Farmers and ranchers are legally responsible (liable) for the well-being of their customers and employees. Considering safety and minimizing risk are important parts of business planning.

To protect your agritourism business, it is important to create a risk management plan. Some of the main areas of risk and negligence include site safety risk, product risk, employee related risk, and financial risk. To ensure the well-being of your business, it is recommended that you avoid certain activities, use liability waivers, purchase insurance, practice good management techniques, train employees, and pay attention to the legal structure of your business.

Checklist for Managing Risk

- **Contact State or Local Agritourism Organizations and Key Consultants**
  Key consultants to determine your needs are lawyers, insurance agents, financial managers, and accountants. See backside for available resources and technical assistance.

- **Understand Local and State Health and Safety Laws and Regulations**
  See AgMRC Zoning and Health Considerations Checklist (http://www.agmrc.org).

- **Inventory Areas of Possible Risk**
  - Site Safety: Consider physical site hazards including visitor activities and attractive nuisances such as farm equipment likely to attract children
  - Product: Consider what you are selling or producing and any health or safety regulations or considerations
  - Employee related: Know your employees and know what will be required on-site to safeguard their health and safety
  - Financial: Consider current record-keeping, billing processes, assets and debts

- **Develop a Risk Management Plan**
  - Site Safety
    - a. Post rules for customers and conduct regular inspections
    - b. Post and implement employee rules and regulations
  - Product
    - a. Establish a labeling protocol for products
    - b. Establish a protocol based on state regulations for handling products
  - Decide on the right type and amount of insurance coverage
    - a. Business liability
    - b. Product liability
    - c. Workers’ compensation
  - Consider using preventative measures like waivers or product warnings if warranted.
Resources

**National Resources**

USDA Risk Management Education Agency
Develops educational materials for 50 states.
http://www.csrees.usda.gov/nea/economics/in_focus/farm_if_risk.html, 202-720-7441

Digital Center for Risk Mgmt Education
http://www.agrisk.umn.edu/
National Ag Risk Library at the University of Minnesota, St Paul, MN, Toll-free 800-234-1111

**Regional Risk Management Education Centers**

Northeast Center for Risk Mgmt Education
http://www.necrme.org/
University of Delaware, Phone 302-831-6540

North Central Risk Mgmt Education Ctr
http://www.farmdoc.uiuc.edu/ncrisk/
University of Nebraska, Phone 402-472-2039

Southern Region Risk Mgmt Education Ctr
http://srreme.tamu.edu/
Texas A&M University, Phone 254-968-4144

Western Center for Risk Mgmt Education
http://westreme.wsu.edu/
Washington State Univ., Phone 509-477-2168

**State Resources**

Your State’s: Department or Agency of Agriculture, State Agritourism Organization, Department of Marketing or Tourism, University Cooperative Extension Service, and directories from the National Association of Resource Conservation and Development Councils (http://www.rcdnet.org/), and Natural Resources Conservation Service http://www.nrcs.usda.gov/technical/RESS/altenterprise/resmanual.htm 202-720-2307

**Health and Safety Guidelines**

National Institute for Occupational Safety & Health, Centers for Disease Control & Prevention (NIOSH) http://www.cdc.gov/niosh/topics/agriculture/
Toll-Free: 800-35-NIOSH 800-356-4674

NIOSH Agricultural Research Ctrs.
http://www.cdc.gov/niosh/agctr.htm

National Safety Council
Farm safety & workplace fact sheets

**Insurance Information**

North American Farmer’s Direct Marketing Association –member’s liability insurance list http://www.nafdma.com/ 62 White Loaf Road, Southampton, MA 01073, 413-529-0386


**Glossary of Terms**

**Liability**: Legal responsibility of the business owner for the well-being of its customers

**Insurance**: Used to recover and/or manage the outcomes of business practices and risks

**Waiver/Disclaimer**: An agreement to forgo one’s right to a legal claim

**Negligence**: The failure to exercise the care that a reasonable person would exercise

**References**: Agritourism and Nature Tourism in California, Univ. of California Agriculture & Natural Resources Pub No. 3484; In the Eyes of the Law: Legal Issues Associated with Direct Farm Marketing, Univ. of Minnesota Tourism Ctr.