



Is Agritourism Right For You?



FLOYD
VIRGINIA



Examples of Agritourism:

- Agricultural museum and displays
- Barn dances
- Bed and breakfast accommodations
- Biking/hiking trails
- Birthday parties
- Breweries
- Canning produce
- Corn mazes
- Cut-your-own Christmas tree farm
- Farm stores and markets
- Farm tours
- Hay wagon rides
- Orchards and pick-your-own
- Horseback riding
- Pumpkin patch
- Weddings
- Winery/wine-tasting

What is agritourism?

Agritourism is recreation at its finest! Visitors might tour a vineyard, explore winemaking, or discuss the process of transforming grapes into high-quality Virginia wines. Younger guests (as well as many adults) may discover that goats are not dogs with horns, donkeys are different from horses, and milk does not originate in a plastic container in the grocery store. Tours of farm fields have enabled many people to realize that peanuts grow underground, and cotton grows on a plant – not in a bale. Visitors can pick pumpkins, apples, cherries, and other produce; or they can navigate corn mazes. Virginians are adding hayrides, barnyard animal visits, and icecream treats from a local dairy to the top of their “fun-things-to-do” lists.

Legally speaking, Virginia law defines agritourism as “any activity carried out on a farm or ranch that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy rural activities, including farming, wineries, ranching, historical, cultural, harvest-your-own activities, or natural activities and attractions. An activity is an agritourism activity whether or not the participant paid to participate in the activity.” (Code of Virginia § 3.2-6400).

Why consider agritourism?

◆ **Generate Additional Income**

- ◇ Diversify income, value added products and service lines
- ◇ Cash flow during the off season
- ◇ Increase revenue without increasing land size

◆ **Market farm products**

- ◆ Share a lifestyle or way of living with others
 - ◇ Sell the “experience”

◆ **To fully utilize farm resources**

- ◇ Build new business with resources that already exist

◆ **Provide service/opportunity to the community**

◆ **Educate/teach people about farming**

- ◇ How their food is grown
- ◇ Methods of farming
- ◇ How farmers protect and care for land and natural resources

◆ **Preserve the heritage of the land/Keep the farmland in the family**

Whether you are new to farming, or already own a farm and want to supplement your income, information provided in this checklist can help you get started with your new/next venture!

Starting an Agritourism Business

The [Small Business Administration](#) (SBA), the [LSU AgCenter](#), and the [Virginia Cooperative Extension](#) all provide information on starting a business. The following are items that you should consider prior to starting your new venture. Click on each highlighted topic to access helpful tools and additional information.

[Pick your business location](#)

Your business location determines the taxes, zoning laws (if applicable), and regulations your business will be subject to. Speaking to your local government agencies should be one of the first items on your list, to ensure that you are able to do the type of business that you are interested in starting. The local contacts are:

Town of Floyd	Floyd County	Commissioner of the Revenue
Kayla Cox	Lydeana Martin	Lisa Baker
138 Wilson St. Floyd, VA 24091	120 W. Oxford St. Floyd, VA 24091	100 E. Main St. Floyd, VA 24091
(540) 745-2565	(540) 745-9300	(540) 745-9345

[Contact VDOT early in the process](#)

Once you have decided where to operate your business, contact VDOT to discuss the requirements for a commercial entrance. It is suggested that you do this as early as possible in order to avoid potential delays in opening your business due to not having the VDOT Land Use Permit approved.

[Market research and competitive analysis](#)

Do a market analysis. Is there is a market for your agritourism venture? If similar agritourism businesses exist in the area, observe how busy they are. If the owners are approachable, ask for their input. Competitive analysis helps you make your business unique. .

[Learn about agritourism laws and recreational use statutes.](#)

More than half of the states in the United States have agritourism laws. The National Agricultural Law Center provides a listing of state laws [here](#). Some of these laws provide an added level of protection to your operation – but they do not negate the need for insurance. You can also visit the [Code of Virginia](#) to learn more.

The Code of Virginia requires that every agritourism business post a sign with the language specified to the left. The sign must be placed in a clearly visible location at the entrance to the agritourism location and at the site of the agritourism activity ([Code of Virginia § 3.2-6402](#))

WARNING

Under Virginia law, there is no liability for an injury to or death of a participant in an agritourism activity conducted at this agritourism location if such injury or death results from the inherent risks of the agritourism activity. Inherent risks of agritourism activities include, among others, risks of injury inherent to land, equipment, and animals, as well as the potential for you to act in a negligent manner that may contribute to your injury or death. You are assuming the risk of participating in this agritourism activity.



According to the online wedding marketplace *the knot*, farm, barn and ranch reception venues increased from 2% in 2009 to 15% in 2017.

Please note:

All businesses located in Virginia must register with the Virginia State Corporation Commission (www.scc.virginia.gov)

*

Nonprofit corporations that want to file for tax-exempt status, should do so with the Internal Revenue Service (www.irs.gov)

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Please visit the Internal Revenue Service website for information forming a S Corporation (www.irs.gov)

[Calculate your start-up costs](#)

How much money will it take to start your small business? Calculate the startup costs for your small business so you can request funding, attract investors, and estimate when you'll turn a profit. Will you have the cash you need to begin your venture, or will you need to get a loan? Are you willing to borrow the money? An example worksheet can be found [here](#).

[Fund your business](#)

It costs money to start a business. Funding your business is one of the first — and most important — financial choices most business owners make. How you choose to fund your business could affect how you structure and run your business.

Use [Lender Match](#) to find lenders who offer SBA-guaranteed loans.

[Choose a business structure](#), [Choosing your business name](#), and [Registering your business](#)

The business structure you choose influences everything from day-to-day operations, to taxes, to how much of your personal assets are at risk. You may wish to seek legal assistance to determine the best business structure for you.

Business structure	Ownership	Liability	Taxes
Sole proprietorship	One person	Unlimited personal liability	Personal tax only
Partnerships	Two or more people	Unlimited personal liability unless structures as a limited partnership	Self-employment tax (except for limited partners) Personal tax
Limited liability company (LLC)	One or more people	Owners are not personally liable	Self-employment tax Personal tax
Corporation—C corp	One or more people	Owners are not personally liable	Corporate tax
Corporation—S corp	One or more people, but no more than 100, and all must be U.S. citizens	Owners are not personally liable	Personal tax
Corporation—B corp	One or more people	Owners are not personally liable	Corporate tax
Corporation—Nonprofit	One or more people	Owners are not personally liable	Tax-exempt, but corporate profits can't be distributed

More information regarding business structure can be found on the Internal Revenue Service website [here](#).

Once you've picked your name, you should protect it by registering it with the right agencies. Registering your business will make it a distinct legal entity. Virginia makes it easy to register your business by visiting www.tax.virginia.gov.

Want to **START** or **EXPAND**
a business?

FREE Business Development Sessions



Floyd C4: Business Development Series & Competition

Floyd C4 is a free business development series and competition structured to help you develop and pitch **YOUR** business idea!

Business Sessions include:

- ♦ Business Idea and Business Planning
- ♦ Ins and Outs of Operating a Business
- ♦ Marketing: Why and How
- ♦ Marketing (SEO & Social Media)
- ♦ Financing & Crowdfunding
- ♦ Business Planning Review & How to Pitch
- ♦ Written Business Plan
- ♦ Business Pitch Competition

Over \$8,000 in prizes,
including up to \$5,000 for
business expenses for the
WINNER!

For more information:

Email:

Lydeana Martin (lmartin@floydcova.org)

Tabitha Hodge (thodge@floydcova.org)

Call: (540) 745-9300

Visit: www.yesfloydva.org

[Write your business plan](#)

Your business plan is the foundation of your business. Learn how to write a business plan quickly and efficiently with a business plan template.

[Get federal and state tax ID numbers](#)

Your state tax ID and federal tax ID numbers — also known as an Employer Identification Number (EIN) — work like a personal social security number, but for your business. They let your small business pay state and federal taxes.

Apply for Federal EIN
Internal Revenue Service
[Click here](#)

Apply for Virginia EIN
Internal Revenue Service
[Click here](#)

[Apply for licenses and permits](#)

Most small businesses need a combination of licenses and permits from both federal and state agencies. The requirements — and fees — vary based on your business activities, location, and government rules. Examples include:

FEDERAL		
Activity		Agency
Agriculture	If you import or transport animals, animal products, biologics, biotechnology, or plants across state lines.	U.S. Department of Agriculture
Alcoholic Beverages	If you manufacture, wholesale, import, or sell alcoholic beverages at a retail location.	Alcohol and Tobacco Tax and Trade Bureau Virginia Alcohol Beverage Control Authority

Virginia does not have one single license that applies to all businesses, but the following resources can help you determine your licensing requirements:

[Guide to Business Licenses and Permits](#): These tools and resources can help you figure out your licensing requirements.

[Virginia Business Portal](#): This is a gateway to all government-to-business services, as well as legal requirements including taxes, licenses and much more.

When you've determined what requirements apply to you, Virginia's [Business One Stop](#) provides online registration for a multitude of licenses.

[Open a bank account](#)

Open a business account when you're ready to start accepting or spending money as your business. A business bank account helps you stay legally compliant and protected.



‘Investments in agriculture are the best weapons against hunger and poverty, and they have made life better for billions of people.’

~Bill & Melinda Gates Foundation

[Get business insurance](#)

Even with agritourism limited liability laws, insurance is a necessity. The best place to start shopping for insurance is with the company that writes your present insurance. Ask for their suggestions.

6 common types of business insurance

Insurance type	Who it's for	What it does
General liability insurance	Any business	This coverage protects against financial loss as the result of bodily injury, property damage, medical expenses, libel, slander, defending lawsuits, and settlement bonds or judgments.
Product liability insurance	Businesses that manufacture, wholesale, distribute, and retail a product.	This coverage protects against financial loss as a result of a defective product that causes injury or bodily harm.
Professional liability insurance	Businesses that provide services to customers.	This coverage protects against financial loss as a result of malpractice, errors, and negligence.
Commercial property insurance	Businesses with a significant amount of property and physical assets.	This coverage protects your business against loss and damage of company property due to a wide variety of events such as fire, smoke, wind and hail storms, civil disobedience and vandalism.
Home-based business insurance	Businesses that are run out of the owner's personal home.	Coverage that's added to homeowner's insurance as a rider can offer protection for a small amount of business equipment and liability coverage for third-party injuries.
Business owner's policy	Most small business owners, but especially home-based business owners.	A business owner's policy is an insurance package that combines all of the typical coverage options into one bundle. They simplify the insurance buying process and can save you money.

[Buy an existing business or franchise](#)

It can be hard to start a business from scratch. Starting a business from scratch can be challenging. The good news? You don't have to start from scratch to have your own business. Consider franchising or buying an existing business.



Information in this document provided by the following sources:

Small Business Administration
[*10 Steps to Start Your Own Business*](#)

Virginia Cooperative Extension
[*Agritourism: Ideas and Resources*](#)

LSU AgCenter
[*Agritourism Fact Sheet*](#)

The National Agricultural Law Center
[*State Law Clearinghouse*](#)

Internal Revenue Service
[*Business Structures*](#)

Code of Virginia
[*Chapter 64. Agritourism Activity Liability*](#)



This brochure is a product of The Floyd Grown Project, a partnership between Floyd County, Virginia Department of Housing and Community Development, and Virginia Department of Agricultural and Consumer Services. Floyd Grown aimed to help small businesses in agriculture, food and forestry-related ventures grow. This multi-faceted project inventoried local assets, provided technical assistance and grant support to small business owners, and researched ways to support them for greater sales, income.

Funding & Assistance provided by:



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www.dhcd.virginia.gov
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Virginia Tourism Corporation
www.vatc.org