Starting a Farm in Manitoba



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

- 1) 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 crops
 - fruit crops or vegetable crops
 - forages
 - <u>livestock</u> or <u>apiary</u>

- <u>direct marketing your food product</u>
- food business
- supply managed commodities
- homestead or hobby farms

Learn more about each on 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, and specifically, the enterprise you wish to start? Ideally, before you start a farm business, you should have agronomic or animal husbandry knowledge. Have you worked/volunteered/apprenticed on a farm, or have you taken additional education (courses, diplomas, degrees) around agriculture? Also, Manitoba has many growing regions with different agricultural capability so you should become familiar with soil types and limitations, as well as the local municipal zoning laws.
- 3) What are your current skills? You may be mechanically inclined and able to fix your own machinery, or consider yourself an animal-whisperer. Business management skills, such as creating business plans or preparing farm financial statements will go a long way. Knowing your marketing opportunities and being futures market-savvy with a marketing plan 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, or be planning to pursue loans/lines of credit via banks and agricultural lenders (e.g. Farm Credit Canada or Manitoba Agricultural Services Corporation), or pursue funding under the Sustainable Canadian Agricultural Partnership). Check out the MASC Bridging Generations Initiative or contact your local MASC office for more details.

Here are some of the costs to consider:

- Review the cost of production (COPs) calculators for estimated costs of many operation types.
- Land can be owned or rented, and rented land could be privately owned or Crown land. Resources:

 <u>Farmland and Buildings</u>, <u>Guide to Farmland Ownership in Manitoba</u>, the <u>Farmland Ownership Act</u>, <u>Land</u> assessment property search, RentPlan calculator, Sample Agreements, and Agricultural Crown Land.



- **Equipment** can be bought new or used, leased, or you can hire custom operators. Learn more about the cost of production associated with Farm Machinery.
- **Infrastructure,** such as barns, sheds or fencing, may exist on a property you buy. If not, they will require significant capital to build, retrofit or repair. Learn more at <u>Farmland and Buildings</u>.
- 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., annual purchases of seed, pesticides, breeding stock, fuel, insurance, and interest on loans).
- 5) Do you have a **business plan**? Learn more about <u>starting a business in Manitoba</u> (including applying for a Business Number), 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>. <u>FarmPlan</u> can help with financial planning. It's never too late to start planning the future of your business see the <u>Guide to Farm Estate Planning</u> and the <u>Transition Planning Guide for Agribusiness</u>.
- 6) What is your intended <u>business ownership structure</u>? There are many types of <u>Farm Business</u> Arrangements including a <u>sole proprietorship</u>, a <u>partnership</u>, a <u>corporation</u>, and more.
- 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) 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.
- 9) Farming is not a 9-to-5 job, and many farmers work off-farm in addition to managing their farm operations. The <u>Canada Revenue Agency (CRA)</u> has specific rules about declaring income and expenses from farming operations, so you will need to register with the CRA. Become familiar with the seasonality and hours associated with your chosen farm enterprise to manage potential off-farm work requirements.
- 10) 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.
- 11) There are **additional resources** and information for <u>young and beginning farmers</u>.

Contact us:

- Visit gov.mb.ca/agriculture/.
- Contact a Farm Management Specialist.
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