

## G Farming

**REVISION 36**  
(06/01/15 – 07/31/15)

Income from a self employed farmer is COUNTABLE.

To be self employed as a farmer, the participant must meet either of the following criteria:

- Be engaged in a farming activity for the purpose of producing income
- Have direct involvement in the farming activity

**NOTE** A person who rents his land to another person to raise a crop is not a self employed FARMER.

Irregular or unpredictable expenses may occur when producing self employment income from farming. The [participant's statement](#) regarding predictability of farming expenses is acceptable unless questionable.

When budgeting income of a self employed farmer, average the prior 12 months of income.

When the participant's expenses to produce self-employment farming income are irregular, the income and expenses from the prior 12 months may be averaged.

**NOTE** Anticipate the annual income and expenses when the prior 12 months does not reflect participant's ongoing income because of a substantial change.

Self employment income losses from farming may be offset against OTHER COUNTABLE income. Farming losses occur when costs of producing self employment income are more than the income.

To claim losses that exceed the self employment income, BOTH of the following must exist:

- The farmer must receive or anticipate receiving \$1,000 or more gross annual income from the farming business
- The farmer must have direct involvement in the farming activity

Calculate farming losses as follows:

- Anticipate and average the monthly losses
- Subtract the losses from the self employment income when income exists

NOTE When the farming income was annualized, DO NOT subtract monthly losses when the farmer stops farming during the approval period.

- Subtract any remaining losses from other NET self employment when other self employment income exists
- Subtract any remaining losses from OTHER COUNTABLE income

**WARNING**

Contact the Policy Support Team for special keying procedures when farming self employment income is less than the cost to produce the income.

When farming self employment is terminated, farm property (including land, equipment and supplies) are NOT COUNTABLE for the resource determination for 12 months. This period of exclusion begins on the date the self employment farming stops.

Complete the following on SEEI:

- Key N in the EXP field

NOTE Farming self employment does not use the 40% [self employment expense deduction](#). Subtract all countable expenses from the income.

- Key FA in the INCOME TYPE field
- Key the calculated amount from above in the MONTHLY GROSS field