

## 6 - AGRICULTURAL LAWS & LEGALITIES

### Agricultural Laws & Rules

Visit the links below for information on agricultural laws and regulations in NH and in the nation.

Organization	Description	Website
NH Dept. of Agriculture, Markets & Food	Listing of laws & rules pertaining to NH agriculture	<a href="http://agriculture.nh.gov/laws-rules/">http://agriculture.nh.gov/laws-rules/</a>
NH General Court	Lookup current and past bills in the legislature and view their full text. Also, lookup who represents you in the NH Legislature.	<a href="http://www.gencourt.state.nh.us/">http://www.gencourt.state.nh.us/</a>
NH - Cities and Towns	Directory for your city or town. *Check with your city/town for any local agricultural laws & rules.	<a href="https://www.nh.gov/municipal/">https://www.nh.gov/municipal/</a>
United States Dept. of Agriculture (USDA)	National Laws and Regulations	<a href="http://www.usda.gov/wps/portal/usda/usdahome?navid=LAWS_REGS&amp;navtype=SU">http://www.usda.gov/wps/portal/usda/usdahome?navid=LAWS_REGS&amp;navtype=SU</a>

### A Note on Legal Issues:

If you are having legal issues with a neighbor, partner in your business, employee, etc., we recommend hiring a professional to resolve your issues. If you have agreements to lease land or property, be sure to have it in writing and have both parties sign. (See sheet “15 – Finding Farmland” for examples of lease contracts).

### Legal Issues Resources:

- NH Agricultural Mediation Program - NHAMP, a USDA program, provides mediation services to the agricultural community to help resolve disputes before they end up in court.  
<http://nhamp.emcenter.org/>
- Legal Issues - Farm Answers  
[https://farmanswers.org/LibraryList/legal\\_issues](https://farmanswers.org/LibraryList/legal_issues)

## 7 - LICENSES, REGISTRATIONS & CERTIFICATIONS

### Marketing Regulations

See sheet “4 – Marketing Strategies & Regulations.”

### Organic Certification:

- NHDAMF Organic Certification Program:  
<http://agriculture.nh.gov/divisions/regulatory-services/organic.htm>
- NOFA-NH – a non-profit membership organization for local, organic farming and food:  
<http://nofanh.org/>
- USDA Agricultural Marketing Service (AMS) – Organic Standards  
<https://www.ams.usda.gov/grades-standards/organic-standards>
- USDA Organic Agriculture  
<http://www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=organic-agriculture.html>

### Pesticide Licensing:

When using pesticides, the *Label is Law* – make sure you read it!

- For more information on becoming certified, visit the NHDAMF Div. of Pesticide Control:  
<http://agriculture.nh.gov/divisions/pesticide-control/index.htm>
- For more information on training and continuing education credits, visit UNH Cooperative Extension’s Pesticide Safety Education Program:  
<http://extension.unh.edu/Agriculture/Pesticide-Safety-Education-Program>

### Vehicle Registration and Ag/Farm License Plate Information:

- NH Dept. of Safety Division of Motor Vehicles: Vehicle Registration  
<https://www.nh.gov/safety/divisions/dmv/registration/index.htm>
- NH Dept. of Safety Division of Motor Vehicles: License Plate Types  
<https://www.nh.gov/safety/divisions/dmv/registration/plates.htm>

## 8 - ESTABLISHING YOUR BUSINESS WITH NH STATE

### A Few Key Steps:

- Decide what type of business structure you want to form – sole proprietor, partnership, LLC, corporation, etc.
- Register your trade name with the state (what you want to call your business)
- Apply for a tax ID number (EIN) – not necessarily needed for sole-proprietors
- Get some business advice from one of the organizations below or fellow farmers
- Start farming! – but also keep good records of what you are doing; see sheet “12 – Record Keeping”

Visit the links below for some information on starting a business in the state of New Hampshire.

Organization	Information	Website
Internal Revenue Service (IRS)	Apply for an Employer Identification Number (EIN)	<a href="https://www.irs.gov/Businesses/Small-Businesses-&amp;Self-Employed/Apply-for-an-Employer-Identification-Number-%28EIN%29-Online">https://www.irs.gov/Businesses/Small-Businesses-&amp;Self-Employed/Apply-for-an-Employer-Identification-Number-%28EIN%29-Online</a>
NH Economic Development	Business information and assistance	<a href="http://www.nheconomy.com/">http://www.nheconomy.com/</a>
NH Secretary of State – Corporation Div. Forms and State Laws	Trade Name Registration	<a href="http://sos.nh.gov/formslaws.aspx">http://sos.nh.gov/formslaws.aspx</a>
NH Secretary of State – Corporation Division	FAQs - including information on how to form an LLC	<a href="https://www.sos.nh.gov/corporate/faqs.html">https://www.sos.nh.gov/corporate/faqs.html</a>
NH Small Business Development Center (NHSBDC)	Information on starting a small business.	<a href="http://www.nhsbdc.org/">http://www.nhsbdc.org/</a>
NHSBDC	Choosing the Legal Form of Your Business	<a href="https://www.nhsbdc.org/choosing-legal-form-your-business">https://www.nhsbdc.org/choosing-legal-form-your-business</a>
NH State	Resources for starting a business in NH	<a href="https://www.nh.gov/business/index.html">https://www.nh.gov/business/index.html</a>
US Small Business Administration (SBA)	Information on starting and managing a small business.	<a href="https://www.sba.gov/">https://www.sba.gov/</a>

## 9 - RISK MANAGEMENT STRATEGIES

### Insurance

Farms encounter and create risks every day simply by operating their businesses. If you are currently in business or deciding to start an agricultural business, insurance should be part of your risk management strategy. The primary goal of risk management and insurance is to protect your assets from claims and lawsuits that may result from injury to persons or damage to property from accidents that are associated with your business.

Some of the more popular types of insurances for agricultural business owners are:

- business liability insurance
- crop insurance
- disability insurance
- health insurance
- life insurance
- property insurance
- worker's compensation insurance

**Note:** There are some insurance discount programs for farmers in association with NH Farm Bureau. Contact their office at (603) 224-1934 for details.

### For some general information about types of insurance & reducing your liability:

- Guide to Farming in NY: Farm Risk Management  
<http://www.nebeginningfarmers.org/2012/04/05/5-farm-risk-management/>
- CT Agricultural Business Mgt. Guide – see page 64  
[http://www.ctfarmrisk.uconn.edu/index\\_106\\_306926045.pdf](http://www.ctfarmrisk.uconn.edu/index_106_306926045.pdf)

### Farm Risk Management Resources:

- USDA Risk Management Agency (RMA)  
[www.rma.usda.gov](http://www.rma.usda.gov)
- UNH Cooperative Extension Risk Management  
<http://extension.unh.edu/Ag-Natural-Resource-Businesses/Risk-Management>
- NHDAMF Risk Management  
<http://agriculture.nh.gov/crop-insurance/risk-management.htm>
- Ag Risk & Farm Management Library  
<http://www.agrisk.umn.edu/>
- CT Farm Risk Management  
<http://www.ctfarmrisk.uconn.edu/index.php>

## 10 - MANAGING EMPLOYEES

When managing employees be sure to **keep records**, and good ones at that! (See sheet “12 - Record Keeping” if you need some tips).

### Labor Laws as Related to Agriculture:

- Federal Department of Labor  
<https://www.dol.gov/whd/regs/compliance/whdfs12.pdf>
- NH Department of Labor – Child Labor Laws  
<https://www.nh.gov/labor/documents/child-labor-below-18.pdf>
- NH Department of Labor  
<https://www.nh.gov/labor/index.htm>

### Payroll Things You Must Know:

- Issuing paychecks (weekly, bi-weekly or monthly)
- Filing quarterly reports (state and federal)
- Withholding employee taxes and promptly paying using electronic remittance portals
- Issuing W-2’s at year end
- Considering the taxability of various deductions
- Managing employees’ health and pension plan contributions
- Understanding the proper set up if using some form of computer program
- Interfacing with time tracking systems
- Handling timing and due dates for all tax payments and returns
- For information on payroll and other farm related taxes, see sheet “11 – Farm Taxes.”

\*If this seems daunting, we suggest that you hire a service to take care of it for you.

### Some Payroll Service Options:

Payroll Company	Website
Access Payroll Services	<a href="http://www.accesspayrollservices.com/">www.accesspayrollservices.com/</a>
ADP	<a href="http://www.adp.com">www.adp.com</a>
Farm Credit East	<a href="https://www.farmcrediteast.com/Products-and-Services/Payroll-services/Payroll-Contact.aspx">https://www.farmcrediteast.com/Products-and-Services/Payroll-services/Payroll-Contact.aspx</a>
Paychex	<a href="http://www.paychex.com/">http://www.paychex.com/</a>

- **Farm Employee Management** – Iowa State Extension:  
<https://www.extension.iastate.edu/agdm/wholefarm/html/c1-74.html>
- **Risk Mgt. Legal Guide Videos** – UNH Cooperative Extension  
<http://extension.unh.edu/Risk-Management-Legal-Guide-Video-Series>
- **Managing Employees** – multiple documents on Farm Answers  
[https://farmanswers.org/LibraryList/managing\\_employees](https://farmanswers.org/LibraryList/managing_employees)
- **Safety and Training** – OSHA Requirements and Suggestions:  
<https://www.osha.gov/dsg/topics/agriculturaloperations/generalresources.html>
- **Evaluation** – employee evaluation should be job specific; consistency, honesty and guidance are key. There are free resources online to get you started:  
<http://www.sampletemplates.com/business-templates/employee-evaluation-form.html>

## 11 - FARM TAXES

We generally suggest that you seek professional assistance when preparing your farm taxes. Since a farm business has many variables, a professional will be able to help you understand which items apply to your business and which ones do not. This is not to say that you can't do them yourself – it will just require a lot of research and effort.

### 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. ([Guide to Farming in NY](#))

- Farmer's Tax Guide (IRS Publication 225) - Federal Farm Income Taxes  
<https://www.irs.gov/uac/about-publication-225>
- Schedule F: Profit or Loss from Farming  
<https://www.irs.gov/uac/schedule-f-form-1040-profit-or-loss-from-farming>
- Schedule C: Profit or Loss from Business  
<https://www.irs.gov/uac/schedule-c-form-1040-profit-or-loss-from-business>
- Agricultural Tax Center – Federal  
<https://www.irs.gov/businesses/small-businesses-self-employed/agriculture-tax-center>

### Federal Employers Tax

- Agricultural Employer's Tax Guide (IRS Publication 51) – Federal  
<https://www.irs.gov/uac/about-publication-51>
- Employer Requirements for Payroll - CT Agricultural Business Mgt. Guide – see page 53  
[http://www.ctfarmrisk.uconn.edu/index\\_106\\_306926045.pdf](http://www.ctfarmrisk.uconn.edu/index_106_306926045.pdf)
- Independent Contactor or Employee?  
<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>
- Apply for an Employer Identification Number (EIN)  
<https://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Apply-for-an-Employer-Identification-Number-%28EIN%29-Online>
- Payroll and Worker Documentation - Guide to Farming in NY  
<http://www.nebeginningfarmers.org/2012/04/19/19-payroll-and-worker-documentation/>

## NH State Taxes

- NH Dept. of Revenue Administration – Business Taxes  
<http://revenue.nh.gov/businesses/index.htm>
- Property Taxes: Contact the town hall where your property is located for more information about rates, payment schedules, etc.
- Vehicle Taxes: Because registering a vehicle in New Hampshire is a two-part process, there are fees due to both the town/city and to the State. For an explanation of fees, please see RSA 261:141 for state fees, and RSA 261:153 for town/city fees. In addition to the registration fees, there is an \$8.00 plate fee for the first time you order plates.  
<https://www.nh.gov/safety/divisions/dmv/registration/vehicle.htm>

## “Tax Breaks” for Farmers

You can get a “break” on your NH property taxes if your land is in Current Use. **The purpose of Current Use in New Hampshire is to preserve open space** - a property tax strategy helping landowners keep their land undeveloped.

- NH Current Use Law – RSA 79-A:  
<http://www.gencourt.state.nh.us/rsa/html/NHTOC/NHTOC-V-79-A.htm>
- NH Dept. of Revenue – Current Use  
<http://www.revenue.nh.gov/current-use/index.htm>
- UNH Cooperative Extension – Overview of Current Use Assessment RSA 79-A  
[http://extension.unh.edu/resources/files/Resource000976\\_Rep1099.pdf](http://extension.unh.edu/resources/files/Resource000976_Rep1099.pdf)

## Other Farm Tax Resources:

- Farm Credit East offers Tax Services for agricultural businesses:  
<https://www.farmcrediteast.com/Products-and-Services/Tax-Services.aspx>
- UNH Cooperative Extension’s Agricultural Business Management team offers many workshops and events throughout the year that pertain to farm business management.  
<http://extension.unh.edu/Business/Agricultural-Business>
- Farm Answers – Tax Resources  
<https://farmanswers.org/LibraryList/taxes>



## 12 - RECORD KEEPING

Records are important to the financial health of your farm and are a very good management tool. They are essential for preparing income tax returns; submitting to lenders to make loan decisions; for establishing eligibility to participate in government programs; and for planning for the future and learning from the past.

### A Few Key Records to Keep:

- Accounting records
- Assets purchased/sold – equipment, livestock, land, etc.
- Business contracts
- Crop records – planting, harvest, seed, crop rotation, fields cropped, yields, etc.
- Customer information
- Daily/Weekly lists of things-to-do
- Financial records – income & expenses, financial statements, etc.
- Frequently used phone numbers & addresses
- Insurance information
- Licenses, Registrations, and Certifications
- Livestock data
- Pest data
- Pesticide application records
- Property purchased or land lease contracts
- Soil analysis
- Tax records
- Water tests
- And many other records!

Record Keeping Article	Website
CT Agricultural Business Mgt. Guide: Record Keeping – page 25	<a href="http://www.ctfarmrisk.uconn.edu/index_106_306926045.pdf">http://www.ctfarmrisk.uconn.edu/index_106_306926045.pdf</a>
Establishing and Using a Farm Financial Record-Keeping System	<a href="http://articles.extension.org/pages/11140/establishing-and-using-a-farm-financial-record-keeping-system">http://articles.extension.org/pages/11140/establishing-and-using-a-farm-financial-record-keeping-system</a>
Evaluating Farm Accounting Software	<a href="https://www.extension.iastate.edu/agdm/wholefarm/html/c6-32.html">https://www.extension.iastate.edu/agdm/wholefarm/html/c6-32.html</a>
Hobby Farms: 7 Crop Record-Keeping Charts	<a href="http://www.hobbyfarms.com/7-crop-record-keeping-charts-5/">http://www.hobbyfarms.com/7-crop-record-keeping-charts-5/</a>
Keep Your Farm Profitable with 6 Record-Keeping Tips	<a href="http://www.farmmanagement.pro/farm-profitable-keeping-tips/">http://www.farmmanagement.pro/farm-profitable-keeping-tips/</a>
<b>New England Farm Account Book (spreadsheet for farm income/expenses)</b>	<a href="https://extension.umaine.edu/livestock/related-resources/">https://extension.umaine.edu/livestock/related-resources/</a>
Northeast Beginning Farmers Project: Record Keeping	<a href="http://www.nebeginningfarmers.org/2012/04/15/15-record-keeping/">http://www.nebeginningfarmers.org/2012/04/15/15-record-keeping/</a>
Record Keeping Templates for Farms	<a href="https://www.carolinafarmstewards.org/record-keeping/">https://www.carolinafarmstewards.org/record-keeping/</a>