An Entrepreneur’s Guide to Farming in Massachusetts

Fertile Resources, Harvestable Tips, and a Side-Dress of Regulatory Reality
Acknowledgements

This guide was based on the Cornell Cooperative Extension’s document “The Guide to Farming in NY State: What Every Ag Entrepreneur Needs to Know” and adapted with permission for the Massachusetts regulatory climate, specific programs and services available in the Commonwealth, and issues important to Massachusetts farmers.

Cornell Cooperative Extension Agricultural Educators, Monika Roth and Jacob Schuelke, wrote the first edition of the NY guide in November 2004 and the most recent update and distribution was funded by grants from the Cornell Small Farms Program, New York State Farm Viability Institute, Northeast Farm Credit, and Cornell Cooperative Extension. The NY Version of the resource guide is available online.

The development of the content for the Massachusetts version has been supported by the USDA Risk Management Agency and the USDA CSREES 2501 program.

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New Entry’s mission is to improve our local and regional food systems by training the next generation of farmers to produce food that is sustainable, nutritious, and culturally-appropriate and making this food accessible to individuals regardless of age, mobility, ethnicity, or socio-economic status. New Entry provides critical training, career development, and economic opportunity to new farmers.
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How To Use This Guide

This guide is written for people who are interested in starting a farming business in Massachusetts, or who already farm and are looking to expand the crops they grow or places they sell them.

This guide is written as a series of independent Fact Sheets that can be used separately as needed or together as a complete guide.

It may be helpful for you to use this series with someone who can guide you to more farming information, such as an experienced farmer, a Massachusetts Department of Agriculture employee, a United States Department of Agriculture employee, or other service provider.
Fact Sheet #1  Farming Education

Farming is a lifelong pursuit of knowledge and skills. Farmers are entrepreneurs, business managers, producers, marketers, and so much more. The path to being a farmer is unique to each individual. Farmers and potential farmers are diverse; some are starting a second career, some are fresh out of school or university, and some are new Americans. Very few people in New England today grew up on farms. Here we provide some information to help identify a farm learning path that works for you.

Is Farming for You?
Farming often has a nostalgic allure when we see happy cows grazing or have memories of picking strawberries with our family. The fact is that farming is very hard work. It is physically, intellectually, and emotionally challenging, and rewarding. Not everyone is cut out to be a farmer and there are more career opportunities in food and agriculture besides farming. The New Entry Sustainable Farming Project offers regular free two-hour Explore Farming workshops to give an honest introduction to farming. The Mass Department of Agricultural Resources [MDAR] offers a five-session evening course called Exploring the Small Farm Dream to help determine if farming is right for you and the next steps in your farming education. [Contact: Rick Chandler, rchandler@umext.umass.edu.] Self-assessment exercises can facilitate self-reflection and help identify the strengths and weaknesses of you and your project idea. The Exploring the Small Farm Dream book has self-assessment worksheets, as does Richard Wiswall’s Organic Farmer’s Business Handbook.

Learning How to Farm
The best way to tell if you would like farming is to try it. Farms often accept volunteers or offer CSA Work-share positions [working in exchange for shares of produce] that provide the opportunity to get a sense of what farming entails. You can offer to volunteer for a farmer you admire. There are many ways to pursue a farming education. Outlined below are some that can be pursued individually, or more often are combined.

Apprentice/Internship
If you are able to commit to full time farming, an internship or apprenticeship is a great way to build skills and learn about the farming lifestyle. ATTRA, NOFA/mass, and EMass CRAFT are the best ways to find farm intern and apprentice opportunities.

Incubator Farm
Incubator farms provide an educational and low-cost environment for new farmers to develop their businesses and make mistakes in the first one to three years of farming before investing life savings into a farm project that may not be successful. They usually charge
a small fee for the use of ¼ acre to 1 acre of land that is primed for agricultural production. Farming infrastructure such as buildings, tools, irrigation, and bulk supplies are already present, lowering the up-front investment necessary to start a farm from scratch. New Entry has incubator farm sites in the Greater Boston area. Others can be found on this map.

<table>
<thead>
<tr>
<th>Access to resources (land, equipment, etc.)</th>
<th>Formalized educational component</th>
<th>Social capacity/community/networking</th>
<th>Market development and access</th>
<th>Small business development</th>
<th>Payment arrangements</th>
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<tr>
<td>Family Farms</td>
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<td>Apprentice-ships</td>
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<td>Small stipends, sometimes housing and board to apprentice</td>
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<td>Farm Incubator</td>
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<td>Trainee pays a small (often subsidized) land rental fee</td>
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<td>University</td>
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<td>Tuition costs (can be offset with financial aid)</td>
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<td>Classes (non-profit, extension)</td>
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<td>Self-directed learning</td>
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<td></td>
<td>Free (internet resources, cost of subscriptions and books)</td>
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**University Farm Training**

Colleges and universities have responded to the increased demand for courses relating to food and farming systems. Most community colleges and land grant universities, and many private institutions, offer courses related to these topics. A formal course of study requires time and money, but can offer a quick and thorough introduction to the field. The following colleges and universities offer agricultural training:

- [Bristol Community College](#)
- [Greenfield Community College](#)
- [University of California Santa Cruz](#)
- [University of Vermont](#)
- [Educational Opportunities in Sustainable Agriculture](#)
Farming Classes
Nonprofit organizations, MDAR, and the extension service offer farming education through classes, workshops, and conferences. The Beginning Farmer Network of Mass' online calendar is a good place to go for current schedules of these events. Some such events include:

- **New Entry Sustainable Farming Project** provides multiple training resources for beginning farmers, including its Farm Incubator Program, Field Workshops, Business Planning Classes, and Livestock Field School.
- **MDAR** offers **Agricultural Business Training Program** courses at multiple levels.
- **Community Involved in Sustainable Agriculture** (CISA) hosts workshops in Western Massachusetts on a variety of topics, including finding and managing a farm crew, and navigating farm labor laws.
- **Southeastern Massachusetts Agricultural Partnership** (SEMAP) holds workshops and conferences.
- **NOFA/Mass** offers regular training workshops and summer and winter conferences.

Self-directed Learning
All farm education is self-directed since you will need to plow your own path and build an education that works for you. Some important resources for all prospective, beginning, and experienced farmers are outlined below:

- start2farm.gov
- NE Beginning Farmers
- BFNMass.org
- www.attra.org
- University of Vermont Extension
- University of Massachusetts Extension
- Rodale institute
- Greenhorns
- National Young Farmers Coalition
- Pioneer Valley [PV] Grows Network
- Eastern Mass CRAFT
- Collaborative Regional Alliance for Farmer Training [C.R.A.F.T.]
- Young Farmer Network [Southeastern MA]
Fact Sheet #2  Finding a Farm

Beginning the Search for Farmland
When beginning the process of locating farmland, it is important to first think about your overall farming goals. It is also helpful to know your needs and your preferences and compare these with options available to you.

Ask yourself:

What kind of land will best meet my farming goals?
Think about access to land, equipment needs, water availability, soil type, and location from your house or to markets.

Are there restrictions on the land that won’t let me meet my goals?
Examples: wetlands, conservation restrictions, zoning requirements

What do you need to secure your investments if you do not live on the land?
Examples: infrastructure for storing assets, fencing, farm insurance

What financial resources do you need to maintain the land?

Shall I rent, lease, or purchase?
This decision will determine how you go about finding land.

Will an alternative type of land tenure arrangement best meet my needs?
Examples: lease with option to buy, crop share, or fee title purchase with agricultural conservation easement.

Helpful Contacts for Finding a Farm
New Entry has a Farmland Matching Service to help qualified beginning farmers and experienced growers to locate suitable land for agricultural production. For more information, contact nesfp@tufts.edu.
The New England Small Farm Institute has a New England LAND-LINK service. The $10 annual fee includes access to property listings and landowner contact information.

New England Farm Finder helps farmland owners and seekers find each other.

Massachusetts Department of Agricultural Resources

- The Bureau of Land Use often leases land to farmers when it is not being used by the department, via its Farmland Stewardship Program. Call them at (617) 626-1700.
- The Agricultural Preservation Program (APR) gives financial incentives to keep Massachusetts' most productive farmland in agricultural use. Since farmers are paid the difference between the “fair market” and “agricultural” value of their land when they enroll in the program, APR land can be an affordable option for beginning farmers. To find out more about the APR, visit MDAR's website.

You may see land that is classified for agricultural use referred to as 61(a) land. This relates to the tax code. Some land link programs match farmers with land in peril of losing 61(a) status with beginning farmers looking for land to work. By keeping farmland in active use, landowners can continue to receive an agricultural tax benefit.

Local Conservation Commissions

Every town/city has a Conservation Commission that may be helpful in finding local land to use for agricultural preservation. They are always a government group, and you can call a town or city hall to get contact information. Land trusts, watershed councils, and historic commissions may also be helpful.

Massachusetts Association of Agricultural Commissions

As of June 2013, there were 154 agricultural commissions within the Commonwealth of Massachusetts. Town agricultural commissions represent the farming community, encourage the pursuit of agriculture, promote agricultural economic development, and protect farmlands and farm businesses.

Other good places to look for information on available farmland include land link programs that connect new or relocating farmers with landowners, agriculture publications, farming newsletters, local newspapers, land trusts, town or village governments, signs or postings in farm supply stores, and word-of-mouth.
**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:

- **MLS Residential Search**
- **Farm Credit**
- **Farm Service Agency Real Estate for Sale**
- **Landandfarm.com**
- **Landdirectory.com**
- **United Country Real Estate**

Also, check with locals in the area near where you hope to farm to find realtors who specialize in farm property.

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**Additional Resources:**

The [American Agriculturist](https://www.americanagriculturist.com/) lists land for sale across the country.

The [National Farm Transition Network](https://www.farmtransitions.org/) connects retiring farmers with entering farmers.

[The Farm Transfer Network of New England](https://www.farmtransfer.org/) helps farmers transition from one owner to another.


[Land for Good](https://www.landforgood.org/) helps farmers and land owners with land transfer planning, leases, and other land use agreements.

The [Farm Service Agency (FSA)](https://www.fsa.usda.gov) is a program of the USDA that serves farmers and ranchers with programs such as crop insurance, funding for land conservation, and farm loans. The [Massachusetts Farm Service Agency](https://www.nesfp.org) office maintains an online listing of farm land they have for sale.
Deciding if a Farm Property is Right for You

Once you have located a farm, there are several things to take into consideration when deciding to lease or purchase the property. These will be related to the goals you set at the beginning of the process. In particular, you will want to look at:

- Physical land characteristics (acreage, soils, topography, water availability)
- Climate (average temperature, average rainfall, number of frost-free days, wind patterns, etc.)
- Location (distance from markets and services, quality of the surrounding community)
- Infrastructure (roads, electricity, water and sewer service, buildings, housing)
- History of the land's use and any legal restriction or burdens that come with the land

New Entry offers a guide to help you assess farmland before signing an agreement. See Fact Sheet #3 to help you assess farmland before signing an agreement. Additional fact sheets detail the final step in accessing farmland – negotiating an agreement to rent, lease, or purchase the land you have chosen.
Climate
Generally, Massachusetts has cold winters and moderate summers. However, the climate varies between the eastern and western sections of the state, with the Berkshires in the west being coldest and average temperatures increasing as you move east. The Massachusetts Department of Agricultural Resources (MDAR) has collected a number of weather-related resources on their website. MDAR can also be reached at (617) 626-1700.

Climatic factors that impact crop growth include minimum temperatures, frost-free dates, growing degree-days, precipitation, air flow, and wind exposure. The Massachusetts growing season is relatively short, presenting a challenge to many farmers. In general, the last frost occurs in early to mid May and the first frost of the winter happens in October. Increasingly unpredictable weather patterns and severe events pose even more difficult challenges to farmers.

Soil
Soils vary based on region or even location within a farm. In fact, soil type and quality can vary greatly even within a small area. In general, Massachusetts soils are characterized by having more mineral content in the highlands and more organic matter in the lowlands. The most fertile region is the Connecticut Valley in the west-central part of the state.

The information collected in a soil survey helps in the development of land-use plans and evaluates and predicts the effects of land use on the environment. It can help you determine the potential uses and limitations of your land. Fortunately, even poor quality soils can be improved through management practices.
Soil Survey
To learn about the soil types on your property, a useful tool available in almost all Massachusetts counties is the USDA-NRCS Soil Survey that consists of soil maps and descriptions of landscape characteristics and capabilities. You can find a copy of the Soil Survey at county offices of USDA-NRCS or Soil and Water District.

A soil survey:
• Describes the characteristics of the soils in a given area
• Classifies the soils according to a standard system of classification
• Plots the boundaries of soils on a map
• Makes predictions about the behavior of soils

A soil survey also provides specific information on:
• Climate / precipitation of an area
• History and development
• Physiology, relief, and drainage
• Geology
• General facts about the soil (slope, stoniness, salinity, wetness, degree of erosion, texture, and other characteristics that affect its use)
• Principal hazards and limitations in planning for specific uses (including agriculture)
Soil maps can also be viewed online through the USDA Web Soil Survey – click on the green “Start WSS” button. This interactive map feature allows you to search by address or browse by town, region, state, etc. Once you find the area you would like to learn about, select your “area of interest” [AOI] and click on the “soil map” tab. Once you have got your map, you can click on the map unit names listed on the right to get details on soil type, slope, elevation, landforms, water resources, temperature, and precipitation.

This is a great resource for doing initial assessments of the land and understand its soil characteristics and use potential before visiting and can help save time during your search.

**Soil Testing**

The UMass Soil and Plant Tissue Testing Lab will test soil for nutrients and pH to help determine amounts of lime and fertilizer needed for crop growth depending on what you intend to plant. Soil samples can be sent or taken to West Experiment Station in Amherst. The soil test order form provides clear instructions on taking a soil test and asks for specific crops that you grow. The more detailed information you provide, the more the results will be tailored to your unique needs. If you plan on using organic methods, note this on the form, as it will affect the advice given. To access the order form and additional information, call (413) 545-2311. The website includes a fact sheet on interpreting the results of your soil test.

It is typically best to do a soil test in late October or early November. Try not to sample the soil when it is very wet or has recently been limed or had fertilizer applied to it. Soils that appear different from one another should have separate samples, as should those where you have seen poor growth.

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 shown in the soil texture triangle to the right)
- 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.
Fact Sheet # 4  Farm Infrastructure

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 determine 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.

Buildings
Consider what types of buildings will be needed for the agricultural enterprise you are considering. Take inventory of existing buildings. Are these in good repair? Are they adequately sized for your enterprise? You may be able to rent facilities, so keep an open mind when inventorying. Also keep in mind more affordable, temporary structures such as hoop houses (also called high tunnels). There are a number of good web sources for learning

Ask yourself:
- Will I have livestock that need housing?
- Will I need storage facilities for livestock feed, equipment, or products that I will produce?
- Will I need a barn or greenhouse, or a structure for washing, grading and packing produce? Is refrigeration needed and will I need specialized facilities for processing?
- Do I want to live on or off the farm?

Read the entire guide at www.nesfp.org/massfarmguide. Contact us at www.nesfp.org, nesfp@tufts.edu, or 978-654-6745.

Last updated 2/24/14
more about hoop structures, including guides to constructing them:

- Hightunnels.org
- Washington State University Extension
- New Entry’s ‘Building a Greenhouse’ video
- High Tunnels: Using Low-Cost Technology to Increase Yields, Improve Quality and Extend the Season from the University of Vermont
- The Hoophouse Handbook: Growing Produce and Flowers In Hoophouse and High Tunnels, part of the Growing for Market series edited by Lynn Byczynski
- Michigan State University’s hoophouse blog

Typically, towns in Massachusetts do not require a permit to put up a simple hoop structure; however if you intend to bring in electricity or large equipment, you will need to use a licensed electrician and may need a permit.

**Power Source**

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 for your needs. Consider having a back-up generator on hand in case of power outages.

**Livestock Fencing**

If you plan to have livestock, you will need fencing. Livestock species vary in their fencing needs; research what type of fencing you will need for your operation, including permanent or moveable fencing. Check with your local USDA Natural Resource Conservation Service (NRCS) Office or Conservation District for technical assistance. NRCS provides funding for fencing under the Environmental Quality Incentives Program (EQIP).
Deer Fencing
Deer are a major limitation to the production of horticultural crops including fruits, vegetables and ornamentals. Increasingly, farmers need to invest in deer fencing in order to successfully grow these crops and minimize losses. For information on deer fencing, check Cornell University’s resources for deer defenses. UMASS Amherst’s vegetable program also has information on avoiding damage to your crops from deer. Deer fencing is sometimes allowed under the EQIP cost share program.

Water Supply
Water resources include streams, rivers, lakes, ponds, wetlands, springs, wells, aquifers and public sources, 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 and for washing crops for market. Livestock owners will need to have a reliable and potable source of water for their livestock to drink. USDA EQIP funds are available to help construct or enhance water supply systems on your farm.

Soil Drainage
Land drainage, the removal of excess water from the soil, increases the productivity of farmland. Most soils with poor drainage cannot be worked until later in the planting season which cuts into the growing season of a crop. Most crops grow best in well-drained soils. Land drainage can be accomplished through a variety of strategies such as ditches, sod waterways or tile drains. You will know if tile drains have been installed in a field because there will be an outlet into a ditch. Make sure outlets are maintained to allow excess water to be removed from a field; avoid draining water onto another person’s property. It is important

Ask yourself:
Is there enough water for my operation?
Is there enough water pressure for your needs?
Is there a way to bring water from its source to where I need it?
Will I 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.
to get assistance from a soil conservationist or engineer when planning a drainage system. Be aware that draining wetlands is illegal, so be sure to consult with your state’s Department of Agriculture to find out if your land qualifies as a wetland or not.

Fact sheet #5 - Financing Farm Operations - includes more details on options for financing your farm operations.

### Additional Resources

The USDA NRCS [Electronic Field Office Technical Guide (eFOTG)] is an excellent resource for identifying conservation practices that may be needed for your farm operation. Landowners should seek assistance from their local NRCS Service Center office, RC&D office, or technical service provider for additional information.

USDA’s [Massachusetts Rural Development Office](https://www.rd.usda.gov/locations/massachusetts) may also have information on helping to fund infrastructure development on your property. Contact them at [413] 253-4300.

The [U.S. Environmental Protection Agency](https://www.epa.gov) has a helpful [website](https://www.epa.gov) dedicated to soil drainage that includes information on best management practices.
Residential Finance or Using Your Own Equity

Almost all banks offer home equity loans and/or other personal loans that you can use for your agricultural business. These may carry higher interest rates than business or farm loans available through the resources below. Be sure to check rates and terms.

Never finance a business using credit cards. Interest rates are extremely high, and if payments are not made, your finances can quickly spiral out of control and negatively affect your credit rating.

If purchasing equipment or supplies (from machinery dealers, feed dealers or grain mills, from supply stores, etc.) ask the vendor about their credit options and terms – they may be more flexible than a commercial bank. Again, be sure you know the interest rates and terms.

When applying for loans, buying land, or looking to expand your farm business, you will need to know your credit history. Massachusetts residents are entitled to one free credit report per year from each of the credit reporting agencies listed below:

Equifax: (800) 685-1111 www.equifax.com

Experian: (888) 397-3742 www.experian.com

TransUnion: (800) 888-4213 www.tuc.com

Resources for Acquiring Agricultural Loans

Farm Service Agency Beginning Farmer and Rancher Program. The USDA Farm Service Agency (FSA) provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain reasonable financing from commercial banks. FSA loans have the lowest interest rates that are fixed at the beginning of the loan period. Loans can cover real estate, operation costs, and investments in machinery and livestock. Eligibility rules apply; check the website or call FSA at (413) 253-4500 for more details. New Entry also offers a basic guide to accessing FSA loans.
The Farm Credit System's Farm Credit East serves farmers in several states, including Massachusetts, Connecticut, and New Hampshire. Farm Credit East is affiliated with FarmStart, which provides up to $50,000 in loans to young and beginning farmers. Farm Credit’s Young, Beginning, and Small Farmer Incentive program (YBS) offers discounts on services such as tax prep, interest rate assistance, and farm accounting. Call [800] 562-2235, e-mail FarmStart@FarmCreditEast.com, or check the Farm Credit East website for more details.

The USDA Rural Development Agency provides loans to rural farmers via its Business and Industry Loans, usually for the purchase of processing equipment or buildings. Contact the Massachusetts office at [413] 253-4300, TDD [413] 253-4590.

Commercial Banks
Few banks have an agricultural lending department. Check with your bank to see if they write agricultural loans. Local banks can typically offer short-term, small loans with relatively low interest rates.

Micro-Enterprise Loan Funds or Revolving Loans Funds for Small Business
The Carrot Project helps small and mid-sized farms in the U.S. Northeast to get the capital they need to expand and enhance their business. E-mail them at info@thecarrotproject.org or call 617-674-2371.

The Massachusetts Department of Agricultural Resources (MDAR) has a Farm Viability Enhancement Program for existing farmers, which provide business planning and financial assistance. Grants may also be available. For more information, contact Craig Richov at [617] 626-1725 or Craig.Richov@state.ma.us.

The Small Business Administration (SBA) offers loans, assistance with bidding on government procurement contracts, and training and technical assistance to small and disadvantaged businesses throughout the United States. The SBA Massachusetts Office can be reached at [617] 565-5590. There are also various county offices available to assist you.

ACCION USA offers loan services to small business entrepreneurs. They have an office located in Boston that can be reached at [617] 625-7080 or [866] 245-0783.

The International Institute of Boston and International Institute of New England offer...
assistance specific to immigrants and refugees in building their financial resources through savings programs and loans. The office can be reached at (617) 695-9990.

Cooperative Fund of New England provides loans to all types of cooperatives. Contact them at (910) 395-6008, (800) 818-7833, or cfne@cooperativefund.org.

Other Financing Options:
Massachusetts Society for Promoting Agriculture provides some financial assistance for sustainable agriculture that benefits the farming community, and preserves farmland and open spaces. Call [978] 468-6338 for more information or visit their website at www.promotingmassag.org.

Individual Development Accounts (IDAs) are savings accounts available based on your income that are matched by either a private or public source. In addition to getting access to the matched savings accounts, participants often also attend workshops on financial management. See MIDAS’s website for more information on Massachusetts programs: http://www.massassets.org/.

Think creatively about alternative funding opportunities, such as seeking community-supported funding, using one of the several crowdsource funding platforms on the internet, promoting your venture on social media, or requesting loans from family members.

Additional Resources:
- Cornell University's Small Farm Program offers business management resources that can help you analyze your business, evaluate alternatives, and make informed decisions.
- NOFA-VT offers financial services and resources to farms.
- The Resource Guide for Vermont’s New and Aspiring Farmers - Accessing Capital for Your Farm Operation
Risk management is the process of recognizing potential problems and developing a plan to prevent or address them. There are several types of risk inherent in farm operations.

**Production**
Weather, pests and disease, input quality, equipment, and production knowledge all affect farm production. To reduce these risks, you might choose to diversify your operation, increase your production knowledge, rotate crops, use irrigation, vaccinate livestock, graze and rotate animals, or improve on-farm crop storage.

**Marketing**
The ability to effectively market your farm products depends on: having or finding a market, securing market space, prices, competition, the ability to communicate with customers, and whether or not buyers will default on contracts. To improve marketing, you can develop a plan based on research on both products and markets, knowledge of your buyers’ needs and wants, and the competition. You might look for a specific niche, advertise and promote your products, sell to a range of buyers, execute sales contracts before planting your crop, or expand the time period in which you sell by using season extension or crop storage methods.

**Human resources and/or labor**
You will need to keep in mind the assistance you will need on the farm, including: the availability of labor (both within and outside of the family), what types of skills laborers will need, the possibility of illness or injury affecting workers, and how to effectively manage workers. It is important to discuss goals as a family, hire help when you need it, train those workers, build your own skills (through classes or a mentor), learn safety guidelines, and purchase health insurance and life and disability insurance.

**Legal requirements**
Laws regarding environmental stewardship, personal liability, zoning, taxes, food safety, and handling of agricultural chemicals will all affect your farm operation. You will also want to consult a farm lawyer regarding sales contracts, make sure you have authorization to
participate in programs such as the Farmers Market Nutrition Program, and maintain proper records for special certifications, such as organic.

**Financial management**
A successful farming business requires the ability to manage cash resources and pay attention to fluctuating interest rates, taxes, credit history, equity, and collateral. To reduce your risk in this area, you could take a financial literacy course, purchase crop insurance, participate in government programs, maintain proper records, build your credit history, and control input expenses by shopping around and looking into group purchases.

Detailed information on reducing these types of risks can be found in additional fact sheets. New Entry offers a plain language [guide to managing risk](http://www.nesfp.org/massfarmguide). USDA’s [Risk Management Agency](http://www.nesfp.org) is also a good general resource.

**Insurance**
Insurance can be purchased to protect your assets from claims and lawsuits that may result from injury to persons or damage to property from accidents that occur on your business premises. Liability is legal responsibility for such occurrences. Effective risk management depends on combined efforts and close communication between you and your insurance company. Look for an agent with whom you feel comfortable, who is well known and respected among farmers, 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.

**Potential insurance coverage to consider for your operation**

**General Liability Insurance:** covers injuries to people while they are on your property and protects you from losses due to 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, housing, equipment, animals, and other farm assets.

Workers’ Compensation Insurance: is required by law if you have employees. Employees are defined as persons receiving some sort of payment, which could possibly include volunteers that get meals or room and board in exchange for their work.

Product Liability Insurance: is 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: for weather, market, fire, pests, and other disasters. Options include: Multiple Peril Crop Insurance (50% yield loss), Adjusted Gross Revenue (50% income loss), or Non-insured Crop Disaster Assistance. See Fact Sheet #8 for more details.

Life Insurance: to help your family in case something happens to the primary income earner.

Health Insurance: for yourself and family to obtain access to preventative care and care in case of illness or injury.

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.

Event Insurance: is a good idea if you plan on hosting festivals or other events on your farm. This may cover cancellation and/or liability.
Here are some ways to reduce your liability beyond purchasing insurance coverage:

- If you have people coming to your farm, keep your property in good repair and maintain good, clear signage. 
  MDAR has more information on signage requirements for pick-your-own (PYO) operations. You can also contact Rick LeBlanc with questions: Richard.LeBlanc@state.ma.us, (617) 626-1759, or (413) 205-5506.

- Minimize or eliminate dangerous situations. This might include: aggressive animals, manure pits, moving vehicles or equipment parts, uneven terrain, etc. Fence off hazards wherever possible. See the Occupational Safety & Health Administration (OSHA) website for details on possible farm hazards.
  - Bio-security is recommended. Biosecurity refers to those measures taken to keep diseases out of populations, herds, or groups of animals where they do not currently exist or to limit the spread of disease within the herd. 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. Food safety regulations will only get stricter over time. See the NSAC blog for updates on the Food Safety and Modernization Act.
  
- 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.

- If you have youth working or volunteering on your farm, refer to OSHA’s eTool for recognizing and avoiding injury on the farm.

Fact Sheet #7 on Liability Insurance will go into greater detail on obtaining insurance.
There are two main types of insurance specifically for farms: liability insurance and crop insurance. See Fact Sheet #8 for information on crop insurance.

Liability insurance is required for all farmers selling crops. Liability insurance protects you from being sued if you hurt someone or damage their property. This type of insurance is required for all farmers who sell at farmers’ markets, make value-added products, and hire workers, and will protect you from financial loss in the event that a customer is hurt on your property or gets sick from eating your products. If such an event were to occur and the customer decided to sue, your liability insurance policy would cover the claimant’s related medical expenses and/or property damage, and the cost of a lawyer. Liability insurance can also provide protection while transporting farm chemicals.

Liability insurance can be covered under one’s homeowner’s insurance policy if the farming activity is a “secondary” operation earning less than $5,000 per year (check with your insurance agent).

Two other types of insurance to consider are comprehensive farm liability policy and the commercial business policy. The farm liability policy is designed to provide liability coverage for accidents that happen on the farm premises. This covers you, your family, your employees, and anyone who is a visitor on the farm as long as the injuries occur in connection with the policy’s definition of “farming.” The commercial business policy is designed to provide liability protection for the types of activities conducted in connection with the farm business, such as selling your farm products or someone integral to the operation becoming ill.

There are many insurance companies that offer liability insurance. Choose one that specializes in liability insurance for farmers. One company in Massachusetts is the Farm Family Casualty Insurance Company, located in Northborough. Farm Family’s Special Farm Package 10® [SFP 10®] provides many insurance choices. Talk to an agent and explain what you plan to do to learn about the best type of insurance to protect you and your assets. Many times the cost of the insurance premium is related to your income from farming.

*Note that in order to be eligible and to receive discounts on some types of farm insurance, you need to be a member of the Massachusetts Farm Bureau.*
**Farm Owner’s Insurance:** Like a home owner’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 while participating in activities such as harvesting crops or taking hayrides. Make sure your general comprehensive policy covers product risks or purchase product liability insurance.

**Farm Employee Insurance:** Employers are required to carry workers’ compensation insurance for all employees, including family members. Insurance can be purchased from private insurers or an employer can form/join a self-insurance group if they meet various requirements and post bond. To assess insurance rates in Massachusetts, call the Workers’ Compensation Rating and Inspection Bureau at (617) 439-9030.

**Health Insurance:** As of July 2007, all Massachusetts residents are required to have health insurance coverage. All Massachusetts employers with 11 or more employees are obligated to offer a health plan to their workers and to make a contribution to that plan. There are penalties for individuals and employers who do not purchase health insurance or offer it to employees. To learn more about obtaining affordable health insurance, see the Massachusetts Health Connector [website](http://www.mass.gov) or call (877) 623-6765.

**Massachusetts Farm Liability Insurance Contacts**

**Farm Family Casualty Insurance Company**
Phone: (508) 393-9327 or (800) THE-FARM (843-3276)

**Massachusetts Farm Bureau Federation, Inc.**
Phone: (508) 881-4766

**Farm Family Insurance**
Phone: (518) 431-5000
Fact Sheet #8  Crop Insurance

There are two main types of insurance for farms: liability insurance and crop insurance. [See Fact Sheet #7 for information on liability insurance.]

Crop insurance is optional and protects the value of your crops in case of a disaster that you cannot control (hail, drought, too much rain, freezing, heat, disease, etc.). Crop insurance is now available for more than 76 different crops. Commodity crops covered by crop insurance in Massachusetts include apples, clams, cranberries, peaches, potatoes, sweet corn, tobacco and winter squash. Unfortunately crop insurance needs to be purchased for each crop separately, which is not practical for many diversified small scale farms. Crop insurance is available through private crop insurance agents. Coverage for a crop must be arranged before its sales closing date. Crop insurance is overseen by the USDA Risk Management Agency. Check the website for details or call the regional office for information: [919] 875-4880. Also consult the FarmNet Publication: Do I Need Crop Insurance? [EB 2004-03]. Call [800] 547-3276 to request a copy.

Catastrophic Risk Protection (CAT): is the minimal level of crop insurance available. CAT is activated when you have sustained at least a 50% loss in yield and provides protection equal to at least 50% of yield at a rate of 55% of the expected market price. The Federal government pays much of the cost for this insurance. Farmers may have to pay a small fee, but sometimes there is no charge depending on your income. A crop insurance agent can determine this for you.

Non-insured Assistance Program (NAP): For crops not covered by the above, the Farm Service Agency’s NAP covers your crops at a similar level to CAT. You must apply for NAP before you plant, so in many ways it acts similarly to insurance. Also, you need to give the local Farm Service Agency a production and acreage report each year.
**Adjusted Gross Revenue-Lite (AGR-Lite) Insurance:** This “whole-farm” insurance protects all the money you would normally earn in a year on the farm. It protects you against low farm income if a natural disaster hits or if your marketing fails. Most farm-raised crops, animals, and animal products are eligible for this insurance. AGR-Lite can be used with other Federal crop insurance plans. If you buy more than one type of crop insurance, your AGR-Lite premium will be lower.

**How AGR-Lite works:** You must file farm income taxes to be eligible, since the program uses the revenue you report on your federal taxes over 5 years. It also covers more than one crop by protecting all your farm income. To be eligible for AGR-Lite coverage, you must:
- Be a U.S. citizen or legal resident
- File a farm tax return
- Have less than $1 million in gross income
- Have your IRS tax forms available for the past 5 years
- Purchase by March 15th each year

For the most up-to-date information, check the USDA Risk Management Agency’s Agent Locator.
Fact Sheet #9  Farm Vehicle Regulations

**Farm Vehicle Registration**
Farm license plates are required to move equipment on public roads. However, in order to be eligible to get farm license plates, you need to own two or more farm vehicles or implements for your operation and farm at least five acres of land. Passenger vehicles, including sport-utility vehicles, are not eligible for farm plates.

You can apply for farm plates at the Massachusetts Registry of Motor Vehicles (RMV), Section 5 Division (the RMV can be reached at (617) 351-4500 or (800) 858-3926). It will take approximately six to eight weeks to receive farm license plates once you have applied. You will need to provide some sort of proof of farm income and the Schedule F tax form for the application. The process also includes a site visit by the State Police Compliance Unit. For more information and to download an application form, see the RMV's farm plate information page.

**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, most farm vehicles, and most construction equipment. If the vehicle travels at a speed slower than 25 miles per hour, a slow moving emblem must be affixed. The triangle should be pointed up and as close to the center of the back of the vehicle as possible. These signs fade with time, so it is recommended to replace them every 2-3 years.

For more information on this subject, the Massachusetts Farm Bureau has detailed guides. Call them at (508) 881-4766 or visit the Farm Bureau website and look under the “Brochures & Publications” section on the left of the page.

When considering driving out of state with your farm vehicle, be sure to check with your insurance provider to confirm coverage and check with the other states to make sure you can do so. Some states will accept Massachusetts farm plates, while others, such as Maine, will not.
If on a public highway after dark, vehicle requirements include:

- brakes
- 2 white headlights on front of tractor
- one red tail lamp at the farthest end [tractor or implement] and as far to the left as practical
- 2 amber combined hazard warning and turn signal lamps at least 42 inches high, 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.
- 2 red reflectors at the rear of the implement

Exceptions

Farm vehicles are exempt from over-wide but not over-weight requirements. A tractor, trailer or truck may be operated without registration, but not without an inspection, under certain circumstances:

- for less than one-half mile, if that tractor, trailer or truck is used exclusively for agricultural purposes.
- between one-half mile and 10 miles if that tractor, trailer or truck is used exclusively for agricultural purposes and the owner maintains insurance liability on the vehicle.
Massachusetts has a system of “home rule” whereby cities and towns can enact charters and adopt certain local ordinances (often called bylaws) beyond state or federal law. Thus, laws can vary by municipality and may impact your farm business in different ways. The following are some general guidelines to consider for farming.

**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. If the site is already zoned for agriculture, then permits or variances for farming and marketing may be unnecessary or easy to obtain. If the site is zoned for mixed use, including residential housing, then permits may be more difficult to obtain and will have to be accompanied by a detailed plan. Also, objections to farm activities (noise, smell) by neighbors may occur. The zoning laws vary from town to town so check at the town or city hall for accurate information. For example, the city of Lowell has its zoning ordinance online.

All towns have a web address and a simple internet search can locate any of them. Many of the websites have links to the city planning departments and zoning ordinances.

**Agricultural Zoning Districts**

Farms located in certified agricultural districts are generally exempt from many local and some state regulations. Contact your county planning or assessment departments to see if the property you own is in an agricultural district. If you are not located in a certified agricultural district then you must comply with local regulations.

**Right to Farm Laws**

The Commonwealth of Massachusetts has a law that protects farmers against nuisance lawsuits and protects their right to farm, provided that sound agricultural practices are followed. Many municipalities also have right-to-farm bylaws with additional provisions meant to protect farmers. Check with your town officials to see if such a law exists in your town.
municipality. If it does not, the Massachusetts Department of Agricultural Resources (MDAR) provides a model bylaw for localities to adopt. Many towns have Agricultural Commissions that can help advocate for such an ordinance and MDAR provides some guidance on establishing more of these commissions.

**Farm Neighbor Relations**
A good strategy to avoid problems that may arise from farm nuisance lawsuits is to let your neighbors know what you are doing on your farm and what to expect. If you have to operate on a tractor or with heavy equipment 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 new neighbors will have limited or 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 and why it is important. The Farm Friendly Neighbor website has great resources for farmers, neighbors, and agricultural commissions on avoiding and working through conflicts.

**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 information in case the animals get out or if they see something amiss. Post warning signs if you use electric fences to keep your livestock contained.

**Riparian Rights**
The riparian area is land that buffers water, providing ecological benefits such as water filtration. It is especially important to maximize native vegetation and minimize animal use of these areas. If your property includes a waterway, you have the right to use a reasonable amount of water, but you are also 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. In Massachusetts, if you plan to withdraw 100,000

Read the entire guide at www.nesfp.org/massfarmguide. Contact us at www.nesfp.org, nesfp@tufts.edu, or 978-654-6745.
gallons of water per day from any water source, you must apply for a permit. If you think this may apply to you, contact the Department of Environmental Protection at [617] 292-5500.

**Landowner Liability**

This is a very complicated issue and the best protection is risk management, insurance, and posting. For example, while trespassing is illegal, it is also illegal for the property owner to harm the trespasser. If a trespasser drowns, the landowner is NOT liable, however, if the person was given permission to swim in a pond, the landowner may be held liable. If you give permission to someone to use your land for any purpose (including for a pick-your-own operation), it is advisable to warn them of hazards on the property. See Fact Sheet #7 on Liability Insurance for details on this and other types of protection.
Many normal farm activities are exempt from environmental regulations. However, it is helpful to know what laws may impact your farm operations. These regulations tend to change frequently, so it is best to keep in contact with government officials or others who can assist you in complying with them. There are also a number of best management practices (BMPs) you can use to limit your farm’s impact on the environment:

- Practice wise fertilizer use and pesticide use. See Fact Sheet #12 on pesticides.
- Use Integrated Pest Management (IPM) techniques.
- Consider simple manure management practices, such as installing fences to keep animals away from water sources.

**Water Quality and Conservation**

Listed below are some of the most common regulations that may impact your farm operation; contact the appropriate agency if you have questions about how the regulations may apply to your operation.

**Wetlands Protection Act Regulations**

If your farm is in the vicinity of a wetland, you may be affected by the Wetlands Protection Act Regulations. The Massachusetts Department of Environmental Protection (DEP) and Conservation Commissions are responsible for enforcing these regulations. The purpose of the Act is to preserve wetlands as a means of protecting public and private water supplies, wildlife habitat, and fisheries, as well as preventing flood and storm damage. To learn more about the Wetland Protection Act Regulations, contact the Conservation Commission for your city or town.

In general, activities related to the normal maintenance or improvement of land in agricultural or aquacultural use are exempt from the Wetlands Protection Act, provided they do not involve removing, filling, or dredging a salt marsh or filling in nearby flood-prone land. Some activities that may be subject to the rules include:

- Construction of farm buildings larger than 4,000 square feet
- Switching from maple sap or other forest products to crop or livestock production
- Construction, reconstruction or expansion of dykes, ponds and/or bypass channels

In order to alter waterways in or near a wetland, you will need to have a conservation plan certified by the Natural Resource Conservation Service (NRCS) and present the relevant portion to the Conservation Commission for their review.

**Confined Animal Feeding Operations** (CAFOs) are required to have nutrient management plans if applying manure to fields. For more information on CAFOs, see the
NPDES website or contact the regional CAFO specialist at (617) 918-1065.

**Water Quality Regulations**
Massachusetts has special regulations for areas that are important for supplying well water for drinking. These are called Zone II areas. If you are in a Zone II area, you must store your manure or fertilizer in a covered, contained storage area. Use of pesticides on the Groundwater Protection List may also be limited in these zones, depending on the amount of plant cover on the land. See MDAR’s “Water Quality and Pesticides” webpage for details. To find out if your farm is located within a Zone II, check the DEP’s Water Supply Protection Areas map or contact your local DEP office.

**Water Conservation**
You must register with DEP in order to withdraw an average of more than 100,000 gallons of water per day from surface or ground water. If you think this may apply to you, contact DEP at (617) 292-5500.

**Composting**
Composting is a generally accepted agricultural practice. However, if you plan on using off-farm materials for compost on your farm, you will need to get a permit from MDAR or DEP. For information on the types of materials allowed under MDAR’s permits and to download an application form, visit the department’s website or contact the department at (617) 626-1700.

**Hazardous Materials**
Spills or releases of oil or other hazardous materials into the environment should be reported immediately to DEP in order to minimize potential environmental and human health impacts. Contact your local DEP office if you have any concerns in this area.

**Air Quality**
DEP implements air quality regulations, some of which relate to farm operations. For example, open burning is generally prohibited, but may be allowed for agricultural purposes such as pruning and disease control. Check with your local fire department to obtain a permit. Also, farm operators, particularly for large operations, must take care that any dust or odor generated is minimized so as to avoid causing or contributing to air pollution.
Special Plant Permits
Certain exotic plants can pose a threat to the environment. For example, water spinach (Ipomoea aquatica) is an aggressive plant that can invade waterways and has become an invasive species in the Deep South of this country. For this reason, in order to legally grow this crop in Massachusetts, you must have a valid PPQ 526 Permit from APHIS. New Entry has detailed information on the water spinach permitting process.

Funding is often available from MDAR (AEFP) and USDA (EQIP, CSP, etc) for environmental protection measures. See Fact Sheet #32 on Grant Opportunities for more information.
Fact Sheet #12 Pesticides and Chemicals

When using pesticides, the label is the law – make sure you read it!

Pesticides are registered with the US Environmental Protection Agency and the Commonwealth of Massachusetts. They may be classified for general use, restricted use, state limited use, or special local need (only allowed in certain situations).

Always use pesticides according to the directions on the label – read the label when choosing a pesticide and before mixing, applying, storing, or disposing of the product. See the next page for an example of a pesticide label. Read this brochure for more on pesticide labels.

Pesticide labels include:

- Brand name, type of pesticide, and danger level
- Active chemical ingredients
- Instructions for use such as how and when to mix and apply the product, what protective equipment to wear, and emergency/first aid procedures
- Storage and disposal instructions
- Time before you can go back into the field (re-entry interval) and days you must wait before harvesting (days to harvest)
- Name and address of manufacturer
- A statement telling you if the product is a restricted use pesticide
Example of a Pesticide Label

Source: University of Missouri Extension
Groundwater Recharge Area
If your farm is located in a primary groundwater recharge (Zone II) areas, you may need to follow special rules when using fertilizers and pesticides. In order to apply pesticides in these areas, the Massachusetts Department of Agricultural Resources (MDAR) must first approve an integrated pest management (IPM) program and a pesticide management plan for your operations. To find out if your farm is located within a Zone II, check this map or contact your local DEP office.

Certification to Apply Pesticides
People that apply or supervise the application of restricted use pesticides must be licensed or certified at least every three years. This requires passing an exam, taking classes periodically, reporting pesticide use to MDAR, and having insurance coverage. For more information on pesticide applicator licensing and certification, see the MDAR Pesticide Bureau website. Chemical fertilizers should be purchased from a licensed distributor, but you do not need a permit to use them.

Storing Pesticides
Pesticides and fertilizers should be stored separately. Pesticides should be separated by type - insecticides, weed killers, fungicides- to avoid cross contamination and possible accidental misuse. Flammable and non-flammable pesticides should be stored in separate areas. Pesticides should never be stored alongside food, feed or seed. The storage area should be locked at all times, if possible, and identified as a place of pesticide storage. The storage area should be well ventilated either by windows or a fan to avoid the build up of fumes.

A Note about Organic
It is important to remember that organic chemical inputs are still chemicals. It is just as critical to follow rules and instructions for organic materials as it is for non-organic ones.
Fact Sheet #13 Forest Land Resources

Assistance for Forest Owners
Woodlands are a valuable asset that can provide harvestable timber, firewood, and agroforestry products, including maple syrup and edible mushrooms, when properly managed. Silvopasture is healthy forest management that includes livestock rotation.

Here are some good starting points to learn about forest resources and management:

- The New England Forestry Foundation provides educational resources on conservation and sustainable forestry.
- Cornell University Cooperative Extension’s Forest Connect provides educational resources for forest owners, loggers, and educators.
- Massachusetts Forest Landowners Association hosts workshops and has written publications about forest management.
- Massachusetts Department of Conservation and Recreation’s Bureau of Forestry has resources on forest health, lumber marketing, and urban forestry, as well as contact information for state foresters who can answer your questions.
- Massachusetts Department of Conservation and Recreation’s Forest Stewardship Program is an educational non-regulatory program designed to help landowners protect the ecosystem values of their forest.
- Rainforest Alliance’s SmartWood Certification sets the international standard for credibility in auditing environmentally and socially responsible forestry.
- Forest Stewardship Council coordinates and certifies sustainable forest management standards throughout the U.S.

Getting Technical Advice
The Department of Conservation and Recreation’s Bureau of Forestry has Service Foresters available to assist you in understanding forest management options free of charge. To find a Service Forester near you, check the Bureau of Forestry’s website or call [800] 783-2311. For additional assistance, you may employ a licensed private forester, who can help with development of forest management plans required for participation in the Forest

Read the entire guide at www.nesfp.org/massfarmguide. Contact us at www.nesfp.org, nesfp@tufts.edu, or 978-654-6745.
Stewardship Program. Private foresters can also serve your needs if you wish to negotiate the sale of your timber resources. UMASS Amherst has information on why you might choose to use a private forester.

**Forestland Tax and Regulations**
Massachusetts has tax rates specific to certified forest land. Under the Forest Land Tax Law (Chapter 61), an incentive is provided for ten-year management plans on forest lands. The Massachusetts Forest Cutting Practices Act (Chapter 132) and associated regulations set forth practices for the sustainable maintenance of forest resources.

**Purchasing Tree Seedlings**
The National Nursery and Seed Directory allows you to search for seed and seedling providers by location. Also try your local Conservation District, as many sell tree seedlings. If you are interested in seeds and not seedlings, check out www.directseeding.org. Finally, some members of the Massachusetts Tree Wardens and Foresters' Association also sell seedlings and small trees for transplant.

**Agroforestry Options**
Interested in knowing the potential of your woodlands for products other than timber and firewood? Check out the following websites for details:

- Cornell’s How, When, and Why of Forest Farming Resource Center will introduce you to principles and practices of forest farming.
- Cornell’s Agroforestry Resource Center supports integrating timber production with other crops and forest related income opportunities.
- Cornell’s Introduction to Silvopasturing in the Northeast
- ATTRA’s Agroforestry Overview provides background on agroforestry principles.
- Massachusetts Maple Producers Association’s website
- Massachusetts Forest Landowners Association’s Becoming a Tree Farmer explains the process of becoming a certified woodlot owner.
- Northeastern Area Association of State Foresters’ A Forest Landowner’s Guide to Internet Resources

Last updated 2/24/14
Read the entire guide at www.nesfp.org/massfarmguide. Contact us at www.nesfp.org, nesfp@tufts.edu, or 978-654-6745.
What is a Business Plan?
A business plan is a document that summarizes the operational and financial objectives of a business and contains the detailed plans and budgets showing how the objectives are to be realized.

A good business plan will contain the following:

- Resume(s) or brief explanation of your background, relevant experience, and human resources
- Information on your legal structure and management team
- Current balance sheet
- Your business vision, mission statement, key values and goals
- Production plans
- Marketing plans
- Estimated start up costs
- A projected income statement with a written explanation of your budget assumptions
- A projected balance sheet with a written explanation of your budget assumptions
- A sensitivity analysis showing the business’s break-even points
- The business plan should be less than 10 total pages in length

In addition to the farm business planning courses New Entry offers, there are a number of materials and organizations available to assist in developing your business plan. Below is a sampling of these resources:

Helpful Resources for Writing a Business Plan

New Entry Sustainable Farming Project
- New Entry offers a Farm Business Planning Course twice every year in the fall (October - December) and winter (January - February). The course meets one evening a week for 8 weeks, and costs $400. Tuition waivers (between $80 - $320) may be available depending on need. New Entry accepts applications online here.
Publication by Sustainable Agricultural Research Education (SARE)

- **Building a Sustainable Business** - A great resource for beginning farmers interested in alternative, sustainable, and/or conventional agriculture. It contains 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.

Getting Help Writing a Business Plan

- Richard Wiswall’s **The Organic Farmers’ Business Handbook** can help farmers improve their business and financial management to achieve sustainability.

- Massachusetts Department of Agricultural Resources’ **Agricultural Business Training Program** - Provides assistance in business planning, reaching markets, supporting loans, financial planning, and other skills through training and technical assistance, including classes in starting a small farming business.
  
  **Contact:**
  
  251 Causeway Street, Suite 500, Boston, MA 02114-2151
  
  **Phone:** (617) 626-1700

- **Merrimack Valley Small Business Assistance Center** - Provides entrepreneurs from ethnically and economically diverse groups with the education, tools, and resources necessary to create, sustain, and expand small businesses and to assist, stabilize, and grow existing businesses through education and technical support. Services include entrepreneurial support, education, crisis intervention, and technical assistance.
  
  **Contact:**
  
  88 Middle Street, 2nd Floor, Lowell, MA 01852
  
  **Phone:** (978) 382-8400

- **Massachusetts Small Business Development Center Network** - Provides advisory services and training with eight advisory centers around the state.
  
  **Contact:**
  
  MSBDCC State Office at UMass Amherst
  
  227 Isenberg School of Management, University of Massachusetts
  
  Amherst, MA 01003
  
  **Phone:** (413) 545-6301

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**Last updated 2/24/14**

Read the entire guide at [www.nesfp.org/massfarmguide](http://www.nesfp.org/massfarmguide). Contact us at [www.nesfp.org](http://www.nesfp.org), [nesfp@tufts.edu](mailto:nesfp@tufts.edu), or 978-654-6745.
The Massachusetts Department of Agriculture - Offers a course originally designed by the New England Small Farm Institute called “Exploring the Small Farm Dream” to help aspiring farmers to learn what it takes to start and operate a farm. Contact: Rick Chandler, rick.chandler@state.ma.us

Federal Small Business Administration – Their Boston office provides counseling services and loan guarantees, and specializes in working with women, people of color, veterans and businesses involved in international trade.

SCORE “Counselors to America’s Small Business” – Offers free advice and training using experienced volunteers. Find contact information for the five MA SCORE chapters below. Cape Cod: capecodscore@verizon.net Worcester: info@scoreworcester.org Boston: Boston-SCORE-20@verizon.net Western Massachusetts: score@stcc.edu Southeastern Massachusetts: 508-587-2673
• Community Involved in Sustaining Agriculture (CISA) - Offers a Women in Agriculture workshop series that covers topics including whole farm planning, increasing farm profitability, financial planning, creating a marketing plan, and soil fertility basics.
  Contact:
  Devon Whitney Deal, devon@buylocalfood.org
  Phone: (413) 665-7100, ext. 22

• Greenfield Community College offers Farm and Food Systems courses in topics such as permaculture, beekeeping, four season farming, and organic farming. Classes in food preservation & storage and wild foods are also available.
  Contact:
  Abrah Dresdale, dresdalea@gcc.mass.edu

• The Farmer’s Library, a project to gather and publish technical information relevant to farming, released its first guide in May 2012 called Small Farm Equipment.
  Contact: Jon Magee, jon@thefarmerslibrary.com
  Phone: (413) 512-0504

• The NOFA/Mass Beginning Farmer Program offers young farmers and those who are coming to farming from a diverse range of careers to engage in educational opportunities appropriate for their current stage of professional farming development.
  Contact:
  Suzy Konecky, suzy@nofamass.org
Fact Sheet # 15  Business Structures

Registering Your Business Name
It is recommended, but not required, that you protect your business name by registering it with the Massachusetts Secretary of State’s Office. A form may be obtained by calling [617] 727-2850 and involves a fee of $50. This helps prove the existence of your business in addition to preventing other businesses in the county from using your business name. A separate employer identification number [SS-4 form, also called a tax ID number] from the IRS only takes a few minutes to get and also helps to create separation between you and your business. It may be required, and it is a good idea, to open a business checking account.

Business Structures – Legal Organization
There are eight different business structures legally recognized in Massachusetts (excluding organizations such as churches and non-profits). While most businesses start out as sole proprietorships or general partnerships, they may eventually find benefits to legal liability and tax consequences of operating under a different structure. Each business structure has pros and cons, including different taxes and filing fees or benefits. Check the Mass Housing and Economic Development Website for updated specifics.

A brief description of each structure:

- **Sole Proprietorship** – The simplest form of organization. The business may have a number of employees or hired persons, but a single proprietor owns, runs, and manages the business. 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 and income from your business is reported to the IRS as part of your personal income and taxed accordingly.

- **General Partnership** – A partnership agreement between two or more sole proprietors. No paperwork is needed to form this business and partners have unlimited liability. Partners divide responsibility for management and liability as well as the shares of profit or loss according to their internal agreement. Equal shares are assumed unless there is a written agreement that states differently.
• **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. A limited partnership must have at least one general partner who handles the management of the business and who is fully liable for all partnership debts and obligations. This form of ownership is not often used for operating retail or service businesses. Forming a limited partnership is more complex and formal than that of a general partnership.

• **Limited Liability Corporation (LLC)** – A partnership offering the limited liability of a corporation and tax efficiencies and operational flexibility of a partnership. Limited liability means that the owner’s financial liability is limited to a fixed sum, usually the value of the owner’s investment. Paperwork must be filed with the state to establish this form of ownership and management meetings must be held. This is an increasingly common business structure for farms since it limits and separates the liability of the farmer from the farm.

• **Limited Liability Partnership (LLP)** – Like a LLC, a LLP provides limited liability for its owners, while retaining the tax advantages of a partnership. In an LLP, one partner is not responsible or liable for another partner’s misconduct or negligence. Limited liability means that the partners’ financial liability is limited to a fixed sum, usually the value of the partners’ investments. However, it operates like a regular partnership and is not required to file articles of organization with the Secretary of State’s Corporation Division, only to register with the Commonwealth.

• **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.

• **Business S Corporation** – A corporation that is operated like a partnership and offers limited liability to shareholders. Paperwork must be filed with the Commonwealth to establish this form of ownership and management meeting must be held.

• **Cooperative** – An organization owned by members who contribute equity toward the business and share in profits generated. This is 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.
How will you know if your operation is making money?

**Cash Flow, Net Worth** and **Profit** are the three pillars that sustain a business. All need to be positive for a business to thrive in the long run.

**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:

\[
\text{start-up money + cash from operations + borrowed money = cash paid on expenses + debt payments + end of year money}
\]

In many 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. They are crucial to long term profitability.

**Net Worth** tracks your investments in the farm. It is also called the Balance Sheet.

\[
\text{Net Worth} = \text{everything the business OWNS} - \text{everything it OWES}
\]

\[
\text{Your Ownership} = \text{assets you manage} - \text{what you owe}
\]

\[
\text{Equity} = \text{assets} - \text{liability}
\]

Some assets, such as land, gain value over time. This is called *appreciation*. Some assets, such as equipment, lose value over time. 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. In simple terms, this is how much you really own versus how much the bank or other entities own.

**Profitability** is measured with the Income Statement. It is the result of your operation’s work, decisions, and return on investment. Profitability is harder to track as it blends cash flow and investment decisions. It also makes...
Profit = value of production – cost of production

adjustments for family-related withdrawals, “free or family” labor, and return on investment.

Some examples of High 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
• Farmer doesn’t pay him or herself for labor

Some examples of Low 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)
• Farmer pays labor (including their own) fairly and equitably

Methods of Accounting
For your tax return you may want to use cash accounting, but for profitability you want 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. 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
No bank lender would allow you to borrow money without interest, yet many farmers “lend” their farm business money without collecting interest. If you had invested your money in the stock market, for example, you would earn dividends on your money. Should you not also earn interest on the money you invest in your farm? You should plan to pay yourself 3% minimum return on your equity invested on your farm.
Calculating the Value of Labor and Management

- What is the value of your efforts on the farm?
- What is the “opportunity” for you to work elsewhere?
- What could you earn if you worked elsewhere in a similar job?

Farm manager’s role in financial management

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, invest in the assets to implement the plan, set priorities, and evaluate the results so they can adjust the plan if needed.

Enterprise Budgeting

Partial budgeting helps farmers make decisions for specific investments that may not affect the whole farm operation. It focuses only on the changes in income and expenses that would result from implementing a specific alternative. Thus, all aspects of farm profits that are unchanged by the decision can be safely ignored. For example, by shifting some land out of beef production to pork production, your business may make more money on pork products, but lose money on other meats. What matters is the overall profit when revenues and losses are considered. This will help you decide how much you can invest in a specific enterprise and the impacts on other parts of the business. A great guide to resources for developing a business plan and creating enterprise budgets (including links to examples) can be found on beginningfarmers.org.
Enterprise Budgets

Know Where Your Profits Come From

Whether you are a beginning or established farmer, it is a good idea to establish enterprise budgets for all of your ventures to compare their profitability. An enterprise budget is a detailed account of revenues and expenditures for a particular crop or product. For example, a farm that produces lettuce greens, tomatoes, fresh cut flowers, and free-range poultry consists of four different enterprises that have different revenues and costs. By creating four enterprise budgets, a farm operator can discover which products are bringing in the most profit, and sometimes can reveal that the farm is incurring a loss by producing a product.

Variable Costs

Variable costs are out-of-pocket expenses that fluctuate based on production volume, including inputs such as seeds, fertilizer, fuel, repairs, and labor.

Fixed Costs

Fixed costs are costs associated with infrastructure and machinery, and they don’t vary from season-to-season with changing production levels. These include the cost of owning or renting land, property taxes, housing, hazard insurance, and depreciation. Because these often involve a large initial investment, these costs are often prorated over a number of years. Depreciation is the loss of an asset’s value as it ages.

Calculating Depreciation

1. Cost of the asset $6,000
2. Estimated salvage value (how much do you expect to recover when you dispose of, sell, or trade in the asset?) $500
   \[ \text{[depreciable value]} = \text{[depreciable value]} \]
3. Estimated useful life (in years, months, working hours, or units produced) ÷ 10 years
4. Divide total depreciation by useful life* =
   \[ \text{[depreciation expense]} = \text{[depreciation expense]} \]

*Consider obsolescence when calculating useful life. For example, if the machine is capable of producing units for 20 years, but will become obsolete after 10, the useful life should be 10 years.
Joint Costs
Any farm operating more than one enterprise has joint costs. These are usually fixed costs that are common to multiple ventures, such as depreciation of planting equipment that is used for more than one crop.

Revenues and Returns
Revenues, or receipts, are calculated by multiplying estimated yield by the projected price. Once you have figures for total gross revenue, fixed costs, and variable costs, you can figure out if your enterprises are profitable.

Online Enterprise Budget Resources
There is a wealth of enterprise budgets for various crops, livestock and other products online. These templates can be extremely helpful in getting you started with enterprise budgeting. Many of them include estimated costs and prices, which can be useful if you are starting a new and unfamiliar enterprise. However, it is critical to adjust the information for your situation as much as possible. A budget is only as good as its assumptions, and cost assumptions can vary immensely based on geographic region, access to markets, and production methods.

Agricultural Marketing Resource Center has enterprise budgeting tools for a wide variety of crops and livestock production.

Cornell University’s Northeast Beginning Farmers Project provides information on calculating profitability and example enterprise budgets.

North Carolina State University Cooperative Extension Service’s collection of enterprise budgets for fruits, herbs, livestock, nuts, ornamentals, seafood, and vegetables.

Pennsylvania State Extension provides blank templates for a typical crop enterprise budget and a typical livestock enterprise budget.

Iowa State University provides enterprise budgets for vegetables, field crops, aquaculture, forestry, fruits and berries, and livestock.

University of Vermont Enterprise Budget Fact Sheet

New Entry Sustainable Farming Project’s Poultry Profit Calculator will help you compare the costs of processing your own birds in New Entry’s mobile poultry processing unit versus an off-farm slaughter facility.

Ohio State University provides enterprise budgets for corn, soybean, wheat, alfalfa, and livestock.
Record Keeping is Good Business
At a minimum, your farm will need a record keeping system for tax and legal compliance; 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 planting decisions and crop variety decisions for the coming year. Many record keeping tools are available from Cornell University. Growing Small Farmers, from North Carolina Cooperative Extension, also has a number of record keeping resources.

Paper Records
Small farms and many businesses just starting out find the shoebox method of accounting to be a good fit. This involves keeping all sales receipts in one folder, expense receipts in another, maintain a capital asset depreciation log, and creating additional folders for farm yield or other data important to the year as needed. The advantage of this system is that it is simple and easy to do. The disadvantage is that it may not be easy to sort through piles of paper if they are not organized and do all calculations by hand.

Farm Account Book
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.

Cornell Cooperative Extension has a Farm Account Book for sale for $7.50. To order the Cornell Farm Account Book, call (800) 666-2211, e-mail orderbook@cupserv.org.

Accounting and Record-Keeping Software
Many full-time farms use a computer accounting system. The most common computer bookkeeping software is Intuit’s QuickBooks software. Because Intuit offers several packages depending on the size of the business and level of functionality, the price ranges from $179
to $1,000. There are also more expensive programs specifically designed for dairy farms or wineries, for example.

An online program called AgSquared provides planning, management, and record-keeping tools that work together to help farms run more smoothly. The streamlined system allows farmers to create crop plans that can automatically generate daily task lists to keep them on track. Those lists can then serve as a base for recording information such as labor, costs, and yields. AgSquared offers a 30-day free trial, after which the program costs $99 per year. Their website offers webinars and training videos to help users make the most of the system.

The advantage of a computer program is that it allows for easy entry, storing, and sorting of data. Often with one entry of an expense into the software, it can generate a check and perform all record keeping functions, which can save time. Doing taxes at the end of the year can be as simple as pressing a button and the program can generate instant financial statements for the farm business.

The disadvantage is that these programs can be expensive, they may require a high level of computer skills to use, and it may take several months to years to fully understand the program. If you have a small operation it might not be worth the time and expense to set up a computer records system. If you do want to use a program, it is helpful to seek training opportunities or classes specific to that program. A selection of training opportunities is listed below:

- Classes offered by Mass*Net, the Massachusetts Community Colleges’ statewide workforce training program. Find out if your local community college offers the training you need here
- Online Quickbooks classes [i.e. those offered by Greenfield Community College]
- Free Quickbooks training videos
- Quickbooks training offered by Real World Training

Farm Records Service
Some farmers choose to mail all invoices and receipts to an accounting service where the accountant enters the information into a computer records system. These services provide you with detailed monthly business statements and perform all tax functions. The advantage of this system is that it provides a high level of recorded information for a person who does not have the time, understanding of accounting, or computer skills. The disadvantage is that this system is expensive and the monthly business statements take a few weeks to process and return. It is important to find a bookkeeper or accounting service who is familiar with farm business.
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 when the money actually changes hands while in accrual accounting, you report the income and expenses at the time they occur, regardless of if money is exchanged at that time or at some time in the future.

Cash accounting versus accrual accounting example
You fill the fuel tanks at your farm with $5,000 of fuel in 2006 and at the end of the year, the tanks still have $3,000 of fuel in them. Cash accounting principles require you to report a $5,000 expense on your 2006 income tax return, while accrual accounting principles requires you to report the expense as $2,000 only. If you purchased the fuel on credit and did not pay the bill in 2006, you would not report any expense on your tax return using the cash method. However, you would report the $2,000 expense using the accrual method, which requires you to report the expense when the asset was acquired.

For detailed information on filing Farm Income Taxes, get a copy of IRS Publication 225 Farmers Tax Guide. Also check out IRS’ Agriculture Tax Tips website. Oregon State University’s Extension website has an easy-to-understand page on filling out the Schedule F form to report net farm income or loss. Programs like Turbo Tax and H&R Block are built for easy use, though not necessarily for farmers, and can be a good place to start.
Depreciation

Depreciation is the reduced value of an asset with an expected useful life of more than one year. The number of years that you must take to depreciate an asset and how you can claim it on your tax records 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 goes into detail on how to depreciate common farm property.

### Depreciation 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 three to seven years, or the life of the tractor.

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.

### Capital gains 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.

Massachusetts Income Tax

Farmers filing Federal Schedule F forms should transfer the information to Massachusetts Form 1 if filing an individual return. Information from Federal Schedule C forms or federal corporate tax returns should be transferred to Massachusetts Schedule C before being transferred to Form 1.

**Helpful Resources for filing Massachusetts income taxes**

Massachusetts Farm Energy Discount Program: Subject to certification by MDAR, farmers may be eligible for a ten percent discount on energy rates. Check out their website for more details or contact the office at (617) 626-1733.

Read the entire guide at www.nesfp.org/massfarmguide. Contact us at www.nesfp.org, nesfp@tufts.edu, or 978-654-6745.
Dairy Farmer Tax Credit Program: Under the 2008 Dairy Farm Preservation Act, dairy farmers are eligible for an income tax credit for any month in which milk prices fall below a “trigger” price established by MDAR.

See the Massachusetts Department of Revenue website for more information on filing state income taxes as an individual and as a business.

**Accountants Serving Massachusetts Farmers’ Tax Needs**
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**Property Taxes - Chapter 61A**
If more than five acres of land are in active agricultural use that land can be taxed at a lower rate. This is an important benefit for maintaining land in agricultural production. Find more information here.
Sales Tax Exemption
Under Chapter 64H of the Massachusetts General Laws, machinery, materials, tools, and fuel used exclusively for agricultural production are exempt from sales tax.

Sales Tax Exemption Forms

Goods Sold - Vendors may request Form ST-12 certifying that the goods they are selling to you will be used for a tax-exempt purpose.

Pesticides - In order to receive the sales tax exemption on pesticides, you will need to be a certified pesticide applicator (see Fact Sheet #11 on Environmental Regulations) and may need to provide Form ST-12.

Gasoline - Farmers are also exempt from paying excise tax on gasoline used solely for agricultural purposes. To do so, submit Form GT-9A. In order to claim the credit, you must keep detailed records and pay particular attention to how fuel is used when a vehicle is used for both farm and non-farm purposes. Typically, fuel used to travel from one part of a farm to another is eligible for the credit, but fuel used to transport supplies or produce to or from the farm may not be eligible.

For assistance, contact the Massachusetts Department of Revenue (MDOR):
Phone: (617) 887-MDOR or (800) 392-6089
Website: www.mass.gov/dor/

Note that if you will be selling items other than food from your farm, you will need to file Massachusetts Form ST1 to get a sales tax registration certificate from the Department of Revenue. To obtain this form, contact MDOR at one of the numbers listed above.
Wages
The Federal minimum wage is $7.25/hour, but Massachusetts Minimum Wage is $8.00/hr. However, the minimum wage for hourly work in agriculture is $1.63/hour. This does not apply to minors or family members. Agricultural workers are not covered by overtime law where employers pay time and a half wage.

The Attorney General enforces the Massachusetts laws relating to the payment of wages to employees, including when, how, and how much an employee must be paid. For more information, see the Attorney General's Workplace Rights webpage or call the Fair Labor division at (617) 727-3465.

Workers’ Compensation Insurance
Massachusetts employers are required to have workers’ compensation insurance for all their employees, including family members and yourself if you are an employee of your company. Insurance can be purchased through any agent or broker who handles business insurance or through a direct writer of insurance. For more information, contact the Workers’ Compensation Rating and Inspection Bureau, at (617) 439-9030.

Youth Labor (excluding your own children)
Child labor laws restrict both the number of hours minors may work and the types of work they can perform. You may not hire anyone 11 years or younger in Massachusetts. Twelve and thirteen year-olds may work in harvest operations if they have written permission from a parent or are accompanied by a parent during certain times of the day and year. Minors aged 14 through 17 may work on farms with a work permit during non-school hours. Farm workers under 16 are prohibited from performing farm tasks involving power machinery. Contact the Massachusetts Department of Labor at (617)-626-7100 or consult the US Department of Labor’s website about youth and agricultural labor for more details.

Interns and Apprentices
An internship or apprenticeship is the exchange of agricultural education for labor. If you have limited capital but are willing to provide a rich learning experience in sustainable agriculture in exchange for help on the farm, establishing an internship program could be the
right option for you. Because an internship is at its core an educational experience, you must be willing to assume a role as teacher and mentor. As a rule of thumb, you should at least provide either room and board or a stipend, although it is ideal to offer both, if possible. For more information on internships, see this article on bfnmass.org and NESFI's guide For On Farm Mentors. If you are looking for a place to advertise your internship program, visit bfnmass.org and click “User Login” at the top-right corner of the front page, and follow the prompts to either log in or create a new account. You will eventually see an option to “add internship/job,” where you can add a title, brief description, and link to more information or your website. See bfnmass.org/jobs for internship opportunities.

Migrant Farm Workers
If you use the services of a farm labor contractor or crew leader, you must verify that person has a Farm Labor Contractor Certificate of Registration issued by the US Department of Labor. To do so, call [866] 4US-WAGE.

Workers must be given written notice of wages, nature of work, period of employment, transportation, housing, benefits, and more. Employers must keep proper payroll records as with other employees. For assistance in complying with migrant farm worker regulations, contact the US Department of Labor at [866] 487-2365.

Housing
If you plan to house two or more workers you must obtain a farm labor camp certification from the Massachusetts Office of Health and Human Services (OHHS). For more information, see DPH’s website or call the Bureau of Environmental Health office at [617] 624-5757.

Agricultural Foreign Labor Certification (FLC)
The H-2A temporary agricultural worker program allows farmers to apply for Foreign Labor Certification if they anticipate a shortage of domestic workers. Contact the Massachusetts Office of Labor and Workforce Development at [617] 626-7122 for more details.

Further Reading
For general information on federal policy related to agricultural employment see the US Department of Labor website or this fact sheet on the subject.
Fact Sheet #22 Payroll and Workers

Getting an Employee Identification Number (EIN)
Unless you are a sole proprietor without employees, you will need to file IRS Form SS4 and Massachusetts Form TA 1 to get an EIN. As an employer, you will be withholding from your employees' paychecks federal and state income tax, social security tax, and workers compensation tax. Periodically, you will deposit the amounts withheld with the state and the IRS.

Hiring an Employee or an Independent Contractor
Hiring labor in Massachusetts imposes high liabilities and paperwork burdens on the employer. Because of this, employers may be tempted to classify their workers as independent contractors. However, a person is only an independent contractor when they are legitimately an individual in business for themselves 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 need help making a decision on whether an individual is a worker or an independent contractor, file IRS Form SS-8 Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

Hiring Forms
I-9 Employment Eligibility Verification – 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 driver's license and social security card for most), however, the employer is not required to verify if 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 the need to stay current with the various labor forms and regulations at both the state and federal level.
Reference Publications
• IRS Publication 51, *Agricultural Employer’s Tax Guide*, explains federal regulations and contains a calendar of when forms need to be filed throughout the year.

• For information specific to Massachusetts, see the Department of Revenue's *Guide to Employer Tax Obligations*.

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.

It is recommended that you file Massachusetts forms electronically using the WebFile for Business application.

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.

**Form 1110-A Massachusetts Employer’s Status Report** – You must register with the Massachusetts Department of Unemployment Assistance (DUA) by submitting Form 1110. Follow the link above or call (617) 626-5050 to get the form. As an agricultural employer, you are subject to the law if you paid total cash wages of $20,000 or more in any calendar quarter, or you employed 10 or more individuals on any day in each of 20 weeks in a calendar year. See the DUA website for details.

**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 Massachusetts Department of Revenue, and to county/local governments that have an income tax.
**W-4** – Form filled out when an employee starts so that their employer knows to withhold the correct amount of taxes.

**Form WR-1 Massachusetts Employer’s Quarterly Report of Wages Paid**

**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.

**Form 941 Employers Quarterly Federal Tax Return** – Required to report wages paid, tips received, federal taxes withheld, Social Security and Medicare withholding, and advance EIC payments for non-farm workers.

**Form 943 Employers Annual Federal Tax Return for Agricultural Employees**
- Like Form 941, but for farms.

**Form 945 Annual Return of Federal Income Tax Withheld** – Used to report income tax withheld for non-payroll wages.

**Form 1099** – Must be furnished to people who received $600 or more in casual or contract compensation throughout the year (where the employer did not pay employment taxes for the worker).

**Form 4029 Application for Exemption From Social Security and Medicare**

**Taxes and Waiver of Benefit** – Certain members of religious organizations (in agriculture, generally Amish or Mennonite) may file this form to exempt themselves (and their employer) from Social Security and Medicare taxes.
Fact Sheet #23  Your Market Potential

Market Analysis: What is my target market?
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 will give your business the cash flow, profit and growth it needs.

Start with a brief description of your product as currently conceived.
Next, consider:
- Who will buy my product?
- Why will they buy my product?
- What will they pay for my product?
- Where do they expect to find this product?
- When will they want to buy my product?

When you are finished, step back and consider what you have learned. Write:
- A brief, focused description of your target market.
- 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 clear idea of who your customers are and what they want, how does your product meet their needs? Think about what you need to do in order to enter your target market. It is helpful to come up with:
- 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 attract customers while being competitively priced and profitable.

At this point, you may wish to consider specific packaging ideas. The Massachusetts Department of Agricultural Resources website has Massachusetts-specific logos available to help farms brand their products as “locally grown.”
Market Positioning
How does my product satisfy the needs of my market better than my competition?

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. You can distinguish yourself on the basis of the needs you fill, the services you provide, the distribution channels you use, or the pricing strategies you employ. Think about your product from the perspective of your customer and that of your competition. Your task is to figure out how to make the customer choose YOUR product.

Competitors can either be direct (offering the same product) or indirect (offering a product that might substitute for yours and vice versa). Some competitors may be local, while others could be national or international chains, or even internet-based sales. Finally, remember that you can form alliances with competitors in some situations – keep an open mind!
When your research is complete, take the time to summarize your findings into a position statement of 50 words or less that answers two questions:

- What business am I in?
- Why will the market want my product rather than that of my competition?

**Market Connection**

**Wholesale versus direct marketing**

Direct marketing (Fact Sheet #26) requires a high level of personal skills to sell product directly to the consumer, but allows the farmer to take home the total sale value of the product. Wholesale marketing usually means that farmers sell their product to intermediaries: businesses that warehouse, transport and sell farmers’ product. This option often works best for moving larger quantities of product, or for those who do not enjoy engaging directly with customers. Wholesale marketing still requires building relationships and salesmanship of your product.

**Brokers or middlemen** are a key component of a wholesale marketing strategy. How a broker warehouses and distributes products, how it targets consumers, and how it features and merchandises goods all define its particular set of needs and results in buying criteria. To be an effective marketer, producers need to identify and understand the differences among brokers and market their products accordingly. No single marketing program works for all markets. Research the following:

- 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?
- What distribution channels are best suited to my product, customers and business?
- What are the costs and benefits of this channel?
- What will it take to sustain market/channel connections?

**Keep In Mind:**

- Product quality is the key to your success. You may want to try your products out on friends and family to learn what is most popular and what you will need to improve upon before going to market.
- It is good to have many different marketing strategies and to think about what will happen if your first marketing strategy does not work.
- Your plan needs to work for YOU: your needs, goals, and financial situation. It may be quite different from those of your friends and neighbors.
- Marketing involves promotional activities, including advertising, posting signs, giving out samples, providing demonstrations, etc. Consider how much time and money you have available to invest in marketing before you carry out your plan.
- Markets [and your needs] change over time – be prepared to change your strategy with them!
Pricing Strategies

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 Ps of Marketing: Price, Product, Placement, and Promotion. Price is critically important to the profit on the farm, but the other Ps 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.

Start with the Input Costs = Variable Costs (VC) [fertilizer, seed, gas, labor]
If you do not cover these costs you will be out of business in a short amount of time.

Add in Ownership Costs = Fixed Costs (FC) [depreciation, interest, repairs, taxes, permits, licenses, 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 do not cover ownership costs, you will be out of business after a longer period of time.

Add in a Return to You = Profitable Price
This is the price you need to survive in the long run. Many people start by asking, “how much do I need to make?” Look at your personal finances and expenses and determine the number you need to make from your farm business. Once you have that number, whether it is $10,000 or $40,000, you can adjust the other aspects of your business plan to meet that goal.

Allocate Expenses by Product

Tracking labor and equipment costs by product requires excellent records and can be guided by enterprise budgeting (see Fact Sheet #17). One way to do it is to record tasks and expenses such as plowing time and fertilizer for the whole farm and allocate proportionately 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 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 will impact 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. It is important that you consider the total cost of the product when setting the price and compete not on price alone but the total value of the product that you offer. Value = Quality + Service + Price

- Your buyers want a quality product. Local farmers like you provide this 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 products. Late products like lettuce in December, kale in January, or spinach in February can also fetch a high price.

However, be flexible in your pricing, and keep in mind what consumers are willing to pay for the product. Test different price levels in different areas or markets; set higher prices where consumers are willing to pay more.

Calculations for Determining Price

Cost and Profit Method

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

Cost and profit method example

It costs you $3,000 in total variable costs and $2,000 in total fixed costs to make 950 units. You want $2,000 of profit for a specific product.

$3,000+$2,000+$2,000 = $7,000 [income needed from that product]
$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.

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**Gross margin method example**

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 (100-30%) of the unit variable cost to determine the price.

$5.00 / [100-30%] = $5.00 / 70% [or 0.7] = $7.14 per unit

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**Plan for Profit – Don’t Drop Prices**

What if you have corn at $3.50/dozen according to your calculations and your neighbor is selling corn for $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 and 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. Other factors may play into your price setting such as perishability. It may be better to lower prices on the corn you just harvested in order to recoup at least some of your investment. A good way to drop prices temporarily is to offer a deal of the day like “two-for-one” or something similar that will draw customers to your products. Another option is to donate excess perishable produce to a food pantry or soup kitchen. This will buy you good standing in the community and all your hard work will be appreciated.

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**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 unique costs and price for profit. Continue to build relationships and product value with your customers and set prices that bring profits.
Finding Agricultural Price Information

Some wholesale prices for agricultural products 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 local retail price of other competitors in your market area.

Wholesale Price Information

Produce
Price monitoring programs are conducted through the USDA’s Agricultural Marketing Service. Details for Farmers Market and Auction Reports are available from the AMS website. These reports are updated daily.

Additional reports are available via the Fruit and Vegetable Market News Website. Check out the Tips for First-time Users as well.

Organic Prices
Organic Price Report from Rodale Institute tracks selected prices from the fruit, vegetable, herbs and grain sectors in markets across the country.

USDA’s Economic Research Service posts monthly Organic Farmgate and Wholesale Prices for a variety of crops.

Livestock and Field Crops Price information
USDA Agricultural Marketing Service’s Livestock & Grain Market News compile and disseminate information on various commodities.

Local Markets
It is important to check local outlets for price information. Ask other farmers the prices 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. Pricing should be based on your costs, be competitive, and reflect what customers in the particular market area will pay for high quality local products.
Direct marketing is a common strategy for beginning and small farmers. The main attraction compared to 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. With direct marketing, however, you will also incur extra costs – not the least of which is your time. It involves personally connecting with consumers and producing products that meet their needs. There are a number of ways to reach consumers directly. Be sure to evaluate each option carefully as part of a farm business plan.

MDAR’s Agricultural Markets Program supports the farm community in its marketing efforts. See their website for details or contact Mary Jordan (Mary.Jordan@state.ma.us; [617] 626-1750).

**Farmers’ Markets**

The Massachusetts Department of Agricultural Resources (MDAR) has a helpful website with resources on finding and selling at farmers’ markets in the state.

Farmers’ markets are a good place to develop your marketing skills. Start by visiting markets in your area. Inventory what is available and note what does not sell out by the end of the day. Do not grow what does not sell unless you can differentiate your product – for example, selling heirloom tomatoes instead of just ‘tomatoes’.

Study the customers at different markets. 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 do not 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, sell, and break down/unpack. 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’ market sales alone may not generate enough money to make a living, requiring you to look at additional marketing strategies, but they are a good way to build relationships and gain visibility in your community.
Some tips for success at farmers’ markets

- Use multi-level display containers to showcase your products.
- Set up a tent to protect your produce and customers from the weather.
- Have signs that are colorful yet simple and easy to read.
- Make sure prices are marked clearly.
- Display a large amount of each product you offer.
- Be competitive with pricing without undercutting other growers.
- Offer recipes or cooking tips, especially for less common products.
- For more tips, see New Entry’s “10 Ways to Increase Sales at Markets”

To find farmers’ markets in Massachusetts, see the listing on MDAR’s website, browse the Farmers’ Market Directory, check out MassFarmersMarkets.org, or contact David Webber [david.webber@state.ma.us; (617) 626-1754] or Sarah Ryan [sarah.ryan@state.ma.us; (617) 626-1728].

On-Farm Sales

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 profit margins will be. If done right, a successful farm market will attract many regular customers and offer good returns. On farm sales tend to work best where there is busy street traffic and the farm is visible and attractive from the road.

Self-Serve Stands

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

Pick-your-own (PYO) operations require advertising and staffing. They 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. MDAR provides online listings of PYO and agritourism farms in the Commonwealth. Also, Massachusetts Association of Roadside Stands and Pick-Your-Own offers comprehensive information on local farming, fresh food and Massachusetts-grown farm products.

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

Risk management and liability insurance are also extremely important for on-farm sales. See Fact Sheets #6 on Managing Risk and #8 on Insuring Your Farm Products for details.

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. While you’ll want to consider packaging and shipping costs, this can be a profitable strategy for products that are high-value and non-perishable, often value-added products like jam or soap. One easy option for getting started with internet marketing is to list your farm on one or more of the following sites:

- [Community Involved in Sustaining Agriculture](#) offers technical assistance in online marketing.
- [Local Harvest](#) advertises organic food growers and vendors around the country.
- [Massachusetts Grown](#) promotes farm products, specialty foods, and fun ag-tivities in Massachusetts.
- [ATTRA Local and Regional Food Systems](#) website offers listings for local food directories and promotional programs, searchable by state.
- USDA’s [How To Market Farm Products on the Internet](#) helps you create and initiate an internet-based marketing plan.
- Penn State Extension provides resources on online marketing.

Community Supported Agriculture (CSA)

CSA operations typically provide a weekly ‘share’ (box) of produce to customers who pay for their shares at the beginning of the season – $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. In Massachusetts, produce CSAs typically operate from June to October and cost between $400 and $800 per share based on the season length and produce quantity and value. A typical acre of land in New England can support 25-30 CSA shares. There are many variants of the CSA model and it is a good idea to diversify.

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. Other advantages include minimal loss or waste, less requirement for long-term storage, and the ability to market imperfect products. UMass Amherst offers some CSA resources on its website; check out the links on the left of the page for profiles of CSA farms in the region and links to additional resources.

**Restaurant Sales**

Many chefs (especially from higher-end restaurants) are looking for fresh, local products to feature on their menus. You will find that chefs are as busy as farmers and have very specific standards. 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 and frequent deliveries. Watch that delivery costs and time do not eat up profits. Be clear on payment terms and minimum orders. Emphasize reliability, product quality, and maintain good communication. Though you may need to be in frequent contact with the chef, once a relationship is solid, less face time is needed. For tips on building a relationship with a chef, see [this blog post](#).

**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 animal products because of regulations and consistent quantity needs.

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 concerns 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.

Wholesale Marketing
This is actually a form of indirect marketing. Larger farms may find it convenient to sell their produce to a middleman who then sells to retail establishments. Small farm can work together to enter the wholesale market. This cooperative wholesaling can improve your selling power, reduce costs of technology and services, improve transportation and distribution efficiency, and reduce your financial risk. Much time and effort goes into the creation of successful cooperative wholesale organizations.

If you are just starting out and have access to an effective marketing cooperative, you might prefer to become a member, let the co-op do the marketing, and focus on production and quality. You might also rely on a cooperative if you have limited marketing resources.

Massachusetts Department of Agricultural Resources’ Division of Agricultural Markets is one resource to help you with wholesale marketing. Community Involved in Sustaining Agriculture (CISA) also offers pricing tip sheets.

Institutional Food Service Sales
Some schools, nursing homes, hospitals, and prisons 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. Insurance requirements are also mandatory. Some states encourage their institutions to purchase from local farmers. Massachusetts has a Farm to School project, with about 320 schools participating. See their website, call (413) 253-3844, or contact Simca Horwitz for Eastern Massachusetts (simca@massfarmtoschool.org) or Lisa Damon for Western & Central Massachusetts (lisa@massfarmtoschool.org).

For additional information on direct marketing, contact

**ATTRA:** National Sustainable Agriculture Information Service has newsletter articles on direct online marketing.
Phone: [800] 346-9140

The North American Farmers' Direct Marketing Association is a trade association dedicated to nurturing the farm direct marketing industry.
Phone: [413] 529-0386, [888] 884-9270

**Harvest New England** is a marketing program for New England-produced food and agricultural products.
Phone: [802] 828-3827
Food processing can be a great way to add value to your farm products and increase your revenue. See New Entry’s Plain Language Guide to Starting a Value Added Food Business to learn more. Make sure you are aware of the food safety regulations that will affect your operation. [See Fact Sheet #28 for information on processing meat and poultry.]

Home Kitchen Regulations
Massachusetts law allows for certain foods to be produced in residential kitchens. These kitchens employ only household members and are not allowed to sell food outside the state.

If you intend to sell directly to consumers, contact your local Board of Health for licensing and inspection information. If you plan to sell on the wholesale market, you’ll need to be licensed and inspected by the State-Level Massachusetts Food Protection Program.

See the Department of Public Health Q&A sheet on residential kitchens for more details, or contact the Food Protection Program at [617] 983-6700.

Federal Food Safety Rules
HACCP [Hazard Analysis Critical Control Point] is a Food and Drug Administration [FDA] regulation that requires a controlled process be followed to minimize points of contamination when processing foods. HACCP plans are required for wholesale sales (not for retail) of

Foods that may be prepared in residential kitchens are “non-potentially hazardous foods”
Baked goods
Confectioneries
Jams and jellies

Some foods prohibited from residential kitchens:
Cream-filled pastries
Cheesecake
Custard
Perishable foods such as cut fruits and vegetables, tomato and barbeque sauce, pickled products, relishes, salad dressings, garlic-in-oil, pesto, etc.
Foods processed using methods regulated by federal or state government
seafood, dairy, juice and cider processing facilities. Other sectors of the food industry are coming into voluntary compliance. For more information check the FDA website under “Program Areas - HACCP.”

**Types of processing methods prohibited from residential kitchens are:**

- Acidification
- Hot fill
- Thermal processing in hermetically-sealed containers*
- Vacuum packaging
- Curing/smoking

* Note that jams and jellies are an exception and are allowed to be thermal-processed in hermetically-sealed containers.

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**Using a Commercial Kitchen**

Since it can be difficult to meet sanitary regulations at home, you may prefer to use a commercial kitchen to make your food product. [Commercial Kitchen For Rent](http://www.commercialkitchenforrent.com) is a website allowing you to search for kitchens in your state. Look for restaurants, caterers, bakeries, religious centers, schools, community centers, and membership organizations such as Grange, Elks, or VFW, that might be willing to rent their kitchen space. Also look into nonprofit kitchen incubators such as the [Western Massachusetts Food Processing Center](http://www.westernmassfoodprocessingcenter.com) in Deerfield, MA, the new [Cambridge Culinary Kitchen](http://www.cambridgeculinarykitchen.com) in Cambridge, MA, and [Crop Circle Kitchen](http://www.cropcirclekitchen.com) in Jamaica Plain.

The [Western Massachusetts Food Processing Center](http://www.westernmassfoodprocessingcenter.com) (Phone: [413] 774-7204), located in Deerfield, provides a commercial kitchen for rental and a number of services to help get you started with your food business. For example, you can send your recipe out for FDA approval, get nutritional information for your labels, get help with packaging, and access appropriate storage.
Commercial kitchens in surrounding states

**Connecticut**
Kosher Kitchen Co-op
Phone: (203) 243-9419

**New York**
Battenkill Kitchen
Phone: (518) 854-3032

Hometown Foods
Phone: (518) 758-7342

**Rhode Island**
Hope and Main
Phone: (401) 480-4524

**Vermont**
The Vermont Food Venture Center
Phone: (802) 524-4546

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**Additional Resources for Small-Scale Food Processors**

- MDAR’s *Massachusetts Food Processors Resource Manual* is a practical guide for specialty food and start-up food processors.
- *New England Food Entrepreneurs* provides entrepreneurs with information on starting or expanding their food-related business.
- *Massachusetts Small Business Development Center Network* provides one-on-one, free, comprehensive, and confidential services focusing on business growth and financing. Phone: (413) 545-6301
- The USDA Rural Development office for Southern New England provides *Value-Added Producer Grants* to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products. Phone: (413) 253-4300
Fact Sheet # 28 Processing Your Livestock

If you intend to sell meat or poultry, you will need to have it slaughtered and processed at a special facility. [See the next page for a listing of such facilities in the region.]

Livestock (Non-poultry)
All livestock (beef, pork, lamb, goat, etc.) must be slaughtered in a USDA-inspected slaughterhouse with an inspector on-site. Livestock must be inspected before slaughter. If an animal shows signs of having a disease, it may be separated and rejected. After slaughter, carcasses must also be inspected to ensure that the meat is in good condition. If your meat is packaged at the slaughterhouse, the package label should be stamped with the inspection symbol including the facility identification. Otherwise, this stamp will go on the meat itself. All meat packages should also be labeled with safe handling instructions. All meat for wholesale or retail sale must bear the stamp of USDA inspection package.

Small-Scale Poultry
Poultry slaughter falls under several USDA exemptions from continuous inspection. You may slaughter up to 5,000 turkeys or 20,000 other birds on your farm each year without a USDA Inspector if you meet certain state requirements and sanitation criteria and raised them on your farm and you sell them directly to consumers. New Entry has a Mobile Poultry Processing Unit and requires a training program before you can use the unit to process your poultry. The training requirement will prepare you to complete the application for a special state slaughter license, to approach your local board of health for appropriate approvals, and to operate and manage the MPPU on your farm for direct commercial sale to consumers. Your local board of health has the right to inspect your slaughter area to ensure it meets sanitary requirements, such as maintaining cool temperatures to reduce the growth of bacteria. All poultry slaughtered on-farm must be labeled as “Exempt.”

The Massachusetts Department of Agriculture has compiled lists of businesses in New England that are licensed by USDA to do slaughter and/or meat processing – listed here are those that do slaughter in Massachusetts.
Licensed slaughter facilities

Adams Farms
USDA inspected for red meat slaughter
USDA inspected smoke house
Athol, MA
Phone: [978] 249-9441

Blood Farm
USDA inspected for red meat slaughter
Groton, MA
Phone: [978] 448-6669

Eastern Massachusetts Mobile Poultry Processing Unit
Lowell, MA
Contact: Sam Anderson, sanderson@comteam.org
Phone: [978] 654-6745
Selling Plants or Floriculture/Horticulture Crops
As a plant seller your greenhouse/nursery crops are subject to annual inspection to protect the customer from potentially diseased or insect infested plant materials. For information on becoming a licensed grower or nursery agent, contact the Massachusetts Department of Agricultural Resources (MDAR) at (617) 626-1801.

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. Produce must be sold whole (uncut).

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, and name and address of producer are required on all closed packages.
MDAR enforces quality and grade standards. For grading information contact the Crop Inspectional Services division (Lee.Corte-Real@state.ma.us; (617) 626-1776).

Follow Good Agricultural Practices
In order to protect food from microbial contamination, many purchasers require producers to follow Good Agricultural Practices (GAPs). 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, and change wash water regularly. Test water for bacteria annually and maintain good records. For information consult MDAR or the UMass Extension’s Agriculture and Landscape program at (413) 545-0895. Cornell University offers GAP training programs online throughout the year.

Farm-raised meats must be processed in a USDA licensed facility if intended for commercial/retail sale (see Fact Sheet #28). These meats can be processed in a custom exempt slaughter plant if not intended for sale. Further processing of meat, such as making sausage, must be done in a USDA certified facility. Poultry must be processed in a USDA licensed facility or in a state inspected facility. The MA-MPPU can also be used by state licensed users.

For questions regarding meat slaughter and sales, consult the Massachusetts Food Protection Program at (617) 983-6700 or refer to the Department of Health’s website on food safety regulations.
Selling Livestock
The regulations for selling live livestock vary by species and are explained in the Code of
Massachusetts Regulations:
Cattle – 330 CMR 4
Swine – 330 CMR 11
Horses – 330 CMR 16

There are currently no regulations set for sheep and goats. To know what kind of license you
need, please contact MDAR. They will assess the activity the you are engaged in and make
a determination as to whether you need a dealer's license or not. You can contact Michael
Cahill, MDAR Director of the Division of Animal Health at [617] 626-1794 or by e-mail at
michael.cahill@state.ma.us.

Selling Live Poultry
Refer to Code of Massachusetts Regulation – 330 CMR 5
You can transport your own animals without a dealer/transporter license, however if you
are offering a service to move other people's animals, you must have a dealer/transporter
license. You will be issued a metal license plate by MDAR which you must display when
transporting your birds. You must also keep records of the number of birds you transported
and to where. It is illegal to sell, offer for sale, barter, or give away living baby chickens,
ducklings or their fowl under two months of age unless you are selling them to others to
raise. Massachusetts law requires that all live poultry or hatching eggs moving within the
Commonwealth originate from current certified Salmonella pullorum clean flocks. The testing
is free and can be arranged by calling MDAR at [617] 626-1795.

Selling Eggs
Egg cartons sold at retail outlets must be marked with grade and size. Eggs may be sold
in bulk displays but grade and size must be indicated. Eggs should be washed and candled
[to check for abnormality and cracks]. Cartons must
include the name and address of producer and the date
packed. For more information on egg quality and grading
standards consult MDAR’s Poultry Division online or by
phone at [617] 626-1796.

Selling Honey and Maple Syrup
These products are exempt from licensing if you do not
add ingredients to or repack them. Production facilities
must be clean and sanitary. If you make specialty
flavored or otherwise processed honey or maple products,
you may need a license from your local board of health.
If you produce honey for sale, your hives must be
inspected annually by MDAR. See their Apiary Inspection webpage or call (617) 626-1802 to register.

Maple syrup is subject to grade identification—see the Massachusetts Maple Producers’ Association website for maple syrup grade descriptions.

**Wine or Beer**
The Massachusetts Alcoholic Beverages Control Commission (ABCC) issues “farmer-winery” and “farmer-brewer” licenses and pouring permits. Annual fees range from $22 to $111, depending on the size of your operation. To apply for a license, contact the ABCC at (617) 727-3040, extension 21 or tstrianese@tre.state.ma.us.

**Cider**
If you plan on selling your cider directly to consumers, you’ll need a retail food establishment permit from your local board of health. A retail processor is exempt from the FDA's Juice Hazard Analysis and Critical Control Points (HACCP) regulation, but must comply with FDA’s food labeling regulation by listing a warning statement on packaged juice or cider that it has not been pasteurized.

To sell cider as a wholesaler [sales to someone other than the final consumer], you must obtain a license from the Food Protection Program. See their guidelines for information on processing and sanitary requirements. All juice and cider wholesalers must evaluate their processing operations using HACCP principles and must treat [pasteurize] their juice/cider to achieve the 5-log pathogen reduction. Employees involved in developing or implementing a HACCP plan must be trained in HACCP principles.

**Milk**
Processing facilities are regulated by MDAR through its Milk Marketing Program. All milk dealers must have a dealer’s license and processors must have a milk plant permit (must be a Grade A dairy). Any milk being transported from farm to processing plant must be sampled and tested for quality and safety characteristics. MDAR’s Hauler-Sampler Program offers technical assistance in this area. MDAR also performs inspections of milk tankers. Contact the Dairy Program at (617) 626-1813 for more information.

**Selling Raw Milk**
Selling of raw milk to the public involves greater potential liabilities than selling pasteurized milk or selling to a processing plant. However, raw milk can command higher prices. Massachusetts law does not expressly prohibit the sale of raw milk, but certain towns may. Check this map or with your local board of health to find out if you can sell raw milk in your area. If it is allowed, the milk must adhere to particular regulations, including being inspected...
by MDAR, labeling the product as raw milk from a Grade A Dairy with an expiration date no greater than 5 days from when the container was filled, and including on the label a warning that the milk is not pasteurized. Other restrictions apply, such as that the milk must not be stored in a bulk tank for any more than 48 hours before being bottled. Contact MDAR’s Dairy Program at (617) 626-1813 for details.

The Massachusetts Chapter of the Northeast Organic Farming Association (NOFA) provides information for producers of raw milk and coordinates the Raw Milk Network. To learn more about the network, contact Winton Pitcoff, Organic Dairy Coordinator at (413) 498-2721.
**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.) However, prepared foods ready to consume (typically sold by restaurants) are generally taxable.

Examples of taxable products include:
- Alcoholic beverages
- Candy
- Dietary supplements
- Prepared sandwiches

For more information on what is or is not taxable, see the [Massachusetts General Law](https://www.mass.gov/dor/sales-use-tax/) (Section 830 CMR 64H.6.5 Sales Tax on Meals).

**Becoming a Sales Tax Vendor**

You are considered a sales tax vendor if you are involved in the direct sale of products to consumers/end users and must collect sales tax if selling taxable items.

All sales tax vendors must register with the [Massachusetts Department of Revenue](https://www.mass.gov/dor) (DOR) to receive Form ST-1, a Sales and Use Tax Registration Certificate. This certificate must be displayed in your place of business.

See the DOR's [Guide to Sales and Use Tax](https://www.mass.gov/dor/sales-use-tax/) for details, or contact the DOR at [617] 887-MDOR or 800-392-6089.
Fact Sheet #31 Organic Certification

**Becoming Certified**

Organic production offers many advantages for small farmers including ecological production methods, strong consumer demand for organic products, and higher prices. If you use organic production practices and have farm sales of more than $5,000/year you cannot legally sell your products as “organic” unless your farm has been officially certified. Violation of the use of “organic” can result in fines. Terms such as “chemical free”, “ecologically friendly”, and “GMO free” are often used by farmers who use sustainable practices but are not Certified Organic.

Visit the USDA’s National Organic Program [website](http://www.usda.gov) to find a list of certifying agencies. You can use any agency listed.

**One certifying agent is listed for Massachusetts:**

Baystate Organic Certifiers  
683 River St.  
Winchendon, MA 01475  
Contact: Don Franczyk  
Phone: (978) 297-4171  
E-mail: baystateorganic@earthlink.net

**Fees and Costs**

Certifying agencies generally charge a fixed fee to cover the initial certification costs and then an annual fee to cover continued documentation and verification costs. Costs vary so you may want to investigate your certification options.

The [Environmental Quality Incentives Program](http://www.nrcs.usda.gov) (EQIP) provides funding and technical assistance to farmers implementing new structural and management conservation practices on agricultural land, including transitioning to organic production. Subject to an upper limit for the five year Farm Bill period, EQIP may pay up to 75% of the costs of eligible conservation practices, and up to 90% of these costs for beginning and limited resource farmers. For more information, contact NRCS-Massachusetts at (413) 253-4350.

Additionally, the National Organic Certification Cost Share Program provides funding to assist farmers with organic certification expenses. The program may cover 75% of costs, up to $750. Contact the Massachusetts Department of Agricultural Resources (MDAR) to find out if these funds are available. The organic certification cost reimbursement application can be found [here](http://www.nrcs.usda.gov). MDAR is no longer accepting applications for reimbursement for certifications acquired between October 1, 2012 and September 30, 2013.

Last updated 2/24/14

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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 ensure compliance.

In general, you cannot use synthetic pesticides, antibiotics, or petroleum-based fertilizers. To certify a field as organic it must not have had synthetic 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, biological and botanical pest control, and organic pesticides. Animal health is maintained with wholesome food, adequate shelter, access to the outdoors, and preventive health plans.

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

Resources for Organic Certification

- USDA’s Agricultural Marketing Service administers the National Organic Program
- Rodale Institute is a 501[c][3] nonprofit that researches organic best practices and shares its findings through field days, workshops, and online tools for farmers
- See NOFA/Massachusetts’s website for more resources on organic certification
- MDAR Organic Cost Share Program

Certified Naturally Grown

If organic certification seems out of reach for your farm, you may choose to pursue Certified Naturally Grown (CNG) status. CNG, whose standards are based on the National Organic Program standards, provides a label that is most useful for farmers who market directly through CSAs, farmers’ markets, and local food businesses. To obtain certification for livestock or produce, they ask for a minimum contribution of $110, though they recommend $125 - $200 per year. For the newer apiary certification program, they recommend $75 - $200 per year but do not specify a minimum. Contributions can be made in installments over time, and scholarships may be available for farmers who are facing unusual hardships.
Fact Sheet #32  Grant Opportunities

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

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

Grants are never (or rarely) available to start a farm and are not a reliable strategy for growing your business. Grants may, however, 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 funding priorities.

It takes considerable time and effort to write a winning 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 after the application deadline. 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.

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Massachusetts Grant Resources

The Department of Agricultural Resources (MDAR) Phone: (617) 626-1700

The Farm Viability Enhancement Program is a business planning program designed to help farmers diversify and modernize their existing farm. The purpose of the program is to improve the profitability and environmental sustainability of Massachusetts farms through the development and implementation of Farm Viability Plans. After a competitive application process, selected farms go through a business planning phase. The business plan may ultimately make recommendations for increasing on-farm income and for improving environmental practices on the farm. Once the business plan is completed, the farmer must agree to sign a non-development agreement for a period of five or ten years before MDAR may make money available to implement the changes recommended in the business plan.

The Matching Enterprise Grants for Agriculture Program (MEGA) seeks to assist new and beginning farm businesses with start up or expansion costs. The Program offers technical and business planning assistance to support the special needs of beginning farmers. It also makes available financial assistance of up to $10,000 for equipment, infrastructure or other capital improvements needed to implement strategies recommended through the planning process.

The Massachusetts Agricultural Environmental Enhancement Program (AEEP) is a program to support mitigation and/or prevention of negative environmental impacts from farm operations. There is a focus on protecting water quality, but funding is also available for energy efficiency, water conservation, and reduced greenhouse gas emissions. Through this program, MDAR reimburses farmers for the cost of materials used to implement approved practices, provided the farm contributes at least 5% of the funds. While awards may go up to $25,000, they generally range from $10,000 to $15,000. Your farm is eligible for AEEP if you have at least 5 unbroken acres owned by the same person, have at least 3 acres of land in bog production, or have at least 5,000 square feet under greenhouse production. Aquaculture operations are eligible if they are properly licensed by the Commonwealth. All operations [except flower and aquaculture enterprises] must also have an NRCS approved conservation plan in order to be eligible.
Massachusetts State Government

The voluntary Agricultural Preservation Restriction (APR) Program offers a non-development alternative to owners of “prime” or “state important” land who are facing decisions about future use and disposition of their land. APR offers to pay farmland owners the difference between the “fair market value” and the “agricultural value” of their farmland in exchange for a permanent deed restriction which precludes any use of the property that will have a negative impact on its agricultural viability.

Federal Sources (subject to change with the new Farm Bill)

USDA National Resource Conservation Service (NRCS)
Massachusetts NRCS office phone: (413) 253-4350.

The Agricultural Management Assistance (AMA) program provides cost share assistance to address issues such as water management, water quality, and erosion control. Funds available in particular states may be limited to one or more issues, for example drought mitigation in Massachusetts.

The Environmental Quality Incentives Program (EQIP) provides funding and technical assistance to farmers implementing new structural and management conservation practices on agricultural land. Subject to an upper limit for each five year Farm Bill period, EQIP may pay up to 75% of the costs of eligible conservation practices, and up to 90% of these costs for beginning and limited resource farmers. Farmers may also receive up to $20,000 in assistance for transitioning to organic farming. EQIP has made an effort to fund high tunnels for small farms.

EQIP contracts range from one to ten years in length. During this time, EQIP activities are carried out according to an approved plan of operation that identifies the appropriate conservation practice or practices to address environmental concerns. Practices are subject to NRCS technical standards adapted for local conditions. See the NRCS EQIP website for documents detailing a current list of eligible practices, past payment schedules, and the text of the regulation governing the program.

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Through EQIP, NRCS also offers Conservation Innovation Grants for the adoption of innovative conservation practices. While these typically go to government entities or other organizations, individuals are eligible to compete. Contact NRCS for more information.

The Farm and Ranch Lands Protection Program (FRPP) aims to preserve productive farmland by purchasing development rights to such land. USDA provides up to 50 percent of the fair market easement value in order to keep land in agricultural use. To qualify, farmland must:

• be part of a pending offer from a state, tribe or local farmland protection program
• be privately owned
• have a conservation plan
• be large enough to sustain agricultural production
• be accessible to markets for what the land produces
• have adequate infrastructure and agricultural support services
• have surrounding parcels of land that can support long-term agricultural production

Likewise, the Grassland Reserve Program (GRP) encourages farmers to preserve grasslands. Under rental or easement arrangements, USDA provides payments in exchange for limiting the use of grasslands to grazing, haying and certain maintenance practices. Rental agreements may range from 10 to 30 years in which USDA pays 75% of the grazing value of the land each year. Easements are either permanent or 30 years in duration. Farmers are compensated for the fair market value of the land (less grazing value) for permanent easements; for 30 year easements, farmers are compensated 30% of what the payment would be for a permanent easement on the same land.

The Wetlands Reserve Program (WRP) provides technical and financial support to help landowners with their wetland restoration efforts. To be eligible for WRP, land must be restorable; suitable for wildlife benefits; and must have had an agricultural history. WRP offers three options to landowners: permanent easements, 30-year easements or 10-year restoration cost share agreements. The program will pay all legal costs to establish an easement, up to 100% of the cost of the restoration, and the landowner will receive a payment for the easement based on the appraised agricultural value of the land. Under WRP, landowners control access to their wetlands for recreational activities (hunting, fishing, etc.) while NRCS must approve other uses.

The Wildlife Habitat Incentives Program (WHIP) provides technical and financial assistance to improve fish and wildlife habitat or restore natural ecosystems. Agreements are between 5 and 10 years in duration, and NRCS will pay up to 75 percent of the cost of establishing and maintaining conservation practices that are necessary for enhancing/improving wildlife habitat and restoring natural ecosystems.

The Conservation Stewardship Program (CSP) rewards farmers for ongoing conservation practices on their land. Only farms in certain watersheds are eligible for funding. Once selected, farmers may receive payments for existing stewardship or conservation practices, enhancement of current practices, and/or for new practices. See the website for details.
The Sustainable Agriculture Research and Education (SARE) program offers Farmer Grants to support on-farm research demonstrations, marketing innovations, value adding activities and other projects. Grants are in the range of $5,000-10,000; no match is required. Capital improvements are limited to $500 of total project cost. Applications for funding are typically due in December and decisions made in February or March. For more information call (802) 656-0471 or visit the SARE Northeast website.

Small Business Innovation Research (SBIR) grants are available to fund advances in agricultural research. The goal of the SBIR program is to stimulate development of new technologies and facilitate participation of small and disadvantaged businesses in federal research and development.

USDA Rural Business Cooperative Service
For more information on these programs, call the Massachusetts office at [413]253-4300 or visit the websites listed below.

The Value Added Agricultural Product Market Development Grant Program encourages farmers to refine products to increase their value. The program funds feasibility studies, business and marketing plans, and studies to establish a new venture. Funding levels are up to $150,000 per proposal.

The Renewable Energy and Efficiency Program is intended to help farmers and rural businesses make energy improvements and install renewable systems. Eligible projects include: systems that generate energy from wind, solar, biomass, anaerobic digesters, or geothermal sources as well as energy efficiency improvements. Funding levels: up to 25% of project costs, maximum grant $250,000 for energy efficiency; up to $500,000 for renewable energy.

The Rural Business Enterprise Grants Program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses, help fund business incubators, and help fund employment related adult education programs. To assist
with business development, RBEGs may fund a broad array of activities. Generally grants range $10,000 up to $500,000. Rural public entities (towns, communities, state agencies, and authorities), Indian tribes and rural private non-profit corporations are eligible to apply for funding.

Private/Nongovernmental Sources

The Yes To Carrots Seed Fund provides funding and other resources to organizations wishing to start organic farming or gardening projects in their community. See their website for an application form or call (847) 816-0004 or (888) 929-3786 for more details.

Be sure to check websites for updated deadlines, application forms and lists of previously funded projects. For a broader list of funding opportunities, see the ATTRA website.

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Last updated 2/24/14
Women in agriculture face unique challenges such as inadequate access to healthcare and childcare and daily work with tools and machinery designed for men. Women have also experienced barriers accessing credit, land, marketing, and education on credit programs and loan qualifications. According to the 2012 USDA Census of Agriculture, 32 percent of Massachusetts principal farm operators are women, making Massachusetts the state with the third highest percentage of women farmers. New England is on the forefront of both obstacles and opportunities for women in agriculture. Below are some resources specifically for women farmers.

**In Massachusetts**
CISA’s Women in Agriculture Network offers a Beginning Women Farmer workshop series in partnership with Holistic Management International.

BFN/Mass is starting up a Women in Agriculture working group.

**Regional, National and Online**
Maine Farm Bureau offers programs for women in agriculture covering issues such as leadership development, political influence, and agriculture education. The Women’s Agricultural Network, based at the University of Vermont, provides educational,
technical assistance, and networking opportunities in an effort to increase the number of women who own and operate profitable farms and ag-related businesses, and to boost women’s profiles in leadership positions throughout the agricultural sectors.

Cambridge, MA-based Root Capital’s Women in Agriculture Initiative provides financial support to women farmers around the world.

Women Food and Agriculture Network is a community of women involved in sustainable agriculture. Find an extensive list of resources for women farmers on their website.

Pennsylvania Women’s Agricultural Network (PA WAgN) offers online and print resources, research publications, web-based “farminars” to link participants to PA-WAgN mentors on specific topics, and links to other resources.

Holistic Management International has been running a Beginning Farmer & Rancher program for Women, funded by the USDA/NIFA Beginning Farmer and Rancher Development Program, since 2009. Contact hmi@holisticmanagement.org to be put on the interest list for the 2014-2015 season.
Agriculture and Climate Change

Climate change is a complex issue that will affect agriculture across the globe in many ways. In the Northeast United States the average temperature has risen 1.8°F during the last century and is expected to rise at least that much, likely more, over the next 100 years. Average temperatures and the severity and frequency of extreme weather events are increasing. These changes will certainly affect agriculture and the changes in various environmental factors will interact in complex ways.

What we expect to see in New England:
Increase in average temperature, especially in the winter. Less severe winters will allow new and different plant pests and pathogens to overwinter, migrate earlier, or produce more lifecycles in a season. This will require farmers to use new pesticides and more applications. Productivity and growth of livestock decreases under heat stress and they become more susceptible to disease and parasites. New and different parasites may overwinter and become more difficult to control, especially in ruminants.

Increased precipitation and humidity encourage fungal growth. Common fungal diseases that are expected to worsen include late blight (tomatoes and potatoes) and Stewart’s Wilt (corn). Livestock producers may deal with more mud, runoff, and soil erosion on their farms, especially during the winter and spring, causing hoof problems and water contamination. Increased carbon dioxide levels in the air can have a stimulating effect, especially on weed growth. Weeds are more likely to respond with increased growth than crop plants because weeds are more genetically diverse and adaptable. Weeds will also be better at adapting to warmer temperatures and changes in precipitation.

Agriculture’s Effects on Climate Change
Agriculture itself effects climate change in many positive and negative ways. A few key factors are:

- Carbon is stored in soils. Carbon can be released into the atmosphere by excessive tilling.
- Farmers can also facilitate the storage of carbon in the soil by using reduced- or no-till practices, planting cover crops, and applying compost.
- Conserving energy helps reduce costs on the farm and greenhouse gas emissions. Many farms are investing in renewable energy systems, for which MDAR offers a grant assistance.
The increase of severe weather events (in frequency, intensity, and lengths) will certainly cause stress for farmers, crops, and livestock. More flooding, drought, wind, heat, and other severe conditions can hit farmers very hard, especially those who have limited resources to invest in re-building the farm, or who are counting on the income from a crop.

Soil nitrogen is one of the most important nutrients for plant growth, but when excess is applied in the form of synthetic fertilizer, it can be released into the atmosphere as nitrous oxide, a very powerful greenhouse gas. Timing fertilizer applications with plant needs and using compost can reduce these harmful emissions.

To learn more about climate change and agriculture in the northeast visit:
- Environmental Protection Agency’s site on climate change’s impact on the food supply
- University of Vermont’s Center for Sustainable Agriculture

Farm Aid operates a Hotline [1-800-FARMAID; farmhelp@farmaid.org] and offers crisis support and resources for farmers facing environmental disasters.

CISA has an emergency interest-free loan fund for farmers in Western Mass that becomes available after severe weather events.

Agricultural Adaption to Climate Change
The good news is that farmers are adaptable and will be able to respond to climate change by adjusting practices. Unfortunately many of the adaptations that may be needed are expensive or may even cause the nature of the farm to change. Some we will certainly see include:
- Changing planting and harvesting dates
- Changing varieties grown or crop/species altogether
- Increasing irrigation or implementing drainage systems
- Increasing use of pesticides and fertilizers
- Increasing the intensity of weed management
Massachusetts Organizations

New Entry Sustainable Farming Project • Lowell, MA • nesfp.org
nesfp@tufts.edu • 978-654-6745
Land matching program, livestock workshops and trainings, mobile poultry processing unit for rent, World PEAS CSA, incubator farm, farm business planning class, explore farming free workshops, online free farmer resource library, National Incubator Farm Training Initiative, and Beginning Farmer Network of Mass

Northeast Organic Farming Association Mass Chapter (NOFA/Mass) • Barre, MA
nofamass.org
info@nofamass.org
978-355-2853
Beginning farmer mentor program, workshops, conferences

Communities Involved in Sustaining Agriculture (CISA)
South Deerfield, MA
buylocalfood.org
info@buylocalfood.org
413-665-7100
Local Hero buy local campaign, women farmer program, workshops, emergency farm fund

Southeastern Mass Agricultural Partnership (SEMAP)
East Wareham, MA
semaponline.org
kirvin@semaponline.org
508.295.2212 ext.50
Conference, workshops, networking events, Buy Fresh Buy Local campaign

New England Small Farm Institute (NESFI)
Belchertown, MA • smallfarm.org
413-323-4531

Berkshire Grown
Great Barrington, MA
berkshiregrown.org
413-528-0041
Marketing, buy local campaign

Northeast Harvest
northeastharvest.com
Marketing, buy local campaign

Mass Farmers Markets
Waltham, MA
massfarmersmarkets.org
martha@massfarmersmarkets.org
781-893-8222
One-on-one consultation for farmers considering selling at farmers markets

The Farm School • Athol, MA
farmschool.org
Patrick@farmschool.org
978.249.9944
Offers a 1-year, residential learn to farm program on its working farm in Orange, MA

Land

Land For Good • Keene, NH
landforgood.org
info@landforgood.org
603-357-1600
Farmland access workshops and trainings, online learning, and consulting on farmland access, tenure, and transfer

Equity Trust • Amherst, MA
equitytrust.org
jim@equitytrust.org • 413-256-6161
Land tenure, technical assistance, and loan fund

New England Farmland Finder
Keene, NH
newenglandfarmlandfinder.org
Collaboration of organizations led by Land For Good • Owner-listing site of available farmland

Networks

BFN/Mass
bfnmass.org

PV Grows
pvgrows.net

Young Farmer Network
youngfarmernetwork.org

C.R.A.F.T. (Collaborative Regional Alliance for Farmer Training)
craftfarmapprentice.com

Eastern Massachusetts CRAFT
emasscraft.org

Money

The Carrot Project
Somerville, MA
thecarrotproject.org
info@thecarrotproject.org
617-674-2371
Financial and business planning assistance

USDA Farm Service Agency
fsa.usda.gov
Beginning Farmers and Ranchers Loans

Farm Credit East
farmcrediteast.com
chris.laughton@farmcrediteast.com • 860-741-4380
Committed to serving all of agriculture, including young, beginning, small, and veteran farmers

Farmstart farmcrediteast.com/Products-and-Services/FarmStart.aspx
Generation Next farmcrediteast.com/Products-and-Services/GenerationNext.aspx

Agencies

Massachusetts Department of Agriculture • mass.gov/agr

Center for Agriculture Research & Extension • ag.umass.edu

USDA Natural Resources Conservation Service
nrcs.usda.gov

Policy

New England Farmers Union
newenglandfarmersunion.org

National Young Farmers Coalition
youngfarmers.org

National Sustainable Agriculture Coalition
sustainableagriculture.net

Last updated 2/24/14

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Business Needs

**Accounting**
Amalie Ann George, CPA PC  
Needham, MA  
amalie@aageorgecpa.com  
781-455-0200

Roy Henshaw, MBA, CPA  
Rucci, Bardaro & Falzone PC  
Malden, MA  
royh@rbfpc.com  
781-424-2520

Kimberly Pinkham, CPA, CFP  
South Burlington, VT  
kpinkham@gdr-cpa.com  
802-846-2000

**Farm Insurance**
Farm Family - Ludwig Agency  
ludwigagency.com  
don@ludwigagency.com  
978-467-1001

**Legal Services**
The Food Law Firm  
sagharbor, ny  
foodlawfirm.com  
info@foodlawfirm.com  
631-903-5055

**Emergency**
Farm Aid  
farmaid.org

**Equipment/Supplies**

**Farm Equipment**
Padula Brothers  
Raynham, MA  
padulabrothers.com  
caroline@padbros.com  
978-537-3356 ext. 124

Sales, service, and parts for a wide range of farming equipment

BCS Shop  
Harvard, MA  
bcsshop.com  
bcsshop@earthlink.net  
508-254-1964

Sales and service of BCS two-wheel tractors with tillers, sickle bars, and plow

**Farm/Livestock Supplies**

Essex County Co-op  
Topsfield, MA  
essexcountycoop.net  
MDHCOOP@gmail.com

978-887-2300

Feed and Grain, Hay, Compost/Mulch, Garden Supply, Pet Food Supplies

**New England Hay Supply**  
Cheshire, MA  
newenglandhaySupply.com  
Balawender1@gmail.com  
413-841-0777

Year round producer and supplier of premium hay/straw

**Rain-Flo Irrigation**  
East Pearl, PA  
rainfloirrigation.com/index.php  
sales@rainfloirrigation.com  
717-445-3000

Vegetable planting/growing products, T-Tape drip tape, plastic mulch, portable water pumps, etc.

**Rimol Greenhouse Systems**  
Hookset, NH  
rimal.com  
jwells@rimol.com  
603-494-9426

Greenhouse & High Tunnel Manufacturer

**Seeds**
Fedco Seeds  
Waterville, ME  
fedcosseeds.com  
main line 207-426-9900

catalog request line 207-426-0090

Comstock, Ferre & Co  
Wethersfield, CT  
rareseeds.com

Johnny’s Seeds  
Winslow, ME  
johnnyseeds.com  
877-564-6697

**Compost**
Amend Organics  
Amherst, MA  
amendorganics.com  
info@amendorganics.com  
413-992-6464

Completing the loop, from farm to table & back to the farm!

Jobarb Farms  
Bolton, MA  
jobarbFarms.com  
978-314-6590  
Excellent compost made from mixed manures and other organic wastes

**Bridgewater Farm Supply**  
Bridgewater, MA  
bridgewaterfarm.com  
508-697-0357  
Farm and garden supply, compost, and mulch

**Dracut Department of Public Works**  
Dracut, MA  
dracut-ma.us/public-works-dpw  
978-452-1227  
Raw compost for pickup for Dracut residents only

Martin’s Farm Compost and Mulch  
Greenfield, MA  
martinsfarmrecycling.com  
413-774-5631  
Top quality compost [including organic-approved]

**Brick Ends Farm**  
South Hamilton, MA  
brickendsfarm.com  
978-468-3131  
Bulk organic garden compost, compost tea, garden soil and compost [ME, MA, and NH]

**Vineyard Gardens**  
West Tisbury, MA  
vineyardgardens.net  
508-693-8511

Compost on Martha’s Vineyard

**Bear Path Farm**  
Whately, MA  
bearpathfarm.com  
bearpath@comcast.net  
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**Smith’s Otter River Farm**  
Winchendon, MA  
blackgoldcompost.net  
info@blackgoldcompost.net  
978-939-5738

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**Certification**
Certified Naturally Grown  
naturallygrown.org  
info@naturallygrown.org  
845-687-2058

Baystate Organic Certifiers  
baystateorganic.org

**Find Resources**
Start to Farm  
start2farm.gov

Beginning Farmers  
beginningfarmers.org

Beginning Farmer Network of Mass  
bfnmass.org

National Sustainable Agriculture Information Service  
atttra.org

Read the entire guide at www.nesfp.org/massfarmguide. Contact us at www.nesfp.org, nesfp@tufts.edu, or 978-654-6745.

Last updated 2/24/14
Feedback Form

How can we improve this resource guide? Your thoughts and suggestions will help us build a better resource guide and help many hundreds of new farmers in Massachusetts.

Please send completed forms to:
New Entry Sustainable Farming Project
155 Merrimack St., 3rd Floor
Lowell, MA 01852
E-mail: nesfp@tufts.edu

1. Did this guide help you to: [check all that apply]
   _____ Save money                                   _____ Make decisions about your farm business
   _____ Locate resources                             _____ Locate useful websites or documents
   _____ Understand regulations                      _____ Learn about programs that can help you

Other:

Please share specific details on the above benefits of the guide:

2. What are the top 2-3 most important things you learned?

3. How useful were individual fact sheets?

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