## Starting a Farm in Manitoba

Are you brand new to agriculture? This tool lists some considerations and resources to review prior to embarking on your new farm enterprise!

- What do you want to produce, and what size of operation will you pursue (e.g. acres, head of cattle)? There are many types of farms, and most have their own respective <u>commodity association</u>. Here are some examples of farm enterprise types and resources to learn more about them:
  - grain and oilseed, fruit or vegetable crops
- food business and direct selling

- forages, livestock or apiary
- supply managed commodities

homestead or hobby farm

Learn more about each in the <u>Agriculture in Manitoba sector profile</u> or visit the <u>Markets and Statistics</u> page.

- 2) What is your current knowledge of farming enterprise you wish to start? Do you have agronomic or animal husbandry expertise? Have you worked/volunteered/apprenticed on a farm, or taken additional education (courses, diplomas, degrees) around agriculture? Also, Manitoba has many growing regions with different agricultural capability so you should have an awareness about soil types and limitations, as well as the local municipal zoning laws and water rights.
- 3) What are your **current skills**? You may be mechanically inclined or be an animal whisperer. Business management skills such as preparing farm financial statements will go a long way. Having a marketing plan and being futures market-savvy will also increase your success.
- 4) What are your current financial resources? Significant investment is required months or years before income is received from selling crops or livestock, and both fixed and operating costs should be considered. You may have your own or family money, be pursuing loans/lines of credit via banks and agricultural lenders (e.g. Farm Credit Canada or Manitoba Agricultural Services Corporation Bridging Generations Initiative), or be pursuing project funding under the Sustainable Canadian Agricultural Partnership. Here are some of the costs to consider:
  - Review the <u>cost of production (COPs) calculators</u> for estimated costs of many operation types.
  - <u>Land</u> can be owned or rented, and rented land could be privately owned or <u>Crown land</u>. Farmland real estate and rental listings may be available online or through local advertising in rural communities.
  - Infrastructure and Buildings like barns, sheds or fencing, may require capital to build, retrofit or repair.
  - Farm Machinery can be bought new or used, leased, or you can hire custom operators.
  - Labour Will you need to hire staff? See the <u>Human Resources Guide for Farm Management</u>.
  - Cash or financing will be required for operating costs (e.g. seed, pesticides, breeding stock, fuel, etc.)
  - FarmPlan can help with financial planning.



- 5) What is your intended <u>business ownership structure</u>? There are many types of <u>Farm Business</u> <u>Arrangements</u> including a <u>sole proprietorship</u>, a <u>partnership</u>, a <u>corporation</u>, and more.
- 6) Do you have a business plan? Farms do not require a special farm business registration number in Manitoba but may require a business number (BN). Learn more about how <u>start a business in Manitoba</u> (and register for a BN), and how to <u>apply for a GST number</u>. Develop your long-term plans with help from the <u>FCC business plan tools</u>. It's never too late to start planning the future of your business – see the <u>Guide</u> to Farm Estate Planning and the <u>Transition Planning Guide</u>.
- 7) Your farm enterprise may require permits or licenses as there are several <u>Acts and Regulations</u> specific to agriculture. Familiarize yourself with requirements and use the <u>BizPal tool</u> to find required permits and licenses by municipality at the local, provincial, or federal level.
- 8) All owners and operators of **premises in MB with livestock and poultry** must supply basic land information by completing a <u>Premises Identification (PID) application</u>.
- 9) Review the **business risk management (BRM)** tools including <u>AgriStability</u>, <u>AgriInvest</u>, <u>AgriInsurance</u>, and <u>Livestock Price Insurance</u>. Visit the <u>MASC website</u> for all the details on crop and livestock insurance.
- 10) Farming is not a 9-to-5 job, and many farmers work additional jobs off-farm. The <u>Canada Revenue</u> <u>Agency (CRA)</u> has specific rules about income and expenses from farming operations. Become familiar with the seasonality associated with your farm enterprise to manage potential off-farm work requirements.
- 11) You cannot be an expert in everything! You need **trusted advisors** (e.g., accountant, lawyer, agronomist, livestock nutritionist, marketing specialist). Check out the <u>Hiring an Advisor for your Farm</u> resource.
- 12) There are farm rebates and special rates which have very specific requirements:
  - a. Farm truck registration may be an option if you live on a farm and farm not less than 720 hours a year. Further details available through <u>Manitoba Public Insurance.</u>
  - b. Details on the Farmland School Tax Rebate (FSTR) are available through MASC.
  - c. The fuel charge exemption for farmers requires a signed <u>Canada Revenue Agency L402</u> <u>declaration form</u> be provided to the fuel supplier for bulk fuel deliveries or farm-use cardlock.
- 13) Review these **additional resources** and information for <u>young and beginning farmers</u>.

## **Contact us:**

- Visit gov.mb.ca/agriculture/ or a Manitoba Agriculture/MASC office
- Contact a Farm Management Specialist
- Email us at mbfarmbusiness@gov.mb.ca
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