



# How to Use This Guide

## Guide to Farming in New York State

This guide is comprised of a series of individual fact sheets addressing topics relevant to planning and operating a farm business in New York State specifically, though many of the concepts apply to farmers in other states too. The fact sheets are meant to be brief and to the point. Additional details can be found via the 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 land, at the appropriate size and with the right soil, is critical to the success of your operation.

**Legal forms of business:** Don't sweat this at the outset. A sole proprietorship is usually a fine place to start 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.

**Where can I get money to start my farm?** There are two basic options: use personal resources or borrow money from a lender or investor. There are no grant funds available to start a farm.

**Am I a farmer yet?** There is no single 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.

**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 #1, 2,  
3, 8, 9, 11

Fact Sheets #12, 13

Fact Sheets #4, 12,  
31

Fact Sheets #35,  
also 15, 16, 17

Fact Sheets #12,  
14, 23, 24, 25, 26,  
28, 29

## Recommended Reading:

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.

Fact Sheets #17, 20, 21, 22

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.

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 them best meets your goals.

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.

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.

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.

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.

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.

Fact Sheets #5, 6, 7