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 | INFORMATIONAL LETTER |
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TRANSMITTAL: 90 INF-6

DIVISION: Income
 Maintenance

TO: Commissioners of
 Social Services

DATE: January 12, 1990

SUBJECT: Food Stamp Certification of Self-Employed Farmers

SUGGESTED
 DISTRIBUTION: Food Stamp Directors
 Income Maintenance Directors
 Staff Development Coordinators

CONTACT PERSON: County Food Stamp Representative at 1-800-342-3715,
 extension 4-9225.

ATTACHMENTS: There are no attachments to this INF.

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
		387.9		<u>FSSB</u>	
		387.12		XI-C-5.1 -	
		387.16		XI-D-2	
				XII-H-2.1	
				XVI-C-1	

The United States Department of Agriculture (USDA) has provided the following clarifications regarding the treatment of farm income for food stamps:

1. Shelter Portion of Farm: Where a farm mortgage does not separately identify the business and home portions of the property, the local district may use reasonable means of identifying the separate costs through proration. Proration may be based on information from sources such as the mortgage lender, real estate tax records, Farmer's Home Administration documents, insurance premium notices, or other available information. The prorated portion of the mortgage principal, taxes and interest which are attributed to the home are allowed as shelter costs. The portion of the interest and taxes (but not mortgage principal payments) attributed to the business portion of the property are allowed as costs of producing income.

Similarly, utility expenses which are not separately metered for the home and business portions of the farm may be prorated, based on income tax records or other available information. The prorated actual cost which is attributed to the business is allowed as a cost of producing income. The remaining actual cost or the utility standard, whichever is greater, is allowed as a shelter expense.

2. Exclusion of Farm Property: The following clarifications apply to households which have ceased farm operations but have not sold their farm property. Farm land which is contiguous with the property on which a household's home is located is excluded as a resource indefinitely. Non-contiguous property is excluded for one year after the household ceases to be engaged in farm self-employment. After that year, the non-contiguous property is excluded as an inaccessible resource as long as the household is making a good-faith effort to sell it at a reasonable price.
3. Definition of Farming Operations: In response to questions, the USDA has confirmed that the production and sale of maple products, Christmas trees and beeswax are also considered farming operations.

The information provided in this INF will be contained in a forthcoming Food Stamp Source Book update.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance