

Offering Agritourism? Be Sure You're Covered – Your Liability Risks May Have Increased

*by John Valentine, Sponsor Relations Account Executive, Nationwide Insurance
916-802-1785 or valentj4@nationwide.com.*

If you haven't joined the growing sector of farmers who've ventured into "agritourism," chances are it's something you may at some time consider. Based on USDA estimates, about 52,000 U.S. farms – or 2.5 percent of total farms – earn income from agritourism. The attractiveness of agritourism continues to grow as more consumers turn to local farmers and ranchers for fresh, organic, or naturally grown products, as well as for interactive social, educational, and outdoor activities.

The terms agritourism and "agritainment" encompass a spectrum of activities, ranging from on-farm stores to corn mazes. Petting zoos, haunted houses, hayrides, and summer festivals are other examples of attractions that bring increasing numbers of urban dwellers onto farms for leisure, education, and entertainment.

Rewards and risks

Besides their positive monetary impact, producers are encouraged by how these sideline businesses increase the public's understanding of and appreciation for the role of farming in the American economy and food supply.

It's important, however, for farmers to understand the increased liability that comes with inviting the public onto their premises. Legal responsibilities for agritourism exposures are unique, compared to those associated with traditional production farming operations.

"Studies have shown that farming is one of the nation's most dangerous occupations," says Jerry Hillard, Associate Vice President Farm Sales, Nationwide Agribusiness. "That risk increases dramatically when producers market their farms to attract the public. And the risks are especially high when children are involved."

Talk to your insurance agent

Farmers who offer agritourism activities need to discuss their specific types of businesses with their insurance agent. "It's important they get coverage for the activities they conduct on their farm premises. Usually, the policy that provides liability for the farm business does not extend to liability from other profit-making activities," says Hillard.

"Nationwide Agribusiness is rooted in agriculture, with strong ties to the Farm Bureau. Our company recognizes that we must make changes to continue properly serving our policyholders," adds Hillard. "We offer liability coverages that can be written as a package, in conjunction with a farm policy, to cover agritourism or agritainment ventures."