

A Guide to Successful Agritourism Enterprises



Written by: The Farm-Based Education Network, Shelburne Farms, University of Vermont Extension

Funding for the 2019 edition of “A Guide to Successful Agritourism Enterprises” was provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses.

PROJECT COORDINATION: Vera Simon-Nobes, Shelburne Farms
DESIGN: Holly Brough, Shelburne Farms
COVER PHOTO by Vera Chang

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the United States Department of Agriculture. University of Vermont Extension, Burlington, Vermont. University of Vermont Extension, and U.S. Department of Agriculture, cooperating, offer education and employment to everyone without regard to race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or familial status. Any reference to commercial products, trade names, or brand names is for information only, and no endorsement or approval is intended.

The information contained in this publication is deemed correct and accurate and is based on research at the time of writing. This publication is for educational purposes only and does not constitute legal advice or an interpretation of the law. It is recommended that you consult an attorney about specific legal concerns.

Also in this series:

How To...

- Host Weddings on Your Farm
- Host Dinners on Your Farm
- Host Summer Camp on Your Farm
- Develop a Farm Stand
- Develop a Farm Stay
- Develop a Farm Tour
- Develop a Pick-Your-Own Business

Download at uvm.edu/vtagritourism

The original 2014 edition of this publication was made possible by support from the U.S. Small Business Administration and The Canaday Family Charitable Trust. It is also the result of tax-supported funding from USDA, Rural Development, and as such cannot be copyrighted. It may be reprinted with the customary crediting of the source. Each chapter was published as a result of a project of the Rutland Regional Planning Commission, Farm-Based Education Network and Vermont Farms! Association, coordinated by Vera Simon-Nobes.

Assessing Your Farm for Agritourism

REFERENCES: “Keys to Agritourism Success” from Holly Born. *Keys to Success in Value-Added Agriculture*. Southern Sustainable Agriculture Working Group and the National Center for Appropriate Technology ATTRA Project, 2001. Western Profiles of Innovative Agricultural Marketing. THIS CHAPTER was originally written as a result of the East Coast Agritourism Webinar Series, a partnership between North Carolina State University and Rutgers University. Authors include: Stephen Komar, Agricultural and Resource Management Agent; Brian Schilling, Extension Specialist in Agricultural Policy; Jenny Carleo, Agricultural and Resource Management Agent; Susan Colucci, Area Specialized Agent, Agriculture, North Carolina Cooperative Extension Service; Samantha Rozier Rich, Assistant Professor and Tourism Extension Specialist, North Carolina State University; Stacy Tomas, Assistant Professor and Tourism Extension Specialist, North Carolina State University. It was adapted in 2014 by Vera Simon-Nobes, VT Farms! Association.

Business & Financial Planning

REFERENCES: “What Is a Business Plan?” from “Agritourism in Focus: A Guide for Tennessee Farmers,” University of Tennessee Extension, Center for Profitable Agriculture. “Choice of Business Entities” and “General Regulations” from “A Legal Guide to the Business of Farming in Vermont,” University of Vermont Extension and Annette Higby Esq., 2006. “Budgeting” from Roth and J.A. Hyde. “Partial Budgeting for Agricultural Businesses,” G.W. Penn State Agricultural Research and Cooperative Extension, 2002. “Navigating Local Land Use Regulations” from Agricultural Marketing Resources Center, 1111 NSRIC, Iowa State University. THIS CHAPTER was based on the Rutgers Extension training module, “Financial Management: Budgeting and Pricing for Agritourism.” It was adapted in 2014 by Barbara Noyes Pulling, Rutland Regional Planning Commission. Land use content was written by Barbara Noyes Pulling, Rutland Regional Planning Commission, with support from Stephanie Smith, Vermont Agency of Agriculture. Reviewed by John Ryan, Vermont Sustainable Jobs Fund and Sam Smith, Intervale Center. Chris Granstrom, Lincoln Peak Winery; Jordan Von Trapp, Bliss Ridge Farm; Peg Elmer, Community Resilience and Chairperson of Farm to Plate Agricultural Land Use Planning Task Force; Dean Pierce, Director of Planning and Zoning, Shelburne, VT; and Lisa Chase, University of Vermont Extension.

Offering High-Quality On-Farm Experiences

REFERENCES: “Strong Customer Service” from “Agritourism in Focus: A Guide for Tennessee Farmers,” University of Tennessee Extension. THIS CHAPTER was based on: “Best Management Practices in Agritourism,” by Lisa Chase and Varna M. Ramaswamy, University of Vermont Extension; Steven W. Burr and Jascha Zeitlin, Utah State University Extension; Gary P. Green and Michael Dougherty, University of Wisconsin; Vermont Farms! Association. Marketing Resource Center, 2007 Adapted in 2014 by Vera Simon Nobes, Vermont Farms! Association. Reviewed by Lisa Chase, University of Vermont Extension; Kim Goodling, Vermont Grand View Farm.

Safety & Risk Management

THIS CHAPTER was originally published as a result of a Northeast Sustainable Agriculture Research and Education program award, “Extension Training to Support Agritourism Development in the Northeast.” Authors include: Brian Schilling, Assistant Extension Specialist in Agricultural Policy, Rutgers University, Lisa Chase, Natural Resource Specialist, University of Vermont, Stephen Komar, Agricultural and Resource Management Agent, Rutgers University, Lucas Marxen, Assistant Director of Research Technology, Office of Research Analytics, Rutgers University. It was adapted in 2014 to include components of the Northeast Kingdom Travel and Tourism Association’s *Agritourism On-Site Farm Safety Guide*. This 2014 edition was edited by Vera Simon-Nobes, Vermont Farms! Association and Mick Poletta and Barbara Noyes Pulling, Rutland Regional Planning Commission.

Marketing

THIS CHAPTER was based on the Rutgers Extension training module, “Marketing Agritourism While Providing Quality Customer Service.” Adapted in 2014 by Vera Simon-Nobes, Vermont Farms! Association. Reviewed by Lisa Chase, University of Vermont Extension; Tamara White, Wing and a Prayer Farm; Rose Wilson, Rose Wilson Business Development Services; Pam Knights, Pam Knights Communications.

Contents

Assessing Your Farm for Agritourism 1

- Take Stock of Your Resources
- Assess Your Goals
- Assess Your Resources and Resource Needs
- Keys to Agritourism Success

Business & Financial Planning 9

- What Is a Business Plan?
- Selecting Your Business Entity
- Setting Realistic Income Goals
- Budgeting
- Pricing
- Keeping Good Records
- Knowing When to Quit
- Financing
- Taxes, Permits, and Regulations
- Key Land Use Questions for Farmers Considering Agritourism
- Land Use Regulations and Bylaws
- Navigating Local Land Use Regulations

Offering High Quality On-Farm Experiences . . 19

- Authenticity
- Safe Environments and Facilities
- Educational Experiences: Farmer-Led
- Educational Experiences: Self-Guided
- Strong Customer Service

Safety & Risk Management 27

- Develop a Farm Safety Plan
- Maintain a Safe Environment
- Plans of Operation
- Staff Education and Training
- Emergency Response
- The Four P's of Liability
- Protecting Yourself Legally

Marketing 39

- The Five P's of Marketing
- Writing a Marketing Plan
- Sample Marketing Matrix

Appendix

Assessing Your Farm for Agritourism



Chandler Pond Farm, Lyndonville, VT. Photo: Dig In Vermont

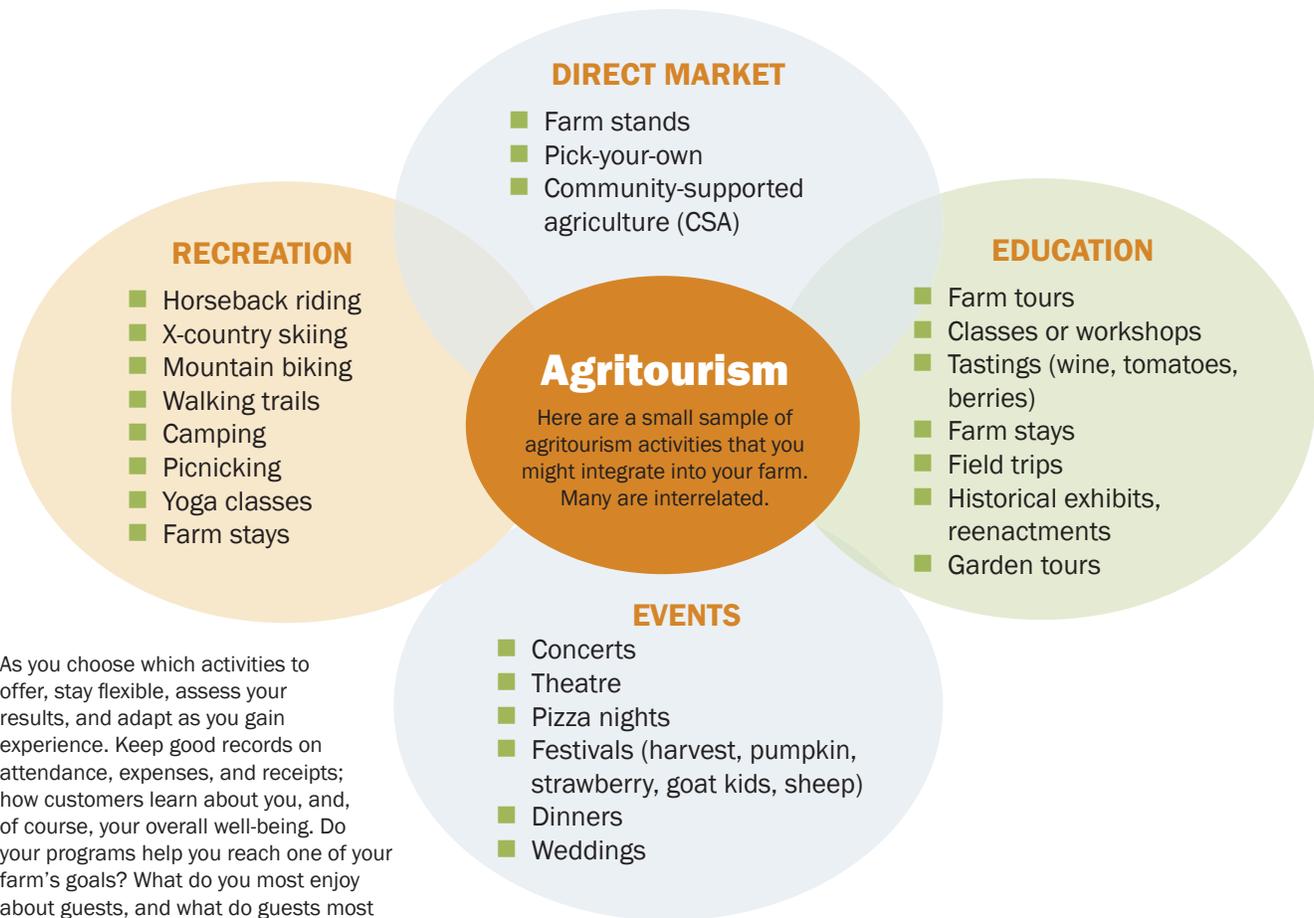
Agritourism activities are becoming an important component of many farm operations. These activities have the potential to increase farm revenues and maintain the sustainability of the industry. However, agritourism activities won't suit every farm or farmer. Before starting an agritourism operation, it is recommended that farmers spend some time assessing the potential that these activities have for their operation, and carefully planning the business and marketing elements of their operation. This guide will help with all the planning that goes into running successful agritourism operations.

Is Agritourism for You?

Agritourism activities are dramatically different than most traditional farming responsibilities. Customers who visit your farm may want to participate in various activities, such as harvesting crops, hiking, hayrides, feeding animals, and many others. These customers often do not come from a farming background and will ask many questions that may seem trivial about daily farm activities.

A successful agritourism farmer must be willing to share information about the farm and spend the time to make customers feel welcome. The ideal agritourism host requires many of the same personality traits that make a good host at any tourist attraction or kind of service industry. It is important that farmers critically evaluate their personality type before developing an agritourism operation.

Some important questions that you should ask yourself:



As you choose which activities to offer, stay flexible, assess your results, and adapt as you gain experience. Keep good records on attendance, expenses, and receipts; how customers learn about you, and, of course, your overall well-being. Do your programs help you reach one of your farm's goals? What do you most enjoy about guests, and what do guests most enjoy about your farm? Ask yourself these questions and more as you plan for visitors.

“ Decide if you really do like to engage with people on your farm —on your home land! Make sure your personality is actually the right one for hosting people.”

— Corie Pierce, Bread & Butter Farm, Shelburne, VT

- Do you enjoy entertaining guests or having farm visitors?
- Do you like crowds?
- Can you create a warm, safe, and inviting atmosphere for people visiting your farm?
- Can you manage the additional business responsibilities associated with an agritourism operation (including marketing, employee management, and customer relations)?
- Are you willing to create the ideal “experience” for your customers?
- Are you willing to work and “entertain” visitors on weekends, evenings, and holidays, when they are most often available to come to your farm?
- Have you thought about what “success” will look like for your agritourism offerings?
- Do you have a friend, family member, or business advisor with whom you can talk about goals and how a new venture might affect your operations?
- Can you take the time to look at your farm from an outsider's perspective and make changes so that it is more accommodating of farm guests?
- Are you willing to keep detailed income and expense records for each type of event offered?
- Are you interested in exploring new marketing techniques and resources to help you communicate your agritourism offerings?

If you answered “no” to many of these questions, perhaps an agritourism enterprise does not fit your personality type. If you answered “yes” to many of them, agritourism may be a viable option for your farm. It is important to remember that successful agritourism operations focus on creating an enjoyable experience for visitors. If your personality does not fit well, perhaps another family member or an employee may be better suited for this role.

Assess Your Goals

It is critical to set realistic goals for your operation. Depending on your situation, these goals can vary greatly. Some examples:

- Earning additional farm revenue
- Starting a new career
- Expanding opportunities for family members to work on the farm
- Educating the community

Regardless of the motivation for starting an agritourism operation, it is important to develop both long-term goals and short-term objectives. Setting realistic goals will assist you in making important decisions regarding your operation. As in any business, these goals may take a variety of forms. For example, one may have a goal to retire, requiring a 50% increase in farm sales. This long-term goal should help to establish short-term objectives, or plan small steps that may help to reach this goal. Setting attainable objectives will help to establish a strategic direction for your operation. In the above example, you may have a long-term goal to increase on-farm sales by 50%, but a short-term objective may be to incorporate a farm stand in order to enhance sales. The farm stand by itself, however, may not meet the 50% goal but may enhance sales by only 20%. Thus having multiple short-term objectives will increase the likelihood of reaching your long-term goal and can serve as targets to track your progress.

YOUR WELL-BEING

When you assess your farm for agritourism potential, it is important to ask how this adjustment in your business will affect your quality of life. A project at

Where to Start?

Here are 10 steps that will guide the growth of your agritourism business. Consider moving from 1 to 10 over a period of 1 to 2 years.

- 1. Take stock of your resources.**
- 2. Get informed.** Attend conferences and workshops, talk with farmers nearby, and peruse websites such as the [VT Agritourism Collaborative website](#).
- 3. Find out what other entrepreneurs are doing.** Talk to neighbors and other entrepreneurs about their businesses. Visit businesses in your own and neighboring areas.
- 4. Consult potential customers.** Ask relatives, friends, and neighbors about the products or services you are thinking of providing through your new enterprise. Are they interested?
- 5. Research the market, your competitors and your collaborators.** Set up a system for tracking customer responses to your new offering, and performance indicators that will tell you if you’re meeting your goals. Watch agritourism hashtags on Instagram and Twitter to keep a pulse on what others are doing.
- 6. Network.** Join your state’s tourism groups and agritourism associations, and look at what neighboring states offer, too.
- 7. Connect** with cooperative extension agents and other state resources, tourism professionals, and small business development centers.
- 8. Talk with your insurance provider** to determine what type of coverage you have already when it comes to having guests on the farm, what additional coverage you need, and what it will cost.
- 9. Develop a business and marketing plan.** Get tips on agritourism business planning from the “Business and Financial Planning” chapter in this series, and from the [VT Agritourism Collaborative website](#).
- 10. Start small, and stay thrifty at first!** Learn from your experiences, adapt, and expand only when you know your new agritourism enterprise is meeting your goals and your measures of success that you determined from the outset.”

University of Vermont Extension has been looking at the well-being of farmers through a lens of “social sustainability.” According to this framework, aspects of personal well-being include work-family balance, personal time, satisfaction, managing health and stress, and social and professional relationships. It may be hard to predict how agritourism will impact you and your family, but keep in mind the following qualities that several farmers said contributed to their social sustainability during interviews with University of Vermont Extension:

- Values-based goal setting
- Communication and mutual respect
- Reliable access to information and services that support the business
- The value of community to the farm and the farm to the community
- Good relationships with employees and neighbors
- A view with the next generation in mind
- Taking time to enjoy oneself, family, and friends — have fun!

“ When making the decision to add agritourism to your farm, you need to consider what you get out of it. For me, it is energizing to see people connecting with our animals and sharing food cooked using our traditions. Plus, it is profitable. These opportunities compensate for the fact that I don’t really love people and crowds.”

— Alessandra Rellini, Agricola Farm, Panton, VT

Assess Your Resources

You will also need to assess both your current resources and the those you will need for your proposed enterprise, including the nature of existing farming activities, land resources, labor, capital requirements, and off-farm factors.



Current Activity	Related Agritourism Opportunities
Strawberry Production	strawberry jam tasting, workshop on growing backyard strawberries, “kids day” learning about the life cycle of a strawberry with music, stickers, popsicles and strawberry picking.
Sheep and wool production	Collaborate with a spinners’ guild to demonstrate the crafts of spinning and knitting, felting demonstrations, sheep shearing demonstration, sheep cheese/meat sampling.
Regenerative grazing	Guided or self-guided pasture walks, citizen science project to inventory or monitor diversity of pasture species, volunteer party “mob” to help frost-seed pastures by hand, collaborate with birders or other naturalists to observe field biodiversity; star-gazing in the pastures with a local guide, storytelling around the campfire
Maple sugaring	Tree-tapping demonstrations, maple product tasting, water cycle scavenger hunt, maple recipe contest, “tree to glass” sampling for sap beer, storytelling by a community member from a Native American tribe or a community elder who can tell the story of sugaring from a perspective and methodology different from yours.

CURRENT FARMING ACTIVITIES

Many entrepreneurs have successfully expanded their farm operations to include agritourism enterprises by building on what they are already doing. This allows a producer to share knowledge and enthusiasm with visitors, which can make for a more enjoyable and authentic agritourism experience. Focusing on current production practices will also ensure that the expertise and equipment exists to conduct the operation with minimal additional costs. See table above for ideas.

LAND AND INFRASTRUCTURE RESOURCES

It is important to carefully assess your land and infrastructure to determine if your agritourism enterprise is feasible. Some important questions to ask:

- Do you rent or own the property?
- Are your soils and climate adequate to produce the crops you intend to produce as part of your agritourism operation?
- Does your property have unique features or scenery?
- Are there any potential hazards for visitors? Many farm items may pose safety risks, including tractors, chemical sheds, irrigation ditches, etc.

“ We see widespread hunger for hands-on farm experiences as well as food. We are inviting Vermonters and guests to participate in the working landscape. By doing so, Vermont’s pastoral beauty moves from the background of tourists’ pictures to the foreground, not only of our photos but of our lives—for Vermonters and visitors alike.”

— Mari Omland, Green Mountain Girls Farm, Northfield, VT

- Do you have safe facilities, including bathrooms, parking, and shelter in case of bad weather?
- Are there complementary attractions nearby?

LABOR

For many farms, agritourism will represent a new business model that will require hiring, training, and managing additional labor, or supporting existing employees in acquiring new skill sets. For example, success in agritourism will require all farm employees to be friendly, courteous, and knowledgeable about the farm, its products, and its production practices.



Liberty Hill Farm, Rochester, VT

Employees at a retail market will need to possess basic customer-service skills and be able to make proper change at the cash register. All employees will play an important role in ensuring a safe, enjoyable, and memorable visit to your farm.

When hiring labor, make sure you understand the legal implications of hiring employees.

FINANCIAL RESOURCES

As with any business, it is important to determine how much money you are able and willing to risk on a new agritourism enterprise. Determining the appropriate amount of financial resources to commit requires careful assessment of the potential costs and benefits of the proposed venture. Although every operation will be different, some financial needs to consider include:

- Additional labor costs
- Infrastructure costs
- Additional liability insurance coverage
- Amenities (e.g., additional bathroom facilities, handicap access, parking, etc.)
- Marketing costs

It will also be important to consider new regulations as you grow your agritourism business, including:

- Zoning regulations
- Fire and health regulations
- Building codes
- Insurance requirements
- Labor laws
- Road signs
- Traffic management
- Environmental regulations
- Farmland preservation or deed of easement restrictions

Resources to assist you as you learn about regulations may include your municipal zoning officer, local fire marshal, municipal building inspector, farm insurance agent, state department of agriculture, state department of labor, and state department of environmental protection.

Keys to Agritourism Success

As you move along the agritourism planning continuum, from step 1 of taking stock, to step 2 of getting informed, keep in mind these keys to success. They will help you plan, evaluate, and adapt your business.

Choose something you like (love) to do

Most people start value-added activities to make more money. Your sincere enthusiasm and belief in your product are part of what make you unique. Without doing something you love to do, it is difficult to find the energy and motivation to stick with it.

Provide quality

Offer a high-quality product or service. Direct marketers often combine high quality with some unique trait to differentiate their products. Many factors contribute to a product's quality (freshness, taste, healthfulness, consistency, cleanliness, presentation and packaging/labeling, etc.). It may be tempting to use substandard inputs or service, but most direct marketers today find that a great experience or quality product is more important for attracting consumers than a low price. The consumer knows value, and if you're shooting for low quality and price, direct marketers can seldom compete with large wholesale and retail outlets.

Start small and grow naturally

Starting small usually means investing and borrowing less money so that mistakes are less costly. Remember, it is easier to manage a small operation.

Keep good records (production, financial, regulatory, marketing)

Trying to manage without good information is like trying to find an address without a map. Good information and records are necessary for knowing whether or not you are meeting your goals and for understanding reasons why your goals are or are not being met.

Provide what the customer wants

There are two approaches to agricultural marketing: "push" and "pull." The push approach implies producing a product and then pushing it onto consumers for the going market price—the traditional

way of marketing many commodity crops. The pull strategy, however, is increasingly becoming the norm in today's environment. In this approach, specific products and desired product attributes are targeted using consumer preferences so that the seller is not entirely a price taker at the marketplace.

Maintain a loyal customer base

An important way to capitalize on your uniqueness is through relationship marketing. You are unique and no one can do exactly what you can do. The personal relationships you build and the trust they engender over time are effective marketing strategies. Local customers can be the easiest to develop into a solid, loyal customer base.

“ Don't expect to earn a lot of money, at least at the beginning. And do what you can to understand the needs, interests and what people are looking for. Do not offer something hard to promote or explain. Ask people and see what resonates and what does not, so you will be sure that you are creating added value offers to that specific target market.”

— Amy Todisco, Hartshorn Organic Farm, and Vermont Food and Farm Tours, Waitsfield, VT

Provide more than just a product

Most successful value-added businesses offer more than just a product or service. They provide an experience: pleasant social interactions, a chance to participate in a rural way of life, education, services, tours, etc.

Involve others

Partnerships can help you reach new audiences, and give you an exciting angle for marketing. Partnering with businesses that offer overnight accommodations will broaden the audiences you're able to reach.

Stay informed

You must keep informed on every aspect of your business, consumer wants, competition, finances, etc.

Plan for the future

Planning is essential to success. In planning be realistic in terms of goals, pricing, costs, time commitments, etc. Be flexible and realize that the best-laid plans can go wrong and that things change.

Continually evaluate

Things are always changing. You need to constantly monitor and evaluate what is going on in your business. It is impossible to know if you are reaching your goals without taking the time to evaluate.

Persevere

You need a lot of perseverance just to figure out how to produce the products, much less how to market them. Identifying your niche and building a customer base takes time, so stick with it! Ideas take a long time to become reality.

Secure adequate capitalization

Agritourism may not always be profitable from the beginning, or you may decide that your goal for offering agritourism is to build customer relationships more than to secure additional income directly. When you're setting goals early on, make sure you think about start-up costs and cash-flow requirements. Track everything, and evaluate how you're doing often!"

Although agritourism may provide additional income, it is not suited to every farm or farmer. Carefully assessing your farming operation as well as your personality traits and goals can help to determine if an agritourism enterprise is the best option for you. Before deciding to pursue the development of an agritourism enterprise, it is critical to develop sound business and marketing plans. There are many online resources available to help develop a business and marketing plan for your farm.



Business & Financial Planning



Wooden Shoe Tulip Farm, Woodburn, OR

This chapter walks you through the essential steps of starting or expanding an agritourism business. It describes how to navigate some of the numerous taxes and regulations that may be involved, with links to many of the relevant laws and resources.

Many of the regulations covered here are complex, and it is impossible to cover every regulation that might affect an agritourism operation. You should consider contacting a tax consultant, attorney or other appropriate professional when starting or expanding your business.

What Is a Business Plan?

A business plan clarifies the values, goals, challenges, and strategies of your agritourism enterprise, allowing

you to work through business decisions before committing resources. It is vital to your success because it provides a clear understanding of your agritourism enterprise to help guide and focus your financial and management decisions.

A business plan also may be helpful in securing financing by providing lenders a look at your financial situation and expectations. The business plan should be a dynamic document: it should be kept up-to-date and reevaluated periodically to reflect changes in your values, goals, challenges, and strategies.

Selecting Your Business Entity

Selecting the right type of legal business structure for your farm is important if you are just starting out, looking to transfer assets to the next generation, or assessing your exposure to liability. There are several types to choose from, and you may need professional help from a lawyer or accountant to determine

A Business Plan's 10 Major Components

1. Executive summary
2. Mission statement
3. Business concept or idea
4. Measurable goals, expected outcomes, objectives, and action steps
5. Background information (industry research and market analysis)
6. Management needs and history
7. Marketing strategy
8. Financial strategy (including projections of capital costs, income, and expenses for the first three years of operation)
9. Exit strategy
10. Appendix

which one is right for you. Choosing the appropriate legal structure can be one step in mitigating your liability exposure; however, a good insurance policy and conscious management are essential as well. Possible entities are outlined in the table below.

Setting Realistic Income Goals

Spend time identifying what your income goals are. These might include:

- Break even or turn a profit in the first year.
- Provide supplemental income while holding a full-time job off the farm.
- Earn all of your (your household's) income from farming (within a specified time frame).
- Meet current and long-term family income needs (college tuition, health insurance, retirement).
- Expand farm income enough to allow your children to become partners in the farm business.

Types of Business Entities

Type of Entity	Does This Limit Liability?	How Are Profits Taxed?	What Is Transferred Most Easily?	Does It Support Raising Capital?
Sole Proprietorship	No	Taxed as an individual	Individual assets	Less appropriate
General Partnership	No, but may elect to become a limited liability partnership	Partnership taxation	Capital interest	Appropriate when structured as a limited partnership
Limited Liability Company (LLC)	Yes	May choose to be taxed as a partnership or as a corporation. Single-member LLC is a "disregarded entity"	Units	Yes
Corporation	Yes	May choose to be taxed as a Partnership (S Corp) or as a Corporation (C Corp)	Shares	Yes
Nonprofit	Limited liability for members and uncompensated board members	Tax exempt	Transfer of assets to other than nonprofit is prohibited	Yes
Cooperatives	Limited liability for members	Taxed as a cooperative	Transfer restricted to other eligible cooperative members (farmers)	Yes

SOURCE: A Legal Guide to the Business of Farming in Vermont, University of Vermont, 2006

Budgeting

Consider using a partial budgeting tool to begin comparing the costs and benefits of expanding or changing a farming business. Partial budgeting only examines changes in farm finances specifically attributed to an alternative enterprise.

“ Sound financial analysis is no longer an option, but a necessity for survival.”

— Rod Sharp, Colorado State University

For example, consider a producer of 300 acres of corn that is contemplating the construction of a 5-acre corn maze. A partial budget reflects only the income and expense differences directly due to the corn maze (design and maintenance costs, added insurance and labor, and ticket revenues).

To develop the partial budgeting framework:

- Define the potential enterprise change
- List the added returns
- List the reduced costs
- List the reduced returns
- List the added costs
- Summarize the net effects

Carefully think through potential new or expanded budget expenses such as:

- Buildings (new construction or improvements)
- Increased utilities costs
- Fencing
- Legal/accounting costs
- New equipment
- Permits
- Land
- Taxes
- Signage
- ADA compliance
- Restroom facilities
- Hand-washing stations
- Marketing

Potential income sources for agritourism:

- Admission fee
- Tour fee
- Sales of fresh farm products
- Sales of processed or value-added products
- Craft/souvenir sales
- Activity fee
- Tasting fee
- Facility rental
- Show fee (e.g., equine competition)
- Farm lodging
- Food service

“ A person involved in any other line of business would think it ludicrous that many farmers don’t keep track of where the money comes from and where it goes. Every year, farmers may handle large sums of money — \$50,000, \$100,000, \$200,000 or more — yet only have \$20,000 net income in a good year, and break even or even lose money in a bad year. And that’s with working your tail off! Why? Do you think the auto parts store or shoe store runs a business without knowing the numbers?”

— Richard Wiswall, Cate Farm, East Montpelier, VT. *The Organic Farmer’s Business Handbook*

Pricing

It is critical to set an appropriate price point for each product or service. Your time is a limited resource and must be valued at an appropriate price. There are several tools to help you. One of the most useful is a break-even analysis.

BREAK-EVEN ANALYSIS

A break-even analysis can help you determine either the minimum number of product units you need to sell to break even, or the minimum price you need

to set for each unit to break even. Both formulas are based on two variables: your fixed costs and your variable costs.

Fixed Costs (FC) do not vary with the number of guests entertained or units of a product sold.

EXAMPLES: *construction/repairs; taxes and insurance; marketing; depreciation*

Variable Costs (VC) will vary with the number of guests or units of a product sold.

EXAMPLES: *employee wages; fuel; cost of food*

Sample Break-Even POINT Analysis

Your Question: How many workshops do you need to offer at a given ticket price to break even?

1. Start with what you know:

- You will need to fix the parking area, purchase a table, and add lighting to your barn, so **your fixed costs will be \$1,500.**
- Each unit (workshop) will cost about \$60 in labor to organize, and \$18 in refreshments for your guests. **Your variable costs per unit is \$78.**
- The going rate for comparable workshops is \$25/person, and you're confident you can get at least 8 registrants, so **your unit price is \$200.**

2. Break-Even POINT Formula:

Total Fixed Costs / (Unit Price - Variable Costs) = Break-Even Point

$$\$1,500 / (\$200 - \$78) = 12.29.$$

So, with 8 registrants per workshop at your \$25 ticket price, you will have to offer over 12 workshops in order to break even. That's one per month!

Sample Break-Even PRICE Analysis

Your Question: How much money do you need to bring in at each workshop (unit) in order to break even?

1. Start with what you know:

- Based on previous example, **your fixed costs will be \$1,500.**
- Based on previous example, **your variable costs per unit is \$78.**
- You know you have capacity to organize no more than 5 workshops a year, so **you have 5 units (workshops).**

2. Break-Even PRICE Formula:

(Total Fixed Costs / Number of Units to be Sold) + Variable Costs = Break-Even Price

$$(\$1,500 / 5) + \$78 = \$378$$

Based on this unit price and your expected enrollment, you can now determine your break-even ticket price. You think you can attract 12 registrants, so your single ticket price should be no less than $\$378 / 12 = \31.50 .

ADDITIONAL PRICING CONSIDERATIONS

Perceived Buyer Value: You identify the segment of the market that will value your product or service most. This will require research (e.g., survey potential/current users; follow-up with current customers).

Type of Buyer: You may have various prices, options, and bundles depending on the group of buyers to whom you are marketing (e.g., frequent customers, bulk orders).

Price as Indicator of Quality: Based on competitors and/or the uniqueness of your product(s), you charge more based on price = quality and higher price = higher quality.

Know your intended customers and what influences them. Be realistic about who you *want* to attract and who you *can* attract. Be sure to price high enough to cover costs and make a profit! Evaluate your prices often and make adjustments as needed!

“ If you don’t have some customers thinking you charge too much, then you aren’t charging enough!”

— Dawn Thilmany McFadden, Colorado State University

PRICING STRATEGIES FOR NEW PRODUCTS/SERVICES

Skimming: You charge a high price for a new product or service. As competitors enter the market, you lower the price to reach more buyers. This strategy works best when your customers are early adopters or less sensitive to price.

Penetration Pricing: The opposite of skimming. You charge a low price initially to penetrate the market quickly. As you gain market share, you increase the price. This strategy works best when your customers are more sensitive to price.

Keeping Good Records

Records allow producers to:

- Analyze progress
- Identify areas of good (poor) performance
- Plan for the future
- Demonstrate ability to lenders

Records do not have to be detailed or complex to be useful. It is suggested that you keep and review the following records on a regular basis: balance sheet, income statement, cash-flow statement, and budget.

Knowing When to Quit

An essential part of a good financial plan is knowing when to quit and having an exit strategy that specifies situations in which the business or parts of the business would close.

The economic viability or desirability of certain farm activities will change over time, and parts of the business may become less profitable; sometimes even a good idea simply runs its course. A successful agritourism business will adapt and be responsive to evolving market opportunities.



Bread and Butter Farm, Shelburne, VT

Financing

Not surprisingly, when farmers are asked what the largest hurdle is to starting or expanding their agritourism businesses, they say financing. This answer is borne out in numerous recent surveys, but it may be possible to attract public and private investments, apart from obtaining a loan from your local bank. One funding opportunity to be aware of is the USDA Rural Development Value Added Producer Grants. Several farms have taken advantage of this to advance their value-added and agritourism operations. Read their stories in the Appendix.

Permits, Regulations, and Licenses

Agritourism is affected by licenses, permits, and regulations defined by elected officials at all levels of government, including members of local select boards, state legislatures, and U.S. Congress. Specifically, regulations may apply to equipment used in retail farm sales, such as refrigerators, freezers, and scales. Depending on the activities offered,

“ I never thought about doing ‘agritourism,’ I just wanted people to come see the farm, see the plants and the animals, and engage with us, the farmers. I didn’t see it as tourism, but real life! I wish I had known how tricky it would be to make sure we are doing everything right from a town and state standpoint. It isn’t as easy as just opening up your farm to visitors!”

— Corie Pierce, Bread and Butter Farm, Shelburne, VT

commercial catering, food processing, and liquor licenses may also apply. Finally, there will likely be regulations for packaging of milk, meat, and poultry products. It is important to investigate all regulations applicable to your agritourism enterprise in order to avoid penalties, fines, or interruptions to your business. Requirements also may change from time to time, so it is wise to contact your town clerk or administrator and your state’s department of taxes, the Agency of Agriculture, Department of Health, U.S. Department of Agriculture, U.S. Food and Drug Administration, and others for the latest information and requirements.

Green Eggs & Ham Farm

Green Eggs and Ham Farm is a fictional place in a rural part of Any Town, Vermont. It’s a successful and diversified business that sells milk, meat, vegetables, and bakery products. Some of the items produced on the farm are sold wholesale and can be found in local stores.

Now the owners of the Green Eggs and Ham Farm are expanding their business to include a variety of activities, including social, entertainment, and educational events. In recent years, the farm has sponsored live performances, weekly food fairs in the warmer months, and summer camps for children.

Although the farm has always been considered a valuable community asset, its growth is raising

concerns about increased traffic and parking, its use of temporary signs, and whether it still conforms to local and state regulations.

In order to head off any future conflicts and to improve their standing with local lenders, the owners worked with the town’s planning commission to amend rural area zoning bylaws to include more options for farmers interested in pursuing agritourism.

With new town regulations in hand, the owners of Green Eggs and Ham now have peace of mind that the activities they want to offer on their farm to enhance their profitability are allowed.

SOURCE: Dean Pierce, Director of Planning and Zoning, Shelburne, VT.

NAVIGATING LOCAL LAND USE REGULATIONS

Land use and zoning bylaws are handled by municipal government, typically administrative officers and local zoning commissions or development review boards. You can contact these individuals and entities to determine which ordinances may be in place in your area. The nature of zoning ordinances and the ability to obtain zoning variances or waivers will vary greatly with each locality. A use can be “permitted” or “conditional” and requires a quasi-judicial review board or planning commission review. All local regulatory decisions may be appealed, although this can be a time-consuming process and may require hiring consultants, engineers, or lawyers.

Examples of agritourism enterprises that often have associated land use regulations include:

- Bed-and-breakfasts
- Tasting rooms
- Eating/drinking establishments (even if temporary)
- Events held on farm land
- Classes on topics such as food preparation, fiber arts, general cooking, and cheese making

Some zoning requirements that are considered hurdles for beginning agritourism businesses:

- Limiting or prohibiting specific commercial recreational activities in an area
- Requiring flush toilets and other facilities for sanitation
- Prohibiting attractions, restaurants, or bed-and-breakfasts in certain areas

“ Yes, regulations can be complicated. But understanding them and getting appropriate permits—since not all activities on the farm might be exempt—is like having an insurance policy; it will protect you down the road.”

— Dean Pierce, Director of Planning and Zoning Shelburne, VT

How to Amend Local Zoning

It is possible to amend your town’s zoning bylaws or ordinances by following these steps:

- Meet with your planning commission or development review board with your ideas for change.
- Look for supportive language in your town plan; if it’s not there, help amend the plan.
- Be prepared to get petition signatures if your town requires them.



Silloway Maple, Randolph, VT. Photo: Dig In Vermont

Sample Cash Flow Projection for a Farm Stand

Name: My Farm		
For the period of: January 1 – December 31		
Cash Receipts		
Farm Stand	\$26,000	(approximately \$2,000/month, \$500/week)
Cash Expenses (-)		
Variable Expenses		
Cost of Goods Sold	\$10,000	(cost of material inputs and labor used to produce food)
Farm Stand Labor	\$2,912	Staffed one afternoon per week. Other times are self-serve. 208 hours of staff time at \$14/hour.
Licenses and Permits	\$15	Meat retail license: \$15
Marketing, Advertising, Promotion	\$694	\$5/week Facebook advertising, \$48/week transactional ad in print newspaper 8 weeks, \$50 for business cards
Office Supplies	\$60	ink cartridge
Packaging Supplies	\$85	paper bags
Bags, Jars, Boxes, Labels, etc	\$40	labels with farm logo
Pest Control	\$40	mouse and rat traps, fly paper
Processing Services	\$0	
Repairs and Maintenance	\$18	replacement floorboard
Supplies	\$142	hanging scale (\$69), mulch (\$45), annuals potted flowers (\$28)
Training	\$0	only one employee, training did not cost anything
Other		
Total Variable Expenses	\$14,006	
Fixed Expenses		
Interest	\$0	
Insurance	\$75	Whole farm policy is ~\$500, so attribute 15% of that to farm stand.
Lease – Machinery, Equipment	\$0	
Lease – Land	\$0	
Property Tax	\$0	Accounted for in cost of goods sold, building exempt under “current use”
Utilities – heat	\$600	Rinai heater
Utilities – electric	\$420	\$35/month
Utilities – water	\$0	
Telephone	\$0	
Website/Internet Expense	\$580	Web – \$100/year, Internet ½ of \$60/month bill (\$480)
Other		
Total Fixed Expenses	\$1,675	
TOTAL CASH EXPENSES	\$15,681	
RECEIPTS MINUS EXPENSES	\$10,319	\$26,000 – \$15,681

Capital Contributions (+)		
Loan	\$0	
Grant	\$0	(SARE grant received in previous years for season extension research.)
Sale of Capital Assets	\$0	
Other	\$0	
Capital Expenditures (-)		
Construction Materials (walls, roof, shelving, insulation, bathroom, display stands, etc.)	\$550	Self-closing screen door (\$250); display stand (\$80); handmade shelving from salvaged wood (\$120); Port-O-Let rental (\$100)
Foundation/Site Prep	\$170	Driveway grading (\$85/hour, 2 hours)
Plumbing, Electrical	\$0	None needed
Design/Architect	\$0	DIY
General Contractor	\$0	DIY
Equipment (cash registers, refrigerators, coolers, freezers)	\$3,721	Thermometers for freezers and fridge (\$24.99x2); Ipad and Square app for cash register (\$219); padlocked cash box for self-serve (\$12); glass case fridge (\$1,900); glass display freezer, refurbished (\$1,500); shelving (\$40)
Other		
Debt Service (-)	\$0	
NET RETAINED CASH EARNINGS (Deficit)	\$5,878	\$10,319 - \$4,441 = \$5,878
Capital Reserve (what you set aside for depreciation and reinvestment in the business)	\$500	
NET AFTER CAPITAL RESERVE ALLOCATION	\$5,378	\$5,878 - \$500 = \$5,378

SOURCE: Vermont Farm Viability Enhancement Program, adapted by Rose Wilson Business Development Services.

■ Regulating location and size of structures

Because a site plan review also may be required for even permitted commercial uses, the town planning commission or zoning administrator also might need to review parking, lighting, traffic, vehicle access, and signs associated with the proposed use and other impacts on the town and the public.

In some cases, permits may be required for constructing or modifying the potable water supply or wastewater system for new or existing buildings or structures or for changing the use of existing buildings or structures.

Some municipalities do not have zoning. For these communities, town plans can contain clear community standards about the desire to protect farmlands from encroaching development or to protect contiguous forest lands and thereby reinforce the consideration of these factors in Act 250 decisions on proposed large development projects.

KEY LAND USE QUESTIONS

- Is the use of your land for agritourism activities permissible? Have you talked to your local planning board or commission?
- What renovations will be needed on the property, if any?
- Have you talked to your neighbors about your plans? Are they receptive and supportive, or irritated? Do you have a plan to overcome negative feedback?
- Is there adequate parking for large groups? Do you have turn-around areas for school buses?
- Are there land, water, or wildlife issues that might affect your plans?

This brief introduction to business and financial planning and the taxes and regulations that could affect your agritourism enterprise is intended to help you identify the issues that need to be included in your farm's business plan, and to help you become a better informed consumer of legal, financial, or farm viability services.

The regulations that are relevant to you will vary greatly depending upon the type, location, and details of your enterprise. This document is not a complete listing of all such regulations and is not intended as legal advice. It is very important that you take the time to investigate applicable laws and regulations in order to avoid penalties, fines, or obstacles that could interrupt your business.

Offering High-Quality On-Farm Experiences



Today more than ever, farmers are discovering innovative ways to diversify their farms, one of which is by offering agritourism activities. Visitors can spend time on a farm to experience agriculture and the working landscape. Agritourism is the sister industry to ecotourism. It answers tourists' desires for experiences that connect them to the culture and story of a place.

Since every farm is unique, guests can visit farm after farm and always encounter something new. Activities on a single farm may change with the season, which makes the farm a continually fresh destination for the tourist. This chapter outlines many types of agritourism, and the qualities that successful agritourism farms share, including authenticity, safe environments and facilities, educational experiences, and strong customer service.

Authenticity in Agritourism

In many places, “agritourism” activities could include a slide near a corn field, a farm gift shop where you can decorate animal-shaped cookies, and a blow-up pumpkin bouncy house near a pumpkin field. However, as the industry has grown throughout the United States, many farmers have remained committed to offering activities that authentically represent farming.

Visitor experiences don't have to be complicated. Guests will relish the opportunity to see a cow up close, meet a chicken, watch a pig take a nap, or taste a freshly picked carrot. All of these activities will influence how they understand farms and food, and how they value farms and farmers.

Top 3 reasons people vacation:

- to build and strengthen relationships
- to improve health and well-being
- to rest and relax

— University of California Small Farm Center

Agritourism's Role in a Farm Business

Supplementary Enterprise

Agritourism as a minor activity that supports other products on the farm.

Complementary Enterprise

Agritourism activities share equal footing with other enterprises in the farm's product mix.

Primary Enterprise

Agritourism as the dominant/primary activity on the farm.

SOURCE: Rich, et al. *Agritourism: Opportunities for farm diversification*. North Carolina State University Extension, 2010.

Green Mountain Girls Farm



An Authentic Agritourism Experience

Green Mountain Girls Farm in Northfield, VT, offers a CSA, a full-diet farmstand, community activities in their barn, overnight accommodations and several activities that visitors can sign up for. "Step beyond our barnyard and into our farm operation. Join the learning adventure of farming via tours and hands-on farm experiences," they write. Activities include cooking classes, cheesemaking classes, in-depth farmer-led tours, goat-milking assistant, welcoming the baby chicks, and more. Each is priced appropriately.

Authentic Experiences on Your Farm

What are some authentic experiences that you or a collaborator could offer on your farm?

Safe Environments and Facilities

You should ensure that your property and facilities are well maintained and in compliance with zoning, health, and environmental regulations. It is useful as well to create a risk-management plan for your farm and keep in mind the Americans with Disabilities Act, which mandates equal customer access to certain facilities (entrances, exits, and bathrooms).

Be sure that your farm has adequate staff to provide necessary information to visitors, as well as the infrastructure for basic services such as parking, transportation, signage, and restrooms.

Tell your insurance agent about all the activities that you are offering, and make sure you have adequate coverage. For more information, read the "Safety and Risk Management" chapter.

Educational Experiences: Farmer-Led

Your farm is a classroom, and as the farmer, you are in a unique position to interpret all that happens on your farm to the public. At any given location on your property, there are lessons in weather, microorganisms, history, soil, water, plant species, and farm products. You can teach guests about your farm through group or customized tours, field trips, workshops, tastings, and more. When working with guests of any age, keep these tips in mind:

- Guests will love seeing, hearing, smelling, and above all *tasting* your farm. Fresh product may be their most lasting memory of your farm. Tasting products can be a simple or complex process (caramel on a popsicle stick or a caramel paired with other local or exotic products). *See at right.*
- Set the tone when you first meet with your guests. What will they see? Where is the restroom located? How long will they be on their feet?
- When possible, organize your visitor experiences sequentially so it's easy for guests to follow the processes you are describing. Back at home, will they be able to explain to a friend how your product is made or how your animals are raised?

Farmer's Speak

Why do you offer agritourism?

"We're building a whole pie. The more agritourism activities in Vermont, the better it is for all of us. It attracts more people here."

"To be less physical, more cerebral. That's part of our goal as we age."

"By putting a price on a farm experience, it starts to teach consumers that farmers are valuable."

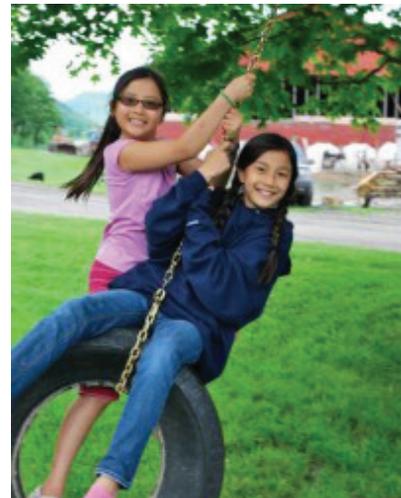
Sensory Experiences on Your Farm

What sensory experiences can you offer your guests?

Liberty Hill Farm

An Authentic Agritourism Experience

Liberty Hill Farm and Inn in Rochester, VT, is a Cabot dairy farm that sells registered Holstein cows. In 1984, owners Bob and Beth Kennett opened their doors as a farm vacation destination. Liberty Hill Farm has welcomed guests from all 50 states and from around the world, many of whom return year after year. For the overnight guest, the day begins with a bountiful country breakfast and ends with a homemade, sit-down meal around the dining-room table. In between, guests can cuddle the barn kittens, collect eggs, chase chickens, and feed newborn calves. The Kennetts write, "By sharing the joys and challenges of farming life, we have seen our guests come to appreciate how closely our different ways of life intertwine. Each time a guest buys a product from an independent farm, whether cheese in the grocery store or fresh produce at a farmers' market, they help sustain family farms."



“ Diversification into tours, U-pick operations, farm stores, pumpkin patches, agricultural festivals, and farm stands is not a substitute for a pro-family farm agenda. [However,] one of my fears is that if farmers and ranchers are too tardy in their response to this emerging opportunity, theme park operators will develop simulated farms and operate them as agritourism attractions.”

– Desmond Jolly, Former Director, UC Davis Small Farm Program

- Instead of giving all the information, have guests come up with it themselves. Asking questions will encourage guests to think and discover on their own and will help you assess their level of knowledge. For example, you might say, “This is complicated milking parlor machinery. How do you think it works?” Let them think for a few seconds, then give a hint or two if there is no response. If you have trouble creating thought-provoking questions, try putting “why” or “how” in front of almost any statement to help change it into a question. “What would happen if...” is also a useful phrase for the start of a question.
- Remember the “teachable moment.” If the guests’ attention is diverted to the manure spreader in the field, stop what you’re doing and talk about it.

“ Many people want the true experience, not so much a “tourist” stop. What’s the difference? Not over commercialized, really getting to learn about how the product is produced, not a lot of things for sale that we don’t make. Love your life on the farm, love your products, enjoy meeting people, or don’t bother.”

– Bette Lambert, Silloway Maple, Randolph, VT

Sandiwood Farm

Safe Agritourism Practices: Dining



At Sandiwood Farm in Wolcott, VT, owners Sara and Bob Schlosser have taken many twists and turns since they started farming 25 years ago, but they remain committed to growing food for their community and welcoming people to the farm for farm-to-fork sunset dinners. The year 2012 marked the start of their long-planned transition to agritourism, and over three years they have honed the visitor experience. One of the most impressive parts of their dinner is their staff-to-visitor ratio. Sara and Bob collaborate with their two kids, Chef

Sandi and Kyle, and employ at least 10 community members who guide guests into parking spots, chat with them as they pass hors d’oeuvres, and help them find their seats, the Port-O-Let, the rows of cover crops, or anything else they’re interested in learning about. For dinner, they serve incredible food prepared by Chef Sandi of Vermont Harvest Catering. By using a caterer (in this case, their daughter), the meals also comply with the Vermont Department of Health. They also have a licensed bartender who serves alcohol at a cash bar.

Seek Out Partnerships

By partnering with others, you can broaden your farm's offerings dramatically. Want to serve food on the farm, but can't do it yourself? Work with a catering business to create a farm dinner. Looking to use your barn, yurt, or pavilion for a group experience? Consider if there is a yoga teacher looking to host outdoor classes. Want to celebrate the biodiversity on your farm? Work with an ornithologist to host a bird watching program. Don't be afraid to put together unconventional partnerships. These

may catch the eye of new customers, media, and neighbors! When partnering, consider working with groups from another "sector", such as your local wood manufacturers association, the maple sugarmakers group, cheese council, or the mountain bike association. When partnering with an establishment that offers overnight accommodations, make sure you share the information with your state's department of tourism so they can help promote your offerings.

Educational Experiences: Self-Guided

Educational experiences don't have to be delivered person to person. Here are just a few examples of how some farmers educate their visitors through self-guided opportunities:

- When farm members visit Someday Farm in East Dorset, VT, they can find farm-related activities inside plastic bags in mailboxes around the property. Farmers can continue to work while guests can engage with the farm and learn.
- At the Killdeer Farm Stand in Norwich, VT, the staff writes a question on a dry erase board each day, and customers can answer it. This is a fun, interactive activity that keeps things fresh and keeps information flowing.
- At Spring Brook Farm in Reading, VT, an interpretive walk through the woods gives hikers reason to pause and take in the setting.

There are many other tools for self-guided education:

- Interpretive signage
- Captioned photographs on walls
- Signs along a path with facts about your farm
- Activities like scavenger hunts
- Color wheel matching activities (i.e., find flowers that match the colors)

Kids Books on the Farm

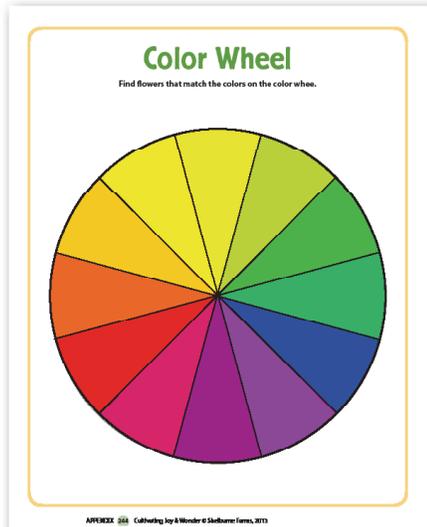
Here are some of our favorite titles.

- *Farmer Will Allen and the Growing Table*, Jacqueline Briggs Martin
- *A Garden for a Groundhog*, Loran Balian
- *A Seed Is Sleepy*, Diana Aston
- *Flip: The True Story of a Dairy Farm Goat*, Jane Moncure
- *Tops and Bottoms*, Janet Stevens
- *Ugly Vegetables*, Grace Lin
- *Tiny Seed*, Eric Carle
- *Diary of a Worm*, Doreen Cronin
- *How to Make an Apple Pie and See the World*, Marjorie Priceman

A Reading Corner: Consider having a small reading corner on your farm where kids can rest and enjoy a book.

A Story Walk: A Story Walk is a book displayed as single pages along a path. You can borrow a StoryWalk® book or purchase two copies of one book, hard-laminate the pages, then mount each page on stakes. *StoryWalk®* was created by Anne Ferguson of Montpelier, VT and has developed with the help of Rachel Senechal, Kellogg-Hubbard Library. [More information.](#)

Self-Guided Educational Experiences: Some Ideas for Your Farm



Color wheel (above) and Scavenger Hunt (at right), both from *Cultivating Joy & Wonder: Educating for Sustainability in Early Childhood Through Nature, Food, and Community*. Shelburne Farms, 2013.



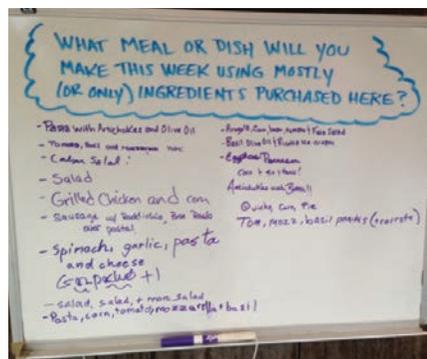
Chalkboard question and answer, Drumlin Farm Wildlife Sanctuary, Lincoln, MA.



An interpretive walk at Spring Brook Farm, Reading, VT.



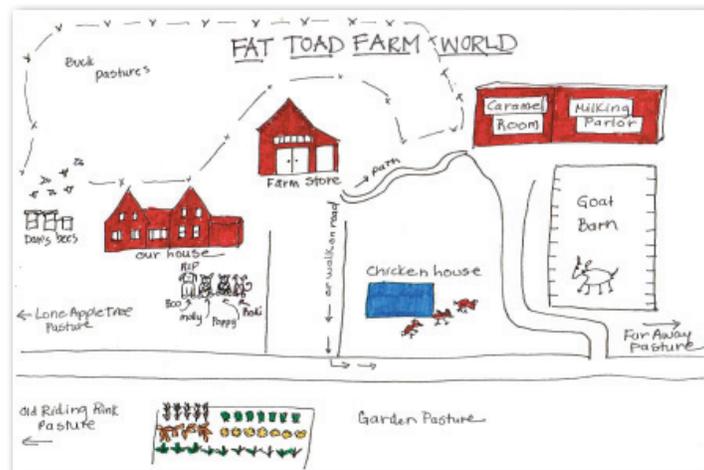
Someday Farm in East Dorset, VT, tucks activities into mailboxes around the property.



Killdeer Farm Stand in Norwich, VT, writes a question on a dry erase board each day. Customers answer it.

MOTION, MUSIC & MANNERISMS: A Farm Animal Scavenger Hunt!

MOTION	MUSIC	MANNERISMS	ANIMAL PRODUCTS	MYSTERY
An animal that is walking 	A chicken "clucking" 	An animal chewing its cud 	Fleece from the sheep 	A tool to brush the cow
An animal moving quickly 	A sheep "baaaing" 	An animal drinking 	Feather cluster 	A salt lick
An animal that is swimming 	A pig "oinking" 	An animal's sneezing 	Morture 	A sign that tells you not to touch the fence!
An animal moving on 2 legs 	An insect "buzzing" 	An animal scratching itself 	An egg 	A tool to move manure
An animal moving on 4 legs 	A farmer "talking" 	An animal eating hay 	Milk 	A wheelbarrow



(Right) When Fat Toad Farm in Brookfield, VT, offered tours of its goat milking operation, staff would pass out this map so that guests could navigate the farmstead.

Looking for educational resources?

The Farm-Based Education Network is a free member network established to strengthen and support the work of educators, farmers, and community leaders who are providing access and experiences of all kinds on productive, working farms. The FBEN can connect you with farm-based education resources.

There are also many helpful websites, publications, and workshops. For starters:

- [Farm-Based Education Network](#)
- [Life Lab](#)
- [Edible Schoolyard Network](#)
- [National Farm to School Network](#)
- Project Seasons: Hands-On Activities for Discovering the Wonders of the World. Shelburne Farms
- Cultivating Joy and Wonder: Educating for Sustainability in Early Childhood through Nature, Food and Community. Shelburne Farms ([download it for free](#))
- Shelburne Farms farm-based education workshops. See their [calendar](#).

Strong Customer Service

Customer service is exhibited both in the way you present your farm and in how you treat visitors. If you have paid staff members, they are likely your biggest expense, but also your greatest asset. Training your staff to interact with customers in an informed and helpful way will ensure a safe, high-quality experience for customers. It also ensures these customers will return and tell other potential customers about your business. Your staff should understand your farming practices and be prepared to answer all sorts of questions. *Why do you dock tails? Why does it smell? Why do the sheep have to be fenced? Where is the farmer? Where is the closest cafe?*

Whether you're a one-person operation or you manage staff, developing a customer service plan will be helpful. Your plan should address the following:

- **Customer Needs, Wants and Expectations:** Find out what services your customers need, want, and expect to receive from your enterprise. Consider

surveying customers, interviewing or holding focus groups, asking employees about their observations on customer needs, and tracking customer comments and complaints.

“**A satisfied customer will tell four or five others about a pleasant experience. It costs three to five times more to replace a lost customer than to keep one.**”

— Nick Wreden
“[How to Recover Lost Customers](#),” smartbiz.com

- **Values Around Customer Service:** Work with staff to determine what a welcoming environment feels like to customers coming to your farm. Brainstorm the values that are at the root of your customer service philosophy, and talk with staff about the importance of consistently providing this level of service.
- **Customer Service Policies:** Develop policies for your enterprise that encourage employees to display a positive attitude, keep facilities neat, treat each customer like a VIP, and handle complaints appropriately.
- **Employee Hiring:** If you are entrusting your enterprise to staff, make sure they're the right people. Don't forget to check references during a hiring process, and ask prospective employees about how they handle stressful situations, inclement weather, thinking on the fly, disruptive customers, etc. Employees should show up on time, communicate clearly, be clean and prepared for work. Implement regular employee check-ins to give feedback, and to receive feedback, too!
- **Employee Training Policies:** Train employees to focus on details, implement customer service policies, and follow all safety protocols.
- **Customer Service Evaluation:** Evaluate the effectiveness of your customer service plan and make changes where needed.



Shelburne Fams, Shelburne, VT

“ There is no more important factor to retail success than a friendly, happy, knowledgeable, efficient, proficient staff.”

– Scott Woolsey, Retail and Customer Service Manager
Killdeer Farm and Farm Stand, Norwich, VT

As you identify what activities to offer on your farm, it will be important to stay flexible, assess your progress, and adapt as you gain experience. Keep good records on attendance, expenses, and receipts; how customers learn about you; and, of course, your overall well-being. Do your program offerings help you reach one of your farm's goals? What do you most enjoy about guests, and what do guests most enjoy about your farm? Ask yourself these questions and more as you plan for visitors.

Safety & Risk Management



Rosse Posse Acres, Inc., Molalla, OR

In inviting guests onto your property brings many rewards, but there are risks, too. For the sake of your land, animals, family, and visitors, it's imperative that you understand the risks associated with agritourism and take measures to minimize your risk exposure. View agritourism safety as a program, encompassing steps to prevent exposure of visitors to farm risks and respond to adverse incidents when they do occur. This chapter will walk you through some safety considerations that will help you take your first step toward your farm safety program.

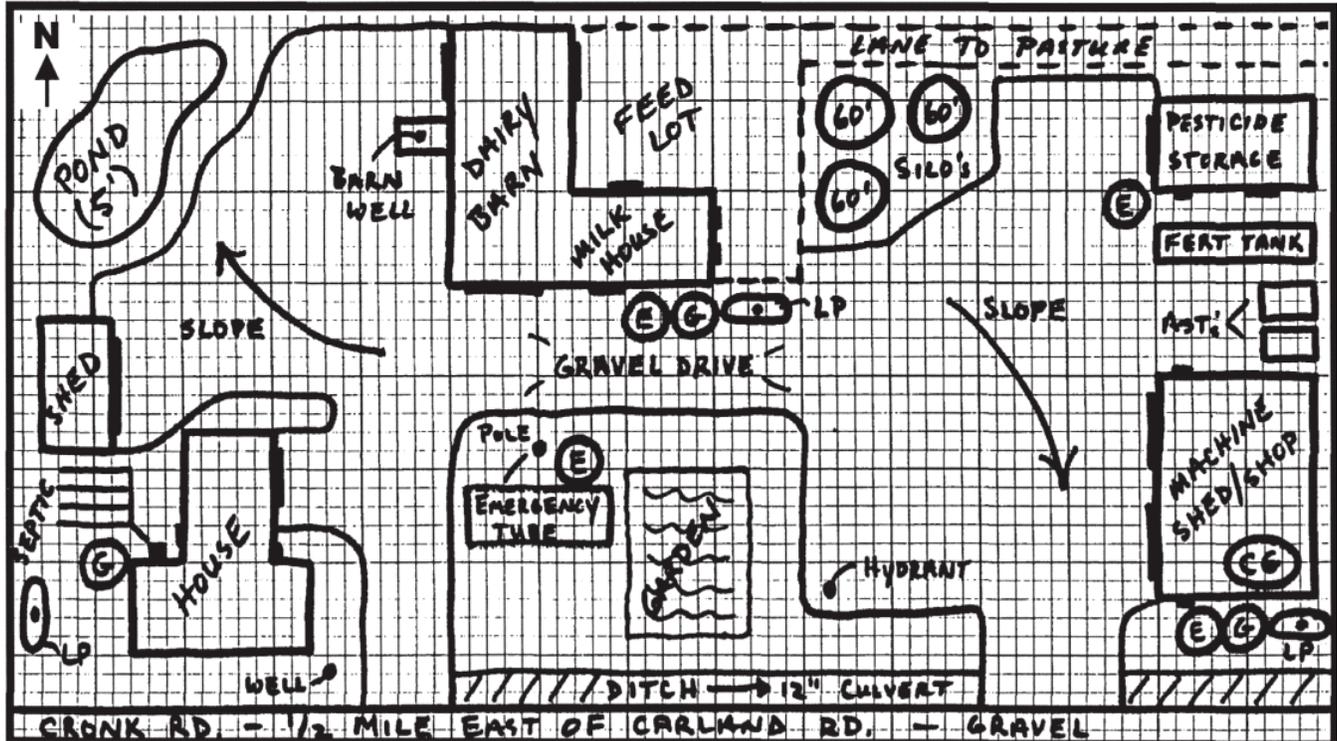
This chapter contains information for educational purposes only. The authors, partners and reviewers cannot be liable for any events resulting from following or not following information in this guide. All business owners should be advised to regularly seek the advice of an attorney and/or insurance professional.

Develop a Farm Safety Plan

Your plan should start with routine walk-throughs of all the areas that could be accessed by visitors (even those you wish to be off-limits). Keep a log of identified hazards and when you make property inspections. Consider inviting someone else (an extension professional, emergency responder, insurance provider, etc.) to walk through the farm with you. Try to see your farm through the eyes of someone not familiar with farming and its inherent risks. Are there particular risks for children? Your animals? Your property?

A farm safety plan for an agritourism operation should:

- Assess risks and define guidelines for maintaining a safe environment for those living on the farm, employees, and farm visitors.
- Establish plans of operation for specific activities on the farm (e.g., parking, hay rides, food service, animal handling, etc.).



Creating a map of important farm features, including those that pose a risk and those that don't, can help emergency responders and staff in the case of an emergency. SOURCE: *Emergency Planning for the Farm*. Michigan State University Extension Bulletin E-2575.

- Provide a basis for training farm employees.
- Facilitate emergency response in the event that an accident occurs.

Maintain a Safe Environment

Assessing your farm for risks is an important part of your planning process. The following checklists will guide you through risk assessment for many aspects of your farm operation.

When thinking about safety on your farm, always remember:

- Every farm has its own unique safety risks.
- Risks can be managed and reduced, but never fully eliminated.
- You must become familiar with all applicable federal, state, and local laws and regulations.
- The safety of your guests is non-negotiable.

PARKING

- Driveway/entrance is visible from either direction on road.
- Parking spaces are adequate for your peak number of visitors.
- Overflow parking areas are available.
- Internal (farm) traffic lanes are wide enough.
- Areas for drop-off/pick-up for buses are available (if needed).
- Guests are prevented from parking on public roads.
- There is a separate entrance and exit to ease traffic flow.
- There is adequate lighting between dusk and dawn (if needed).
- Parking is easily identifiable and safe for pedestrians.
- Workers help direct traffic and wear bright/reflective colors (as needed).

- Contingencies are in place in the event of rain/mud/snow.
- Handrails are placed along walkways where needed.

BUILDINGS AND BATHROOMS

- You are aware of and in compliance with all building codes that apply to the property.
- Public areas are lighted if customers are present at night.
- You have clean, well-stocked bathrooms or regularly maintained Port-O-Lets.
- Port-O-Lets are in a cool, dry area.
- You have properly functioning handwashing stations.
- You know where the 100-year flood line is, and electronics are above it.
- You know where fire extinguishers and water for fire trucks are located.
- You test your smoke alarms at least once a year.
- You maintain Material Safety Data Sheets, so you know the ingredients and directed usage of cleaning products in your buildings.
- You established visitor capacity limits (buildings, attractions, etc.).
- You posted “In Case of Emergency” signs, with easy to read instructions.

Emergency Preparation

To prepare for emergencies, you need to practice for them. You and your employees should know where the first aid kits and fire extinguishers are located. Plan to run at least one practice drill per year. Also, make sure family members and employees are trained in first aid and CPR.

While a working farm with fewer than ten full-time employees does not have to be certified under the fire code, any building that has overnight accommodations, retail facilities, or structures for public or outdoor assembly must follow the fire code. Contact your state’s division of fire safety to learn whether your business must be certified under the fire code.

“Attractive nuisances” are inherently hazardous objects or property conditions that can be expected to attract people, particularly children, to investigate or play. Examples include swimming pools, hay storage areas, ponds/lagoons, ATV’s, bee hives, construction sites, etc. **Make sure that “attractive nuisances” are secured or removed from your visitor area.**

“ **If it can be predicted, it can be prevented. If it can be prevented, it is not an accident!**”



Green Chimneys Farm and Wildlife Center, Brewster, NY

“ We welcome families and children in our fields but ask that you please leave your dogs at home. We do not allow dogs in our fields and our parking lot is very sunny with no good shady spot to park a car with a dog.”

— Cedar Circle Farm, East Thetford, VT

ANIMALS AND VISITORS TOGETHER

If animals and visitors will come into contact on your farm, make sure that you keep the animals clean, monitor them daily for health problems, have them up-to-date on their vaccinations, and keep good health records on them.

- Install appropriate signage and be ready to provide verbal reminders about how to act around animals.
- Decide on the level of contact between guests and animals and reinforce guidelines with appropriate signage.
- Be sure that animals are properly contained or secured.
- Remove manure and replace animal bedding daily.
- Clean and sanitize fencing/rails and other surfaces exposed to visitors daily.
- Leave large animals in their enclosure at all times.
- If using horses to pull a wagon, hitch them before people enter the wagon.
- If visitors have come from another farm, provide them with booties or a disinfecting shoe wash.
- If visitors have compromised immune systems or open wounds, do not permit them to have contact with animals.
- Provide a straightforward way for visitors to inform you if they are bitten or scratched by an animal. Have them fill out your incident report form.
- Your veterinarian can teach you about additional biohazard risks and zoonotic diseases.

Inform visitors (visually and verbally) about animal behavior, and ask them to wash hands (or use alcohol-based hand sanitizer) after touching animals.

Make sure that food and drink is prohibited in the animal areas and that the eating/drinking area is well separated from animals. Closely supervise all visitors' interactions with animals.

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act (ADA) requires compliance by all businesses. This act ensures that persons with disabilities are afforded equal opportunity in employment, transportation, commercial facilities, and accommodation in public places. To confirm that you are in compliance with ADA, obtain a copy of the Department of Justice's [ADA Guide for Small Businesses](#), or call the Department of Justice's toll-free hotline at (800) 514-0301. The Small Business Administration (SBA) also helps businesses understand how to comply with the ADA, and they have offices throughout Vermont.

FOOD SAFETY

- Comply with all health department regulations. Your local Department of Health sanitarian can assist with questions on planning your operation.
- All food and drinks must be stored, prepared, served, and sold in compliance with Department of Health regulations and guidelines.
- Food service establishments should pass health inspection.
- Use a sanitizing solution on all areas that come in contact with food products.
- Use proper labeling and handling techniques.
- Avoid product contamination.
- Educate employees about worker health and hygiene.
- Provide appropriate restrooms and hand-washing facilities, including signage about proper hand-washing.
- Provide multiple hand-washing stations.
- Use display materials that can be cleaned easily and appropriately (e.g., tables, table coverings, etc.).
- Use harvesting and display containers that can be cleaned prior to use.

- Regularly clean buildings and structures used for selling, storing, and packing fresh produce so they do not pose a risk for product contamination.
- Train employees to be mindful of potential contamination from consumers (i.e., they just changed a diaper in the back seat, and now they are buying fruit in your farm stand).
- Establish a dog policy.

FIRE PREVENTION

- Regularly inspect and maintain working smoke detectors in buildings.
- Properly store flammable and combustible materials.
- Maintain fire extinguishers strategically throughout farm.
- Be sure workers are trained to use a fire extinguisher.
- Enforce a strict no-smoking policy.
- Post “In Case of Emergency” signs, with contact person, emergency phone numbers, farm address and farm phone number.
- Provide emergency vehicle access.
- Arrange a farm walk-through with fire/EMS personnel.
- Remove brush, cobwebs, and other combustible materials from buildings
- Properly dry all hay before storing it.

FARM EQUIPMENT AND MACHINERY

- Ensure all farm staff who operate farm machinery have been properly trained and are appropriately licensed.
- Instruct staff to fully shut down equipment and remove keys when equipment is not in use.
- Develop a “key storage” location and make sure staff know where it is.
- Make sure all hydraulics are down or have pressure relieved.
- Take measures to prevent visitors from climbing on, walking into, or otherwise accessing farm equipment.



Cedar Circle Farm, East Thetford, VT.

- Never allow visitors to operate farm equipment.
- Do not allow visitors to ride on tractors, all-terrain vehicles, etc.
- Make sure all tractors are equipped with rollover protective structures and guards.
- Store ladders away from trees and public spaces.
- Develop an inspection process and record information from each inspection.

WATER/LAGOONS

- Install barriers to block access to open water.
- Post warning signs and advise visitors that all water features are off-limits.
- Ensure that rescue equipment (buoy, rope, and pole) is readily available.
- Ask parents to keep an especially close eye on their children near water/lagoons.
- Train staff in water rescue techniques, first aid and CPR.



Philo Ridge Farm, Charlotte, VT

PESTICIDES AND CHEMICALS

- Always use pesticides in strict compliance with label instructions.
- Keep records of all pesticide applications.
- Lock pesticides, fertilizers, and pharmaceuticals in an inaccessible cool, dry, and well-ventilated storage area.
- Post signs designating chemical storage areas as “restricted”.
- Alert first responders to the location of chemical storage areas.

GENERAL SECURITY MEASURES

- Determine how many employees are necessary to ensure an appropriate level of safety and security.
- Maintain ability to communicate with employees while working on the farm (e.g., by cell phones, radios, etc.).
- Clearly identify all staff, volunteers, security, etc., so visitors can easily recognize them and ask for assistance.

- Post signs in parking area disclaiming liability for any items lost or stolen from vehicles.
- Establish a policy that requires children under age 16, for example, to be accompanied by a parent or chaperone.
- Request that parents take responsibility for their children.
- Limit access to specific areas for children not accompanied by an adult.
- Designate areas that are off-limits to the public and check these areas often.
- Have an information booth and lost and found (for children and items).
- Post “in case of emergency signs” with contact name, phone numbers, farm name, and address.
- Require proper personal protective equipment (PPE) as needed.
- Develop an incident response form for documenting accidents/incidents.
- Designate protected areas on the farm, and plans on how to get off the farm in inclement weather.
- Provide visitors with a map that helps orient them to your farm.

Plan of Operation

Activity one per page	Risk	Suggestions to Minimize Risk	Placement of Warning Signs
Example: Wagon Ride	<ul style="list-style-type: none"> ■ Wagon not stopping ■ Wagon becoming detached from transportation vehicle ■ Passengers falling out of the wagon ■ People standing up while wagon is moving and becoming injured ■ Passengers dangling hands and legs outside the moving wagon 	<ul style="list-style-type: none"> ■ Be sure the tractor is heavier than the loaded wagon for adequate braking ability. ■ Use a locking coupler and safety chain. ■ Put front, rear, and side walls or rails on wagons to keep people from being jostled off. ■ Require every passenger to stay seated with no legs or arms dangling over the sides or ends of the wagon. ■ Require steps and/or sturdy rails for loading passengers onto trailers or wagons ■ State the safety rules after everyone is seated. ■ Travel at safe operating speeds. ■ Use an experienced operator who can start and stop smoothly. 	Place a warning sign at the entrance to the wagon ride.

SOURCE: Rutgers Cooperative Extension. *Managing the Safety Risks of Agritourism Farms*. 2013

Clear communication both verbally and through signage is key to maintaining a safe environment. Use signs to direct visitors where to walk, park, eat, wash hands, enter and exit the property, etc. Make signs age-appropriate for your expected visitors. Use both text and images to give good directions and, of course, to educate about your farm!

You will also want to inform visitors of risks and expectations. Explain that they are visiting a working farm, and certain hazards exist, including uneven ground, insects, farm odors, and farm animals.

Wagon Rides: Visit [VT Agritourism Collaborative website](#) for a fact sheet on how to safely operate a wagon ride.

Fencing: Fencing intended to keep people out of a specific area should be at least 4 feet high and designed so that children cannot climb under or over it.

Inform visitors that, by entering, they are accepting risks and must exercise reasonable caution. Help them understand what they can and cannot bring onto the farm (water, alcohol, pets, insect repellent, sunscreen, etc.), and how they can dress appropriately (long pants, closed-toed shoes, etc.). Clear rules and suggestions equal lower risk.

Plans of Operation

For each agritourism activity you offer, develop a written plan of operation, which provides evidence of efforts undertaken to protect the safety of farm visitors—an important component of protecting the farm from liability in the event of an accident. (See example in table above). The plan of operation for each activity should:

- Describe the activity
- Identify potential risks
- Outline strategies for minimizing risks to guests
- Identify the location(s) for posting rules or warnings related to the activity

Staff Education and Training

Make sure all employees are properly educated and trained regarding your:

- Business
- Employee expectations
- Farm safety risks
- Farm safety plan/plans of operation
- Emergency response procedures

Plan to have a full staff training each year for new employees and a refresher training each year for returning employees. Document these trainings.

Emergency Response

Review your emergency response plan regularly, and include it in your employee training. It should include:

- Contact information and emergency contacts for farm owners and employees that are easily accessible
- Incident report forms for documenting accidents or other adverse incidents that occur on your farm. You can model the form on a sample (there are several available online). Be sure it includes the injured person's name, address, and contact information, a detailed description of the incident (what happened, time, location, who, weather, number of visitors on property, type of medical assistance provided, witness accounts), and contact information for person completing the report.
- Farm map detailing important locations with 9-1-1 addresses and geographical features and GPS locations
- Directions from the nearest major intersection
- Locations of emergency response equipment (e.g., first-aid kits, fire extinguishers, personal protective equipment)
- Emergency contacts
 - Fire department
 - EMS
 - Police
 - Local doctor/hospital

- Local/county Office of Emergency Management
- Poison control
- Utility companies
- Chemical suppliers
- Equipment suppliers
- Insurance provider
- Cooperative extension contact
- Personal attorney
- Veterinarian

Is Someone Injured?

When a guest or employee suffers an injury on the farm:

- Evaluate the person's condition and provide or seek necessary medical attention
- Complete incident report form. See Appendix, "Sample Incident Response Form," p.
- Notify the farm's insurance provider

The Four P's of Liability

There are four broad ways a business or its owner may be found liable of negligence: 1) if something on the *premises* hurt somebody, 2) if a *product* hurt somebody, 3) if the *property* is causing an issue, 4) if an individual *personally* hurt someone. Liability means that you are legally responsible for your actions or inactions that could bring harm to others. If what you did or did not do lead in a predictable manner to harm, then you are negligent. This section outlines types of liability and strategies for reducing risk.

PREMISES LIABILITY

Owners and caretakers of land are held liable if visitors hurt themselves on some "defective" part of the property that they were not warned about. As you can see in the chart at left, your duty to protect changes depending on the status of your visitors. By inviting people onto your land as part of a business, you are creating a new category of visitor who must be protected from all dangerous conditions.

Types of Farm Visitors and Typical Duty of Care for Each

Status of Visitor	Examples	Possessor's Duty
Invitee	Customers, U-pick customers, clients, salespeople, delivery persons	Discover and eliminate all known dangerous conditions, or warn of all known dangerous conditions.
Licensee	firewood cutter, with permission	Eliminate known dangerous conditions or warn of known dangerous conditions.
Social guest	guests at social gathering	Eliminate known dangerous conditions or warn of known dangerous conditions.
Recreational user	hiker, hunter	No duty if meets the state's Recreational User's Statute
Known trespasser	without permission, possessor aware of	Eliminate known dangerous conditions or warn of known dangerous conditions.
Unknown trespasser	without permission, possessor unaware of	Refrain from harming by willful conduct.
Child trespasser	without permission, presence foreseeable	Protect from actively dangerous instrumentalities.

SOURCE: Rutgers Cooperative Extension. *Agritourism Liability*, 2013.

PRODUCT LIABILITY

If someone is injured by something you sold, or prepared and served, you may be responsible for the resulting damages. Examples include designing an inherently dangerous product or selling a dangerously made product, such as a knife without a handle. A negligently produced product is one that is created in such a way that, by its deviation from the norm, it creates a danger to the consumer. You may be found liable for reselling a defective product if you could have identified the defect but did not.

PROPERTY LIABILITY

There are two kinds of property liability issues that can arise. First is the crime of a guest physically trespassing onto someone else's land. If a visitor to your farm accidentally parks on other people's land, runs through their property, or in any way harms their crops, you are liable for an injury. A good way to prepare for this is to have a good relationship with your neighbors.

Nuisance is the other kind of property liability issue. A nuisance charge concerns the unreasonable interference with another's use of one's property. It covers lights, smells, and actions that may upset neighbors, but that don't have a physical presence. The usual defense is your state's Right to Farm law.

PERSONAL LIABILITY

Personal liability is for actions that you directly take, or fail to take, that result in harm to others. Examples include running over someone's foot, not keeping your livestock safely penned, and employees stealing from customers. These aren't really new risks, just risks that are more likely to happen once your farm is open to visitors, and need new precautions to make sure they don't happen.

Protect Yourself Legally

There is no single strategy for effectively reducing your exposure to risk. Approach liability management holistically, as a program or series of activities. Add “layers” of protection that demonstrate a proactive, responsible, and comprehensive approach to farm safety.

INSURANCE

Always talk with your insurance provider to see if your agritourism activities are or can be covered. Also, make sure any contractors or farmers’ markets you work with carry appropriate insurance that reduces your risk. Remember that an insurance agents’ experience with agritourism may vary. If you don’t click with one agent, you can shop around to find others who may know how to work with your business.

Insurance Information Review and Worksheet

Provide insurer with detailed information regarding the hours/seasons of operation.

Evaluate the type of visitors and the number of visitors expected (adults, teenagers, school children).

Establish the number of employees.

Evaluate the potential gross sales/revenue.

Determine the required amount of coverage. \$_____

Is the premium a set fee? Yes No

Is the premium based on a percentage of gross sales or on visitor days? % Sales Days

How much is the premium? \$_____

What is the deductible? \$_____

Does the insurance apply to...

- Farm premises and operations liability? Yes No
- Farm products and operations liability? Yes No
- Farm contractual liability to others? Yes No
- Personal injury liability to others (libel, slander, invasion of privacy)? Yes No
- Advertising injury to others? Yes No
- Property liability damage to others? Yes No
- Incidental medical malpractice liability resulting from helping an injured person? Yes No
- Non-owned watercraft liability? Yes No
- Host liquor liability? Yes No
- Court costs for defense? Yes No

Are court fees covered *above* the liability coverage limit
or *included* in liability policy limit? Above Included

Are there any exclusions to the policy? Yes No

Are all employees insured under this policy? Yes No

SOURCE: “Agritourism On-Site Farm Safety Guide,” Northeast Kingdom Travel and Tourism Association

Several types of insurance may be relevant to agritourism enterprises, including:

- Commercial or general liability
- Product liability
- Special events liability
- Property and loss
- Health and disability
- Crop

When securing insurance, sharing your farm's plan of operation will help assure agents that you are working to mitigate risks. Below is a worksheet of information to review with your insurer before you welcome visitors to your farm.

RELEASE AGREEMENTS AND WAIVERS

A waiver is an agreement between you and your visitors that you will be held harmless for any hurt they receive, that they are aware of the risks, and they are still willing to proceed despite them.

When creating a waiver, ask your attorney or insurance provider for specific language to use. The key element of any waiver is the "indemnity by user" clause, whereby the user agrees to "indemnify and hold harmless the landowner from any claims made by the user or their parties arising from the use of the land or activities." Release agreements and waivers help limit risk *but do not* offer 100% protection. They act as a "reality check" for users/visitors, and they are legal documents valid in a court of law, but they do not absolve hosts of responsibility for guests' health and safety. They should not be your sole method of risk management.

SIGNAGE

Signs perform a function similar to waivers. They don't solve every liability problem, but they warn visitors of potential dangers and help to limit your risk exposure if someone gets hurt.

Documentation

- Safety and emergency response plans
- Plan(s) of operation
- Employee training documents (certificates of CPR training, driver's licenses, etc.)
- Log of farm inspections
- Documentation (photographic and/or video) of farm premises
- A file of all incident report forms
- Record of the number of visitors to the farm
- Repairs done to machinery
- Any signed waivers
- Veterinary/vaccinations records



A full hay wagon at Smith Maple Crest Farm, a maple producer and B&B operator, Shrewsbury, VT.

EXCEEDING SCOPE

Exceeding scope means that your visitors were invited to do something, but they far exceeded the scope of the offer. Going through an “employees only” door or using your organic deer repellent as sunscreen are both examples of customers exceeding the scope of what they were invited to do.

ASSUMPTION OF RISK

Assumption of risk is a defense in which an injured party knew the dangers and still proceeded. For instance, if someone was warned that animals may bite but proceeded anyway, that person assumed the risk of actions taken.

CONTRIBUTORY NEGLIGENCE

Some states are contributory negligence states: if an injured party is more than 50% at fault for the injury, the defendant does not have to pay.

RIGHT TO FARM

The right to farm is a farmer’s defense against trespass and nuisance complaints. Some states have decided that the social benefits of a farm are great enough that “normal and reasonable” incidents relating to farming are not enough to bring a trespass or nuisance complaint. Barring a showing of an intentional, malicious act, most farms are immune from such complaints. However it’s important to remember that this applies to existing farm activities only. New farming activities that create new disturbances are not covered.

While many things can go wrong on a farm, many more things go right! Think positively about your agritourism business, but understand what the risks are and do your best to prepare for them. Once more, remember that this chapter does not constitute legal advice. Your farm, family, and market are always changing, so make a plan for evaluating your business regularly and adjust as needed. This flexibility will bring resilience to your business and is critical for helping your farm reach its overall goals.

Marketing



Demand is growing among tourists and local community members alike for experiences that help them deepen their connection to the food they eat and the farmers who grow it. Bringing visitors to your farm can be a good way to promote your products and develop lasting connections with customers. Marketing on-farm experiences often has two layers: 1) promoting the

on farm-experience, and 2) promoting farm products or offerings once visitors are at the farm. Whether you're trying to sell cooking classes, farmstead cheese, CSA shares, a farm stay, or something else, this chapter will walk you through best practices in marketing. We hope you will find it useful for taking the next step in promoting your farm.

Who is Your Target Market?

Customers you identify as most likely to purchase your product(s) are your target market, so you need to understand who they are. What are their demographic characteristics (age, gender, ethnic background, marital status, income) and personal information (interests, hobbies, values, attitudes, behaviors, lifestyle)? Where do they live and how do they access information? Are they neighbors? Tourists in a nearby town? Do they spend time on travel apps? Combine all this data to develop a single customer profile, then focus your marketing efforts on this profile.

The Five P's of Marketing

“Marketing is a process of ensuring that customers’ needs are identified and met in order to generate value for the business.” Strong marketing can set you apart and ensure that your outstanding products and experiences are enjoyed by those they are intended for. The “Five P’s of Marketing” give structure to a marketing plan and encourage you to be inclusive as you consider your product, price, placement, promotion, and positioning.

PRODUCT

What you offer your target market

- Goods: Vegetables, meats, value-added products, maple, baked goods, handcrafted items...
- Experiences: Tours, classes, farm stays, dinners, tastings, playdates, festivals, weddings, retreats...

Remember *all* the “products” experienced by visitors, including:

- Signage
- Employee courtesy (each guest can influence 100 other potential customers)
- Visual appeal and cleanliness of the farm (view the “product” through the eyes of your customer)
- Convenience and availability of parking
- Recipes or information on how to cook/prepare farm products
- Ancillary services (e.g., accepting credit cards, food for purchase, bathrooms, accommodations for those with special needs: the elderly, persons with disabilities, parents with strollers)



Fat Toad Farm, Brookfield, Vermont (photo courtesy of Yelp)

Customer Service Tips

Guests may come to your farm as part of a wider tour of the area. To be most accommodating, make sure you and all of your employees can answer these questions:

- What other attractions should I visit while in the area?
- What accommodations are available nearby?
- Are there any good places to eat?
- Where is the nearest gas station?
- What is it like living in this community?
- Are there any special events happening in town?
- Are there retail stores nearby?
- What other farms can I visit?

In addition, make sure your staff can answer basic questions about:

- Farm history
- Farm size
- Farming practices
- Organic practices
- Use of GMOs
- Use of pesticides or antibiotics

SOURCE: Adapted from Michigan State University Extension Bulletin E-2064.

Can you accept credit cards?



If you have an Apple iPhone, iPad, or Android device, you can purchase a mobile credit card processor that allows you to swipe credit and debit cards as long as the device is connected to the Internet via a 3G, 4G or a wi-fi connection. Square is a popular credit card processor

with small businesses. Others include: Payline, Shopify, and ShopKeep. Google various processors to find comparisons and reviews and decide what's best for your needs.

PRICE

What you charge for your products

“ Charge charge charge! When we do farm tours, we charge. We do a sliding-scale fee. 95% of the time people pay on the top end, sometimes above what we’re asking.”

– Participant, 2013 Vermont farmer focus group

Setting an appropriate price point for each product or experience is critical. It’s also essential that you pay yourself fairly. There are two approaches to pricing: be a low-cost leader or provide a “value-based” product or service. As a low-cost leader, you are a margin-driven business requiring a high volume of sales. Your customers don’t expect quality; it’s a bonus, not a requirement. With a value-based approach, customers are willing to pay what they consider a fair value for the quality and unique features and benefits they anticipate from your product. “Fair value” varies with the target audience. What is considered expensive to one might be considered cheap to another. Therefore, you need to know what is driving *your* target market’s purchasing decisions and what *these* individuals consider a fair value for the features and benefits of your product so you can price your product accordingly and convey an message that will resonate with these customers.

To help you identify your starting price points:

- Know your full costs.
- Conduct a break-even analysis to determine your costs of production. See [Estimating Breakeven Sales for Your Small Business](#) from Purdue Extension or [Financial Management: Budgeting and Pricing for Agritourism](#) from Rutgers Extension.
- Don’t be afraid to charge a fair price for what your product is worth.

Understand the market landscape around you:

- Analyze competitors’ pricing
- Examine trade publications
- Conduct research on target customers’ willingness to pay for the products/experience

PLACEMENT & DISTRIBUTION

The distribution channels you use to reach your target market, or how visitors will access your products and experiences

With an agritourism business, one goal is to sell farm experiences which can only be offered on the farm. Another goal may be to stay connected with farmers through sales of other products after they have left your farm. Therefore, your farm itself is a distribution channel, and your website with an online shop, or online event registration system may be others. When inviting guests to the farm, make sure it’s safe and welcoming.



- Minimize risk of injury to farm visitors
- Maintain a high level of aesthetic appeal
- Make it easy for visitors to identify:
 - Driving directions to the farm (Make sure your address is accurate on your Google listing. If directions to your farm are different than what Google and Waze show to users, be sure to clearly state that on your website.
 - Days and hours of operation (Make sure your website, Google listing, and social media accounts all clearly include your hours of operation.)
 - Product availability for seasonal items
 - Restroom facilities
- Communicate with clear signage, as visitors may not be familiar with all farm products offered:
 - Place displays at eye level (don't make guests bend down), and mark all items in your displays
 - Offer preparation tips and recipes
 - Identify and direct visitors to areas that are open for pick-your-own
 - Provide clear signage identifying crops
 - Designate children's "pick-your-own" rows
- Provide benches for resting and areas where children can play.
- Consider accessibility issues and the needs of parents with baby strollers, elderly visitors, and persons with limited mobility

PROMOTION

The strategies you use to raise awareness of the product or experiences offered to your target markets

There are an overwhelming number of places where you can display your farm brand and many methods for promoting your farm's offerings. Prioritize your promotion strategies around *your* customers, based on what you learn from your customer profile. Where and how are they accessing information?

Look for opportunities to minimize expense and maximize investment. Do a cost-benefit analysis for each strategy to select the mix that uses your marketing dollars most efficiently. How many people will it reach? What does it cost? Will it directly generate sales or just build awareness? Focus on action-oriented messages that engage the audience.

“ We had a fellow who worked for CBS stay with us very early on. He said, ‘Whatever you do, make sure what they see online is what they see when they get there.’ That was such wise council.”

– Southern Vermont farm stay operator

Once you get customers to your farm, make it standard practice to ask them how they learned about you. This will help you determine whether your marketing is effective and where you need to make adjustments.

Spread the word about your agritourism offerings! Get attention through...

- Social media
- Press releases
- Road signage

Fat Toad Farm does an excellent job of keeping its social media pages alive with images of its goats, farmers, and products. It has strong engagement with fans and can keep its customers informed no matter where they live.

- Speaking engagements
- Community events
- Travel and tourism websites and blogs
- Radio or television
- Print media (newspapers, magazines, visitor guides)
- Rack cards/brochures
- Product packaging
- Branded merchandise (hats, cycling jerseys, totes, mugs, water bottles)
- Point-of-sale signage and displays
- Your website
- Industry memberships
- Community calendars and parent-oriented calendars and websites.

Keep your customers up to speed with:

- Your farm website — make it interactive! Have a photo gallery or videos where visitors can virtually tour your farm.
- Email newsletters. Use an email service (e.g., Mailchimp or Constant Contact)
- Direct-to-consumer mailings
- Social networking tools
- A blog on your website
- A guest blog — consider volunteering to be a guest blogger for journals and social media accounts associated with agriculture and tourism.

Explore paid and free marketing options, and be open to unlikely partnerships. These might include collaborations with a hotel in town, a ski resort nearby, a restaurant to whom you wholesale produce, arts and crafts organizations that could co-host an event, a neighboring farm, or your school. You might collaborate with area artists/professionals to provide complementary services, such as a yoga class or weekend retreat that includes preparing a healthy meal and a simple fiber arts workshop. Who within your network is a relevant partner to help market your farm, based on your customer profile? Nearby businesses or farms? CSA members? A chef with a wide following? These partnerships can offer you access to partners' markets, in addition to your own.



Friends at Shelburne Farms, Shelburne, VT, proudly wearing their branded t-shirts.

Feedback

Always respond to customer feedback, positive or negative. TripAdvisor has great customer service and can help you respond to a negative review if one crops up.

Valley Dream Farm



Valley Dream Farm in Cambridge, VT offers farm dinners every week during the summertime. They partner with Smuggler's Notch Resort to promote and register attendees for the dinners. The farm also partners with local chefs who are eager to cook for new guests, using the freshest ingredients. Valley Dream Farm is an example of how strong partnerships can yield delicious results!"

A Word about Photos

Photos can make or break your marketing efforts, particularly in this era of social media. When using photos in social media or in publication, remember...

- Only use images that are clear, not blurry.
- Crop photos to cut out unattractive piles of clutter or junk. Share images that showcase the clean and safe parts of your farm.
- Sometimes less is more. For example, when taking a photo, ask yourself, “Will the viewer be able to instantly know what my subject is?” Also, instead of sharing four photos of your just-picked carrots, choose the best one.
- When posting photos of food, make sure it looks appetizing. Ask yourself: If the person viewing the photo couldn’t read the caption or taste the meal, would he or she want to eat it?

“ High quality photography is really important for creating a brand, a look, and a trusting audience. Especially if you have put time and money into a website to draw customers, the importance of good images is paramount.”

— Natalie Stultz, Natalie Stultz Photography, South Burlington, VT

“ There seems to be a stronger interest from people coming to take pictures of whatever they find interesting. The more we add in the farm, like a mural, a piece of art, an interesting landscape design—anything unusual or unique draws people attention. In general there is a stronger longing to come to farms, to the countryside. It feels like they want to escape from all the crisis in the world, to recover a sense of belonging and sanity.”

POSITIONING

The process of creating a unique impression for the operation in the minds of your customers

Start by asking yourself, “How do I want my customers to describe my farm?” What adjectives would you want them to use? “Friendly”? “Casual”? “Sustainable”? This process is commonly referred to as brand development.

Once you’ve determined what kind of “brand” you have, make sure all your marketing materials reflect that brand. Keep a consistent look and feel across:

- Signage on the farm
- Advertising and promotional materials (print and online)
- Employee apparel
- Contact information — email, voicemail, etc.

Branding also involves messaging: conveying your unique selling points to your audience(s). To focus your message:

- Identify the key items that are unique to your farm business
- Narrow them down to 4–6 business points, succinctly describing what you offer
- Determine how they align with what your target audiences need or want
- Use these key points to develop your messaging across all of your marketing platforms

— Amy Todisco

Hartshorn Organic Farm and Vermont Food and Farm Tours, Waitsfield, VT

Elements of your “position”:

- Features that set your product or experience apart from your competitors’.
- Length of time your organization has been in business (e.g., a family-run farm for over a century)
- **Unique people** involved in your operation
- **Location** (e.g., in the heart of prime bird-watching habitat, within an hour of a lake, off the beaten path, etc.)
- **Size of your operation** (e.g., a small, intimate inn on a working farm; a 5,000-tap sugarbush, etc.)
- **Benefits** of your product or services (e.g., catch the peaceful spirit of the outdoors, restful solitude and tranquility, fulfill a childhood dream, etc.)
- **Services** of your organization (e.g., outdoor recreation for young singles, family programming, elderly friendly)
- **Price** (e.g., an affordable family adventure)
- **Reputation**
- **Lifestyle-defining aspect** of your offering (e.g., escape the ordinary, etc.)



Farm sign at Essex Farm, Essex, NY. (Vera Simon-Nobes)



Sugar House Creamery, Upper Jay, NY. (Vera Simon-Nobes)



Sugarbush Farm is a 550-acre hillside farm located in central Vermont. The Luces are the second, third, and fourth generations to live on this land. They produce cheddar cheese and maple syrup, and give sleigh rides in the winter and early spring. Today the farm is operated by Betsy, her husband Larry, and their sons Ralph and Jeff. It's the Luce family's goal to keep the farm a working, active operation.

In 2013, Betsy Luce was named Vermont Travel Person of the Year for her exemplary work encouraging travelers to visit the state, promoting the Vermont brand, and preserving, protecting, and promoting Vermont's many attractions. Their farm is open year round for tours and product sampling. Unlike some farms, they do not charge for tours.

"We try to make up some of this by having donation boxes near where we show our video and in our chapel. And of course we sell grain for our goats and calf which certainly bring in more than the grain costs," Betsy says. "When someone calls and asks the cost for a tour we tell them it's free until they find some of our products that they can't live without!" Luce notes that you can never tell when visitors arrive whether they will spend \$1 or \$150, so it's imperative that you treat all guests the same. Even those who can't carry product home that day may place a follow-up order later.

Betsy has learned the impact of having a family member give a tour, rather than a staff person. Guests want to meet a "real farmer," she says; "it makes them feel so much more connected. We

find that with bus tours we usually end up selling several hundred dollars more per bus if my sons or I do the tour rather than one of our employees."

One of the barriers Sugarbush Farm has faced is its location, which is three miles off a main highway, half of the distance on dirt roads. Temporary signs help people find the farm, and without them, many guests tell the Luces they would have given up and turned around. Once guests arrive, staff spend the extra time talking to them and drawing on a local map to show them places they can go after their visit.

TripAdvisor and Yelp have driven approximately one-third of their visitors to the farm, according to Betsy, but her strong local business network has been a key to getting visitors.

"We try to visit all the B&Bs, local stores that cater to tourists, hotels, gas stations, chambers of commerce, and visitor centers as often as we can. We usually show up with some cheese or maple syrup as a thank you for them referring business to us," Betsy says. "We work hard to post on Facebook every week and to send emails to all our tourist contacts when something special is going on like maple sugaring or sleigh rides, and we try to get our business mentioned in publications."

To learn more about Sugarbush Farm, you can sign up for their newsletter or visit their Pomfret farm outside of Woodstock. You'll be welcomed warmly, with a chance to take the maple walk through the woods, meet farm animals, and sample their cheese and maple syrup.

WRITING A MARKETING PLAN

A marketing plan is your roadmap to success. Components of the plan include: market research and analysis, marketing and financial goals and objectives, strategies you will implement to reach your target audience, budget, monitoring and evaluation, a contingency plan, and a checklist to put the plan into action.

The marketing matrix table on the following page is a tool to help you prioritize your marketing activities based on return on investment, time frame, and budget.

1. After completing the table, prioritize your marketing activities for the upcoming year based on those with the highest ratings. To determine if you will complete all the activities, look at the total projected budget. Does it come in within your anticipated budget for the year? If it exceeds your budget, downsize your list of activities by removing activities from the bottom up (removing lowest priority first) until you meet your budget. Keep the removed activities as options to reconsider in future years or in case something comes up and you need to replace one of your activities for this year.
2. Now that you have your list of activities, reorganize them based on deadlines so that you have a calendar to follow, and identify who is responsible for completing each action so there is accountability. Know who is focusing on what and when over the course of the year, and take the time to check in every so often to make sure the work is getting done.
3. At the end of the year, evaluate each tactic. Did it produce the desired results? What worked, what didn't, and why? What should you keep doing? What should you replace with something new?

The most important components of your marketing plan are following up, reviewing, and refining! Once you have put the plan into action, how did it go? Are you reaching your overall goals? Are you achieving your objectives for each marketing strategy? What is working, what isn't, and why? What should we replace with a new effort?

You may work very hard on marketing, but there will always be some things that are out of your control. The goal is to mitigate the risk by knowing as much as you can about your product, your audience, and the environment around you, then adapting your plan, product, and approach as you see things changing. Some of the things that may change:

- General economic conditions
- Competition
- Substitute or complementary products and activities
- Federal, state, and local laws and regulations
- Trends in target market characteristics, including age, income, and cultural and ethnic composition
- Evolving consumer preferences
- Social trends

Understanding the nuances of marketing may seem complicated at first, but chances are you are already doing several things to attract the attention of customers. Translating their attention into business, then developing loyalty with them is worth every moment of your time. Marketing is about communication, thoughtful planning, experimentation and adjustment. Make a plan for evaluating your marketing plan regularly and adapt when necessary so you will know if you're on track for meeting your goals.

Sample Marketing Matrix

Tactic	Deadline	Responsibility	Cost	Strategy: Penetrate Existing Market	Strategy: Expand Target Market	Revenue Opportunity (direct sales)	Branding Opportunity	Overall Rating
Develop logo	3/1/2015	Marcia	Graphic design/ ownership fees \$ XXX	X	X		X	3
Develop story	3/1/2015	Rose	Hours to complete \$ XXX	X	X		X	3
Develop marketing brochure	3/1/2015	Rose and graphic designer	Graphic design, marketing consultant, printing \$ XXX	X	X		X	3
Distribute brochure	5/1/2015	Rose, CTM, PPD	Hours to complete, postage, travel, distribution contracts (CTM, PPD, VT Welcome Centers, etc.) \$ XXX	X	X		X	3
Secure in-kind product donations, sponsorships	6/22/2015	Rose	Cost of goods donated \$ XXX	X	X		X	3
Attend Vermont Buy Local Market at VT Farm Show 2015	12/19/2014 registration due 1/28/2015 show	Lou and Stephanie	Hours, travel, cost of goods sold, cost of booth decorations/ equipment \$ XXX	X	X	X	X	4
Create t-shirt with farm logo for customers	3/1/2015	Rose and graphic designer	Cost of t-shirts \$ XXX	X	X	X	X	4
Train Staff	4/1/2015	Rose	Hours to complete \$ XXX	X	X	X	X	4
Develop on-site signage	5/1/2015	Rose and graphic designer	Hours to complete \$ XXX	X		X	X	3
Create list of prospective customers	2/1/2015	Rose	Hours to complete \$ XXX		X		X	2
Contact prospective customers	3/1/2015	Rose	Hours to complete, travel, cost of brochures, telephone, postage \$ XXX		X	X	X	3
Plan tastings at coops	1x/month starting in January	Lou and Stephanie	Cost of samples, supplies, hours, travel \$ XXX	X	X	X	X	4
Overall marketing budget			\$ XXX (Add up total costs)					

© 2014 Rosalie J. Wilson Business Development Services

Appendix

- African Alliance, Providence, Rhode Island
- Avena Botanical, Rockport, Maine
- Big Picture Farm, Townshend, Vermont
- Boothbys, Livermore, Maine
- Fuzzy Udder, Whitefield Maine
- Gothberg Farms, Bow, Washington
- TMK Creamery, Canby, Oregon
- When Pigs Fly Farm, Mount Vernon, Washington



African Alliance of Rhode Island

PROFILE: Value Added Producer Grant Recipient

Providence, RI

Grant Amount

\$37,000

Grant Period

2016

Grant Summary

A value-added producer grant to support a feasibility study and marketing plan for ethnic African products made with “bitter ball” a gourd vegetable native to Africa

About the Grant Recipient

The African Alliance of Rhode Island (AARI) is a non-profit 501(c)3 organization dedicated to improving the lives of Africans living in the state of Rhode Island. AARI was established formally in 2004 and seeks to promote and celebrate the African culture while tackling the challenges facing the African communities in Rhode Island. AARI’s Community Gardens initiative aims at promoting healthy eating, environmental awareness, education about African foods and provide work to many low income persons on the South side of Providence.



How is the public engaged with AARI?

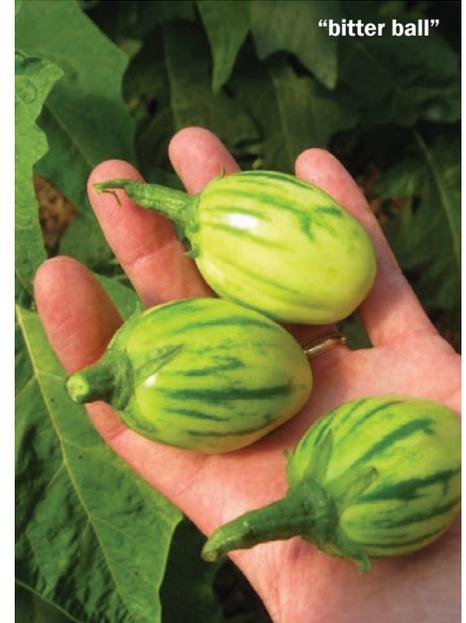
AARI manages five community garden sites in Providence, Rhode Island. The farmers are generally women refugees. They are not able to meet the demand for their produce. Each week, they sell out at the farmers market, and have restaurants and other customers waiting for them to scale up. The organization is hoping to secure additional parcels of land to support their scaling next season.

At the markets, the organization conducts health screenings and cooking demos. These successful programs engage shoppers with agricultural education.

GOALS of COMMUNITY RELATIONS:

“Goal one is to build trust. Goal two is to bring the community together so we talk to each other and say hello to one another, and get to build the vitality of the community. Goal three is to introduce fresh vegetables: seven, eight different types of African vegetables. We explain how to grow them, how to prepare them.”

- Julius Knowles, AARI President



MARKETS

Crops are sold at a summer and winter farmers' market, and a pop up market that they piloted in 2018. They also sell value-added relish made from a traditional African crop called "bitter ball" or "garden egg," which was the focus of their VAPG Grant.

"Because of the grant, we've acquired 'know-how'. We understand the marketing aspect. And once you step out to sell to customers, you have to keep feeding the sauces with your crop. That's why we're looking at how to have more crops to help us scale up the value-added products."

— Julius Kolawole, AARI Co-Founder and President

IMPACT OF VAPG FUNDS

"Because of the grant, we've acquired more 'know-how'," said AARI President Julius Kolawole. "We understand the marketing aspect."

AARI would like to apply for a USDA Working Grant, but they do not have matching funds available at this time.

"Navigating the VAPG application process was a challenge. We could have said, 'it's not worth it, they won't approve us anyway.' The trepidation was there all the way."

WOULD YOU RECOMMEND THE VAPG PROGRAM?

"Yes. Everybody should try, and not give up," Kolawole said. "We were successful because we didn't give up."

ADVICE FOR OTHERS

"Nothing prepares you for how to sell your idea on paper so somebody else can understand the energy, knowledge, and skill-set you have," Kolawole said. He added that they were in a better position because many of their staff have backgrounds in academia and they have a strong relationship with Brown University.

Kolawole particularly encourages those working in so-called "Food Desert" communities to apply. "You hear that everybody gets an equal chance, but the problem is that some of us are in the basement. If we're in the basement, and everyone else is on the first floor, we have a longer way to go."

©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:



Oregon State University
Extension Service



SHELburne
FARMS



THE UNIVERSITY OF VERMONT
EXTENSION



Avena Botanicals

PROFILE: Value Added Producer Grant Recipient

Rockport, ME

Grant Amount

\$250,000

Grant Period

2016–2018
(then they received an extension)

Grant Summary

Grant funds were used to assist with personnel, processing, and marketing costs to increase sales of organic herbal products. Working capital funds were used to help expand the existing customer base and revenues more than 50 percent over the course of the grant period.

About the Grant Recipient

Avena Botanicals makes herbal remedies using fresh, organic & biodynamic herbs in Rockport, Maine. They are the first Demeter-certified biodynamic farm in Maine. Biodynamic agriculture is a holistic and spiritually alive system of organic and ecological practices and philosophies based on the teachings of Dr. Rudolf Steiner. One of the core beliefs and practices of biodynamics is to help heal the Earth.



How is the public engaged with Avena Botanicals?

Avena Botanicals offers indoor and outdoor classes in their gardens and in “The Herbal Classroom,” an octagon-shaped classroom on Avena’s biodynamic farm and apothecary. Classes focus on herbal healing, women’s health, Ayurveda, meditation, biodynamic agriculture, pollinator habitats, and yoga for farmers and gardeners. The gardens are open to the public Monday - Friday year round. A separate production area is fenced off from the public.

“The gardens were founded as a sanctuary for pollinators and people.”

– Amanda Sarkis
Avena Finance Manager



IMPACT OF VAPG FUNDING

Because of the VAPG funding, Avena Botanicals was able to hire marketing staff for the first time, including a marketing manager and a marketing assistant.

“We hired someone from the Portland Area to guide us in the rebrand of all our products. That’s been huge, because our products have really sold through stores, word of mouth, and through Deb being known in the community and speaking at community events. Through increased presence with social media, we’ve seen our sales go up a lot.”

— Amanda Sarkis

ADVICE FOR OTHERS

Avena Botanicals used a consultant to write the grant, which worked well.

“Because we have so many products and they’re all regulated by the FDA, redesigning our labels was a huge undertaking. It’s taken over a year longer than we thought,” Amanda Sarkis said. They were able to adjust their timeline and received an extension for the funding. But this meant that their sales and acquisition of new wholesale accounts also took longer than anticipated.

The grant reporting also took time and expertise. The training they received at the beginning of the grant period helped them determine what accounting systems to use, how to track bills, put reports together, and file for reimbursements.

HAS THE VAPG HELPED YOU LEVERAGE OTHER FUNDING?

Avena Botanicals applied for a Community Development Block Grant through the state of Maine the same year they applied for the VAPG. They received that grant for equipment and staff training, which went hand in hand with the VAPG funding.

“The grant reviewers could see that we were scaling up on the production side, and they knew we could use help with the marketing side. It showed the USDA that the State Department of Economic Development was behind our business. Getting letters of support from the community was really important as well,” said Amanda Sarkis.

©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:



Oregon State University
Extension Service



SHELBURNE
FARMS



THE UNIVERSITY OF VERMONT
EXTENSION



Big Picture Farm

PROFILE: Value Added Producer Grant Recipient

Townshend, VT

Grant Amount

\$124,280

Grant Period

2015–2017

Grant Summary

Grant was used to provide working capital to expand the processing, packaging, and promotion of farmstead goat milk truffles.

About the Grant Recipient

Luisa Conrad and Lucas Farrell operate this small hillside, animal-welfare approved goat dairy and farmstead confectionary. They are known for their goat’s milk caramels, and make chocolate truffles, seasonal goat cheese, branded hats, t-shirts and linens, and offer experiences on their 100-acre farms located in a rural Vermont town with no zoning. 80% of their revenue comes from wholesale markets, 20% retail through our online store. Caramels and chocolates make up about 95% of their retail market. Cheese and merchandise accounts for the rest.



How is the public engaged with Big Picture Farm?

In 2017 and 2018, the owners purchased an additional piece of the farm and converted a farmhouse to an AirBnB rental. They host annual events such as “Open Farm Days” in the fall, and one in the spring called “Goat Hang-Out” where people spend time with the goat kids. They’ve had as many as 500 visitors a day for this event, and are trying to determine the best method for charging and ticketing for the event in the future.

During their first eight years in operation, the farmers had a hard time structuring how to welcome visitors. “It always sort of disrupted what was going on with our animals and workforce,” Farrell said. “Now that we’ve figured out our systems,

we have stayed pretty consistent, and we’re trying to increase how we bring people here in a structured, intimate, fuller experience.”

“2018 has been an experiment year, and we’ve turned a new chapter where we feel comfortable bringing people here.”

— Lucas Farrell

The farmers are staying away from brief tours, and are encouraging more in-depth experiences where people can come to get an idea of why the



farm is special, why the animals' lives are rich, and why it's good for the land and the world to have small-scale, sustainable agriculture. Guests have been respectful of the farm so far. "They derive joy from the farm, and we derive joy from sharing the farm with them," Farrell said.

IMPACT OF THE VAPG FUNDING

The VAPG had such an "incredible impact on our business," Farrell said. While things had been going well, they were interested in testing out a new product: hand-dipped chocolates, which they had been selling at farmers markets. Despite the success of this product, the business owners

knew they couldn't take on the risk of bringing the product to full scale on their own. "We've been doing everything organically as we've grown,

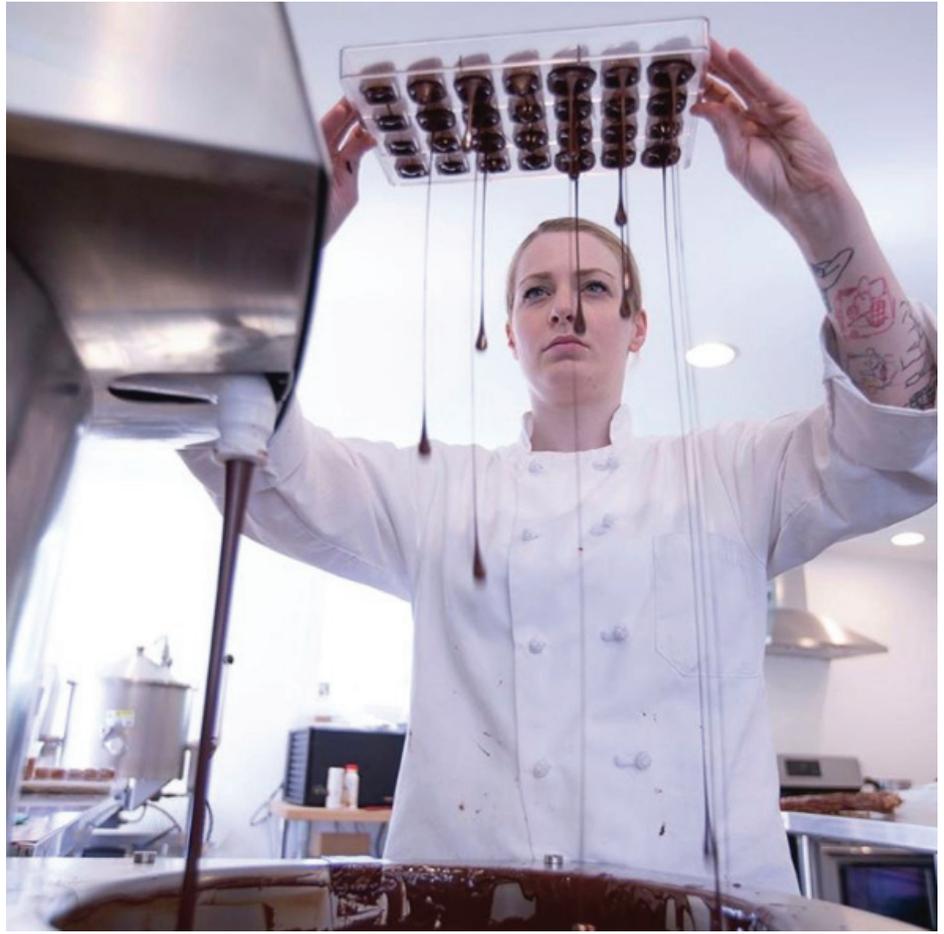
Big Picture Farm's VAPG paid for a lot of the investment one would make in a new product: development, salaries for skilled confectioners,

"We've been doing everything organically as we've grown, so it's hard to just add a new product, especially when you're having a hard enough time going about your normal day, putting out a single product."

— Lucas Farrell

so it's hard to just add a new product, especially when you're having a hard enough time going about your normal day, putting out a single product," Farrell said.

product development and packaging like inventory boxes, new labels and creating the marketing, printed materials, and going to trade shows. Because the VAPG was paying for



half of the expense of launching the product, their risk was lower across the board.

“The risk you take when the margins are already so small on a farmstead product is high, so it was extremely helpful. It’s hard to overemphasize how important it was for our farm and our labor force.”

WHAT CHALLENGES DID YOU FACE IN APPLYING FOR AND IMPLEMENTING THE GRANT?

Big Picture Farm found the application process challenging. In addition to a business plan, it required filling out about an 80-

“The risk you take when the margins are already so small on a farmstead product is high, so it [the VAPG grant] was extremely helpful. It’s hard to overemphasize how important it was for our farm and our labor force.”

— Lucas Farrell

page application. Figuring out the forms and piecing together every part was a challenge. Once the grant was awarded, the recordkeeping systems for reimbursements posed a steep learning curve. Farrell found a template for VAPG applicants from Oregon that was a helpful roadmap.

A more recent challenge has been transitioning back to the real costs of operating their business since the grant ended, and navigating the transition to the sustainable production of this product. Figuring out if it’s going to pay for itself, and what the metrics are looking like is an ongoing process.





HAS THE VAPG HELPED YOU LEVERAGE OTHER FUNDING?

Working with their local bank, Big Picture Farm received a USDA Guaranteed Loan for the purchase of their farm. The process was a lot easier because they were in the system already, and could bring the business plan that they had assembled for the VAPG application. “It was helpful to have had VAPG when we went to the bank to try to convince them that they should fund

a farm. When it comes to farms, they couldn’t find a lot of comps, and that stalled us in our process of buying the farm,” Farrell said.

WOULD YOU RECOMMEND THE VAPG PROGRAM TO OTHERS?

“In general, I feel so passionate about, and compelled to argue for the merits of value-added endeavors,” Farrell said. He would “absolutely” recommend the VAPG program to

others with a few caveats: he wished there was a little more outreach and assistance for applicants. They also advise prospective applicants that this isn’t the right grants program for a smaller farm that’s not going to hire employees.

Farrell also can’t emphasize enough that the product you’re applying for must be the product you really want to focus on. “Applicants need to be ready for that leap in production and marketing so they can take advantage of the grant opportunity,” he said.

©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:



Oregon State University
Extension Service



SHELburne
FARMS



THE UNIVERSITY OF VERMONT
EXTENSION



Century Elm Farms

dba Boothby's Orchard & Farm Winery

PROFILE: Value Added Producer Grant Recipient

Livermore, ME

Grant Amount

\$48,299

Grant Period

2015-2017

Grant Summary

This Working Capital Grant was used to brand and expand the existing unpasteurized apple cider and winemaking operations through process improvements and enhanced marketing.

About the Grant Recipient

Boothby's Orchard & Farm Winery is a 6-7th generation farm with a lot of living history. Boothby's Orchard & Winery is nestled among rolling hills and fields cared for by the Boothby family for seven generations. They offer visitors a chance to slow down and experience the charms of rural Maine life, from pick-your-own apples, to wine tastings to special events and romantic getaways. The business is owned by two brothers who have a 60/40 stock share arrangement. The property is over 1000 acres, much of it in managed woodland, and it is in a rural zoning district.



How is the public engaged with Boothby's?

Visitors come to pick apples at the orchard and enjoy wagon rides, storytelling, lodging on the farm, wine tasting, events and more.

Boothby's considers themselves to be in a process of reinvention and is trying to capitalize on what they have and what they can share with their audience.

"We're one of those old farms that has been blessed with lots of blessings and burdens all at once, from the landmass that we possess to the family aspects. We're reinventing ourselves after being exclusively a dairy farm until two decades ago."

— Denise Boothby

IMPACT OF VAPG FUNDING

Boothby's needed to scale up their equipment, but wasn't in the position of taking on the risk. Their first intention was to purchase an apple crusher to pulverize the apples before pressing them. Upon receiving the grant, they ordered the crusher and it

"I felt like the VAPG could not have been more successful for us."

— Denise Boothby

didn't work as expected. Their Maine USDA contact was flexible with them about changing direction, and made suggestions, asked questions, and it helped them realize that what they had was currently working, and they could increase capacity instead. Another improvement they made was moving from a manual corker for wine to a mechanically driven corker. "As we age, we have a more pragmatic approach. It's injury reducing and will help us stay in the game a lot longer," Boothby says.

Boothby's also used the grant to increase their online presence, to learn how to optimize the yield of both pressed apples and grapes, and to optimize sales for those products. Their two-year grant period gave them two growing seasons to work with, and more leeway to try some things and come back and change directions if needed.

They were able to focus on the quality of their products as a result of the funding, and ended up dumping some wine that they had made prior to the grant because it wasn't high enough

quality. "As painful as that was, it gave us a clean slate," Denise said.

They were also able to upgrade their label printing mechanisms from a home printer to a professionally designed, professionally printed label, which turned out to be a significant cost savings.

The Orchard and Farm Winery had secondary gains from receiving the VAPG that they say they never could have imagined.

"We were able to hire the right people to help us. We're very seasonal, and we need people who were over 21, who would smile at customers without being told to, who could love our farm as much as we do. They had to be about the experience as well, and they had to be comfortable walking out on a 90 degree day to help an elderly person, for example. Because of the grant, we took a leap on paying someone to crush apples. Because we could pay



"Because of the grant, we took a leap on paying someone to crush apples. Because we could pay the right people who loved it, we were able to make unpasteurized cider our "calling card". We can pay people well, and they look forward to coming back. Before the grant, we never thought we would be able to make the leap."

— Denise Boothby

the right people who loved it, we were able to make unpasteurized cider our "calling card." We can pay people well, and they look forward to coming back. Before the grant, we never thought we would be able to make the leap. Being able to hire these people was a huge blessing that we could give back to the community."

2018 is the first season they're coming into without the grant. Their goal has never been to grow big and get rich. Rather they want to manage plants and animals, not people, and want this to be a true, family farm. "We're pursuing our dream of doing the farm the way want to do it, and until it doesn't work, we are doing this," Boothby said. "The VAPG grant was a shot in the arm to get ahead a little." At this point, their next goal is to look into increasing hay production, which would meet a need in their community. They are also considering growing grapes for other wine producers.

WHAT DO YOU KNOW NOW THAT YOU WISH YOU HAD KNOWN?

While Boothby's says they did a pretty good job with record keeping, their early accounting categories

"When we emerged from the grant we had this package that left us more successful than before. Our beef herd grew a little, our hay product grew a little, we are doing a few events, we have the winery and the PYO apples and cider at the farm stand. These four pieces of the businesses are in place."

—Denise Boothby

were different from what the USDA required in their reports at first. "The difference was how a government body would approach farming versus how a farmer approaches it," Boothby said. While they got on track, the record keeping consistently took a long time, and they allocated the job to someone who learned to do it accurately.

HAS THE VAPG HELPED YOU LEVERAGE OTHER FUNDING?

Formally, Boothby's hasn't received other grants or funding, but having the VAPG funding allowed them to do is offset some other expenses.

They borrowed money from Farm Credit and were able to fix a couple of barns and structures during the grant period. They finished a house that hadn't been liveable before, and now have farm stays and weddings. We're leaving the farm better for the next generation.

According to Denise, "When we emerged from the grant we had this package that left us more successful than before. Our beef herd grew a





little, our hay product grew a little, we are doing a few events, we have the winery and the PYO apples and cider at the farm stand. These four pieces of the businesses are in place. We have emerged with a little bit of debt, but we came away with something that looks good, feels good, and we're hosting a lot of community events now because the buildings are stable."

WOULD YOU RECOMMEND THE VAPG PROGRAM?

"Yes! Remember that the timing was important, too. We waited for the right time to apply so our projects weren't pipe dreams."



©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:



Oregon State University
Extension Service



SHELburne
FARMS



THE UNIVERSITY OF VERMONT
EXTENSION



Fuzzy Udder Creamery

PROFILE: Value Added Producer Grant Recipient

Whitefield, ME

Grant Amount

\$177,717

Grant Period

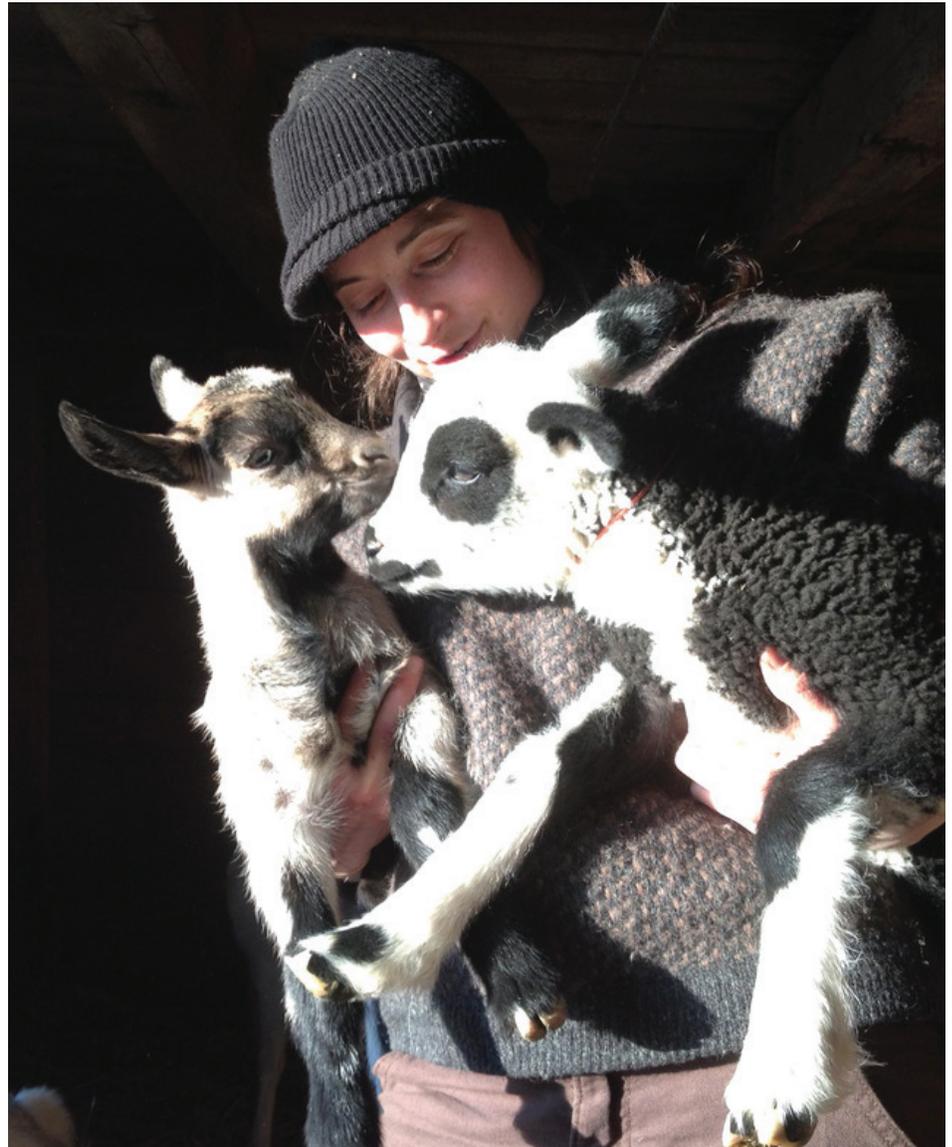
2017-2020

Grant Summary

VAPG working capital funds will be used to pay labor costs to produce and market artisan cheeses from goat and sheep milk and to cover fees and travel costs associated with marketing cheese.

About the Grant Recipient

Jessie Dowling of Fuzzy Udder Creamery makes a variety of fresh, soft-ripened, and aged cheeses from sheep, goat, and cow milk. In 2018, they were milking 51 sheep and goats, and bought in organic jersey cow's milk. Motivated by her commitment to social and environmental justice and strengthening local communities, Jessie's goal is to make a decent living as a farmer and still have time to give back to her community while enjoying life. Fuzzy Udder is located in a rural agricultural community. With four dairy farms on her road, Jessie says "We're the 'farmiest four miles in Maine.'"



How is the public engaged with Fuzzy Udder?

The public is engaged through direct purchasing of cheeses and about six on-farm events a year. Jessie hopes to further diversify through additional events, hosting cheese-making and related workshops, accommodations, farm camp, and fiber products once her infrastructure is ready. Some of her events are coordinated with other farms, such as the Mid-Coast Cheese Trail and Open Farm Day.

Fuzzy Udder hosts three Kid-Hugging Days in the spring where people come and snuggle goat kids. "Kid Hugging events are a great way to make money. And there's nothing better than seeing a four year old snuggle a lamb or kid. They'll remember that for the rest of their lives."



IMPACT OF VAPG FUNDING

The VAPG has given her time to determine how to make the business profitable. Without it, Dowling says she would have stopped milking by now, and would buy milk to make cheese.

“I would have had to stop milking without the grant. I have a great FSA mortgage that only farmers can get, where you put no money down. But the catch is, like the VAPG grant, you must produce 50% of the product on site. If I was a smart business person, I would buy milk to make cheese, but I can’t do that because of my loan and my VAPG grant. In some ways I’m growing my milking herd because I can’t pay my mortgage without it.”

The VAPG has been a double edge sword for her. She’s concluded that it’s expensive and not profitable to run a dairy at this time.

ADVICE FOR OTHERS

Dowling had the vision and wrote most of the application herself, but worked with a consultant on the forms, which she highly recommends. Although she had to pay employees for additional time while she worked on the grant, she was encouraged because she knew exactly how she wanted to use it and knew it would benefit her business if she received it.

She concedes that the grant reporting takes a lot more time than she anticipated (about 6 hours a month). *“As a small owner-operated creamery with a small staff, sitting down and devoting time to the paperwork is hard. The money isn’t just handed to you. You have to spend the money first, but you have to prove how you spent every penny. They need a ton of documentation, and because their payments are based on reimbursement and it’s a matching grant you’re basically paying for something twice before you get it once.”*

WOULD YOU RECOMMEND THE VAPG PROGRAM?

Yes. “I think you should get money where you can get it.” She cautions those who aren’t natural record-keepers against applying, but those who are operating dairies or creameries are detailed record keepers by nature.



©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:



Oregon State University
Extension Service





Gothberg Farms, LLC

PROFILE: Value Added Producer Grant Recipient

Bow, Washington

Grant Amount

\$134,000

Grant Period

2016 - 2018

Grant Summary

Grant funds were used to process and market farmstead cheeses made from goat milk.

About the Grant Recipient

Gothberg Farms, LLC is a 40-acre farm and small dairy owned by Rhonda and Roy Gothberg. The Gothbergs manage a herd of 40 LaMancha dairy goats (20 milked) and process value-added foods.

The Gothbergs make cheese from the goat's milk and sell it directly to consumers on their farm and at four farmers markets including Anacortes and Bellingham. In addition, they have an active restaurant trade.

Workforce quality is important to the Gothbergs. They aim to keep staff employed year-round with good salaries. Rhonda feels this type of workforce stability will help maintain the quality of the farm's products long after she retires in five years.



PHOTOS

Upper: Rhonda and a LaMancha doe share a hug on the milking platform.

Left: Staff and visitors alike enjoy their time with the gentle goats.

Lower Right: Udders at work.

How is the public engaged with Gothberg Farms?

Consumers may purchase cheese directly on their farm from a small retail cheese store on the honor system, and also participate in various tours and tasting events.

Running regular booths at farmers markets also brings the public in direct contact with the Gothberg Farms people and their variety of products.

"Consumers learn how cheese produced on small local farms imparts unique flavors and quality."

— Rhonda Gothberg



IMPACT OF VAPG FUNDING

VAPG funding enabled the Rothbergs to add new cheese varieties, build their brand and expand marketing techniques. Sales have increased as a result.

Effective business improvements included product displays on new cheese boards, enhanced on-farm events to draw more customers to the farm, and a better-trained workforce.

“Every dollar raised in cheese sales and farm-based experiences goes back into the local economy.”

—Rhonda Gothberg

ADVICE FOR OTHERS

“This grant is not for the average person to write. I have a MS in nursing and still paid a grant writer to help,” explained Gothberg.

She believes the grant application is geared to businesses who have a department for grant writing. “Not here. I’m the department of pretty much everything,” said Gothberg with a laugh.

Photos

Left: Rhonda is a hands-on business person.

Upper Right: The cheese product line has expanded in part due to VAPG grant funding.

Lower Right: Rhonda wears many hats on her farm, including the hat of cheesemaker.

TIPS FOR SUCCESS WITH YOUR FARM BUSINESS

“Quality first every time, never compromise on that,” instructs Gothberg. “Value product, goats, land, employees and customers above all.”

This successful farm started as a very small enterprise and a sole proprietorship. At the start, Rhonda and Roy never envisioned adding any employees. Their milking herd began with only seven goats.

Yet, over the years with steady careful management and the application of resources including the VAPG grant, the Gothbergs have built a sustainable business and a source of year-round jobs for the community.

©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:





TMK Creamery

PROFILE: Value Added Producer Grant Recipient

Canby, OR

Grant Amount

\$228,000

Grant Period

2016 - 2018

Grant Summary

Grant funds were used to process artisan cheese and support labor and marketing costs, and processing materials and supplies in order to expand into new markets.

About the Grant Recipient

TMK Creamery is owned by a husband and wife team, Todd and Tessa Koch. The farm consists of 30 acres and 20 milking cows, (Jersey, Brown Swiss and Holstein). The value added operation sells the cheese on the farm as well as to restaurants and grocery stores. Along with the location in Canby, the Kochs also have a hay farm in Klamath Falls. TMK Creamery sells their cheese at their on-farm retail location and to other, nearby farms.



How is the public engaged with TMK Creamery?

In addition to buying products on the dairy, customers may also take a tour of the facilities and pet a milk cow (cowlebrity). “The secret to success is...don’t have secrets,” says Tessa Koch. “Have transparency; have trust in your product.” At TMK Creamery, the whole cheese making process is shown through a window in their farm store.

“A customer can taste all the different cheeses and watch that same product being made from start to finish.”

— Tessa Koch



IMPACT OF VAPG FUNDING

Overall, the operation became more efficient with the addition of equipment and people. They also were able to expand their marketing and branding.

Mandy Cole from the USDA Rural Development office. According to Koch, applying was a long process and Mandy working with them was helpful. When inputting information in the application process, they found the dates had to be very specific or the system would not accept it.



“TMK Creamery was able to add cheese making tools which, in turn, allowed for more products and shortened the window of production.

—Tessa Koch

NEEDS FOR FUTURE FUNDING

Koch says there are always funding needs in a small operation. However, immediate needs are to make improvements in their payment process, parking lot and milking robot. Longer term goals include expanding their market to Portland, add more varieties of cheeses, add beef, ice cream, and distilled spirits (whey from cheese).

PHOTO PAGE 1

The whole cheese making process may be viewed through a window in the retail store.

PHOTOS THIS PAGE

TOP LEFT Some of the TMK crew, showing off their Jersey and Holstein cowlebrities.

TOP RIGHT Curds have been produced in many flavors. Cheddar curds is a real crowd pleaser.

BOTTOM RIGHT View of the front of the retail operations and new parking area.

ADVICE FOR OTHERS

The creamery applied twice for funding. During the first round, the farm made connections with

©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:





When Pigs Fly Farm

PROFILE: Value Added Producer Grant Recipient

Mount Vernon, Washington

Grant Amount

\$48,160

Grant Period

2016 - 2018

Grant Summary

Grant funding increased the farm's presence at four local farmers markets, offsetting costs of packaging, labeling, merchandising, advertising, labor and produce processing.

About the Grant Recipient

When Pigs Fly Farm is a 10-acre small farm owned by Chris Hamer and located in Mount Vernon, Washington.

The farm includes two acres in fruit, herb and vegetable production, and the remaining eight acres in pasture for Highland Cattle, alpacas, free-range laying hens and bee hives.

Pigs Fly Farm has three business activities. The main focus is a Community Supported Agriculture membership program for 30 customers. Next is sales at farmers markets followed by on-farm sales of fruits and vegetables.



How is the public engaged with When Pigs Fly Farm?

The public is welcome to visit the farm and buy products, and to enjoy a farm-based experience. The CSA membership provides a deeper level of connection between customers, the farmland and the farmers.

“My future goals expand the customer experience with a commercial kitchen, cooking classes and jams made from our own fruit.”

— Chris Hamer



IMPACT OF VAPG FUNDING

While the business development goals were not all reached during the grant period, the farm income did experience growth. The model for selling CSA baskets was successfully executed throughout the grant period.

“I believe we overestimated what we could accomplish with the grant money,” said Chris Hamer.

“Many farmers will find the process overwhelming.”

—Chris Hamer

ADVICE FOR OTHERS

“While it is helpful to get funds to expand your business, the grant was not designed to help with equipment and infrastructure, which was our greatest need at the time,” she said.

Hamar found the application process a challenge because of the amount of research required and the timing. Applications opened in the spring, which is prime planting time for their farm operation, and remained open for only four weeks.



Photos

Page 1 Lettuce and onions thrive in the raised bed, despite the cool early spring weather.

Page 2 Left. The farm is a bee hive of activity at planting time.

Right. The friendly alpaca is a visitor favorite and source of fiber.

Below: Squash harvest in the summer.

©2018. Funding provided by the Agriculture Marketing Resource Center (AgMRC), located at Iowa State University, www.agmrc.org. AgMRC is a national website dedicated to providing information to producers and service providers on value-added agriculture businesses. These partners collaborated to create the Value Added Producer Grant Profiles:

