprehensive personal liability coverage for claims against the farm. This insurance is only available through private insurance brokers and it is suggested that you shop around as prices vary widely from vendor to vendor.

Supplemental Comprehensive Coverage and/or Product Liability Insurance

If you have the public coming to your farm, you may want to consider increasing your farm's comprehensive personal liability insurance in case someone gets hurt on your property.

If you sell products for human consumption, you run the risk of people getting sick from your products. Make sure your general comprehensive policy covers product risks or purchase product liability insurance.

Workers Compensation Insurance

Employers are required to carry **workers compensation insurance for employees** if cash wages exceeded $1,200 in the preceding calendar year. Coverage must be obtained effective April 1st of the year immediately following the year where the farm had $1,200 of payroll. If a farm has one or more **unpaid interns or apprentices** for the growing season, workers compensation insurance *must be provided* for these workers too. Insurance can be purchased from the New York State Insurance Fund (http://ww3.nysif.com/), private insurers, or an employer can form/join a self-insurance group if they meet various requirements and post bond.

State law also requires that employees be covered by a disability benefit if they are disabled off the job. Most workers compensation insurance will also include this.

Family members (spouse or children) and farm laborers are exempt from this requirement if the farm is not incorporated. If the farm is held as a corporation or LLC then the family member exemption does not apply because no one is related to a business entity.

Health Insurance

Farm employers are not required to carry health insurance for their employees if they have 50 or fewer employees. However, health insurance for farmers and farm families who do not have off-farm jobs can be very costly. Farming is a high-risk occupation and families put themselves at risk when they do not carry or cannot afford health insurance coverage.

Insurance Plan Options		
Organization	**Description**	**Contact**
Gladle & Associates	Provide health insurance for farm families through the Dairymen's Health Insurance Alliance Group Plan. You *do not* have to be a dairy farmer to join	Toll free: 800-479-8153
Healthy-NY Program	Offers affordable health insurance to small businesses, sole proprietors and working individuals	www.HealthyNY.com 866-HealthyNY (866-432-5849)
Obamacare	All U.S. citizens are eligible for healthcare coverage through the Health Insurance Marketplace	https://www.healthcare.gov/

Crop Insurance and Risk Management

Crop insurance is available for specific crops to protect against weather-related and other common causes of loss. Federally subsidized policies are created by the USDA Risk Management Agency, but purchased from a crop insurance company. **Current policy information is available at:** www.rma.usda.gov

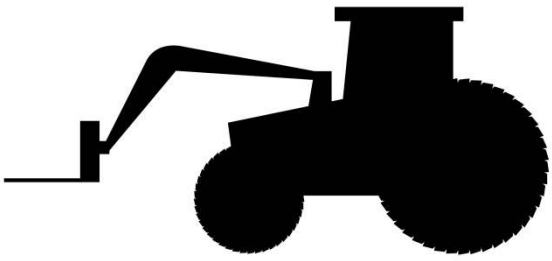
Federal disaster programs can also protect against significant crop losses, if beginning farmers sign up annually by the applicable deadline. **Disaster programs are administered by county USDA Farm Service Agencies, listed on each State's FSA website:** www.fsa.usda.gov

Insurance Companies that Serve Farms	
Organization	**Contact**
Erie Insurance	http://www.erieinsurance.com/
Dryden Mutual Insurance Company	http://www.drydenmutual.com/
Farm Family	http://www.farmfamily.com/
NY Farm Bureau/ Nationwide	https://www.nationwide.com/cp/ag-farm-bureau-ny.htm

7 – Farm Vehicles

Guide to Farming in New York State

Farm Vehicle Registration



Go to the DMV and complete the forms:

- ☐ MV-82 Motor Vehicle Registration, check the Farm Vehicle box
- ☐ MV 260-F, part 1 Certification of Farm Vehicle Use

Moving Farm Equipment on Public Roads

The "slow moving vehicle" emblem, a fluorescent or reflective orange triangle, must be displayed on the rear of vehicles drawn by animals, and most farm vehicles and construction equipment. It must be displayed on all equipment designed to operate at 25 mph or less, whether self-propelled or used in combination. These signs fade with time, so it is recommended to replace them every 2-3 years. The emblem must be displayed separately on each piece of equipment, whether self-propelled or used in combination as per VTL 375-36(b).

It is unlawful to operate agricultural equipment on any public highway between 30 minutes after sunset and 30 minutes before sunrise or at any time when visibility ahead or behind is less than 1000 feet, unless the equipment is equipped with approved working lamps. If on a public highway after dark, requirements include:

- ☐ Two white headlights on front of tractor at the same height and as far apart as practicable
- ☐ One red tail lamp at the farthest end (tractor or implement) and as far apart as practicable
- ☐ Two amber combined hazard warning and turn signal lamps at least 42 inches high at the same level, visible from front and rear. If just a tractor, these lights can be on the cab. If traveling with an implement, these lights need to be mounted at rear of implement
- ☐ Two red reflectors at the rear of the implement, at the same level and as far apart as practicable

Important Exception

If the width of tractor/implement combination is between 12 and 17 feet, you cannot travel on public roads after dark. When traveling during daylight, red or orange fluorescent flags not smaller than 18 square inches and reflectors need to be placed at extreme corners of the load. In addition, 2 amber lights or hazard lights visible from the rear of the load must be flashing. If the vehicle or implement extends beyond the center line or is traveling during inclement weather, the implement should be preceded by an escort vehicle with a warning sign and flashing lights.

Transportation of Hazardous Materials on Public Roads

A farmer who is operating as a private business (not for hire) is exempt from vehicle placarding and marking regulations when transporting an agricultural product (hazardous material including fertilizers, pesticides, fuel, etc.) over local roads between fields utilized by the farm.

For additional information on SMV emblems, please refer to:
State Vehicle and Traffic Regulations
Title 15, Part 68 – Slow-Moving Vehicle Emblem (15 NYCRR 68)

For additional information on required lighting equipment, refer to:
State Vehicle and Traffic Regulations
Title 15, Part 43 – Motor Vehicle Lighting (15 NYCRR 43.9)
Section 43.9 – Lighting Requirements on Agricultural Equipment

These regulations can be found by visiting:
http://government.westlaw.com/linkedslice/default.asp?SP=nycrr-1000 **and selecting the Department of Motor Vehicles**

8 – Zoning Regulations and Farming

Guide to Farming in New York State

Municipal Zoning Laws

If you plan to build a new farm facility, establish a retail farm outlet, add worker housing, add horse boarding/riding facilities, etc., check with your local municipality to find out which laws apply. Some common restrictions/requirements might include: road setbacks, lot size, dimensions, signage size and placement, site plan requirements, screening, etc.

Farms located in certified agricultural districts are generally exempt from many local and some state regulations including SEQR (State Environmental Quality Review), some building codes, and from the need to provide professionally stamped plans for farm buildings, etc. Contact your county planning or assessment departments to see if the property you own is in an agricultural district.

If you are located in an agricultural district and find local zoning to be excessively restrictive to your farm development plans, check the NYS Dept. of Agriculture & Markets website for information on local laws and the agricultural district law and how they relate. In many cases, the Agricultural District law protects farm operations from restrictive local laws. For more information, access the following document from the Ag & Markets website:

Local Laws and Agricultural Districts: Guidance for Farmers and Local Governments
http://www.agriculture.ny.gov/AP/agservices/new305/guidance.pdf

A process exists by which you can request an opinion from NYS Dept. of Agriculture & Markets Agricultural Protection Program staff to make a determination if a local law is restrictive to farming. It is suggested that you call the staff and discuss the matter with them prior to filing an official request for assistance (see telephone number listed below). Formal requests for assistance must be made in writing and include details on local restrictions and requirements as evidenced in zoning code or some other ruling.

Mail A Request for Review

NYS Dept. of Agriculture & Markets Div. of Agricultural Protection & Development Services
10 B Airline Drive
Albany, NY
Phone: 518-457-2713
http://www.agriculture.ny.gov/AP/agservices/agdistricts.html

If you are not located in an Agricultural District then you must comply with local regulations.

NYS Building Codes

Farm buildings are exempt from the building code for building construction. To learn about whether or not your farm is exempt from the property maintenance and some fire safety code requirements, contact:

New York State Department of State Code Enforcement and Administration

One Commerce Plaza, 99 Washington Ave, Suite 1160, Albany, NY 12231 Tel: 518-474-4

9 – Legal Aspects of Rural Living

Guide to Farming in New York State

Laws are constantly changing and vary by municipality. The following are some general guidelines to know when living in the country:

Boundary Fences and Trees

In NYS it is the duty of both adjoining landowners to maintain a fence line and one party may not remove a fence without the permission of the other. The same applies to trees; however, a property owner may trim the branches of a tree hanging on his side of the property so long as the trimming does not result in damage to the tree.

Fencing for Livestock

Fences intended to contain livestock must be constructed of materials that will restrain them. If you have animals, let your neighbors know and provide them with contact info in case the animals get out or if they see something amiss.

Riparian Rights

If your property includes a waterway, you have the right to use a reasonable amount of water but you are liable for water pollution. You may not impede the flow of a stream or divert it from its original channel where it flows into the next owner's property. If a body of water is navigable, the public has the right to use water regardless of the owner. If a body of water is not navigable, the riparian owner may exclude public use. If a stream is classified as a trout stream, it may not be altered under NYS DEC law without a permit, and according to fish and game law the land may not be posted.

Posting and Trespass Law

Owners or others with exclusive rights to property may post the boundaries warning that if a person enters the property they are trespassing. Trespassers must leave the property if the owner so orders and they may be charged with a criminal violation. If not posted, the trespasser can argue that they thought the land was public. If a trespasser refuses to leave, a sheriff should be called to make an arrest.

Posting requirements include:

- ☐ At minimum 11 inch square sign with lettering to occupy 80 square inches exclusive of the name and address
- ☐ The word POSTED in caps and the name and address of the owner
- ☐ Signs must be located at property boundaries and corners and be conspicuously placed not more than 660 feet apart
- ☐ Illegible or missing signs must be replaced at least once a year.

Landowner Liability

This is a very complicated issue and the best protection is risk management, insurance and posting. While trespassing is illegal, it is also illegal for the property owner to harm the trespasser. If you give permission to someone to use your land for any purpose, it is advisable to warn them of hazards on the property. Additionally if you allow others to swim on your property, you are responsible for their safety and hygiene (e.g. toilets).

Right to Farm Laws

The NYS Agricultural District Law has a provision that protects farmers against nuisance lawsuits and protects the right to farm, provided that sound agricultural practices are followed. Many municipalities also have right-to-farm laws with additional provisions meant to protect farmers. Check with your town officials to see if such a law exists in your municipality.

Farm Neighbor Relations

A way to avoid problems that may arise from the above situations is to let your neighbors know what you are doing on your farm and what to expect. If you have to operate for long hours during planting and harvest season or will be spreading manure, let your neighbors know. Communication goes a long way towards avoiding complaints about noise, dust, odor, livestock hazards, or farming practices. Increasingly your farming neighbors will have had no exposure to living in the country and you can help educate them about agriculture and where food comes from by letting them know what you do.

Flood Plain Considerations

If your land is in a flood plain, you are allowed to farm it but may need a permit from your town, village or city if you plan to 1) significantly change the topography, 2) install fencing which can catch debris and therefore impede flood waters, or 3) build a barn or other structure.

10 – Environmental Regulations

Guide to Farming in New York State

Environmental Regulations		
Organization	**Description**	**Contact**
NYS Water Quality Regulations	Farmers must comply with New York State water regulations to protect surface and ground water from contamination from eroded soil, pH, fecal coliforms, excessive nitrate and phosphorus levels. If the Dept. of Environmental Conservation (DEC) determines that you are the cause of a water quality violation, your farm will be subject to a fine and farming practices may be restricted or prohibited. This law applies to all land owners and farm operators.	www.dec.ny.gov/regs/4590.html
Concentrated Animal Feeding Operations (CAFO)	Farms with large numbers of animals (e.g. 300+ mature dairy cows) must have a Concentrated Animal Feeding Operation permit. Details of a permit: ☐ Requires a comprehensive nutrient management plan to be completed and updated annually by a certified Agricultural Environmental Management Planner. Plan covers animal manure, wastewater, silage leachate run-off and more. ☐ Requires expansion to be planned and limited by the farms ability to handle nutrients/wastes produced. ☐ Does not protect the farm in the event of a manure spill or discharge. If a spill takes place the farmer has 24 hours to report it to the state and 5 days to file a written statement on what happened. CAFO filings are generally not public record but they could be if the farmer wanted their information public.	www.dec.ny.gov/permits/6285.html
Agriculture Environmental Management (AEM)	In order to be successful in the long-term, every farm must sustain or improve its soil, water, and plant resources. Beyond regulatory compliance, it is to a farmer's advantage to incorporate good environmental management practices during their initial planning, rather than confronting costly mitigation measures later. AEM operates at a county level through Soil and Water	www.nys-soilandwater.org/aem/index.html Locate your local county SWCD office at: www.nys-soilandwater.org/contacts/county_offices.ht

	Conservation District offices. One-on-one assistance is generally available to help you incorporate good environmental management practices into your business plan from the start, and to walk your land with you to evaluate areas of concern. These offices will also have information on funding sources (grants, loans, cost-shares) for implementing conservation practices on your farm.	ml

Pesticide Regulations

When using pesticides, the *Label is Law* – make sure you read it!

For more information on becoming certified, visit the DEC's website:
Pesticide Applicator Certification
http://www.dec.ny.gov/permits/45618.html

Becoming Certified

A farmer using **restricted use pesticides** to protect crops and animals from pests on property owned or rented for the production of an agricultural commodity is considered a "private" applicator, and must become certified by the DEC and show his/her pesticide license when purchasing these products. **General use pesticides**, considered to be safer and in general use, do not require applicator certification for purchase and use.

To be eligible for certification:

- ☐ Must have at least one season's experience working with the crops, livestock or stored products on which you will use pesticides and be at least 17 years of age

To become certified:

- ☐ Must take an exam based on information in the Pesticide Training Manual (Core Manual)
- ☐ Additionally there are questions pertaining to the situation in which you use pesticides (Category Manual)

You can obtain manuals through county Cooperative Extension offices. Cooperative Extension also offers pesticide applicator training programs or you may study on your own and make an appointment with the DEC to take the exam.

For Questions about the	Certification Process and Exams:

Call the Department of Environmental Conservation office in your region.
For NYS, regional DEC office contact information can be found at:
http://www.dec.ny.gov/about/259.html
Upon passing the exam, your certification is valid for 5 years. There is a fee for the exam and for the certification license.

For Information on Manuals and Training

Contact your county Cooperative Extension office,
Or the Pesticide Management Education Program
Phone: 607-255-1866,
Email: PMEP_Webmaster@cornell.edu
http://psep.cce.cornell.edu/certification/Certification.aspx

Recertification

During the 5 years that you are certified, you must obtain continuing education credits toward recertification. Credits can be obtained by attending meetings where pest management topics are discussed and credits offered.

A **"Course Calendar"** can be found at:
http://coursecalendar.psur.cornell.edu/
Search the database of NYSDEC approved courses in your area

Credits for Private Recertification:

- ☐ 8 for Agricultural Animal (Livestock & Poultry) and Aquatics
- ☐ 10 for Agricultural Plant (Field & Forage, Fruit, Vegetable, Greenhouse & Florist and Nursery & Ornamentals)
- ☐ Credits must be earned in more than one calendar year and consist of at least 25% category-specific training in each category of certification

You are obligated to keep records of the credits you receive and turn in record sheets to DEC when they notify you that your license is about to expire. If you do not have the required credits, you will have to take the exam again.

11 – Forest Land Resources

Guide to Farming in New York State

Assistance for Forest Owners

Woodlands are a valuable asset that if properly managed can provide harvestable timber, firewood, and agroforestry products. If the land you own includes woodlands, it pays to become informed about this asset. Following are agencies and organizations that are available to assist you:

Organization	Description	Contact
Master Forest Owner (MFO) Volunteers	Volunteers are trained by Cornell Dept. of Natural Resources and are available in nearly every county to provide answers about forest management questions. They are a great resource for the new forest owner and can offer practical advice on questions pertaining to woodlot management, timber harvesting and other topics.	Find MFO at: http://www2.dnr.cornell.edu/ext/mfo/
NY Forest Owners Association (NYFOA)	The NY Forest Owners Association promotes sustainable woodland practices and improved stewardship on privately owned woodlands.	To become a member, contact NYFOA at 800-836-3566 or website: www.nyfoa.org
NYS Dept. of Environmental Conservation Division of Lands and Forests	DEC Foresters will prepare Forest Management Plans that identify your woodland resources and provide management options.	Contact the regional office that covers your county and request the assistance of a DEC Forester: www.dec.ny.gov/lands/4972.html
DEC Saratoga Tree Nursery	Tree seedlings are available for small planting and reforestation projects. Generally orders need to be placed by mid-March and will be shipped in April. Species available from the above sources include: conifers, hardwoods, and mixed packets for wildlife or other conservation purposes.	Call 518- 581-1439 or visit: www.dec.ny.gov/animals/7127.html Many county Soil and Water Conservation District (SWCD) offices also sell tree seedlings
Cornell Forest Connect	ForestConnect is an education and applied research program of Cornell University and Cornell Cooperative Extension. The goal of ForestConnect is to support the sustainable production of private woodlands in New York (and beyond) through the provision of educational assistance.	http://cornellforestconnect.ning.com/

Agroforestry and Maple Syrup Production

Interested in knowing the potential of your woodlands for products other than timber and firewood? At the following sites you can explore the possibilities for producing maple syrup, cultivating ginseng, goldenseal, mushrooms, native plants or other forest crops as part of your farm operation:

Organization	Contact
Cornell Maple Program	http://www.cornellmaple.com
Forum for maple producers to share ideas and equipment	http://www.mapletrader.com
Cornell's Forest Farming Resource Center	http://www.hort.cornell.edu/forestfarming/
Agroforestry Resource Center, Greene County	http://www.ccecolumbiagreene.org/
Agroforestry Overview, ATTRA	http://www.agmrc.org/media/cms/agrofor_A18CE08578D41.pdf

Forestland Tax Exemption – 480-a

Privately owned forestland can be partially exempted from taxation but is liable for special levies/assessments under a state law called 480a. The exemption is limited to the lesser of either:

1. 80% of the assessed value of eligible acreage or;
2. The amount by which the assessed value exceeds $40 x the state equalization rate x number of acres

To qualify for the exemption:

- ☐ Requires an annual commitment to continued forest crop production for the next 10 years
- ☐ Forests must be under a forest management plan approved by DEC
- ☐ Must include at least 50 contiguous acres of forest land (roads, rights-of-ways, energy transmission corridors, etc. are included)
- ☐ Must have vehicular access for forest management purposes
- ☐ Any timber harvest within 3 years prior to application for certification under this program must have been conducted in accordance with sound forest management practices
- ☐ Prescribed cutting may be required by DEC plan

To Receive the Exemption:	
First Year	Complete Form RP-480, must be accompanied by a 10-year commitment form from DEC and a certificate of approval from the county clerk's office– take these forms to your county/town assessor by the taxable status date (March 1).
Subsequent Years	File a new copy of the 10-year commitment form with the assessor. If you fail to file the commitment form, the property is not eligible for the exemption.
For more information on this program, contact a DEC Forester in your region: www.dec.ny.gov/lands/5236.html	

Agricultural Assessment for Maple Production

If you tap the maple trees on your forestland or lease your forestland to another maple producer, you may be able to qualify for an agricultural assessment. This program does not require that a landowner develop or follow a written forest management plan and is less restrictive than 480-A. Please refer to the Agricultural Assessment section in Property Tax Exemption for Farmland (Fact Sheet #21) for details

on this program. If a landowner qualifies for agricultural assessment on their open land, they can also include up to 50 acres of attached woodland. However, maple syrup production is the only use of forestland that will qualify a landowner to receive agricultural assessment on its own.

Leasing forestland to a maple producer is an attractive option for landowners who would like to have their trees tapped but do not have the ability or desire to do the work themselves. Oftentimes the tax savings of qualifying for ag assessment is more lucrative than the lease fees provided by the producer. This requires a 5-year written contract with a maple producer who meets the minimum sales requirements for ag assessment.

12 – Business Plans

Guide to Farming in New York State

What is a Business Plan?

A business plan is a document that helps you to organize and succinctly summarize the vision you have for your business. The plan contains the operational and financial objectives of a business, the detailed plans and budgets showing how the objectives are to be realized.

A good business plan will contain the following:

- ☐ Your business vision, mission statement, key values, and goals
- ☐ Description of the product(s) you intend to produce
- ☐ Strengths, Weaknesses, Opportunities and Threats the business may experience are described
- ☐ Production plans
- ☐ Marketing plans
- ☐ Estimated start-up costs
- ☐ Information on your legal structure and management team
- ☐ Current financial statements or projected financial statements.
- ☐ Resume or brief explanation of your background and relevant experience
- ☐ Less than 10 total pages so that people actually read it

Helpful Publications for Writing a Business Plan

General Business Resource Publications	
Type of Lease	**Download Online**
Starting an Ag-Business? A Pre-Planning Guide	http://publications.dyson.cornell.edu/outreach/extensionpdf/2004/Cornell_AEM_eb0408.pdf
Business Transfer Guide: Junior Generation	http://publications.dyson.cornell.edu/outreach/extensionpdf/2016/Cornell-Dyson-eb1605.pdf
Producing a Business Plan for Value-Added Agriculture	http://publications.dyson.cornell.edu/outreach/extensionpdf/2007/Cornell_AEM_eb0708.pdf
Business Planning for the Agriculture Sector: A Guide to Business Plan Development for Start-up to Mid-size Operations	http://publications.dyson.cornell.edu/outreach/extensionpdf/2010/Cornell_AEM_eb1002.pdf

Cornell Cooperative Extension Publications for Specific Commodities	
Landscape Business Planning Guide	http://dyson.cornell.edu/outreach/extensionpdf/2003/Cornell_AEM_eb0313.pdf
Writing a Business Plan: A Guide for Small Premium Wineries	http://aem.cornell.edu/outreach/extensionpdf/2002/Cornell_AEM_eb0206.pdf
Writing a Business Plan: An Example for a Small Premium Winery	http://aem.cornell.edu/outreach/extensionpdf/2002/Cornell_AEM_eb0207.pdf

Getting Help Writing a Business Plan		
Organization	**Description**	**Contact**
Cornell Cooperative Extension	The type of programming offered in each county is unique so contact your county extension office to see if they have a farm management or small business development educator. Often these educators offer business plan workshops and are willing to advise, review, or assist in writing your plan. Additional economic data and marketing tools can be found at the following website: https://dyson.cornell.edu/outreach/extension-bulletins	www.cce.cornell.edu/editor/show/In_Your_Community
NY FarmNet	New York FarmNet has business plan writing publications in addition to several farm counselors throughout the state who offer free and confidential help on any topic of concern, including: finances, farm changes, farm transfer, natural disaster, personal stress, family communication, and marital conflict.	www.nyfarmnet.org
New York State Small Business Development Center	A network of 23 regional centers delivering business counseling and training free of charge to New Yorkers who want to start a business or improve the performance of an existing business.	www.nyssbdc.org
New York State Online Permit Assistance	This site will help you find the New York State business permits you may need.	http://www.nys-permits.org/
Empire State Development's Entrepreneurial Assistance Program	Part of New York State's economic development agency, they have 9 centers across the state to provide specialized help to women, minority group members and persons with disabilities who are starting or operating an early stage businesses.	http://www.empire.state.ny.us/BusinessPrograms/EAP.html or 1-800-STATE NY
Empire State Development's Entrepreneurial Assistance Program	Part of New York State's economic development agency, they have 9 centers across the state to provide specialized help to women, minority group members and persons with disabilities who are starting or operating an early stage businesses.	http://www.empire.state.ny.us/BusinessPrograms/EAP.html or 1-800-STATE NY
Federal Small Business Administration	Federal agency with offices throughout the state providing counseling services and loan guarantees. They have a special emphasis area to work with women, minorities, veterans, and businesses involved in international trade.	www.sba.gov/ny
SCORE "Counselors to America's Small	SCORE is a nonprofit organization offering free advice and training using experienced	www.score.org

Business”	volunteers. Check the website for chapters in your area.	
Sustainable Agricultural Research Education (SARE)Publications	*Building a Sustainable Business* Great resource for a beginning farmer interested in alternative, sustainable, and/or general agriculture. It is 280 pages of education and practical exercises to guide the beginning farmer through the financial, management, and interpersonal skills needed to start a successful farm business. Order hard copy for $17 or download PDF online for free.	www.sare.org/publications/business.htm
AgPlan	AgPlan is powerful website developed by the Center for Farm Financial Management at the University of Minnesota to help rural businesses develop a business plan.	https://agplan.umn.edu/
USDA New Farmers Website	USDA’s New Farmers Website provides a portal to various sites providing technical assistance for planning a business.	https://newfarmers.usda.gov/technical-assistance-planning-your-business

13 – Business Structures

Guide to Farming in New York State

Registering Your Business Name

It is recommended, but not required, that you protect your business name by registering it with your county clerk. This typically involves a fee of $25-$50 and helps prove the existence of your business in addition to preventing other business in the county from using your business name. This may also be required to open a business checking account.

Business Structures – Legal Organization

While most businesses start out as sole proprietorships or general partnerships, they may eventually find that the legal liability and tax consequences are more beneficial if operating under a different structure.

New York State recognizes seven different business structures (excluding organizations such as churches and non-profits):

1. **Sole Proprietorship** – The simplest form of organization wherein an individual simply declares himself or herself a business operator. No paperwork is needed to file with government agencies to establish the existence of the business. The proprietor has unlimited liability for the actions and debts of the business.
2. **General Partnership** – A partnership agreement between sole proprietors. No paperwork is need to form this business and partners have unlimited liability.
3. **Limited Partnership** – Also known as a silent partnership wherein an individual joins a partnership but stays out of the management aspects of the business. For remaining silent in the operation, that partner generally obtains the profits of an owner and does not have the legal liability of a full partner.
4. **Limited Liability Company (LLC)** – A partnership offering the limited liability of a corporation. Paperwork must be filed with the state to establish this form of ownership and management meetings must be held.
5. **Business C Corporation** – Structure used by most companies. The business is operated by a management team that reports to a board of directors. Ownership of the business is in the form of stock and shareholders of that stock have different levels of control over management and the board of directors by the quantity held and class of their stock (ex. Class A, B, C, preferred, etc.). Shareholders have limited liability in the company.
6. **Business S Corporation** – A corporation that is operated like a partnership and offers limited liability to shareholders. Paperwork must be filed with the state to establish this form of ownership and management meetings must be held.
7. **Cooperative** – An organization owned by members who contribute equity toward the business and share in profits generated, formed by filing with the state and has similar governance as a C corporation. Voting is either one vote per member or in proportion to patronage of the cooperative. Members have limited liability.

For More Information

This brochure by the NY Dept. of State has information on six types of business structures including what forms need to be filed, the business's lifespan under that structure, personal liability and tax information.

Forming a Business in NY: An Overview
http://www.dos.ny.gov/corps/pdfs/formingbus.pdf

Access the following publication from the Dept. of Applied Economics and Management at Cornell for help on navigating the legal maze of business structures.

Doing Business in New York State: Structures and Strategies
http://cooperatives.dyson.cornell.edu/pdf/DoingBusiness.pdf

14 – Making Money

Guide to Farming in New York State

How Will You Know if Your Operation is Making Money?

Cash Flow, Net Worth and Profit

These are the three pillars that sustain a business, and all you need for a business to thrive long term.

1. Cash Flow tracks the cash dollars into and out of the farm business. You should be able to balance all of the money that came in and went out:

> Start-up money + Cash from operations + Borrowed money =
> Cash paid on expenses + Debt payments + End of year money

In horticultural operations, cash flow expenses will be high in the spring as crops are planted and income will be high in the fall when crops are sold. Therefore, cash flow requires planning and savings to be sure income covers future costs. Cash flow records are a way to keep track of your money, ensure that you can cover monthly expenses, and are crucial to long term profitability

2. Net Worth tracks your investments in the farm in the form of the **Balance Sheet**.

> **Net Worth** = everything the business OWNS minus everything it OWES
> Assets You Manage – What you Owe = Your Ownership
> Assets – Liability = **Equity**

Some assets tend to go up in value over time such as land. This is called appreciation.
Some assets go down in value over time, such as equipment. This is called depreciation. Depreciation is a measure of the wear, tear, and obsolescence of an investment.
The primary function of net worth calculations is to measure the risk-bearing ability or financial solvency of your business or, in simple terms, how much you really own versus how much the bank owns.

3. Profitability is measured with the **Income Statement**. It is the result of your operation's work, decisions, and return on investment.

> Value of Production – Cost of Production = **Profit**

Profitability is harder to track as it blends cash flow and investment decisions. It also makes adjustments for family withdrawals, "free or family" labor, and return on investment.
Some examples of Good Cash Flow, but Low Profitability:

- Living off of inventories or depreciation, and not reinvesting in the operation
- Outside income or off farm jobs that help reduce need for family living withdrawals
- Borrowing money
- Not paying bills

Some examples of Bad Cash Flow, but Good Profitability:

- An expanding business with increasing assets, but few cash sales

- High withdrawals for family living, for example, college expenses
- Paying down debt rapidly
- Buying next year's assets from this year's cash (prepay for fertilizer, etc.)
- Increase in accounts receivable (amount of money you are owed for assets that were sold)

For your tax return you may want to use cash accounting, but for profitability you want to use accrual accounting. Accrual accounting looks at changes in inventory and price; changes in accounts payable and receivable, appreciation and depreciation, unpaid labor, opportunity costs to work elsewhere, interest on equity, and your labor and management inputs.

Interest on Equity

- ☐ Can you borrow money without paying interest?
- ☐ Do you have an "opportunity" to put your money somewhere else?
- ☐ Do you want to earn interest/dividends on your money in the stock market?
- ☐ Shouldn't you earn interest on the money invested in your farm?
- ☐ Plan to pay yourself 3% minimum on your equity invested in the farm!!

Value of Labor and Management

- ☐ What is the value of your efforts on the farm?
- ☐ What is the "opportunity" for you to work elsewhere?
- ☐ A simple charge for your efforts will help you find a value to evaluate your business
- ☐ What could you earn if you worked elsewhere in a similar job?

What Does a Manager Do?

Managers make the decisions about investments, and tasks. They define the mission and philosophy for the operation. They develop the plan, hire and motivate the people to implement the plan (or tell the kids what to do), invest in the assets to implement the plan, set priorities, and evaluate the results so they can adjust the plan if needed.

Partial Budgeting

Partial budgeting helps make decisions for smaller investments that do not affect whole farm operation. Look at the expected increases to income and decreases to expenses for a project compared to decreases in income and increases in expenses. This will help you decide how much you can invest, and the impacts on other parts of the business.

Featured Resource

The Organic Farmer's Business Handbook

The handbook, written by Richard Wiswall in his easy-to-read style, takes farmers through the business concepts and tools needed to become financially sustainable. The $32 book is available at http://richardwiswall.com/the-organic-farmer-s-business-handbook/.

15 – Record Keeping

Guide to Farming in New York State

Record Keeping is Good Business

At a minimum your farm will need a record keeping system for tax and legal compliance and it is highly recommended that you also keep yield and other farm production records that might be useful to making decisions on the farm. For example many growers keep weather logs so that they can evaluate their practices and yields and then make better growing practice and crop variety decisions for the coming year. You also might consider creating columns or breakouts for your most expensive or profitable enterprises to keep track of profits, and doing an hourly break down periodically to see how much time you or your employees are using on particular enterprises. Many tools are available at the Northeast Beginning Farmer website:

Improving Profitability Tutorial
http://nebeginningfarmers.org/farmers/achieving-profitability/profitability-tutorial/

Paper Records

Small farms and many businesses just starting out use the shoebox method of accounting. Keep all sales receipts in one folder, expense receipts in another, maintain a capital asset depreciation log, and you may have additional folders for farm yield or other data important to the year. The advantage of this system is that it is simple and easy to do. The disadvantage is that the data is not well organized so when you need farm information you often have to sort through piles of paper and do all computations by hand.

Cornell Farm Account Book

Cornell and many accounting services have pre-formatted account books with categories common to agriculture and additional areas for yield and capital asset data. These are typically of nominal cost ($10-$20). The advantage of the farm account book is that it is easy to understand and the information is well laid out in case you need to access it later. The disadvantage is that the information may not be laid out how you as a manager would like it, and it is still a hand-entry accounting system so entering farm information may take several hours per week.

Featured Resource

To order the Cornell Dairy Farm Account Book ($20) or the Cornell Classic Farm Account Book ($15), contact:
The Cornell Store
https://store.cornell.edu/c-1292-farm-books.aspx

Excel Spreadsheets

If you can use a basic spreadsheet in Excel or a similar program, this is a good compromise between paper systems and more sophisticated recordkeeping programs. Many new farmers start out with a simple spreadsheet like this one from Cornell (.XLS), which is intended for high tunnel crop producers but can be adapted for any operation. If you don't need to generate invoices and have a relatively simple, small operation, a spreadsheet like this may serve your needs well for many years.

Quick Books

The most common software program for financial management is Quick Books; however, there are more expensive industry-specific programs specifically designed for dairy farms or wineries, for example. (Try searching online for "winery financial management software.") If you are intimidated by QuickBooks, try their SimpleStart program from Intuit (search for this online). It's free and is a good way to ease into using QuickBooks. If you are ready to upgrade at any point, you'll be able to transfer your records seamlessly into the full QuickBooks program. Check out your local credit unions, banks, and Cooperative Extension to find out if they offer any QuickBooks trainings.

Farm Records Service

Some farmers choose to mail all invoices to an accounting service where the accountant will enter the information into a computer records system, provide you with detailed monthly business statements, and perform all tax functions. Farm Credit East at www.farmcrediteast.com/ is one company that provides these services.

The advantage of this system is that it provides a person who does not have the time, understanding of accounting, or computer skills the highest level of records information. The disadvantage is that this system has the highest cost and the monthly business statements take a few weeks to process and get back whereas the person utilizing an on-farm computer records system will have those statements in real time.

16 – Income Taxes

Guide to Farming in New York State

Federal Income Tax

Schedule C or F

When you sell livestock, produce, grains, or other products, the entire amount you receive and the costs associated with its purchase and production should be reported on a **Schedule F** income tax form.

If your business activities were *non-agricultural*, they must be reported on a **Schedule C**. An example of non-agricultural business would be a produce retailer who purchased wholesale and sold retail and did not grow anything. If your farm has a sub-enterprise like a gift shop, restaurant, or bed & breakfast then the income and costs associated with that activity would have to be reported on a Schedule C.

It is generally advantageous to report farm income and expenses on a Schedule F because farms are allowed to use cash accounting and most other businesses are required to use accrual accounting. In cash accounting you report the income and expenses as they are actually received or paid and in accrual accounting you report the income and expenses at the time they occur.

Example: you spend $5,000 in 2016 to fill the fuel tanks at your farm and at the end of the year the tanks still have $3,000 of fuel in them. In cash accounting, you report a $5,000 expense on your 2016 income tax return and in accrual accounting you can only report a $2,000 expense. If you did not have the cash to pay the $5,000 bill, you will not be able to report any expense on your tax return using the cash method but you would still be able to report a $2,000 expense on your income taxes using the accrual method if you did not pay the bill.

Depreciation

Depreciation is the depleted value of an asset with an expected useful life of more than one year.

Example: you purchase a tractor for $50,000. You cannot report a $50,000 tractor expense on your tax return; you must spread that $50,000 cost over 3-4 years.

The number of years that you must take to depreciate an asset and how you can claim in those years (e.g. straight line, accelerated, section 179, etc.) depends on the asset class of the property in question and the characteristics of the farm.

If the asset is not held for more than one year, it cannot be depreciated. Buildings *can* be depreciated but land *cannot*. The only instance when land can be depreciated is if it is logged or mined and it can be proven that the asset value has been depleted. IRS Publication *225 Farmers Tax Guide* (above) goes into detail on how to depreciate common farm property.

Capital Gains

When a business asset is sold, it should generally not be listed as farm income and should be listed as a capital gain. Most capital gains tax rates are lower than income tax rates.

Example: you purchase a tractor for $50,000, depreciate it to a value of $0 over 4 years, and sell it for $20,000 in year 5. The $20,000 received is considered a capital gain.

New York State Income Tax

Farmers filing schedule F or C federal forms should transfer the information to NYS Form IT 201 if filing an individual return. Information from federal corporate tax returns should be transferred to the appropriate NY form. One NY Income Tax provision available to qualifying NY farm businesses is the Farmers' School Tax Credit that is explained below.

Farmers' School Tax Credit

The Farmers' School Tax Credit allows an eligible farmer to receive a tax credit on their State Income Tax equal to 100% of the school taxes paid on the first 350 acres of property and 50% of the school taxes paid on the amount of acres beyond 350.

Example: A qualified 350-acre farm owes $2,000 in State income taxes and paid $3,500 in school taxes for the farm. They would be able to take a credit of $3,500, which is greater than the $2,000 owed, so they would not owe any State income taxes this year.

Eligibility

- ☐ To qualify, two-thirds of your eligible gross income must be profit from farming for the past three years
- ☐ You can take a 100% school tax credit on the first 350 acres of agricultural lands owned and a credit equal to 50% of school taxes paid on the remaining land
- ☐ Woodlands used for pasture, erosion control, or windbreaks may qualify for the credit
- ☐ You can apply for 100% of the credit if your taxable income is under $200,000 and you can apply for a percentage of the credit if your taxable income is between $200,000-$300,000
- ☐ Farms held as a corporation or LLC can apply for the credit
- ☐ Unused credits cannot be redeemed for cash and cannot be applied to next year's taxes

Form to use to Claim this Credit: IT 217-I for individual filers; CT 47 for corporations

Web Resources	
Publication	**Contact**
IRS Publication 225 Farmers Tax Guide	www.irs.gov/pub/irs-pdf/p225.pdf
New York Farm Bureau Farmers' School Tax Credit Fact Sheet	http://209.23.127.116/www-nyfb-org/img/document_files/Farmers' school tax.pdf

New York State Department of Taxation and Finance Publication 51: Questions and Answers on New York State's Farmers' School Tax Credit	http://www.tax.ny.gov/pdf/publications/multi/pub51.pdf Or call 1-800-462-8100 with questions and for publications and forms.

17 – Sales Tax Exemptions/Refunds

Guide to Farming in New York State

Farm operations are exempt from paying sales tax on items used in the farming operation. None of the exemptions are automatic. You must either present an exemption certificate to the vendor when purchasing products or you can claim a refund if you have evidence to show you paid the sales tax. Forms are available on the State Dept. of Taxation and Finance website listed below. Some of the more common forms applicable to farms include:

ST-125 Farmer's and Commercial Horse Boarding Operator's Exemption Certificate
www.tax.ny.gov/pdf/current_forms/st/st125.pdf

This form exempts you from paying sales tax on the purchase of tangible personal property used predominantly (more than 50%) in farm production or horse boarding; includes:

- Building materials
- Production equipment and supplies
- Animals
- Feed
- Hardware
- Motor vehicles
- Fuel (not motor fuel)
- Gas/propane
- Electricity
- Refrigeration
- Also applies to labor and services hired for repairing, maintaining or servicing property used in farming

There are many subtle exemptions so it pays to check with the State if you are uncertain about whether an item or service you are purchasing is exempt from sales tax (and if the seller is unsure)

Assistance is available at 800-972-1233
Website: http://www.tax.ny.gov/

Copies of this form are available on the website above or by calling your county extension office. Make sure you have copies of the form (ST-125) with you when making purchases. If you make numerous purchases with a particular supplier, check the box "blanket certificate" and the vendor can keep the form on file for future purchases. Page 2 of the form gives the tax department definitions of Farm Production, Farming, Predominantly, and Commercial Horse Boarding Operation.

Form	Information	Contact
PR-955 Claim for Refund by Farmers and Commercial Horse Boarding Operators – Sales Tax on Utilities, Fuel Oil and Motor Fuel (not for motor fuel tax)	This form may be used to claim a refund if you have paid sales tax on any of the above items. You do not have to fill out this form if you have an exemption certificate on file with the vendor. You must have receipts to justify this claim. File annually or semi-annually.	www.tax.ny.gov/pdf/memos/sales/m00_8s.pdf
FT-1004 Certificate for Purchases of Diesel Motor Fuel or Residual Petroleum Product for Farmers and Commercial Horse Boarding Operations	This form exempts you from paying sales tax on diesel motor fuel used for farming purposes. Dealers can keep this form on file (check blanket certificate) so you do not have to fill out a new form for each new purchase.	http://www.tax.ny.gov/pdf/current_forms/motor/ft1004.pdf
FT-500 Application for Refund of Sales Tax Paid on Automotive Fuels	Need to submit invoices with the refund application.	http://www.tax.ny.gov/pdf/current_forms/st/ft500.pdf
DTF-803 Claim for Sales and Use Tax Exemption -Title/Registration Motor Vehicle, Trailer, ATV, Boat, Snowmobile	This form is not used to make purchases. Restricted to transactions processed by DMV. Motor vehicles must be predominantly used in farming.	http://www.dmv.ny.gov/forms/dtf803.pdf
ST-126 Exemption Certificate for Purchase of Racehorses	Need a certificate for each horse.	www.tax.ny.gov/pdf/current_forms/st/st126.pdf

Need Tax Help?

Business Tax Information: 518-457-5735
Forms: 518-457-5431
Website: http://www.tax.ny.gov/

Telephone assistance from NYS Dept. Taxation and Finance is available Monday-Friday, 8:30 AM-4:25 PM

18 – Labor Laws

Guide to Farming in New York State

Workers' Compensation Insurance

Employers are required to have workers' compensation insurance on their workers if cash wages exceeded $1,200 in the preceding year. Coverage must be obtained effective April 1st of the year immediately following the year where the farm had $1,200 of payroll. If you host unpaid interns and apprentices on your farm, they must also be covered by workers' comp (the training and/or room and board you provide them is valued in lieu of wages). The only exception to this is if your farm is a 501(c)3 non-profit organization. To learn more, download:

The Employers' Handbook
http://www.goer.ny.gov/Employee_Resources/employee_handbook/2011Employee_Handbook.pdf

Insurance can be purchased from the New York State Insurance Fund (http://ww3.nysif.com/), private insurers, or an employer can form/join a self-insurance group if they meet various requirements and post bond.

Disability Benefits

State law requires that employees be covered by a disability benefit if they are disabled off the job. Most workers compensation insurance will also include this. Family members (spouse or child) and farm laborers are exempt from this requirement. Farm corporate officers and office workers need disability benefits coverage. If the farm is held as a corporation or LLC then the family member exemption does not apply because no one is related to a business entity.

Minimum Wage

As of the revision date noted on this fact sheet, the Federal Minimum Wage is $7.25/hr. The New York State Minimum Wage is $9.00/hr with yearly scheduled increases until they reach $15.00/hr. This wage minimum applies to regular wage jobs and piece-rate jobs on farms with annual payroll over $3,000. It excludes immediate family and minors under 17 years of age employed on the same farm as their parents or guardians who are paid on a piece-rate basis at the same rate as employees over 17.

The wage order permits deductions for meals and lodging supplied by an employer, except for lodging for seasonal migrant workers. Payments in kind may be permitted at not more than the farm market value.
Employers must post a summary of the wage order in a conspicuous place in their establishment, along with a copy of the general work agreement.

Note that farmers have a lot of liability in this area: if an underpaid apprentice complains to the Labor Department, the farmer may have to pay the back pay plus interest and fines to the state.

Featured Resource

For more information upcoming Minimum Wage increases in New York State, access the following website:

New York State Department of Labor

http://www.labor.ny.gov/workerprotection/laborstandards/workprot/minwage.shtm

Youth Rate Certificate for Farm Work

In agriculture you can legally pay children under the age of 16 (with a permit and other criteria satisfied) a minimum of $3.20/hr for their first season of harvest; several other minimums apply depending on the work. You must file a Youth Rate Certificate to hire youth for less than minimum wage**:**
http://www.labor.state.ny.us/workerprotection/laborstandards/PDFs/LS415_1.PDF

If you employ your own minor age children on the farm, they are exempt from all minimum wage regulation, meaning that they can be paid any wage. This only applies to your own children; nieces/nephews or other minor age family members are subject to state wage laws.

Youth Labor (excluding your own children)

You may not hire anyone 11 years or younger in New York State. 12- and 13-year-olds may work in harvest operations if they have Permit AT-25 and are accompanied by a parent during certain times of the day and year. 14- and 15-year-olds may work on farms with Permit AT-24 during non-school hours. Permits and working papers may be obtained from school offices. Farm workers under 16 are prohibited from performing farm tasks involving power machinery. 16- and 17-year-olds may work on farms without permits or working papers.

Under NYS Child Labor law, 14 & 15 year-olds are allowed to work 18 hrs/week when school is in session and 40 hrs/week when school is not in session. 16 & 17 year-olds are allowed to work 28 hrs/week when school is in session and 48 hrs/week when school is not in session. Contact your local **NYS Department of Labor Office** for more details: www.labor.state.ny.us/.

Migrant Workers (Workers who do not have a permanent residence in New York State)

A farmer or processor who uses the services of a farm labor contractor or crew leader must verify that that person has a Farm Labor Contractor Certificate of Registration issued by the New York State Department of Labor.

Information	Contact
Growers and processors who bring in five or more workers from out of state must obtain a Migrant Labor Registration Certificate and report wages, housing, and working condition to the state.	www.labor.state.ny.us/formsdocs/wp/ls113.pdf
If you plan to house five or more workers you must obtain a farm labor camp permit from the State Department of Labor.	www.labor.state.ny.us/formsdocs/wp/ls113.1.pdf
Workers must be given written notice of wages, nature of	Several Spanish/English work

work, period of employment, transportation, housing, benefits, and more.	forms are available at http://www.labor.ny.gov/formsdocs/wp/ellsformsandpublications.shtm#Farm_Labor

For More Information Contact:

NYS Dept. of Labor
518-457-9000, www.labor.state.ny.us

Extension Agent Thomas Maloney
607-255-1628, trm5@cornell.edu

You can also purchase the **NY Farm Bureau's Guide to Labor and Employment Laws** for $75, or $40 for members, at http://www.nyfb.org/img/uploads/file/Legal_Guides_Flyer_3_.pdf.

19 – Payroll and Worker Documentation

Guide to Farming in New York State

Employee or Independent Contractor

Hiring labor in the State of New York imposes high liabilities and paperwork burdens on the employer. Because of this, employers may be tempted to classify their workers as independent contractors, but a person is only an independent contractor when he or she is legitimately an individual in business for himself and for hire to the general public. If there is any ambiguity on the status of the individual, courts generally interpret the individual as being a worker. If you would like a decision on if the individual is a worker or an independent contractor, file the following form with the IRS:

IRS Form SS-8
Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding
www.irs.gov/pub/irs-pdf/fss8.pdf

Hiring Forms: I-9

(http://www.uscis.gov/i-9)

Employers must keep an I-9 form from the US Citizenship and Immigration Service on file for all employees. The I-9 requires copies of documentation (a drivers license and social security card for most), however, the employer is not required to verify that these documents are valid.

Payroll Service

Given the complexities and liabilities of properly administering payroll, it is recommended that small employers hire a payroll service from a local accounting firm. Though expensive, this frees the employer from the liabilities of missing a form deadline, improperly handling a payroll withholding account, and avoids the need to stay current with the various labor forms and regulations at both the state and federal level.

Reference Publications		
Publication	**Description**	**Contact**
IRS Publication 51, Agricultural Employers Tax Guide	Reference publication explaining federal regulations and contains a calendar of when forms need to be filed throughout the year.	www.irs.gov/pub/irs-pdf/p51.pdf
NYS Publication 50, Employers Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax	State Reference Publication	http://www.tax.ny.gov/pdf/publications/withholding/nys50.pdf)
Agricultural Employer's Checklist 2014	Publication by Anita Deming which goes through the employee hiring process step by step.	http://blogs.cornell.edu/smallfarms/files/2014/08/2014-Employer-

		Checklist-2dazazm.pdf)

Which Forms to File

Which specific forms your farm is required to file depends upon the farm size and the specifics of your operation. It is recommended that you seek the advice of a payroll specialist and read the two reference publications listed above to determine which forms are required for your operation.

If you decide to do payroll on your own, a list of forms you should become familiar with follows. This is by no means a comprehensive list of the forms your operation needs to be compliant.

Payroll Forms

Form SS-4 Application for Employer Identification Number (EIN)	Your business must obtain an EIN if you have employees or will file for other taxes such as excise taxes	www.irs.gov/pub/irs-pdf/fss4.pdf
Form NYS-100 New York State Employer Registration for Unemployment Insurance, Withholding, and Wage Reporting	To be filed when you become an employer. You will be assigned an Employer Registration Number, which is separate from your federal EIN	http://www.labor.ny.gov/formsdocs/ui/nys100.pdf
W-2	Form stating wages and withholdings made for an employee throughout the year. A copy is sent to the employee, the Social Security Administration, the IRS, the NYS Department of Taxation, and to county/local governments that have an income tax such as New York City	www.irs.gov/pub/irs-pdf/fw2.pdf
W-3	Similar to the W-2, filed with the Social Security Administration	www.irs.gov/pub/irs-pdf/fw3.pdf
W-4	Form filled out when an employee starts so that their employer knows to withhold the correct amount of taxes	www.irs.gov/pub/irs-pdf/fw4.pdf
Form NYS-45 Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return	State form to be filed quarterly	http://www.tax.ny.gov/pdf/current_forms/wt/nys45_fill_in.pdf
Form 940 Employer's Annual Federal Unemployment (FUTA) Tax Return	Required if you had cash wages greater than $20,000 or employed 10 or more workers throughout the day for 20 or more weeks in the year	www.irs.gov/pub/irs-pdf/f940.pdf
Form 941 Employers	Required to report wages paid, tips received,	www.irs.gov/pub/irs-

Quarterly Federal Tax Return	federal taxes withheld, Social Security and Medicare withholding, and advance EIC payments for non-farm workers	pdf/f941.pdf
Form 943 Employers Annual Federal Tax Return for Agricultural Employees	Form 941 for farms	http://www.irs.gov/pub/irs-pdf/f943x.pdf
Form 1099	Must be furnished to people who received $600 or more in non-employee compensation throughout the year	Instructions www.irs.gov/pub/irs-pdf/i1099msc.pdf
Form 945 Annual Return of Withheld Federal Income Tax	Used to report income tax withheld for non-payroll wages	http://www.irs.gov/pub/irs-pdf/f945x.pdf
Form 4029 Application for Exemption From Social Security and Medicare Taxes and Waiver of Benefit	Certain members of religious organizations (generally Amish or Mennonite in agriculture) may file this form to exempt themselves (and their employer) from Social Security and Medicare taxes	www.irs.gov/pub/irs-pdf/f4029.pdf

20 – Agricultural District Law Provisions

Guide to Farming in New York State

Agricultural Districts

Article 25-AA of Agriculture and Markets Law authorizes the creation of local agricultural districts pursuant to landowner initiative, preliminary county review, state certification, and county adoption. Most counties have placed agricultural land in state certified agricultural districts. While they are county-created and state-certified, towns have no authority over agricultural districts. Agricultural districts are not to be confused with agricultural zoning that may exist in some towns.

The purpose of agricultural districts is to encourage the continued use of farmland for agricultural production. The program is based on a combination of landowner incentives and protections, all of which are designed to forestall the conversion of farmland to non-agricultural uses. Included in these benefits are preferential real property tax treatment (agricultural assessment and special benefit assessment), protection against overly restrictive local laws, government-funded acquisition or construction projects, and private nuisance suits involving agricultural practices.

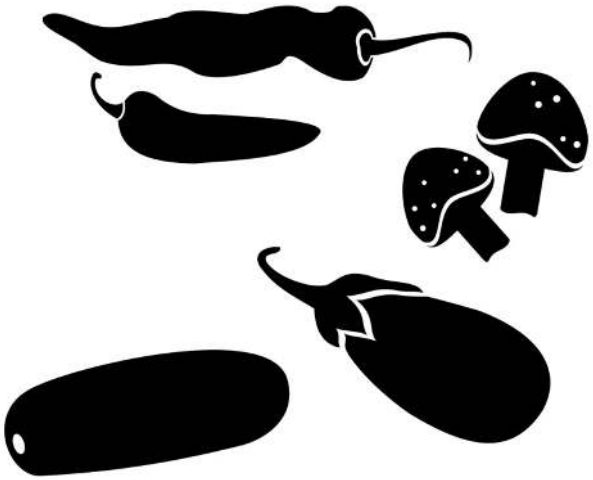
Term	Description
Agricultural Assessment	Provides the opportunity for farmland owners to receive real property assessments based on the value of their land for agricultural production rather than its development value. (See the Agricultural Assessment Fact Sheet #21 for information).
Notice of Intent	Mandates state agencies, local governments, and public benefit corporations to avoid or minimize adverse impacts to farm operations in pursuing projects within an agricultural district which involve the acquisition of farmland or the advance of public funds for certain construction activities. Division staff conducts detailed reviews of projects and recommends actions to mitigate. Projects cannot proceed until the notice process is completed.
Right to Farm	Authorizes the Commissioner to issue opinions, upon request, concerning the soundness of specific agricultural practices. If the Commissioner determines that a practice is sound, it shall not constitute a private nuisance. This protects farmers in cases where neighbors or others complain about farming activities.
Agricultural Enterprise Determinations	The Commissioner is authorized to issue an opinion on whether particular land uses are agricultural in nature. This provision helps determine if the agricultural district law is applicable to a particular farming enterprise that may be questioned by local authorities or others.
Real Estate Disclosure	Requires that a disclosure statement be provided at the time of real estate closing that states if the property is in an agricultural district. This notifies the new landowner that agricultural activities are to be expected.
Restrictive Local Laws	Protects farmers in ag districts against local laws that unreasonably

	restrict farm operations. Division staff reviews both existing and proposed laws to determine if they are compatible with farm operations. If a local law is determined to be unreasonable, staff works with local government to develop mutually accepted modifications. If a local government is unwilling to modify a restrictive law, the Department is authorized to take action to compel compliance with Ag District Law. Requests for review must be provided in writing.
A copy of the full text of the NYS Agricultural District Law can be found at http://www.agriculture.ny.gov/ap/agservices/25-AA.pdf or call 518-457-7076	

21 – Ag Value Assessment for Farmland

Guide to Farming in New York State

Agricultural Assessment



Agricultural assessment allows eligible farmland located in or outside agricultural districts to be taxed at its agricultural value rather than market value.

Why apply for agricultural assessments?

It can make a difference in the amount you pay in property taxes. You will be paying taxes based on the agricultural value of land determined each year by the state, not by local market conditions. In most cases the state's values per acre are lower than your property's assessed value unless you happen to be in a county where assessed values are low.

How does the exemption work?

The exemption you receive is the difference between the local assessed value and the state's agricultural values. The state publishes agricultural values annually for 10 soil groups and for woodlands.

To qualify for agricultural assessment:

- ☐ Must have 7 acres or more of land in production **for sale** of crops, livestock or livestock products
- ☐ The same farmer must farm the land for at least 2 years
- ☐ Farming enterprises must generate $10,000 in sales (average for the preceding 2 years)
- ☐ Note: a combination of enterprises generating $10,000 in sales will qualify. Up to $2,000 in wood product sales (timber, logs, posts, firewood) can qualify towards the $10,000 minimum.
- ☐ Start-up farms are eligible if they generate $10,000 in sales in the first year of operation
- ☐ Farms less than 7 acres qualify if they generate $50,000 in sales
- ☐ If at least 7 acres of land owned by a rural landowner is **rented to a farmer** (who meets the income requirements), it is eligible for agricultural assessment provided the landowner has a 5 year written lease with the farmer

Proof of Average Gross Sales Value:

Assessors may request proof (tax returns or legitimate bookkeeping records) that you met the $10,000 gross sales requirement.

Types of farming enterprises that can qualify for agricultural assessment:

Field crops, fruits, vegetables, horticultural specialties (nursery, greenhouse), livestock and livestock products (includes dairy, meat, poultry species, horses, and exotics like ratites, farmed deer and buffalo, fur bearing animals), maple, honey, Christmas trees, aquaculture, woody biomass (short term crops harvested for energy), commercial horse boarding operations with 10 or more horses boarded at a time and that meet the other requirements.

Agricultural assessment is available for the following land uses:

- Land used in agricultural production that meets criteria – 7 acres, $10,000 sales
- Up to 50 acres of farm woodland used for the sale of woodland products (logs, lumber, posts, firewood); must be part of the farmed parcel(s) to qualify, it cannot be a separate tax parcel
- Support land including farm ponds, drainage ditches, land used for erosion control, hedgerows, access roads, land under farm buildings and tenant houses, land used for farm waste management (manure pits, etc.)
- Land set aside through participation in federal conservation programs
- Land under farm buildings
- Land associated with oil, gas, and wind development or extraction activities

Application Process

- ☐ Go to the county Soil and Water District Conservation office (SWCD) - complete a soils group worksheet. All land qualifying for agricultural assessment is grouped by soil type. SWCD will do this for you – there may be a fee and you will need your tax parcel numbers.
- ☐ Take the completed soils worksheet to your town/county assessor and obtain copies of the Agricultural Assessment Application (form RP-305). Complete one form for each parcel. The assessor will keep the soils worksheet on file. Make copies of the soils worksheet and application for your records.
- ☐ Agricultural assessment applications must be filed every year prior to the taxable status date (March 1). Agricultural assessment is not automatic – you must apply every year by the taxable status date. If you fail to apply, you will not receive the exemption. If no changes have been made in land used for farming, then after the initial application, you will file a short form RP-305-r.
- ☐ If you buy or sell land, make sure you complete a new soils worksheet and file a new Agricultural Assessment form to reflect the changes.

Rented Land

Land rented to a farmer for agricultural production is eligible for agricultural assessment if there are at least 7 acres used in the two preceding years and the land is subject to a rental agreement (written lease) for a term of at least 5 years. A copy of the lease or form RF-305-c must be filed with the assessor. Only the land actually used by the farmer will be eligible for agricultural assessment. Woodland is not eligible unless it involves sugarbush rental. Landowners must complete the application

process described above to qualify – complete the soils worksheet, go the assessment office and complete form RP-305, and file every year before the taxable status date to receive the exemption.

Renting land to a qualifying farmer is a way for rural landowners, who do not farm, or small farmers who do not use all their land, to receive an agricultural exemption on land that is rented.

Penalties associated with conversion of agricultural land that has received an agricultural exemption:

- A conversion takes place when the land is actually converted from potential agricultural use to a built structure. Land that is sold, is no longer actively farmed and lies idle is not converted until something is built on the property.
- A penalty is assessed based on the amount of land that is converted and for the amount of the exemption that was received on the converted portion during the past 5 years.
- The penalty is assessed to the owner making the conversion, who may not be the farmer who sold the land but the new owner who changed the land use. The issue of who pays the penalty is sometimes negotiated when the property is being sold.
- This topic is complicated so it pays to speak with your assessor if you have concerns about the penalties associated with a conversion. Most often the penalty is not a deterrent to whatever change is being proposed.

Taxable Status Date: March 1 – check with your County/Town Assessor to be sure.

For More Information

1. Start with your County Assessment Department
2. Visit with your Town Assessor
3. NYS Department of Taxation and Finance website: http://www.tax.ny.gov/pit/property/default.htm

22 – Property Tax Exclusions for Farm Buildings

Guide to Farming in New York State

NYS Real Property Tax Law Section 483 – Production and Storage Facilities

Structures and buildings essential to the operation of agricultural and horticultural enterprises and used for such purpose are exempt from property taxes for a period of 10 years (constructed or reconstructed between 1969- 2019).

To be eligible:

At least 5 acres of land must be used in a bona fide agricultural and horticultural operation with sales to qualify for the structure and building exemption. If there is no active use of farmlands associated with the structure, then no exemption can be claimed even if other qualifications are met.

The following types of structures and buildings or portions thereof are eligible to receive this exemption:

- ☐ The structure must be used for active farming purposes
- ☐ Used in the production and storage of agricultural and horticultural commodities that are raised for sale; facilities used for raising and breeding horses qualify under this definition
- ☐ Used mainly for ag/hort use and only incidentally for processing
- ☐ Used to house essential employees associated with the enterprise; family members could qualify as essential employees if they do not have ownership in the business

The following types of structures and buildings are **not eligible** for this exemption:

- ☐ Processing and retailing facilities
- ☐ The residence of the farmer and his/her immediate family (spouse & dependents)
- ☐ Structures used for breeding pets, fur bearing animals, or animals for experimental use
- ☐ Used in connection with raising timber (sawmill)

Note: if you have a production and storage facility with processing and retailing under the same roof, the exemption applies only to the production and storage portions of the facility and not the entire facility – pro-rated per square foot.

To receive the exemption:

Owners of the facility must apply with the county/town assessor before the annual taxable status date and within one year from the date of completion of the construction or reconstruction. The exemption continues for 10 years as long as the facilities are used for ag/horticulture production and storage purposes. If their use changes, the structures and buildings are subject to rollback taxes.

NYS Real Property Tax Law Section 483-a – Agricultural Structures with Limited Uses

Farm silos, farm feed grain storage bins and commodity sheds used for feed storage, bulk milk tanks and coolers, and manure storage and handling facilities are exempt from taxation and special levies/assessments. These structures must be permanently affixed to agricultural land to qualify for this exemption. Because these structures qualify for permanent exemption, they do not qualify for the 10-year exemption.

To receive the exemption:

Owners must apply before the annual taxable status date with the county/town assessor. Once the exemption is granted, it requires no renewal.

NYS Real Property Tax Law Section 483-b – Historic Barns

Municipalities must pass a resolution permitting this exemption. Check with your local assessor to see if a local law/resolution has been filed to allow this exemption. If not, contact your county Farm Bureau or Agriculture and Farmland Protection Board (AFPB) to initiate such a resolution for your county/town. No exemption is granted for construction or reconstruction prior to the passing of a local law/resolution. Historic barns are structures at least partially *constructed before 1936* that were originally designed and used for storing farm equipment or agricultural products, or for housing livestock. Historic barns used for residential purposes are not eligible for this exemption. If the historic appearance of the barn is altered, it is not eligible for the exemption.

Exemption from 100% of the increase in the assessed value attributable to reconstruction or rehabilitation of a historic barn is granted for one year. Then the exemption decreases each year by 10% from the increase in assessed value. If there is a change in the assessment role, there will be an adjusted exemption base. If the barn is eligible for 483 exemption (10 year), it is not eligible for this exemption.

To receive the exemption:

Application is made with the county/town assessor before the annual taxable status date.

NYS Real Property Tax Law Section 483-c – Temporary Greenhouses

Temporary greenhouses consist of a frame covered with removable poly-film and may be heated, include water and electrical utilities, and supporting poles. Temporary greenhouses are exempt from taxation and special levies/assessments.

To receive the exemption:

Application is made with the county/town assessor or before the annual taxable status date. Once the exemption is granted no renewal is necessary.

NYS Real Property Tax Law Section 483-d – Farm or Food Processing Labor Camps or Commissaries

Farm or food processing labor camps or commissaries in compliance with standards set by the Departments of Health and Labor and the State building commission shall be exempt from taxation and special levies/assessments.

To receive the exemption:
Application is made with the county/town assessor or before the annual taxable status date. Once the exemption is granted no renewal is necessary.

How do farm building exemptions work?

The cost of a building does not determine the amount of the exemption; the exemption is from the increase in assessed property value that results from adding the structure.

Taxable Status Date: March 1 – check with your County/Town Assessor to be sure.

For More Information

1. Start with your County/Town Assessment Department
2. NYS Department of Taxation and Finance website: http://www.tax.ny.gov/pit/property/default.htm

23 – Assessing Your Market Potential

Guide to Farming in New York State

Market Analysis: What is my Target Market?

A target market is a well-defined group of customers. Markets can be found within any broad category: consumers, businesses, industries, institutions, etc. Consumer groups, for instance, can be characterized by demographics, geography, lifestyle, values, leisure, or occupation. Business customers can be defined in terms of markets, products, management styles, distributions channels or size. Value-added product marketing includes the end consumers of your product/services and the businesses that may distribute and sell your product to the end user.

Begin market planning by clearly identifying the market you want to target. Note that this may or may not be the market you are working with now. The idea here is to think creatively about your product to determine what set of customers are going to give your business the cash flow, profit and growth it needs.
Start with a big piece of paper. Across the top write a brief description of your product as currently conceived.

Next write your answers to the following four key questions:

1. Who will buy my product?
2. Why will they buy my product?
3. What will they pay for my product?
4. Where do they expect to find this product?

When you are finished, step back and consider what you have learned. Write:

- ☐ A brief, focused description of your target market
- ☐ An assessment of which aspects of your business need to change in order to attract this market
- ☐ A list of what is involved with making needed changes

Product Development: What am I going to market?

Now that you have a clearer idea of WHO your market is and what they want, how does your product meet their needs? Remember that products are continually fine-tuned as you better understand the needs of your customers and the mechanics of your business. The challenge is to think about your product from the perspective of your target market, both end consumer and channel customer. Next, answer the following set of research questions.

Research questions:

- ☐ What is my product?
- ☐ What is the best method to package and present my product?
- ☐ What need does my product fill?

When you have finished answering the research questions, take a second piece of paper and summarize your answers into:

- ☐ A creative, market-informed description of your product

- ☐ A concept of how you will make your product meet the needs of your end consumers and channel customers while being competitively priced and profitable.

Market Positioning: How does my product satisfy the needs of my market better than my competition?

Market positioning is the way you communicate precisely the place your product holds in the marketplace. How you position your product in the mind of your customers determines how the product is perceived. Positioning is a strategic component of marketing. It ties together information about your product, your market, your competition and your industry. **It is the answer to the very basic question: What business am I in?** "The what's for dinner business?" "The family vacation business?" Or you can distinguish yourself on the basis of the needs you fill, the services you provide, the distribution channel you use, the pricing strategy you employ. Think about your product from the perspective of your customer and that of your competition. Note that buying usually comes down to a decision of choice: your task is to figure out how to make the customer choose YOUR product.

When your research is complete, take a third piece of paper and summarize your findings into a position statement of 50 words or less that answers two questions:

1. What business am I in?
2. Why will my customers want my product rather than that of my competition?

Market Connection: How will the market know I have what they need?

Making connections with your target market lets the customer know you have the product they need. Unless you are a consumer direct marketer, these connections are made with the assistance of intermediaries: businesses that warehouse, transport and sell your product to those direct consumer contacts and the businesses that represent your product to that system. These businesses are the marketing channels that move products from the point of production to the final buyer. Some, such as wholesalers and retailers, buy and resell the product, others, such as independent warehouses and transportation companies provide distribution services for a fee. Others, such as brokers, present the product in the marketplace for a commission.
Channel businesses are a key component of your marketing strategy. How a channel business warehouses and distributes products, how it targets consumers and how it features and merchandises goods all define its particular set of needs and resulting in buying criteria. To be an effective marketer, producers need to identify and understand the differences among channel markets and market their products accordingly. No single marketing program works for all markets.

Research questions:

- ☐ What distribution channels are best suited to my product, my customers & my business?
- ☐ What are channel cost/benefits?
- ☐ What will it take to sustain market/channel connections?

When your research is complete prepare a strategic response to these questions:

- ☐ What will it cost to reach each potential market segment?
- ☐ Where can my business reach the best market at the least cost?
- ☐ Which market and channel options should I develop now?

This fact sheet was developed as part of Market Planning for Value Added Products by UNH Cooperative Extension in cooperation with NY Coalition for Sustaining Agriculture.

Featured Resource

The Small Farms Program website has manuals and guides on direct marketing, CSAs, Food Hubs as well as marketing specific products such as organic, value-added, and whole sale.

Small Farms Program
http://smallfarms.cornell.edu/resources/marketing/

24 – Pricing Farm Products

Guide to Farming in New York State

Know your Costs and Price for Profit

Price is the dollar amount that you ask for sales of a product or a service. It is one of the four P's of Marketing: Price, Product, Placement, and Promotion. Price is critically important to the profit on the farm, but the other P's of marketing contribute substantially to the price that you can get. Profit is the 5th P that keeps you in business. There are various costs that go into deciding what price you will charge for your product.

1. Start with the input costs = **Variable Costs (VC)** i.e. fertilizer, seed, gas, labor. If you don't cover these you will have to shut down in a short amount of time

2. Add in ownership costs = **Fixed Costs (FC)** i.e. depreciation, interest, repairs, taxes, insurance. If you cover these you will meet your breakeven cost to the business, but have nothing left for yourself. Every item should contribute to ownership costs. If you don't cover ownership costs, you will have to shut down in a longer amount of time.

3. Add in a return to you = **Profitable Price** - this is the price you need to survive in the long run.

Allocate Expenses by Enterprise

To track labor and equipment costs by product requires excellent records. You can keep track of tasks and expenses such as plowing time and fertilizer for the whole farm and allocate by square feet used by a particular product. Keep track of daily time spent for special efforts or expenses required by specific products such as transplanting separately. Add all of these together to determine costs per product. Be sure to keep track of harvestable yields or the amount of product that was actually sold, as this impacts the price per unit significantly.

Value vs. Price

Many direct market farmers are afraid to charge what they need to in order to have some profit for themselves. You are providing more value to the buyer as you are closer to the customer. Ask yourself who are your competitors? Do you want to be a 'setter' or a 'taker'?

Value = Quality + Service + Price

- Your buyers want a quality product that you can provide because you can grow varieties for flavor instead of travel characteristics
- Your buyers want to know how their food was grown. They like the fact that they have a relationship with you. This takes time on your part, but they are willing to pay for it
- You can introduce them to new products and ways to cook specialty items. This is education that they are willing to pay for
- Fresh un-waxed products, less fuel used, and community support are also cited as reasons many consumers are willing to pay more for local products

- You can charge more for early season products when customers are eager to taste the first fresh local strawberries or sweet corn, so strive for early sales

Calculations for Determining Price

Cost and Profit Method

Add your variable cost + your fixed costs + profit needed for the particular product = Income
Divide by number of units produced = price/unit

For example: If it costs you $3,000 total variable costs and $2,000 total fixed costs and you want $2,000 of profit for a specific product then your total income from that product needs to be $7,000.
Divide this by the number of units produced, and you will have the price per unit: $7,000 / 950 units = $7.38/unit

Gross Margin Method

This method derives from the whole business sales, costs, and planned profit. This method is usually used by retail businesses that resell products.

For example: Gross margin method in a vegetable business might be calculated:
Know your total expected vegetable sales = $10,000
Know your total fixed costs + desired profit = $3,000 – this is the gross margin needed.
Divide your gross margin by total sales: $3,000/$10,000 = 30%
Know your unit variable cost = $5.00
Divide the unit price by 1- 30% of the unit variable cost to determine the price
$5.00 / (1-30%) = $5.00 / .7 = $7.14 per unit

Plan for Profit – Don't Drop Prices

What if you have corn at $3.50/dozen according to your calculations and your neighbor has $3.00/dozen? Can you still make a profit by lowering your price? Sometimes it is better to sell fewer at the higher price than sell more at the lower price. For example, if your margin on the $3.50 is $0.50 toward profit. If you sell 300 dozen that will give you $150 in profit. You would have to sell 600 dozen if you sold at $3.25 to get the same profit. For a 7% decrease in price you have to sell twice as much product.

Do not price your farm product below the market just because the farm income is inconsequential for you.

For example, you may be able to afford to sell a dozen fresh brown eggs for $1.00, but other local farmers who rely on farm income for their families cannot – they might need the full price of $3.00 a dozen to cover their expenses and do not have the off-farm income you do. They could lose sales unfairly due to your indiscretion. In the interest of cooperating fully with your local farm community, keep your prices in line with market rates for any farm product, even if you can afford not to.

Going Rate for Market Area

Many beginning farmers start out with a pricing strategy that reflects what everyone else is charging. While this is a good place to begin, it is not where you want to be forever. It is important to know your costs and price for profit.

25 – Finding Price Information

Guide to Farming in New York State

Wholesale Price Information

Some wholesale prices are reported and can be accessed to provide a guide for pricing farm products. **Wholesale prices are extremely low compared to retail prices you might get locally and should be considered a floor or minimum price**. To determine prices for your products consider your costs and the retail price of other competitors.

Product Type	Where to Find Price Information
Produce	▪ Price monitoring programs are conducted through the USDA's Agricultural Marketing Service (www.ams.usda.gov) ▪ Links to reports containing wholesale market price information are available at http://www.farmersmarketonline.com/marketwa.htm. These reports are updated daily during the growing season ▪ Additional reports covering many other aspects of agricultural pricing are available through the USDA's market news portal for fruits and vegetables at http://www.marketnews.usda.gov/portal/fv
Organic	▪ Organic Produce Pricing Report from the Rodale Institute: www.rodaleinstitute.org/Organic-Price-Report ▪ Organic Produce Pricing Data from United States Department of Agriculture: http://www.ers.usda.gov/data-products/organic-prices.aspx#.U-FPufldUuc
Livestock and Field Crops	▪ The Weekly Livestock Reporter: www.livestockweekly.com ▪ USDA AMS Livestock & Grain Market News: http://www.ams.usda.gov/AMSv1.0/LPSMarketNewsPage ▪ Dairylea/Empire Livestock Market Auctions. Find a listing of livestock auctions in NYS here: http://www.empirelivestock.com/

Local Markets

It is important to check local outlets for price information. Ask other farmers about what they charge, ask buyers in your area what they would pay, visit retail outlets and note prices, shop at farmers' markets and see what products are selling for. You can find lists of farmers markets around the state through:

Farmers Market Federation of New York
http://www.nyfarmersmarket.com/

New York Ag and Markets
http://www.agriculture.ny.gov/ap/communityfarmersmarkets.asp

Your pricing should be based on your costs, being competitive, and on what the particular market area customer will pay for high quality local products. Offer high quality and differentiate your products to capture a higher price.

26 – Direct Marketing Options

Guide to Farming in New York State

Direct marketing is a common strategy for beginning and small farmers. The main attraction compared with selling through traditional wholesale markets is that you receive the full share of the consumer dollar and have more control over the price you receive for your products. But with direct marketing, you'll also incur extra costs – not the least of which is your time. Be sure to evaluate each option carefully as part of a farm business plan.

Farmers Markets

Farmers markets are a good place to develop your marketing skills. Start by visiting markets in your area. Inventory what's available and note what does not sell out by the end of the day. Don't grow what doesn't sell unless you can differentiate your product – for example selling heirloom tomatoes instead of 'garden variety' fruit.

Also study the customers. How many are there? What is their ethnicity? Are they young or old? Families or single buyers? Affluent or bargain shoppers? Ask shoppers and vendors what they like and don't like about the market, and get a copy of the market rules.

To be successful, you need to enjoy interacting with people and be willing to invest the time it takes to pick, pack, transport, set up and sell. To maximize potential returns you need to sell for as long a season as possible. For produce vendors, this means growing a wide variety of crops. Farmers' markets sales alone may not generate enough money to make a living, requiring you to look at additional marketing strategies, but they are a good place to start a business.

How to Find NY Farmers Markets Near You

1. Contact the Federation of NY Farmers Markets at 315-637-4690 or www.nyfarmersmarket.com
2. Visit the NYS Dept. or Agriculture and Markets website, http://www.agriculture.ny.gov/, and click on Farm and Market Search

On-farm Sales

Methods range from simple, self-serve stands to multi-department, year-round farm stores that may include pick-your-own or agritourism enterprises. The higher the overhead, the slimmer the margins will be. But if done right, a successful farm market will attract many regular customers and offer good returns.

Self-serve stands are a good way to assess the potential draw from drive-by traffic. Strawberries, sweet corn, tomatoes, peaches, and pumpkins are crops that stop traffic. Consumers learn about local farms primarily through word-of-mouth. Build a product line based on what customers want, and pay attention to quality. Sufficient traffic may generate enough sales to warrant investment in facilities and staffing.

Pick-your-own (PYO) requires advertising and staffing. It can be very profitable, but risky if it rains every weekend during narrow harvest seasons. PYO can complement agritourism activities where it is one of several activities families can enjoy.

To be successful, you need to enjoy having lots of people at your farm – and in your fields in the case of PYO. Risk management and liability insurance is a must. Building loyal clientele is key, and may take many years. Your business plan must be based on realistic customer numbers and sales projections.

Internet and Mail Order

If you develop unique, high-value products that are easy to ship, this strategy can complement your other direct marketing efforts. Current customers who love your product can order more and help you market your products through word of mouth. Packaging and shipping costs need to be considered but for products that are not bulky or heavy, this can be a profitable strategy.

An Easy Way to Get Started with Internet Marketing

List your farm on the follow free sites:
www.localharvest.org
www.nyfarmersmarket.com/

Community Supported Agriculture

Community Supported Agriculture (CSA) operations typically provide a weekly 'share' (box) of produce to customers who pay for their shares at the beginning of the season – usually $300 to $600 per household. The up-front money reduces financial and marketing risks for farmers, and customers share in production risks. Sometimes customers help harvest and pack shares in return for a discount. Depending on the operation, customers pick up shares at the farm, a central distribution point, or pay extra for home delivery.

One challenge is to have enough different crops each week so customers feel like they are getting their money's worth. CSA farmers often grow more than what their customers need and have additional outlets for surplus produce. Sometimes several farms collaborate to offer a wider range of products including fruit, eggs, meat and more. Starting small and keeping customer turnover low is a good way to grow the business while minimizing risks.

A key advantage to a CSA is that you know how many customers you have early in the season, have their money in hand and can produce accordingly. This makes financial planning easier.

Restaurant Sales

Many chefs (especially from higher-end restaurants) are looking for fresh, local products to feature in their menus. You will find that chefs are as busy as farmers. Develop a personal relationship with chefs, find out what they want and grow a wide range of products for them for as long a season as possible. You need to offer exceptional quality clean products that are delivered on time (avoid mealtimes). Restaurant sales need to be an intentional strategy, not a way to dump surplus product. Most chefs will pay about 75 percent of retail for produce.

Drawbacks include the need for small quantities of some items. Watch that delivery costs and time don't eat up profits, and be clear on payment terms. Once a relationship is solid, less face time is needed.

Sales to Food Retailers

Increasingly small food retailers are interested in sources of locally grown food. One option is to contact retail farm markets in your area. Many do not grow all they sell. Also, check out food cooperatives, natural foods stores, and independent groceries. Most will only pay wholesale prices found at regional markets.

Everything else, from convenience stores to super-centers, is a chain and each has unique purchasing requirements. Some purchasing decisions are made at the local store level, but most require approval from higher-ups. Start with local store managers. For produce, a head buyer is usually involved. It is most common for retailers to buy seasonal produce. Very few handle local meats, cheese, eggs or other products.

Food retailers expect local prices to be in line with wholesale prices. Understand buyer expectations and prices before agreeing to delivery. Some may reject product on quality or simply because they have a better supply and price elsewhere. The advantage of selling to food retailers is that you can move more volume to fewer buyers, reducing your marketing costs. But the disadvantage is that it can be a fickle, price-driven market. Be sure to spread your risks.

Institutional Food Service Sales

Some schools, nursing homes, hospitals, prisons, etc. can purchase local products. But many are part of a buying consortium and have a single goal: keeping costs low. Meals are often pre-prepared or ready to serve, using few fresh items. Institutional food sales also come with institutional barriers, including regulations and requirements that dictate their purchasing practices. One way to tap institutional markets is to go through the distributors who sell to them. This adds a middleman and reduces returns. High quality, volume sales, standard packaging, and reliable delivery will be required.

For More Information

Program	Description	Contact
Northeast Beginning Farmer Project	The NE Beginning Farmer Project offers several online courses covering different aspects of marketing.	http://nebeginningfarmers.org/online-courses
Guide to Marketing Channel Selection	This publication is a decision-making aid for new farmers and for those considering marketing through a new channel, whether wholesale or direct. The guide focuses on describing the marketing of fresh-market produce, however, many of the principles apply to the marketing of other agricultural products including cut flowers, meats, honey, maple syrup, and dairy products.	http://smallfarms.cornell.edu/files/2014/07/Guide-to-Marketing-Channel-1ib5phn.pdf.

27 – Marketing Regulations

Guide to Farming in New York State

Weights and Measures

How does a customer know that what they just paid for is actually what they received? The system that provides this public trust is a carefully regulated process. Article 16 of the Agriculture and Markets Law regulates how "commodities" are packaged and sold in New York State. The complete Article can be found at http://www.agriculture.ny.gov/WM/LawArticle16.pdf.

Basic Rules

- ☐ Food products that are not in containers must be sold by net weight, standard measure or numerical count
- ☐ If selling food items pre-packaged, these need to be accurately marked, with (a) the net weight, standard measure or numerical count, (b) the selling price per pound or unit of standard measure and (c) the total selling price.
- ☐ If selling bulk items by weight an approved scale must be used. The vendor is responsible for purchasing an approved device AND having it certified by a local Weights and Measures official. Many scales available at common retail outlets are not appropriate for use; visit http://www.agriculture.ny.gov/WM/725.pdf for a list of approved commercial devices. At this time there is no fee in many counties to have equipment certified, but there is a fine for not using approved scales and for every mis-weighed unit available for sale.
- ☐ When using open containers, they should be standard sizes, i.e. pints, quarts; and remain open to allow consumer inspection. If closed, they need to be labeled

Weights and measures officials throughout the State routinely inspect a wide range of commercial devices and packaged commodities to assure accurate measure in the marketplace. These inspections serve to eliminate from the marketplace those devices and packages that do not provide an accurate measure of the commodities or services that are exchanged. The inspections involve more than just accuracy tests, as the official must verify that the device or package meets other operational and/or marking and labeling requirements.

Look for the Weights and Measures Seal on Devices

The seal indicates that that device has been inspected and was performing correctly and within the

For More Information

NYS Department of Agriculture and Markets Bureau of Weights and Measures
10B Airline Drive, Albany, NY 12235-0001 Tel: 518-457-3146
agmweigh@agriculture.ny.gov
http://www.agriculture.ny.gov/WM/WMHome.html

applicable tolerances.

Marketing Regulations

Selling Plants

If you sell plants for landscape use including bedding plants, perennials, shrubs and trees grown in a nursery or greenhouse, you will need to be licensed as a Retail or Wholesale Nursery, or Plant Grower by the NYS Dept. of Agriculture & Markets. If you sell cut flowers or houseplants the license is not required. As a plant seller your greenhouse/nursery crops are subject to inspection to protect the customer from potentially diseased or insect infested plant materials.

Contact for Licensing Information

The NYS Ag & Markets Division of Plant Industry http://www.agriculture.ny.gov/PI/PIHome.html
Albany office: 1-800-342-3464 or 518-457-2087

Regional Inspectors will visit your production facility to inspect plants before you begin sales and thereafter annually. There is a fee for the license.

Selling Produce

No licenses are required. Produce must be sold free of debris and in clean containers. Bulk displays are not subject to grading, labeling or packaging.

Program	Description	Contact
Grade and Standards	Some produce is subject to USDA grade and quality standards if packaged; this includes: potatoes, apples, lettuce, and grapes. Grade, quantity of contents, name and address of producer are required on all closed packages. NYS Agriculture & Markets enforces quality and grade standards.	For grading information consult the following website for fact sheets pertaining to each of the mentioned crops: http://www.agriculture.ny.gov/FS/general/farmprods.html
Follow Good Agricultural Practices	In order to protect food from microbial contamination, producers should follow good agricultural practices. To prevent contamination of produce and water supplies, follow good sanitation practices, avoid introducing raw manure into fields, test irrigation and wash water for bacteria, change wash water regularly. Test water for bacteria annually and maintain good records.	For information consult: www.gaps.cornell.edu Or call 315-787-2625

Slaughter and Sale of Farm-raised Meats

The best source of information on marketing your meat is:

"A Resource Guide to Direct Marketing Livestock and Poultry"
Available in PDF at
http://counties.cce.cornell.edu/orange/Direct_Marketing_Livestock_and_poultry.pdf
Here is a brief summary of some regulations.

Regulations	
Type	**Description**
Poultry exemption	Farm-raised poultry is exempt from NYS and USDA inspection if the farmer raises and slaughters not more than 250 turkeys OR not more than 1000 of all other poultry (chickens, ducks, geese, etc.) per year. Four birds of other species are equivalent to one turkey. If you raise more than this per year the birds must be processed in a licensed facility and stamped if for commercial/retail sale.
Other Meats (beef, lamb, goat, pork)	These farm-raised meats must be processed in a USDA licensed facility if intended for commercial/retail sale. These meats can be processed in NYS custom exempt slaughter plants only if they will be consumed by the animal's owner, his or her family, employees, or non-paying guests. Such meat must be stamped "Not for resale." Further processing of meat such as making sausage, etc. must be done in a USDA certified facility or NYS certified processing facility/kitchen holding an Article 20-C license. See Fact Sheet #28 for more info on 20-C licensing.
Exotic Animals	Bison, deer, rabbits, and ratites must be slaughtered in a NYS Custom Exempt Plant if the meat will be sold. Inspection is not necessary for retail sales (to end user).
For questions about meat slaughter and sales, contact NYS Ag & Markets at 518-457-4492.	

Selling Fish

Regulations	
Type	**Description**
Whole fish	Without any special permits, you may sell a fresh whole fish at your farm to a private customer. You may bring completely chilled fresh whole fish to a farmer's market and sell to a private customer. Keep fresh whole fish at 32°F with crushed ice or in a refrigerated unit.
Eviscerated fish	Entire gut contents are removed and the fish is thoroughly rinsed with fresh water that is 38°F or lower (water is of public source or from a tested well.) Chill the fish to 32°F immediately. At this point, the fish can be frozen and kept in a frozen state for sale. Frozen eviscerated fish may be sold at the farm or at a farmer's market; fresh and properly chilled eviscerated fish may be sold at a farmer's market or at the farm.
Fillets	Filleting fish or any similar processing requires an Article 20C Food Processing License at your farm or a facility off-farm that carries a current 20C Food Processing License. You may transport your fish to a 20C facility and use it temporarily (usually for a rental fee). Such fish may be sold to individuals, stores, or restaurants if in a frozen state. Fresh fillet sales requires an Article

	28 Retail Food Store license (where food and food products are offered to the consumer and intended for off-premises consumption and conducts no food processing). As of June October 2016, an Article 20C license fee is $400.00 and an Article 28 license fee is $250.00.

Rules and regulations surrounding aquaculture-raised fish are subject to change. Contact the office in your region:

NYS Department of Agriculture and Markets Food Safety and Inspection Division
518-457-4492 or http://www.agriculture.ny.gov/FS/FSHome.html

Selling Eggs

Egg cartons must be marked with grade and size (though producers selling eggs of their own production directly to consumers are exempt from this requirement). Eggs may be sold in bulk displays but grade and size must be indicated. Additionally eggs should be washed and candled, cartons must include the name and address of producer and the date packed, and eggs must be held at 45 degrees F or lower. **For a fact sheet on egg sales consult:** http://www.agriculture.ny.gov/FS/general/farmprods.html.

Selling Honey and Maple Syrup

These products are exempt from licensing if you do not add ingredients or repack. Production facilities must be clean and sanitary. If you make specialty flavored honey or maple products, you must have an Article 20-C license. Maple syrup is subject to grade identification. **For more information on the sale of Maple Syrup request Circular 947 from the NYS Dept. of Agriculture & Markets or check this website for a copy:** http://www.agriculture.ny.gov/FS/general/farmprods.html.

Making/Selling Wine

Regulations can be found at the following website:

NYS Liquor Authority
Division of Alcohol Beverage Control (ABC), Albany
http://www.sla.ny.gov/

There are 4 types of winery licenses that apply to the following situations:

- Individuals who make wines without having a vineyard
- A retail facility that retails wines but is neither a producer or processor of grapes
- A **farm winery** which must have its own vineyard and processing facilities and any purchased grapes must be 100% NY grown
- A special farm winery that does not have its own processing facility but works with another established wine processing facility. Farm wineries may sell their own wine at their wineries, at NYS Farmers Markets and to restaurants and retail stores in NYS

For assistance in developing a farm winery consult the following sources:

Program	Contact
New York Wine & Grape Foundation	www.newyorkwines.org 585-394-3620
Cornell Viticulture & Enology Program - Geneva	http://www.grapesandwine.cals.cornell.edu

	315-787-2277
NYS Liquor Authority (ABC) Licensing	Licensing.Information@sla.ny.gov
Cornell Grape Program	www.fruit.cornell.edu/grape/EVAGeneral.html

Brewing Beer
Regulations can be found at the following website:

NYS Liquor Authority
Division of Alcohol Beverage Control (ABC), Albany
http://www.sla.ny.gov/

In order to receive a Farm Brewery license in New York State, the beer must be made primarily from locally grown farm products. The schedule for the license is as follows:

- Until the end of 2018, at least 20% of the hops and 20% of all other ingredients must be grown in New York State.
- From January 1, 2019 to December 31, 2023, no less than 60% of the hops and 60% of all other ingredients must be grown in New York State.
- From January 1, 2024, no less than 90% of the hops and 90% of all other ingredients must be grown in New York State.

For assistance in developing a farm brewery consult the following sources:

Program	Contact
New York State Brewers Association	http://newyorkcraftbeer.com/farm-brewery/
Article 20-C Licensing Requirements	http://newyorkcraftbeer.com/wp-content/uploads/2014/05/20-C-FARM-Ag-and-Markets-Doc.pdf
Cornell University Brewing Program	http://blogs.cornell.edu/brewing/

Cider
Requires an Article 20-C license for processing. Good manufacturing practices must be followed. Apples must be firm and washed. Pasteurization or Ultra Violet treatment is required. HACCP (Hazard Analysis Critical Control Point) plans are required for cider and juice processing facilities if selling wholesale.

Milk
Processing facilities are regulated by:

NYS Department of Agriculture & Markets Division of Milk Control and Dairy Services
http://www.agriculture.ny.gov/DI/DIHome.html | 518-457-1772 (Matt Morgan)

Division of Food Safety & Inspection
518-457-4492
http://www.agriculture.ny.gov/FS/FSHome.html

The primary resource to familiarize yourself with in the development of your plant is New York State Department of Agriculture and Markets Circular 958 (Part 2), which covers the rules and regulations for operating a milk processing facility in NY:
http://www.agriculture.ny.gov/DI/Laws%20in%20PDF/PART2_milk_control_law.pdf

Milk can not be transported from a farm to a processing facility without a license and dairy products processed in your home kitchen or a commercial kitchen can not be sold to the general public. You must have and maintain a certified milk processing plant on your farm if you plan to sell dairy products to the public.

Once a plan has been developed, you may also want to contact the Cornell Department of Food Science Cooperative Extension (http://foodscience.cornell.edu/cals/foodsci/extension/index.cfm) or the Dairy Plant at SUNY Morrisville at 315-684-6106. They offer instructional programming schools/workshops for dairy processors and have staff that may be able to help review your plans and offer advice.

Selling Raw Milk

Due to the potential liabilities of selling unpasteurized milk to the public, it is highly discouraged by the State and the Cornell University Department of Food Science. However it can be legal. Your farm may sell raw fluid milk if you apply for permits and meet several additional tests and requirements that other milk processing facilities do not have to meet.

Selling Cheese

Hard cheese made from raw milk may be sold to the public if labeled *raw milk cheese* and aged at least 60 days. A permit is still required.

For All Other Food Inspection Questions, Contact:

NYS Dept. of Agriculture & Markets: Division of Food Safety & Inspection
518-457-4492
http://www.agriculture.ny.gov/FS/FSHome.html

28 – Becoming a Food Processor

Guide to Farming in New York State

Information prepared by Dr. Olga Padilla-Zakour and Dr. Bruno Xavier from the NYS Food Venture Center at Cornell University (http://necfe.foodscience.cornell.edu/) – for educational purposes only – please contact pertinent regulatory agencies for further detail.

The Federal government, individual states, cities and municipalities govern the operation of food processing facilities whether home kitchens or commercial facilities. Regulations differ from state to state and are determined by the type of food product being prepared and the processing methods used. When considering starting up a home or commercial kitchen, it is important to research which agencies regulate licensing of the product, inspection of the facility, foods allowed and not allowed to be produced in each facility, local zoning laws governing the use of the building, and building codes. All food facilities are required to register with FDA (based on he Bioterrorism Act of 2002) and to renew registration every other year (to comply with Food Safety Modernization Act of 2011, website: http://www.fda.gov/Food/GuidanceRegulation/FoodFacilityRegistration/default.htm).

Foods that are regulated and require a Processing License in NY – Article 20-C License from the NYS Department of Agriculture and Markets

This regulation applies to anything that is altered by baking, canning, preserving, freezing, dehydrating, juicing, cider making, pickling, brining, bottling, packaging, repackaging, pressing, waxing, heating or cooking, smoking, roasting, or manufacturing. Requirements vary depending on product. A scheduled process must be developed which outlines recipe testing/formulation, critical control points (to avoid contamination and control hazards), processing steps, storage requirements, distribution and selling conditions/restrictions.

Featured Resource

Assistance for developing a scheduled process is available:
NYS Food Venture Center
https://necfe.foodscience.cals.cornell.edu/

For a complete list of products that require an Article 20-C license visit the following website:
http://www.agriculture.ny.gov/FS/general/license.html
518-457-4492

Food Safety

HACCP (Hazard Analysis & Critical Control Points) Plans are mandated by FDA regulations for certain products and processes, specifying procedures to be followed to minimize contamination and to minimize/eliminate chemical, physical and biological hazards when processing foods. HACCP plans are required for wholesale sale (not for retail) of seafood, dairy, meat and poultry products, juice and cider processing facilities. Other sectors of the food industry are coming into voluntary compliance. For more information check:
www.fda.gov/Food/FoodSafety/HazardAnalysisCriticalControlPointsHACCP/default.htm

The Food Safety Modernization Act (FSMA) enacted in 2011, requires that most of the food manufacturers enhance food safety and quality by implementation of Food Safety Plans, which include Preventive Controls for all aspects of food processing, from incoming ingredients through processing itself to storage, distribution and sale of the final product. Specific requirements for continuous training programs are also part of FSMA requirements, including that food safety personnel receive specific training on Preventive Controls. Some manufacturers are exempt, in parts or completely, from having Food Safety Plans, depending on size and types of products manufactured. More information on the FSMA and on how to get Preventive Controls training can be obtained on the FDA website: http://www.fda.gov/Food/GuidanceRegulation/FSMA/ucm461513.htm

Home Processing Exemption

New York State allows non-hazardous foods such as candy, cakes not requiring refrigeration, cookies, brownies, two-crusted fruit pies, breads and rolls, standard fruit jams and jellies, dried spices and herbs, and snack items to be produced in home kitchens. A review of processing procedures may be required for certain products before exemption is granted.

Anyone seeking a Home Processing Exemption must:

- Contact the NYS Department of Agriculture & Markets to obtain this certificate (http://www.agriculture.ny.gov/FS/consumer/processor.html)
- Complete an annual water test for bacteria if using private water
- Note: Internet sales are not allowed under this exemption

Some types of foods may not be produced in a home kitchen, as mandated by Federal regulations. These foods are considered potentially hazardous:

- Low acid and acidified (pickled) foods packed in hermetically sealed containers must be registered with the US Food and Drug Administration (FDA)
- Meat products with more than 3% raw or 2% cooked meat ingredients in a completed product are regulated by the US Department of Agriculture (USDA)
- Vacuum packaged and any other reduced oxygen packaged products

Zoning Regulations

Local municipal zoning and planning boards determine the scale of operations permitted in an establishment. They regulate the number of employees allowed on premises and whether a second separate kitchen facility is allowed to operate on site. Check with local building inspectors to determine what operations can take place in the kitchen chosen for food production. There are local building codes that govern the volume of business in a building and egress from a building, drainage issues such as back flow protection, and grease traps. Commercial equipment must comply with fire codes, FDA and USDA requirements as appropriate.

Minimum Food Processing Facility Requirements for New York State			
Procedure	**Home Kitchen**	**Home Annex**	**Commercial**
Inspection	Yes, Potable water required (documented) – municipal or treated well water	Yes, Potable water required (documented) – municipal or treated well water	Yes, Potable water required (documented) – municipal or treated well water
Licensing	Non-potentially hazardous foods for wholesale market exempt from licensing by NYS Dept of Agriculture & Markets (NYSDAM)	20-C license (obtained from NYSDAM) Separate cleaning, sanitizing, and hand wash facilities Fee: $400.00/2 years	20-C license Fee – $400.00/2 years
Inspection Agency	**NYSDAM** May request review of processing procedures by recognized processing authority. Only normal kitchen facilities can be used.	**NYSDAM** Dept. of Health- fresh-serve foods only. Kitchen held to restaurant standards (see below).	**NYSDAM** Dept. of Health- fresh-serve foods only. Kitchen held to restaurant standards (see below).
Foods Allowed	▪ Candy (non-chocolate) ▪ Fudge ▪ Cakes not requiring refrigeration ▪ Cookies ▪ Brownies ▪ Two-crust fruit pies ▪ Bread ▪ Rolls ▪ Fruit jams ▪ Jellies ▪ Spices, herbs ▪ Snack items ▪ Baked goods (i.e. bread, rolls) for wholesale distribution	Any processed food Low acid and acidified foods packed in hermetically sealed containers. **Must register and file with FDA**	Any processed food Low acid and acidified foods packed in hermetically sealed containers. **Must register and file with FDA**
Foods Not Allowed	▪ Cakes which require refrigeration ▪ Pies containing milk, eggs or meat products ▪ Chocolates ▪ Low acid/acidified foods	**Meat products** - if more than **3% raw** or **2% cooked** *meat ingredients – USDA regulated*	**Meat products** - if more than **3% raw** or **2% cooked** *meat ingredients – USDA regulated*
Zoning	Check with city/town Zoning/Planning Board Issues: Scale of operation, number of employees	Check with municipality Zoning/Planning Board Issues: scale of operation; number of employees 2nd kitchen may not be allowed on premise	Check with municipality Zoning/Planning Board Issues: scale of operation, number of employees

Basic Requirements for a Small-Scale Food Processing Establishment

State of NY Department of Health (DOH) – Restaurants

- ☐ Submit kitchen drawings before construction
- ☐ Three-bay sink with stainless steel drain boards or two-bay sink with a commercial dishwasher
- ☐ Separate hand washing/mop sink
- ☐ Washable materials on walls and work surfaces
- ☐ Restaurant grade, commercial tile floors- painted concrete not allowed
- ☐ Commercial coolers/refrigeration
- ☐ Water from non-municipal water supply must be tested quarterly.
- ☐ Review DOH "Checklist for New or Remodeled Establishments"
- ☐ Some locales require food worker certification.

NYS Department of Agriculture and Markets – Food preparation and processing

- ☐ Kitchen requirements based on food item(s) being produced- Determined upon inspection
- ☐ Easily cleanable, smooth work surfaces
- ☐ Non-absorbent, smooth and easily cleanable floors, walls and ceilings
- ☐ Review of processing procedures including hand washing, sanitizing, equipment sinks, water potability and food preparation
- ☐ Review NYSDAM **Circular 951 -Pursuant to the Licensing of Food Processing Establishments**
- ☐ ***Circular 938 – Rules and Regulations Relating to Food Processing Establishments**
- ☐ ***Circular 933-Good Manufacturing Practices**

*Circulars are available through local Dept. of Agriculture and Markets

NYSDAM, 10B Airline Drive Albany, NY 12235
518-457-3880 or 1-800-554-4501

Helpful Resources for Small Scale Food Processors

For assistance in developing a scheduled process for your recipe or developing a processed food product, contact:
NY Food Venture Center
NYS Agricultural Experiment Station in Geneva
315-787-2259 or necfe@cornell.edu

To request the publication **"Small Scale Food Entrepreneurship: A Technical Guide for Food Ventures",** contact:
Elizabeth Keller, 315-787-2273 or esk15@cornell.edu
Access the online version: http://www4.gsb.columbia.edu/filemgr?file_id=738927

Product development, processing and distribution assistance is also available from:
Nelson Farms at SUNY Morrisville
315-655-8831

www.nelsonfarms.org

To learn about small scale food processing activities in NYS:
Join the NYS Small Scale Food Processors Association
www.nyssfpa.com
Become a member of Pride of NY
800-554-4501
prideofny@agriculture.ny.gov
www.prideofny.com

Regional Offices of the NYS Department of Agriculture and Markets, Division of Food and Inspection Services
Contact Information
10B Airline Drive, Albany, New York 12235 518-457-5380 erin.sawyer@agriculture.ny.gov
55 Hanson Place Brooklyn, NY 11217-1583 718-722-2876
Electric Tower Building 535 Washington Street, 2nd Floor Suite 203 Buffalo, NY 14203 716-847-3185
900 Jefferson Road Rochester, NY 14623 585-487-0200
NYS Fairgrounds – Art and Home Center Syracuse, NY 13209 315-487-0852

United States Food and Drug Administration
300 Pearl Street, Suite 100
Buffalo, NY 14202
716-551-4478

New York District Office
158-15 Liberty Avenue
Jamaica, NY 11433
718-662-5447

United States Department of Agriculture – Food Safety Inspection Service (USDA FSIS)
5 Washington Square
Albany, NY 12205
518-457-4492

29 – Collecting Sales Tax

Guide to Farming in New York State

Products Exempt from Sales Tax Collection

Farmers do not need to collect sales tax on farm and food products intended for human consumption; this includes: all fresh and processed foods: fruits, vegetables, baked goods, jellies, jams, preserves, meats, eggs, dairy products, syrup, honey, cider, etc. (unless listed below).

Taxable Farm and Food Sales

When selling direct to consumer, you must collect sales tax on:

- Prepared foods intended for immediate on-site consumption
- Candy
- Soft drinks and fruit juices with less than 70% real juice
- All non-food products that are being sold to the end user
- Cut flowers, bedding plants, trees, shrubs, and other nursery products
- Forest products, firewood**, Christmas trees, lumber
- Fiber products (raw fleece or wool products when sold direct to end users)
- Hay, grain, straw (taxable if not being sold to another farmer)
- Horses sold for pleasure riding
- Ornamental crops like gourds, Indian corn, dried flowers, evergreens, etc.
- Crafts
- Topsoil, turf, gravel

Note: if these items are sold to someone else who will sell them directly to the public, you do NOT have to collect the sales tax, but you will need to file a resale certificate.

**Firewood sold for home heating is not taxable; while firewood sold for recreational purposes (campfire, bonfire, cookout) *is* taxable.

Becoming a Sales Tax Vendor – Form DTF-17-I – Certificate of Authority

This means you are involved in the direct sale of products to consumers/end users and must collect sales tax if selling the above taxable items.

There are several types of sales tax vendors:

- Regular Vendors – with a permanent location
- Temporary Vendor – with sales in no more than 2 consecutive quarters in any 12-month period
- Show Vendor – sells products at a flea market, craft fair, show, or farmers' market, on either a regular or temporary basis and does not have a permanent location

You cannot legally make taxable sales until you have received your valid Certificate of Authority.

- ☐ Apply for your Certificate of Authority at least 20 days before you begin operating your business
- ☐ Your Certificate of Authority must be displayed prominently at your place of business or at fairs/markets
- ☐ It is very important to keep detailed records of your taxable sales
- ☐ Each transaction must include the item price and sales tax amount. Retain a copy of the receipt. Records should be kept for 3 years

Filing Requirements

- ☐ You must file a return each quarter even if you had no sales. Initially you will be classified as a quarterly filer. Monthly and annual filing options are available if you qualify. Do not forget to file as penalties are stiff
- ☐ Download the form as a PDF at www.tax.ny.gov/pdf/current_forms/st/dtf17i.pdf

For More Information

NYS Dept. of Taxation and Finance Publication 750: A Guide to Sales Tax in New York State
Obtain by contacting: 800-462-8100
http://www.tax.ny.gov/pdf/publications/sales/pub750.pdf

30 – Organic Certification

Guide to Farming in New York State

Becoming Certified

Organic production offers many advantages for small farmers including ecologically friendly production methods, strong consumer demand for organic products, and higher prices. Regardless of whether you use organic practices, if you have farm sales of more than $5,000/year you cannot legally sell your products as *organic* unless your farm has been officially certified.

If you sell less than $5,000/year of product and would like to use the word "organic" in your marketing, you must adhere to organic practices even though there is no certification process required. To learn more about this, download the PDF:

Small Scale Organics
www.kerrcenter.com/publications/small-scale-organics.pdf

You can find the list of all certifying agencies by going to the USDA's National Organic Program website:
USDA Organic Program
http://www.ams.usda.gov/AMSv1.0/nop
Click "List of Certifying Agents." You can use any agency listed.

The two located in New York are:

NOFA — New York, LLC
840 Upper Front St.
Binghamton, NY 13905
607-724-9851
E-mail: certifiedorganic@nofany.org
Website: www.nofany.org
Scope: crop, livestock, handling
Accredited: 4/29/02

Natural Food Certifiers
119a S Main Street,
Spring Valley, NY 10977
888-422-4632
E-mail: nfccertification@gmail.com
Website: www.nfccertification.com
Scope: crop, livestock, wild crop, handling
Accredited: 10/08/02

General Overview of Regulations

Organic regulations are complex and ever-changing, which is why it is important to work with your certifying agency on everything that you do to assure compliance.

In general, you cannot use synthetic pesticides, antibiotics, or petroleum-based fertilizers. To certify a field as organic it must not have had pesticides or petroleum fertilizers applied for the past three years. To certify animals as organic, there are various transition requirements depending upon the animal species: dairy, beef, pork, poultry, etc.

Great attention is paid to nurturing the soil by the use of composts, cover crops, rock minerals and natural fertilizers. Plant disease and pests are controlled through the use of crop rotations, resistant

varieties, cultivation, and biological and botanical pest control. Animal health is maintained with wholesome food, adequate shelter, access to the outdoors, and preventive health plans.

Documentation of field maps, adjoining fields, complaints, crop inputs used, yields, sales, feeds purchased, medications used, and equipment-cleaning logs must be kept to maintain your certification.

31 – Grant Opportunities for Farmers

Guide to Farming in New York State

An increasing number of grant programs are available to farmers from federal or state sources each with specific objectives. Grants fall into the three general types:

1. Grants for business planning, adding value and increasing farm viability
2. Grants for on-farm research and demonstration projects that are mostly production oriented though some include marketing demonstration projects
3. Grants for farm energy conservation, alternative energy, environmental protection/conservation and waste management

Grants are not available to start a farm and are not a reliable strategy for growing your business. Grants may enable you to expand a particular aspect of your business to make your operation more viable or provide funding to try a new practice on your farm.

Grants are highly competitive so apply only if the project you are proposing clearly meets the grantor's objectives. Always find out what kinds of projects were funded in the past to determine if your project is in line with what has been funded.

It takes significant time and effort to write a wining grant proposal. Instructions must be followed precisely. Grants often require a cash or in-kind match that must be documented in the budget you propose. Grants will not be considered if they arrive late after the deadline for application. Deadlines for application submission and instructions are generally announced once a year. Most grants are not available on an ongoing basis.

Once you submit a grant, it may take 3 to 6 months to find out if your application was selected for funding. If funded, it also takes time to finalize the contract. Generally you will not be reimbursed for money spent prior to receiving the signed contract. Grant contracts require that you write a report of the results and provide an accounting of how the money was spent; therefore, you must keep accurate records. Grants are also considered income for tax purposes.

Following is a list of some grant sources available for farm projects:

NEW YORK STATE SOURCES

Program	Description	Contact
New York State	Funding opportunities available for farmers in NYS Note: Grants from NYS now require a cumbersome pre-qualification process: grantsgateway.ny.gov	http://www.agriculture.ny.gov/ 518-457-7076
NYS Good Agriculture Practices/Good Handling Assistance Certification Program (GAP/GHP)	The Department will pay up to $750 for a private firm or NYS Dept. of Agriculture audit, including water tests, to verify a farm's food safety program. This certification applies to produce farms who sell to retail and wholesale buyers requiring GAP Certification. Applications must be approved prior to the audit. Funds are available on a first-come first-serve basis until the funds are depleted or December 31.	For more information: http://www.agriculture.ny.gov/rfps/GAP/2012/GAP-Certification.pdf Link to application: http://www.agriculture.ny.gov/rfps/GAP/GAP-Application.pdf
Organic Certification Funding Assistance	Organic farmers and processors are eligible for a reimbursement of 75% of their annual certification fee costs not to exceed $750. The certification must be conducted by an organization accredited by the U.S. Department of Agriculture.	http://www.agriculture.ny.gov/AP/Organic/reimbursement.html

NYS Specialty Crops Block Grants Program	
Purpose	Increase the competitiveness of specialty crops, encourage efficiency, partnerships, innovation, and new markets. The RFP includes many areas of focus including: packaging/labeling, environmental quality, distribution, education and outreach, food safety, food security, marketing and promotion, product development, plant health and international trade.
Eligibility	Funding available to non-profits, for profits, individuals, educational institutions, and government; however, individuals and businesses must partner with others. Eligible crops are defined as fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops (including floriculture), herbs and spices.
Information	For questions, contact: Mark McMullen, 518-457-4383 http://www.agriculture.ny.gov/AP/slide/SpecialtyCrop.html

New Farmer Grant Fund	
Purpose	Assistance for beginning farmers
Eligibility	Must be in the first 10 years of business with a significant ownership in a farm operation that generates at least $10,000 in sales. . Eligible projects include,

	but are not limited to, the purchase of machinery and equipment, supplies, or construction or improvement of physical structures used exclusively for agricultural purposes.
Funding	Will fund up to $50,000 and the applicant must pay for half of the proposed project cost (50% cost share match).
Information	Guidelines - http://esd.ny.gov/BusinessPrograms/Data/NewFarmersGrantFund/2015_Guidelines_NewFarmers.pdf The opportunity to apply is announced annually in October, applications are due in January and awards are announced in June. Contracts follow and therefore it may be fall before a project can start.

NYS Dept. of Ag & Markets – Agriculture & Farmland Protection Projects	
Purpose	State assistance for the purchase of agricultural conservation easements (development rights) to permanently restrict development of valuable agricultural lands
Eligibility	Counties or municipalities with approved Ag & Farmland Protection Plans – Farmers should contact county or town government if interested in the sale of development rights. This application is submitted by the municipality and not the farmer.
Funding	No cap; State provides 75% of the cost to acquire the easement; farmers or local government provides 25%
Information	http://www.agriculture.ny.gov/AP/agservices/farmprotect.html

NYS DEC Water Quality Improvement Projects CHECK WITH COUNTY SOIL AND WATER DISTRICT REGARDING PROGRAMS AND FEDERAL FUNDS FOR PROJECT IMPLEMENTATION	
Purpose	Implement practices to improve water quality
Information	Contact your county SWCD for information on local funds; funding is not competitive but funds are limited and must meet criteria for water quality protection. Here is a link to county offices: http://www.nys-soilandwater.org/contacts/county_offices.html

NYSERDA-New York State Energy Research and Development Authority Loans, grants, incentives	
Purpose	NYSERDA offers technical assistance to identify energy efficiency measures for eligible farms and on-farm producers.
Information	Free Agriculture Energy Audits are available as well as technical assistance identifying other third party funding opportunities. There are three levels of audits available and separated by level of detail. https://www.nyserda.ny.gov/All-Programs/Programs/Agriculture-Energy-Audit

Federal Sources

USDA-SARE/Sustainable Agriculture – Farmer/Grower Grant	
Purpose	Support on-farm research demonstrations, marketing innovations, value adding activities and other projects.
Funding Level	Capped at $15,000; capital improvements limited to $500 of total project cost; no match required Annual deadline in late November
Information	802-656-0471 Website: http://www.nesare.org/Grants/Get-a-Grant/Farmer-Grant Email: nesare@uvm.edu

USDA Rural Development – Value Added Producer Grant	
Purpose	Encourage producers of commodities to add value to products to increase their value – for feasibility studies, business and marketing plans, studies to establish a new venture; and working capital for established ventures with a business plan.
Funding Level	Planning grants up to $100,000 and working capital grants up to $300,000
Information	315-477-6400 – Scott Collins http://www.rd.usda.gov/programs-services/value-added-producer-grants/ny

USDA Rural Development – Rural Energy for America Program (REAP)	
Purpose	Help farmers and rural businesses make energy improvements and install renewable systems Three programs available: Energy Audit and Renewable Energy Development Assistance; Energy Systems/Energy Efficiency Improvement; and Feasibility Studies Grant Program.
Eligibility	Project must be located in an area with less than 50,000 inhabitants. Funding for systems that generate energy from wind, solar, biomass, geothermal sources; and for energy efficiency improvements-upgrade equipment or processes.
Funding Level	Varies with program (see info on website)
Information	Website: http://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency Contact: Gary Pereira – 315-736-3316 or email gary.pereira@ny.usda.gov

USDA NRCS – Farm Bill Initiatives for Conservation Practices	
Purpose	The Farm Bill authorizes several new initiatives geared at land conservation and water quality protection. There are 3 main funding areas: Ag Management Assistance for water management or irrigation systems; Conservation Stewardship Program focused on protecting soil and water quality and energy; and EQIP – Environmental Quality Incentives program for practices that address natural resource concerns on land. Under EQIP, there is a popular High Tunnel funding program - http://www.nrcs.usda.gov/wps/portal/nrcs/detail/ny/programs/financial/eqip/?cid=nrcs144p2_027074
Information	Find out what is available by contacting your county or regional USDA Service Center http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/?&cid=stelprdb1048817 315-477-6504

USDA FSA Rural Youth Loan

FSA makes loans to individual youths to establish and operate income-producing projects of modest size in connection with their participation in 4-H clubs, FFA and similar organizations. Each project must be part of an organized and supervised program of work designed to provide practical business and educational experience. The project must be planned and operated with the help of the organization adviser and produce sufficient income to repay the loan. A youth loan is available to young persons between the ages 10 and 20 years. The maximum loan amount is $5,000. Loan funds may be used to buy livestock, seed, equipment and supplies; buy, rent or repair tools and equipment, or pay operating expenses. For an application, contact:

USDA FSA office that serves your county
http://offices.sc.egov.usda.gov/locator/app?state=ny&agency=fsa

Other Sources

Fund a Farmer (a project of Food Animal Concerns Trust)	
Purpose	Grants for projects that help family farmers transition to pasture-based systems, improve the marketing of their humane products, or more generally to enrich the conditions in which the farm animals are raised.
Funding Levels	Up to $2,500
Information	Full eligibility requirements, application, and program details available at www.fundafarmer.org/apply-for-grant/grant-guidelines

32 – Opportunities for Veterans in Farming

Guide to Farming in New York State

An increasing number of programs and resources are available for veterans entering farming. Navigating through federal, state and local channels can be time consuming. While not intended to be all encompassing the information below will help you get started.

Sign up for the New York State Veterans in Agriculture Listserve: From the email address you'd like to use for your list subscription, send an email to NYVETSAG-L-request@cornell.edu and type the word "join" (without quotations) in the body of the message. The Small Farms Program and our partners will be using this forum to publicize events, resources, and opportunities related to veterans interested in farming in NYS.

Armed to Farm (ATF) is a National Center for Appropriate Technology program that provides training on sustainable agriculture to veterans. ATF is a combination of farm tours and classroom instruction that focuses on business planning, livestock production, and fruit and vegetable production. https://www.ncat.org/armedtofarm/

The Farm Bureau Resource Guide to Assist Veterans in Agriculture. A Farm Bureau and Farmer Veteran Coalition Partnership http://www.fb.org/newsroom/nr/nr2013/11-25-13/FBVetGuide_LR_Final1-2014.pdf

The Farmer Veteran Coalition. National non-profit organization “mobilizing veterans to feed America”: http://www.farmvetco.org/. In New York State contact Jamie Critelli: jamie.critelli@gmail.com (530) 756-1395.

Download a free copy of the *Veteran Careers in Agriculture: A Resource Guide:* http://www.farmvetco.org/wp-content/uploads/2014/01/RG_FINAL_WEB_compressed.pdf

Heroic Food, is based in Columbia County, NY and is being developed in collaboration with the Farmer Veteran Coalition. It’s a residential, tuition-free program, and participants will have paid training positions on farms and other income streams throughout the program. http://heroicfood.org/ (917) 806-5055.

National AgrAbility Project The vision of AgrAbility is to enhance quality of life for farmers, ranchers, and other agricultural workers with disabilities. While the term "disability" often brings to mind conditions such as spinal cord injuries and amputations, AgrAbility addresses not only these but also many other conditions, such as arthritis, back impairments, and behavioral health issues. http://www.agrability.org/ 1-800-825-4264.

Veterans Outreach Center Inc. Founded locally in 1973 by returning Vietnam veterans, the center is serving the veterans and military families of Greater Rochester (585) 546-1081 and

Buffalo, NY (716) 424-1892. Offering a comprehensive portfolio of supportive services designed to meet the needs of veterans and their families. http://veteransoutreachcenter.org

Clear Path for Veterans We help Veterans, military members and their families. We provide myriad programs and services to make this happen. Each program and service relies on one of three methods: Self-empowerment, Peer-to-Peer support, and Community involvement. http://www.clearpath4vets.com/ (315) 687-3300.

USDA Start Farming USDA is an "Every Day, Every Way" department that touches the lives of every American, every day by supporting the agriculture sector, strengthening rural communities, promoting healthy eating, and helping to protect our natural resources. At the forefront of our mission is the support we provide to farmers to help them start and continue farming. https://newfarmers.usda.gov/veterans (202) 720-2791

USDA Wants You! Veterans in Agriculture brochure:
https://www.nal.usda.gov/sites/default/files/vetsagbrochure.pdf

Contact your Regional Learning Network Leader. Tell them you are a veteran in their region who is interested in a career in agriculture (or already farming) and get plugged in to activities near you.

In Western NY – Lynn Bliven: lao3@cornell.edu (585)268-7644 ext. 18
In Northern NY – Cathy Moore: cmm17@cornell.edu (315) 788-8450 ext. 236
In Eastern NY – Leora Barish: leorabarish@gmail.com (917) 806-5055
In Southern NY – Laura Biasillo: lw257@cornell.edu (607) 584-5007
In Central NY – Matt Weiss: mw84@cornell.edu (607) 255-9911

Get Local Help: It's always best to first ask questions to your local small farm agent since they are familiar with local zoning issues and regulations for your county. You can find your local Small Farms Cooperative Extension Agent by checking the county-by-county listing at: http://smallfarms.cornell.edu/contact/local-contacts/

Looking for local events/trainings? We highly recommend subscribing to our bi-monthly newsletter. It brings you statewide events, ag funding opportunities, new resources, and small farm related job or career opportunities every two weeks. Subscribe at http://smallfarms.cornell.edu/contact/e-news-sign-up/

33 – Agricultural Agencies/Organizations

Guide to Farming in New York State

Federal Agencies Serving Agriculture		
Program	**Information**	**Contact**
USDA Farm Service Agency	Federal agency with county offices across the state to administer farm loans, price support programs, commodity programs and payments, conservation programs, and disaster assistance.	www.fsa.usda.gov/ny 315-477-6300
USDA Natural Resource Conservation Service	Federal agency that has a mutual agreement with state-funded Soil and Water Conservation Districts. NRCS has 47 field offices and provides one-on-one assistance to private landowners and local governmental units in all aspects of natural resource protection. They also administer federal cost-share conservation programs.	www.ny.nrcs.usda.gov/ 315-477-6504
USDA RC&D	The purpose of Resource Conservation and Development (RC&D) is to accelerate the conservation, development and utilization of natural resources, improve the rural economies, enhance the environment and standard of living in designated RC&D areas. RC&D programs exist throughout the state and operate on a regional level. Check the website for office locations and programs.	www.nyrcd.org/

NYS Agencies		
Program	**Information**	**Download Online**
Soil and Water Conservation Districts	There are 62 county soil and water conservation districts in the state that provide information on conservation and wise use of the natural resources. Depending upon the district office, they may have money available for cost-share on land improvement and conservation projects.	www.nyacd.org/ 518-857-0060
NYS Department of Agriculture and Markets	State agency regulating agricultural businesses and commerce. They administer marketing regulations that govern product sales, the agricultural districts program, agricultural conservation easements, provide market assistance and promotion, and offer several grants programs to increase farm viability.	http://www.agriculture.ny.gov/ 800-554-4501

NYS Department of Environmental Conservation	State environmental regulatory agency with programs addressing: water quality, mineral resources, lands and forests, fish and wildlife, and pesticide/hazardous materials regulation. They offer some technical assistance but generally focus on the regulation of activities to assure compliance with state pollution regulations.	http://www.dec.ny.gov/

Cornell Programs

Program	Information	Contact
Cornell Cooperative Extension	Key outreach system of Cornell University with a strong public mission and an extensive local presence that is responsive to needs in New York communities. There are 56 associations across the state to offer educational programming in the areas of community development, agriculture, environment, family and youth, financial management, gardening, and nutrition and health.	www.cce.cornell.edu
Cornell Small Farms Program	Fostering the sustainability of diverse, thriving small farms through information, events and activities, small farms research, and a free quarterly newsletter that is a must read for small farmers.	www.smallfarms.cornell.edu www.nebeginningfarmers.org 607-255-9227
NY FarmNet	Free and confidential on-farm consultants help farm families answer business and personal questions about finances, farm transfer, natural disaster, personal stress, family communication, and marital conflict.	www.nyfarmnet.org 800-547-3276
NY FarmLink	Provides educational resources, consulting, and opportunities that enable more farms to be transferred and joint ventures to be developed between people who want to farm and people who are seeking to retire from farming.	http://www.newyorkfarmlink.org 800-547-3276

Organizations Serving Agriculture

Program	Information	Information
New York State Farm Bureau	The state's largest non-governmental, volunteer agricultural organization financed and controlled by farm families for the purpose of solving economic and public policy issues challenging the agriculture industry. They are a grassroots based lobbying organization and offer educational resources to farmers in the state in addition to discounts on insurance and other products.	www.nyfb.org 800-342-4143
New York State Grange	Agricultural and rural community fraternal organization with a focus on community	http://www.nysgrange.org/

	involvement. They are a grassroots organization with a legislative agenda and many community involvement programs.	607-756-7553
American Farmland Trust	Farmers and conservationists concerned about the rapid loss of the nation's farmland to development, American Farmland Trust (AFT) is a nonprofit membership organization dedicated to protecting our nation's agricultural resources. They have a legislative agenda and programs to help deter and/or stop the development of farmland.	www.farmland.org/default.asp
NOFA-NY – New York Organic Farmers' Association	Certification office NOFA-NY is an organization of consumers, gardeners and farmers creating a sustainable regional food system that is ecologically sound and economically viable. They are the leading organic certification organization in the state.	http://www.nofany.org/ 607-724-9851
Other NYS Producer Organizations	There are many organizations specific to production interests (for example, NYS Apple Association, Vegetable Growers, Christmas Tree Growers, etc.). The NYS Dept. of Agriculture & Markets publishes a *Directory of New York State Agricultural Organizations*.	To view this directory online, visit: http://www.agriculture.ny.gov/RelatedLinks.html

34 – Information for Getting Started

Guide to Farming in New York State

There are numerous resources to help you learn how to grow or market specific products. These are a few that have been verified for content. Reading and research are great, but if you want to start a farm, the best way is to learn from farmers who are already doing it!

Sign up to receive the monthly Small Farms Update, which contains links to several event calendars, as well as resources useful to farmers:

Cornell Small Farms Program Update Sign- Up
http://smallfarms.cornell.edu/contact/e-news-sign-up/

Websites		
Program	**Information**	**Contact**
Northeast Beginning Farmer Project	A collaboration of Cornell Small Farms Program and several other organizations, this site is designed to walk existing or aspiring farmers through the planning process of starting a new farm. It also contains video clips, links to online courses for new farmers, worksheets, and a map to help farmers find people to provide assistance.	www.nebeginningfarmers.org
Cornell Small Farms Program	Contains a wealth of information about production, marketing, and business management	www.smallfarms.cornell.edu 607-255-9227
ATTRA (Appropriate Technology Transfer to Rural Areas)	Committed to providing high value information and technical assistance to farmers, ranchers, Extension agents, educators, and others involved in sustainable agriculture in the United States.	www.attra.org Toll-free helpline: 800-346-9140 (English) 7 a.m. to 7 p.m. Central Time 800-411-3222 (Español) 8 a.m. to 5 p.m. Pacific Time
eXtension	An interactive learning environment that has information on agriculture production and business management issues. The information posted here represents the best information based upon researchers and educators across the country. New content is added regularly.	www.extension.org
Rodale Institute's New Farm website	Covers everything of interest to organic farmers	http://rodaleinstitute.org/farm/newfarm/

Books	
Title	**Download Online**
Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses	Available online in PDF format from: http://www.sare.org/Learning-Center/Books/Building-a-Sustainable-Business
Starting an Ag Business? A Pre-Planning Guide by Steve Richards	Available online in PDF format from: http://dyson.cornell.edu/outreach/extensionpdf/2004/Cornell_AEM_eb0408.pdf
You Can Farm by Joel Salatin	Plenty of advice for new farmers, written by a successful livestock farmer
The Organic Farmer's Business Handbook by Richard Wiswall	Contains excellent advice and a clear process for managing your farm for profit, also comes with a CD with template forms. Available from Chelsea Green Publishers

Journals and Magazines	
Title	**Download Online**
Small Farm Quarterly	All articles available in PDF format online at: http://smallfarms.cornell.edu/quarterly/
Acres USA – Voice for Eco-Agriculture	www.acresusa.com/magazines/magazine.htm
Growing for Market	www.growingformarket.com

Conferences and Events	
Name	**Contact**
NOFA-NY – the Northeast Organic Farming Association's (NOFA) of NY Annual Conference is in January each year	Check www.nofany.org for details in the fall
PASA – the Pennsylvania Association of Sustainable Agriculture (PASA) holds its annual conference in February in State College, PA	Check www.pasafarming.org for details