

Getting Started in Farming: Part-time or Small Farms

Ag Decision Maker
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Small farm is a broad term that was defined by the National Commission of Small Farms as a farm with income less than \$250,000 a year. A common definition of part-time farming is a farmer who works 150-200 days off the farm.

Small farms make up a large sector of the farms in the United States. According to the 2017 US Census of Agriculture, 1.5 million out of the 2.7 million principal farm operators in the nation report something other than farming as their primary occupation. Approximately 58% of farms have sales of less than \$10,000.

In 1929, only one farmer in 16 reported 200 or more days of off-farm labor. That number increased to one in six by 1947. Today, one in three farmers has a job outside of farming where they work more than 200 days.

It is important to remember that farming is a business. Like any other business, an individual must look at the advantages and disadvantages of operating a farm and evaluate key aspects, including all parties involved with decisions, resources available, and different enterprises. Even though part-time farming is not your career, it can still seem like a full-time job at times. It is important to fully prepare yourself for everything that comes with the responsibility of having a small farm.

There are many different motives people have for wanting to get into part-time farming ranging from a desire for the open space and learning experiences for children to a transitional step into full-time farming. If you are simply looking for a place to live in the country for the scenery and

your own garden, a smaller operation with plenty of surrounding scenery might be a better choice to meet your goals.

The information in this publication provides a foundation for decision making for potential part-time farm operators. Additional information is offered at local and state extension services. Any questions regarding a part-time farm operation can be answered by your agricultural extension agent.

Why do I want to farm?

The two most important questions that should be asked first are: “Why do I want to have a part-time farm?” and “What do I expect to obtain from the farm?” Once these questions have been answered, develop goals for the purpose and function of the farm. This will help set up a long-term plan using the farm system best suited for you.

Advantages and Disadvantages of Part-time Farming

When deciding whether to farm on a part-time basis, assessing both the advantages and disadvantages will help you determine the best fit for you.

Advantages - Part-time farming is not right for everyone. It can support a healthful way of life in the country away from urban congestion. The farm can provide open space and learning opportunities for children. If the family is able to furnish the necessary labor and management and choose the right enterprise, the farm could supplement cash income.

The physical labor of the farm may provide satisfaction or have a therapeutic effect for some



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people. This same labor can become overpowering and a drudgery to those who are not accustomed or conditioned to it. Finally, the air and light pollution may be less in the country than in town.

Disadvantages - Advantages for some become disadvantages for others. For some people, being far away from neighbors or town can cause a feeling of isolation. Part-time farmers with family have to prepare for higher transportation costs, especially if members are involved in many activities in town. Farm life can become confining and boring to family members, particularly if they select enterprises that conflict with their goals and desires. For example, some livestock enterprises must be tended to daily.

Loss of a crop or an animal is always somewhat traumatic. But it can be even more devastating for a part-time farmer who may not have the commercial farmer's philosophy on these inevitable losses. Losses due to market conditions may be catastrophic to people who are unaccustomed to farm price fluctuations.

Finally, although air and water pollution may be less or different in the country than in town, they are not completely eliminated. The family may simply exchange industrial smoke and car exhaust fumes for animal waste odors and weed pollens.

Getting started in farming is less financially attractive than it was 50 years ago. The risks involved are high. A large amount of capital may be needed for initial purchases.

The ultimate success of a farm operation depends on how well the individual or his or her family members are able to cope with potential disadvantages, or how strongly each feels the advantages of farm life outweigh the disadvantages.

Consider All Parties Involved

Deciding to farm part-time is a big decision that cannot be made by one person if there are multiple people affected by it. The decision is much simpler if there is only one person being impacted. However, if you have a family, all family members affected in the decision must be consulted.

There are several questions that need addressed.

- Would your family be open and accepting of a new lifestyle?
- How will the move affect your significant other?
- Will this affect their jobs or activities?
- If your farm is far away from the nearest school, can your children adjust to driving a long way to school and extracurricular activities?

You also need to ask how involved your family is willing to be in the small farm operation. Having a part-time farm is just like any other business that needs labor to do the work. Will your children or significant other have to be part of the labor?

Make sure you are looking into the future. Your family may be able to provide the necessary labor now, but it is important to look ahead into the future. Will your children be involved in school or community activities that will prevent them from helping as much? Off-farm activities do not prevent a family from farming, but the nature of the off-farm activities and the time involved should be considered.

Evaluate Resources

Starting a small farm may sound easier than it really is. Particularly if you grew up on a farm, you might think you know everything there is to know. Farming is a continuously changing occupation. Farming is a business that requires good management. One wrong move could jeopardize an entire year's worth of farm income. It is important that you read publications, talk to experts, and visit with other farm operators who have similar goals to your own.

It is important to evaluate both personal and physical resources before making any decisions regarding your farm operation.

Personal Resources

Education. Although experience will take you a lot further in farming than education will, it is nice to have a college degree under your belt. People

who plan on farming after college often major in agricultural studies, agricultural education, agronomy, agricultural business, or specific enterprise majors. If you do not have any farm experience, it is highly suggested to attain some form of two- or four-year degree. However, hands-on experience is incomparable to sitting behind a desk and reading about farming. The best way to learn about farming is to gain experience as a hired hand on a farm. If you are unable to get more schooling or work at a job to gain farming experience, think twice about whether part-time farming is right for you. Part-time farming requires just as much knowledge and experience as a full-time farmer.

Knowledge. Always keep up-to-date on the latest trends and technologies in agriculture. Subscribe to different agriculture magazines, such as *Farm Journal* or *Successful Farming*. Follow blogs, agricultural companies or producers on social media platforms. The agriculture industry is always changing; it is crucial to stay on top of the latest news.

Off-farm income. There is an initial investment in any farm enterprise you take on. Some require more capital than others. Does your current job give you the time, resources, and flexibility needed to farm part-time? It may be several years before you receive a return on any of your farm investment. You must be sure that you are dedicated to the farm before you jump into any sort of enterprise.

Unless you already own or inherit a farm, you will need to look for one that offers the opportunity to achieve your desired goals. For example, if one of your prime objectives is to develop a livestock operation to produce additional family income, you should look for a farm that will permit development of such an operation.

Remember, if you are simply looking for a place to live in the country for the scenery and your own garden, a smaller operation with plenty of surrounding scenery might be a better choice to meet your goals. Once you've decided what type of farming unit you are looking for, the following are

some key factors to keep in mind when selecting your part-time farm.

Physical Resources

Location. Choose a location that is within easy commuting distance from your family's current jobs and other employment opportunities. Then if you change jobs, you won't necessarily have to sell the farm. The presence of alternative job opportunities will also help make the farm more appealing if you decide to sell. It is important to evaluate how much commuting to and from work will cost, including gas, higher insurance rates, etc.

If you have children or are planning on having children, check the local schools in the area. The school's website is a good place to start to find information about the school. You can find the activities, programs, policies, and much more information that can help you evaluate the quality of education your children would get. Talk with parents who have children in the school district for further information to get a real feeling for what the school is like. Also, assess the provisions for transportation to and from the farm and school.

There are other necessities that you need to check for in the locality of the farm such as fire protection, sewage system, gas, water supplies, and electrical lines. If these facility necessities are not already in place, getting them may be more expensive than you expect.

One of the most important factors to consider is your water source. If you are considering a part-time farm where the water must be provided by a well, find out if there is a good well on the farm or the probable cost of having one drilled. A pond may provide adequate water for livestock and garden. Pond water can be filtered for human use, but most part-time farmers do not want to deal with the troubles and hassle.

Topography and Soil. Is the land suited to the crops you intend to raise? Soil type, drainage, or degree of slope can make a difference between good and poor crops. Does the land already have conservation practices in place such as terraces or diversions? What necessary conservation practices

are needed in order to protect from soil erosion? The [USDA NRCS Web Soil Survey](https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm) (<https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>), provides extensive information on soils and their suitabilities and limitations.

House. If there is a house already on the farm, consider if it will make a satisfactory full-time residence. Assess the costs that are needed to do any remodeling or redecorating. If the house is not wired adequately, properly insulated, or if plumbing or a central heating system must be installed, look into the costs of making these improvements. Sometimes it can be cheaper to build a completely new house, but that is not always the case.

Enterprises

Even if you are not entering farming to make a living, you do not want to lose too much on small projects that you might enter. The key requirements for a successful farm business are average or above average efficiency, an adequate volume of business and selecting a combination of crops and livestock that fit the available resources (land, labor, management, and capital). There are several other essential factors for a successful farm operation. These include a working knowledge of production methods, attention to buying and selling, keeping current on the economic climate and new technology, keeping useful records, and thorough financial planning.

Beef cattle, hay, poultry, and grain/soybean account for the majority of small farm operations. Information on more enterprises can be found at the [Leopold Center for Sustainable Agriculture](http://www.leopold.iastate.edu), (www.leopold.iastate.edu). The Leopold Center is a research and education center on the campus of Iowa State University created to identify and reduce negative environmental and social impacts of farming and develop new ways to farm profitably while conserving natural resources. Iowa State University Extension and Outreach is a good resource for more information about different enterprises, with staff expertise in various areas to discuss and help throughout the entire process.

Livestock

Characteristics of the farm family, available labor, management, and capital are important in selecting a type of livestock enterprise. Once you have assessed the major resources available, look at which livestock characteristics most closely match up with the owners. For example, a farmer with an ample amount of labor and rolling hills would match up well with dairy cows, assuming there is a market for the milk. If the farmer doesn't have a good supply of labor on a farm with good pasture, raising beef cattle might be better suited to the characteristics. If the farm was well adapted to corn production, the owner could raise sows and sell feeder pigs.

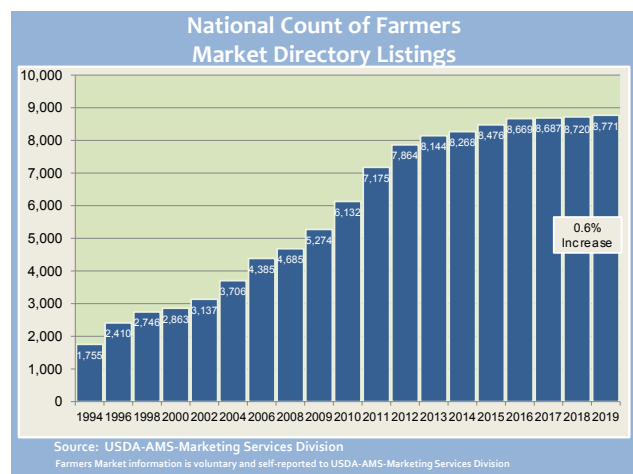
There are relatively high risks involved with livestock production. If you want a particular type of livestock, you need to choose a farm that is adapted to the crops needed for that kind of livestock. If you want a beef cow herd or sheep, you should look for land that is primarily hay or pasture production. If you want to produce hogs, you should look for a farm that can produce corn.

Crop

The common subcategories of crop enterprises include field crops, tree fruits, small fruits, vegetables, and specialty or miscellaneous crops. Crop enterprises do not require as much daily work as livestock enterprises, with the exception of periods such as planting and harvesting. However, they require a sufficient amount of land and expensive equipment.

Finding a Niche

Over the past several years, the popularity of farmers' markets has grown across the United States. There are many groups and opportunities available for growing local foods. Iowa State University Extension and Outreach [Farm, Food and Enterprise Development](http://www.extension.iastate.edu/ffed) (www.extension.iastate.edu/ffed) is a resource for more information.



Goals

Business aspects of farming depend first on the goals of the farmer: recreation, breakeven, make a profit, or others. Just as you would with any other business, you must set goals for your part-time farm to keep on track. Good goals should be SMART: specific, measurable, achievable, realistic, and timely.

When selecting an enterprise or enterprises, the three most important factors are your values, goals, and resources.

Tax Considerations

The Internal Revenue Service (IRS) does not care if you have a part-time or full-time farm. Any farm expenses are tax deductible. You still have to sort out the personal expenses such as electricity and water for your house if it is on the farm. A farm must be profitable three out of five years to be classified as a for-profit business. Horse farms must be profitable two out of seven years. Otherwise the farm may be considered a hobby for tax purposes.

Conclusion

People considering part-time farming must acknowledge that farming is a business that needs capital, labor and management, as well as land, buildings, and equipment.

Potential part-time farmers should thoroughly weigh the pros and cons of operating a farm. It is vital to take into consideration all factors and keep your goals in mind when making decisions. The enterprise or enterprises you choose should fit into your goals. The business aspects of farming depend first on the goals of the farmer: recreation, breakeven, make a profit, or others. In all cases, the results are determined by the level of efficiency, the volume of business, the choice of enterprises, and a number of other related factors. Remember goals can always be reevaluated, so be careful not to get stuck in a rut.

Resources

ISU Extension and Outreach Ag Decision Maker

- [Whole Farm – Transition and Estate Planning](http://www.extension.iastate.edu/agdm/wdbusiness.html), www.extension.iastate.edu/agdm/wdbusiness.html
- [Getting Started in Farming: Inheriting a Farm](http://www.extension.iastate.edu/agdm/wholefarm/pdf/c4-07.pdf), www.extension.iastate.edu/agdm/wholefarm/pdf/c4-07.pdf
- [Getting Started in Farming: On the Home Farm](http://www.extension.iastate.edu/agdm/wholefarm/pdf/c4-08.pdf), www.extension.iastate.edu/agdm/wholefarm/pdf/c4-08.pdf

[Iowa Land Value Survey](http://www.card.iastate.edu/farmland/)

www.card.iastate.edu/farmland/

[Center for Agricultural Law and Taxation](http://www.calt.iastate.edu)

www.calt.iastate.edu

[Beginning Farmer Center](http://www.extension.iastate.edu/bfc)

www.extension.iastate.edu/bfc

[ISU Extension and Outreach Farm, Food and Enterprise Development](http://www.extension.iastate.edu/ffed)

www.extension.iastate.edu/ffed

[Agricultural Alternatives, Starting a Farm](https://extension.psu.edu/business-and-operations/starting-a-farm/ag-alternatives)

https://extension.psu.edu/business-and-operations/starting-a-farm/ag-alternatives

[ATTRA Sustainable Agriculture Program](https://attra.ncat.org/)

https://attra.ncat.org/

[IRS Publication 225, Farmer's Tax Guide](http://www.irs.gov/publications/p225)

www.irs.gov/publications/p225

[National Commission of Small Farms](http://www.iatp.org/documents/a-time-to-act-a-report-of-the-usda-national-commission-on-small-farms)

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[Sustainable Agriculture Research and Education](http://www.sare.org)
www.sare.org

[US Census of Ag](http://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/)

www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/

[USDA AMS – Farmers Markets and Direct-to-Consumer Marketing](http://www.ams.usda.gov/services/local-regional/farmers-markets-and-direct-consumer-marketing)

www.ams.usda.gov/services/local-regional/farmers-markets-and-direct-consumer-marketing

Acknowledgement

This publication is designed to raise questions that need to be asked and to direct heirs to specific information for their circumstances. This publication is an update of an earlier publication prepared as one of the North Central Regional Extension Publications on Getting Started in Farming. This publication has been updated multiple times by John Baker, Mike Duffy and additional Iowa State University Extension and Outreach specialists since it was originally written. Many of the ideas presented are similar because the basis for good farmland decision making has not changed. Acknowledgment is made in a general sense and was not made throughout to avoid disrupting the flow of the publication.