



MOSES ORGANIC FACT SHEET

# Start Farming! Resources for the Beginning Farmer

As more and more people demand local and organic food, there are increasing opportunities for new farmers. The growing organic market can provide the opportunity, but it is challenging to start your own farm without proper planning. Starting any new business takes research, planning, experience and capital resources. Farming is no different! If you are seriously considering starting up an agricultural business, there are a number of important things to consider. Get started on the right path by defining your goals and skills, gaining experience and education, choosing your marketing strategies, and financing your agricultural venture.

The resources and links here will help with planning your agricultural venture, and if you choose, in the preparation of a business plan that outlines the strategies that will lead you to a successful enterprise.

## Define Your Basic Goals

You can define your interests and goals by asking yourself some basic questions. First, identify your values take some time to sit down and think about the following things, as suggested by the book *Building a Sustainable Business* developed by the Minnesota Institute for Sustainable Agriculture (MISA).

In relation to your farming venture and your broader life, what are your:

- Personal goals?
- Economic goals?
- Environmental goals?
- Community goals?

After writing down some thoughts, you can start defining the goals for your agricultural enterprise. Answers to questions such as those listed below will help you further refine your goals. Remember, the best goals are specific and realistically attainable.

- Do you want to work with animals? What type?
- Are you interested in growing vegetables, fruits, or row crops like corn and soybeans?
- Do you want to make a living solely from the farm?

- Do your partner and/or family support your interest in farming?
- Do you want to do on-farm processing to add value to your products?
- Are you physically capable of the manual labor and long hours?
- Do you have an aptitude for fixing machinery?
- Do you have access to capital for infrastructure, seeds, livestock purchases, etc.?
- What do you like to do? Since farming can be repetitive, you should enjoy your chosen work.

## Get Educated

Ask yourself whether you have the knowledge necessary to make your chosen venture a success. Most beginning farmers have production related questions. Some have very little experience with agriculture, while others have some background or history with farming. The number of possibilities is endless, but all beginning farmers are going to have at least a few things to learn about production, as well as financing and marketing. If you are interested in producing organic crops or livestock, it is important to have a firm understanding of the organic regulations and how to go about transitioning crop, livestock and pasture land to organic. Management of organic systems takes a somewhat different approach than in conventional agriculture, with a strong focus on soil health and quality, and preventative livestock health techniques. The organic approach to pest and disease control is also quite different. Learning these new organic management techniques is extremely important to the success of an organic operation. You can learn a lot from books, but real experience is hard to beat.

## Trainings & Classes

One great way to gain more experience is to take a class or extended training program. Many beginning farmers like short term, more hands-on approaches to learning, and there are a number of these trainings available.

## On-Farm Work

Another way to gain experience is to intern, volunteer or work on an operation that suits your inter-

ests. Many opportunities are available, especially on organic and sustainable farms, which commonly have a need for seasonal workers who have minimal experience but are willing to work hard in the field. This situation gives you an excellent chance to gain hands-on experience and can be an eye opener in terms of the many different aspects of running a farm. If you have not worked on a farm before, it is highly advisable to take part time work or an internship on a successful working farm before you proceed. A high percentage of people that take this important step find that farming is not for them after all. Farming is hard work, and a new operation may take a number of years to turn enough profit to allow you to quit other employment. For some, a hobby farm or part time enterprise may ultimately be the better choice. Working on a farm, even if it is unpaid, is worth more than almost any other form of training.

The Local Harvest website is one place where farm jobs are listed, but there are many others as well. If you know of farms in your area, give them a call or check their website, as most farms require some form of seasonal labor. You may also want to peruse the websites of agricultural recruitment and placement services. These services usually list permanent large-scale and conventional livestock and crop farm jobs for those with experience, but every once in a while jobs on farms focused on organic or sustainable management also appear.

### **Field Days and On-Farm Workshops**

Short term events (a few hours to a few days) are occurring all the time, sponsored by the many of the organizations listed in the resources section at the end of this document, or others like them. It is advisable to attend as many of these as possible. Nothing beats being able to network and learn from successful farmers. Ask questions and take notes. Many of these events are free.

### **Online Resources**

A large amount of information on crop production, animal husbandry, organic certification and sustainable production techniques is available for beginning farmers on the web. Some of the better resources are listed at the end of this document.

## **Marketing**

Before you start operating, you must identify your market. A steady market is critical to financial success, and many farmers find that multiple markets will bring the most stable income. With conventional commodity crops, a farmer can sell to, or contract with, their local grain elevator, or in the case of conventional large livestock, sell at auction. Cooperative marketing opportunities may also exist for crops and livestock through local cooperatives or through the

National Farmers Organization. Often large-scale vegetable growers contract with buyers or distributors, meaning they agree at the beginning of the year to provide the buyer with a certain amount (by weight or volume) of the crop in question at a certain price. Terms and conditions will vary. Cooperative marketing opportunities also exist for vegetable producers.

With vegetables, specialty crops, specialty meats, and with organic products in general, a somewhat different approach to marketing may be necessary. Consumers now want to know where and how their food is produced. This demand is driving the market for products produced locally, sustainably and certified organic. Many small scale producers market their products directly, through farm stands, farmers markets and Community Supported Agriculture (CSA). In the CSA model, consumers buy a "share" in the farm and pay a flat fee up front before the season begins. In return, the farmer provides the customer with a certain amount of produce (or other product) weekly for the entire growing season. Arrangements vary, but usually customers meet the farmer to pick up the produce. The agreement may also ask the customer to complete volunteer work on the farm.

Since CSAs rely on "direct to consumer" marketing, CSA producers depend on effectively advertising their operations. Websites like Local Harvest, the Land Stewardship Project around the Twin Cities, and organizations like the Madison Area Community Supported Agriculture Coalition (MACSAC) around the Madison, WI area are very useful. Later, a dedicated farm website and newsletter will help grow a customer base. New producers will want to wait to use the CSA model until they are confident in their growing skills and resource base. It takes significant skill and planning to consistently fill weekly CSA demands.

Smaller sized producers may choose to market directly to consumers through farm stands or at farmers markets. Others, individually or cooperatively, choose to sell to grocers, food co-ops or restaurants in their local area. Some producers may work individually or cooperatively to market their products directly to institutions such as schools or hospitals. Contracts may be available in some areas for organic produce, grains, and other field crops. Examples of companies buying organic grains are SunOpta, Northland Organics, or Ceres Organic Harvest. Niche, specialty markets such as organic tofu or natto soybeans for export to Japan (extra certification for the Japanese organic market would be necessary in this case), may also provide opportunities for organic crop producers.

Organic milk is usually sold through larger companies or cooperatives, although a number of organic dairies market their milk directly to retail outlets. You will need to carefully explore your state regulations before

you plan on this, however. Dairy processing facilities are very expensive capital investments. Organic meats probably require the most creative marketing, as there is very little marketing infrastructure in place, but solid customer demand. Many meat producers sell directly to the customer, retail stores or restaurants, but other opportunities also exist with the growing institutional market.

Marketing associations and cooperatives also provide opportunities for organic crop and livestock producers. From vegetables to beef, many organizations and materials exist to assist in the marketing of organically and sustainably produced foods, and their contact info is listed below. Also consult the Midwest Organic and Sustainable Education Service's (MOSES) Upper Midwest Organic Resource Directory for potential buyers of organic ag products.

With selling and marketing your products come legal responsibilities. As a food producer, it is important to be aware of what permits, licensing and other legal requirements are necessary and what regulations must be followed. Farmers interested in processing their agricultural products on farm have additional licensing requirements. The labeling of products follows certain protocol mandated by state and federal governments, and food safety guidelines must be followed by farmers to ensure healthy food reaches the consumer. The list below shows some examples of the licensing requirements in Wisconsin for selling various types of agricultural products. This list is just an overview; other considerations may be necessary.

## **Licensing Requirements**

*(May be required by State and Federal Law- check with your State Department of Agriculture for details as rules vary from state to state. The rules below apply to Wisconsin residents.)*

### **Raw Vegetables/Fruit**

No license required for selling from the farm, at the farmers market or to retail outlets

### **Cut Vegetables/Fruit**

1. Selling from farm: Retail food establishment license required. Processed in commercial kitchen.
2. Selling at farmers market or to retail: Same as above but product must be fully labeled.

### **Poultry (Meat)**

1. Selling from farm (under 1,000 birds/yr): No license needed. Must be fully labeled, including "Not Inspected." Must be handled to ensure food safety.
2. Selling from farm (over 1,000 birds/yr): Retail food establishment license required. Must be fully labeled.
3. Selling at farmers market: Mobile retail food establishment license. Must be processed at state inspected

facility. Fully labeled. Check local ordinances.

4. Selling to retail outlets: Same as above, but also warehouse license.

### **Eggs**

1. A license is not required for on-farm egg sales direct to customer.
2. Selling at a farmers market requires a mobile retail food establishment license and a food processing plant license (inspection required).
3. Selling wholesale (to retailers, restaurants) requires a food processing plant license (inspection required- eggs must be fully labeled).

### **Dairy (Milk, Cream, Butter)**

1. Selling from farm: Dairy license, dairy plant license, personal license for butter production. Fully labeled.
2. Selling at farmers market or to retail: Mobile retail food license for farmers markets.

## **Financing**

How will your venture be financed? There are no grants available to fund the initial purchase of land, equipment or infrastructure. In most cases, a loan is needed to finance these purchases. You will also need some capital for a down payment. Depending on the scale of the operation, the investment may range from rather small to quite significant. Producers are usually going to access loans through lenders who are members of the Farm Credit System, a government sponsored enterprise consisting of a nationwide network of cooperatively organized banks and associations. Members of the Farm Credit System are required to serve the needs of beginning farmers and have a program in place to furnish sound credit to beginning farmers. Financial planning and certain loan programs can be accessed through State Departments of Agriculture. There are a number of different loans available to finance the acquisition of land and equipment, or to fund operating expenses.

Farmers can also access loan programs through their State Departments of Agriculture, and many states (not WI) also have Aggie Bond Loan programs, which are specifically directed to beginning farmers. In Wisconsin, the Department of Agriculture and Trade Policy's Farm Center can assist growers with accessing loan programs, financial counseling, including enterprise analyses, feasibility analyses and assistance with debt restructuring. In Minnesota, the State Department of Agriculture's Ag Marketing and Development Division can help producers access loans and grant programs suited to their needs. The Minnesota Farmer Assistance Network also provides advice and financial guidance to farmers. The University of Minnesota's Small Farms Center also provides information on marketing and financial assistance, as well as offering farm credit mediation services. The Center



for Farm Financial Management, also at the University of Minnesota, can provide producers with tools to assess their financial situation and plan the future of their operations. The state of Minnesota has many loan programs available, including basic farm loans, dairy modernization loans, sustainable agriculture loans, and so on.

The USDA Farm Service Agency is another important source of operating loans, land acquisition loans and beginning farmer loans. The FSA provides low-interest loans for established producers and beginning farmers who cannot obtain credit from other sources. These programs can be useful for beginners who do not have the assets which would allow them to purchase a large quantity of land or make extensive equipment purchases.

Grants are also sometimes available for beginning farmers, usually through the state. These monies are generally available to support the farm planning or marketing, but not for buying land or buildings. The state of Minnesota has a number of grants available for farmers for investment in livestock, specialty crops and sustainable agriculture, as well as administering cost sharing for organic certification. Wisconsin also has specialty crop grants, along with grants for the development of value added products and new technologies and a Buy Local Buy Wisconsin grant program to provide technical assistance to growers. Federal money is available to help with the cost of organic certification, contact your State Department of Agriculture.

## ***Finding a Place to Farm***

The final step in the process is finding land to begin farming on. New farmers can do well by starting out on rented land, but some choose to buy property. You can use local realtors, but there are also some resources online where individuals looking to buy and sell or rent land can connect, such as the MOSES Land Link-Up and the Land Stewardship Farmland Clearinghouse. When looking at land, pay attention to soil types, landscape, and set up to determine whether the property suits your needs. Don't fall in love too quickly!

## ***Business Structure***

If you wish to start a farm business, you will want to think about the legal structure of your operation. You may want to operate as a sole proprietorship, which means that you don't have to register your business, and farm operations and other income and household activities are more or less legally merged. Other options include forming an S- or C- corporation, or a limited liability company (LLC), which is the choice of many small farmers. Those who choose to incorporate

their farm activities generally do so for liability reasons, the main difference between the various options is in the way your activities will be taxed. For basic information on incorporation, visit the Small Business Association at [www.sba.gov](http://www.sba.gov).

## ***Resources and Links***

This is a select list of resources that may be helpful to you as you venture into your farming career.

### **AgriCareers**

[www.agricareersinc.com](http://www.agricareersinc.com)

*Online job/internship boards.*

### **Angelic Organics Learning Center**

815-389-8455

[www.csalearningcenter.org](http://www.csalearningcenter.org)

*Offers on-farm trainings and educational events for all ages in Northern IL.*

### **ATTRA, National Sustainable Agriculture Information Service**

[www.attra.ncat.org](http://www.attra.ncat.org)

*Has a wealth of informative publications on sustainable and organic production techniques, many resources on business planning and internship listings.*

### **Beginning Farmers**

[www.beginningfarmers.org](http://www.beginningfarmers.org)

*Online job/internship boards.*

### **Building a Sustainable Business**

800-909-MISA

[www.misa.umn.edu](http://www.misa.umn.edu)

*Developed by the Minnesota Institute for Sustainable Agriculture. Available from the MOSES Book Store.*

### **Collaborative Regional Alliance for Farmer Training (CRAFT)**

815-389-8455

[jesse@learnrowconnect.org](mailto:jesse@learnrowconnect.org)

[www.learnrowconnect.org/farmer](http://www.learnrowconnect.org/farmer)

*Helps new farmers learn by linking them with experienced growers through internship, employment and mentoring relationships. This program is mostly active in the northern IL and southern WI region.*

### **Dairy Marketing Service - Midwest**

1-866-367-8181

[www.dairymarketingservices.com](http://www.dairymarketingservices.com)

*Kansas City, MO company provides assistance with marketing milk to large wholesale buyers. Also works with organic producers.*

### **Farm Beginnings™ Program**

612-722-6377

[www.farmbeginnings.org](http://www.farmbeginnings.org)

*Coordinated by the Land Stewardship Project, provides opportunities for participants to learn farm*

*planning and sustainable production methods from experienced farmers. Programs available throughout the upper Midwest region, contact listings on website.*

### **Farm Credit Administration**

info-line@fca.gov • www.fca.gov

*Find ag banks that are part of the FCA in your area.*

### **Farm to School**

www.farmentoschool.org

*Farm to school connects K-12 schools with local farms to provide healthy meals in school cafeterias while supporting local growers.*

### **FARRMS**

701-486-3569

info@farrms.org • www.farrms.org

*Links producers to other experienced sustainable and organic producers willing to answer questions.*

### **Fearless Farm Finances**

www.mosesorganic.org/farmfinances.html

*Farm financing book published by MOSES in 2012. Numerous links to farm financing resources on the website.*

### **Grassworks Dairy Apprenticeship Program**

715-560-0389

cjtom@hughes.net

*2-year program that provides on-farm learning and related classroom instruction.*

### **Land Stewardship Project (LSP)**

612-722-6377

info@landstewardshipproject.org

www.landstewardshipproject.org

*MN based offers field days and trainings and has CSA listings.*

### **Local Harvest**

www.localharvest.org

*CSA listings and job/internship boards.*

### **Madison Area Community Supported Agriculture Coalition (MACSAC)**

608-226-0300

info@macsac.org • www.macsac.org

*WI CSA listings, farm endorsements and local programs.*

### **Michael Fields Agricultural Institute**

262-642-3303

mfaiadmin@michaelfieldsagainst.org

www.michaelfieldsagainst.org

*Hosts and sponsors many events around WI and IL every summer.*

### **Midwest Organic and Sustainable Education Service (MOSES)**

715-778-5775

info@mosesorganic.org

www.mosesorganic.org

*Coordinates a mentoring program that pairs an established organic farmer with a transitioning-to-organic farmer; plans trainings and field days throughout the upper Midwest and has an events calendar for an extensive list of happenings related to organic ag around the Midwest; and many more resources available for new and beginning farmers.*

### **Minnesota Department of Agriculture: Agricultural Development and Financial Assistance Division**

651-201-6556

Lori.Schmidt@state.mn.us

www.mda.state.mn.us/grants/grants.aspx

www.mda.state.mn.us/about/divisions/agdev/agfinance.aspx

*Information on grants and loans available to ag producers.*

### **Minnesota Farmer Assistance Network**

877-898-MFAN (6326)

mfan.mda@state.mn.us

www.mda.state.mn.us/about/mfan.aspx

*Advice on financial and regulatory concerns.*

### **Minnesota Institute for Sustainable Ag**

www.misa.umn.edu/StudentPrograms/Internships/InternshipOpportunities/index.htm

*Online job/internship boards.*

### **National Farmers Organization**

800-247-2110

www.nfo.org

*Commodity marketing assistance for conventional and organic growers.*

### **National Sustainable Agriculture Information Service (ATTRA)**

www.attra.ncat.org/marketing.html

*Many great resources on marketing strategies.*

### **Organic Farmers Business Handbook**

by Richard Wiswall

catefarm@gmail.com

www.catefarm.com

*A complete guide to managing finances, crops and staff. Available from the MOSES Book Store.*

### **Organic Valley/CROPP Cooperative**

888-809-9297

www.farmers.coop

*A marketing cooperative which promotes regional farm diversity and economic stability by means of organic agricultural methods and the sale of certified organic products. Opportunities exist for meat, dairy, egg and vegetable producers.*

**Organic Trade Association**

[www.howtogoorganic.com](http://www.howtogoorganic.com)

*A good resource for beginning organic farmers, with many links to helpful information.*

**Practical Farmers of Iowa**

515-232-5661

[info@practicalfarmers.org](mailto:info@practicalfarmers.org)

[www.practicalfarmers.org](http://www.practicalfarmers.org)

*Coordinates events in IA that educate producers on ecologically sound agricultural techniques.*

**Research, Education, Action and Policy on Food Group (REAP)**

608-310-7836

[info@reapfoodgroup.org](mailto:info@reapfoodgroup.org)

[www.reapfoodgroup.org](http://www.reapfoodgroup.org)

*Programs include "Buy Fresh Buy Local," which connects local growers with restaurants, retail stores and other food outlets.*

**Start2Farm**

[www.start2farm.gov](http://www.start2farm.gov)

*Website to assist people new to farming or ranching; offer grants for new farmers, sample leases and contracts, federal funding programs for new farmers.*

**Sustainable Farming Association of MN**

320-226-6318

[info@sfa-mn.org](mailto:info@sfa-mn.org) • [www.sfa-mn.org](http://www.sfa-mn.org)

*Coordinates and supports sustainable ag related events around MN.*

**University of Minnesota AgPlan**

[www.agplan.umn.edu](http://www.agplan.umn.edu)

*Helps rural business owners develop a business plan for free.*

**University of Minnesota Extension Service**

[www.extension.umn.edu/Agriculture](http://www.extension.umn.edu/Agriculture)

*Provides comprehensive production related resources.*

**University of Minnesota Small Farms Center**

Betsy Wieland, Extension Educator

612-596-1175

[eliza003@umn.edu](mailto:eliza003@umn.edu)

[www.extension.umn.edu/SmallFarms](http://www.extension.umn.edu/SmallFarms)

*Provide education in production and business management.*

**University of Wisconsin Center for Integrated Agricultural Systems**

608-262-5200

[www.cias.wisc.edu](http://www.cias.wisc.edu)

*Facilitate the School for Beginning Dairy Farmers and School for Beginning Market Growers and offer good information on organic production.*

**University of Wisconsin Extension**

[www.uwex.edu](http://www.uwex.edu)

*Provide comprehensive production related resources and have publications related to direct marketing available for a small fee.*

**US Small Business Association**

[www.sba.gov](http://www.sba.gov)

*Business planning information.*

**USDA Farm Service Agency**

[www.fsa.usda.gov](http://www.fsa.usda.gov)

**Wisconsin State Office**

608-662-4422

**Minnesota State Office**

651-602-7700

*Low interest loans for farmers. Search the website for county offices.*

**Wisconsin Department of Agriculture, Trade and Consumer Protection**

800-942-2474

[datcp.wi.gov](http://datcp.wi.gov)

*Marketing, financial, legal, conservation resources and more for Wisconsin farmers. Also publish WI Local Food Marketing Guide, 123-page book available online helps with marketing and legal advice.*

**Wisconsin Grass-Fed Beef Cooperative**

715-965-3756

[info@wisconsingrassfed.coop](mailto:info@wisconsingrassfed.coop)

[www.wisconsingrassfed.coop](http://www.wisconsingrassfed.coop)

**Wisconsin Organic Marketing Alliance**

608-427-2201

[mcdonald@mwt.net](mailto:mcdonald@mwt.net)

[www.organicmarketingalliance.org](http://www.organicmarketingalliance.org)

*Assistance marketing feed and grain crops.*

**World Wide Opportunities on Organic Farms (WWOOF)**

[www.woof.org](http://www.woof.org)

*Online job/internship boards.*



The Midwest Organic and Sustainable Education Service (MOSES) provides a variety of resources for farmers interested in organic and sustainable farming. To learn more, please see:

**[www.mosesorganic.org](http://www.mosesorganic.org)**