



Assessing Risks for Your Agritourism Enterprise

Agritourism can be a risk-management strategy for your farm or ranch as a whole, because it diversifies your income streams, creates new marketing channels and possibly evens out your seasonal cash flow. Agritourism is not without risk itself, however. The risks associated with agritourism, or any business operation, fall into eight major categories:

1. Physical safety of your site.
2. Safety of products for sale, including food safety, compliance with direct-sales regulations, etc.
3. Compliance with environmental and land-use regulations.
4. Compliance with other applicable laws and general business regulations, including employee safety and welfare, as well as animal safety and welfare.
5. Market changes.
6. Business interruption due to natural disasters or weather.
7. Legal and management structure.
8. Financial solvency.

This risk assessment will primarily focus on the first two categories of risk. The Risk Management Plan in this section of the handbook includes space to develop strategies for all eight risk factors.

INSTRUCTIONS

Take a walk around your farm or ranch as if you were a visitor. If possible, bring along a friend who may be able to observe with fresh, less familiar eyes. Make a list of potential hazards and specify the location (Worksheet 1); take pictures as needed to help you remember and/or to convince a partner not walking with you that certain things are problematic.

Next, use Worksheet 2A to assess the specific risks associated with agritourism activities. List the specific agritourism activities you're considering and where they will take place (Column 1). List the associated risks that visitors could encounter from the moment they arrive on your farm or ranch (Column 2).

Then assess the importance of the risk to your operation, along two dimensions: the likelihood of injury and the magnitude of potential loss (Columns 3 and 4). Finally, identify ideas to avoid, reduce, accept or transfer risk (Column 5), and guesstimate the cost of implementing these risk management strategies (Column 6).

Finally, complete the related Worksheets 2B and 2C as per their slightly different column headings.

Now you're ready to develop a Risk Management Plan.



This list has been compiled from Oregon's experience and several other agritourism development manuals, including: *Agritourism in Focus: A Guide for Tennessee Farmers*, University of Tennessee Extension; *Agritourism and Nature Tourism in California*, 2nd Edition; University of California Agriculture and Natural Resources; *Creating Successful Agritourism Activities for your Farm*; *Community Involvement in Sustaining Agriculture*; and *Vermont Agritourism Collaborative: Agritourism Best Practices: Safety and Risk Management*. Worksheets 2A, 2B and 2C are directly adapted from Tennessee's *Agritourism in Focus*, with permission.

WORKSHEET 2A

What are the specific risks by location? What ideas do you have to manage these risks?

Agritourism Activity and Location	Risk	Likelihood of Injury (low to high)	Magnitude of Potential Loss (small to large)	Potential Strategies to Address	Estimated Cost
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		

WORKSHEET 2B

What risks are associated with agritourism that are not location-specific?
 What ideas do you have to manage these risks?

Agritourism Activity and Location	Risk	Likelihood of Injury (low to high)	Magnitude of Potential Loss (small to large)	Potential Strategies to Address	Estimated Cost
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		

* Consider legal and regulatory compliance issues reviewed in Section III of this Handbook. For example, risk associated with sale of products, and tastings, pesticide storage, watershed protection, ADA accessibility, employee relations, etc.

WORKSHEET 2C

Are there other general risks for your agritourism operation that are not activity-specific?*

What ideas do you have for risk management?

Agritourism Activity and Location	Risk	Likelihood of Injury (low to high)	Magnitude of Potential Loss (small to large)	Potential Strategies to Address	Estimated Cost
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		
		1 2 3 4 5	1 2 3 4 5		

* For example, issues with neighbors, market changes, etc. Keep these in mind as you move forward into business planning.

