

Have you ever thought, “Hey, we’re on the farm anyway, why not convert the old hen house to a cute little cottage? Or redecorate the grown kids’ rooms in the main house? Or put a yurt in the woods?” *Scottie Jones of Leaping Lambs Farm Stay and founder of the website Farm Stay U.S. gets inquiries from farmers around the United States asking whether opening their farms for overnight guests is a smart choice for the business, family, and farm. Her response? “It’s not that simple.”*

This content was originally written by the Minnesota Institute for Sustainable Agriculture and Renewing the Countryside. It was adapted in 2014 by the Vermont Farms! Association and in 2019 for the USDA Agricultural Marketing Resource Center. It is intended to walk you through the elements of a farm stay business, starting with an assessment of whether a farm stay is right for you.



Assessing Yourself as a Farm Stay Operator

Planning Your Farm Stay

Consider what will set your farm stay apart and leave a lasting impression on your customers, and also what you can manage as a working farmer. Focus on five elements of your business:

- Creating an enjoyable guest experience
- Managing your own time and human resources
- Administering the daily operations
- Marketing
- Community relations

Consider each element from two perspectives: 1) your experience as a host, and 2) your visitors' experiences as guests. For example, to create an enjoyable guest experience, ask yourself: What should my guest accommodations look like to please my guests? How much effort am I willing to put into renovations and furnishings? What sorts of activities will people enjoy doing on my farm? How much of my time am I willing to devote to special activities, such as guided farm tours or classes with my guests?



— Kim Goodling, Vt Grand View Farm, Washington, VT

PLANNING CHECKLIST

Developing a business can be a long-term project. This simple checklist will help you break down your planning actions into simple steps. Give yourself a reasonable timeline, and set deadlines to help you stay on track.

- Visit several farm stays as research and development.
- Check in with the appropriate planning and zoning departments to identify any barriers to you starting a farm stay.
- Develop farm stay business plan.
- Choose a name.
- Describe the concept, the look, the food, the accommodations, the community relations.





Liberty Hill Farm is located on 350 beautiful acres in the town of Rochester, Vermont. Owned by husband-wife team Beth and Bob Kennett and their two sons and multiple grandchildren, Liberty Hill Farm offers guests clucking chickens, barn kittens, 270 Robeth Holsteins and numerous calves. Farming runs in the family on both Beth and Bob's sides. Beth is a ninth generation farmer, and Bob's family has been farming since 1742. As an innkeeper, Beth is sure to share the family's rich farming history with guests, whether through the Cabot cheese she serves, the art on the walls, or the antiques that decorate each room.

The main house is a superb example of a 184-year-old Greek revival building. Butternut moldings, maple wood floors, and comfortable, country furnishings make guests feel right at home the moment they walk through the door. Accommodations include seven guest rooms, four shared baths, and common areas. Liberty Hill Farm Inn is recognized as a Green Hotel by the Vermont Green Hotel program through the VT

Food and Dining

Serving products grown on your farm to guests will deepen their connections to your farm and enrich their experiences. Some guests may not remember the conversations they had around your table, but they will mostly likely remember the first time they tried maple syrup or Vermont cheese. Meals can take many forms: a simple continental breakfast, a fully-cooked meal served at a table, a picnic to go, or even the provision of simple ingredients for guests to prepare at their leisure. It's worth remembering that cooking, serving, and cleaning up after meals are major responsibilities and may consume a significant amount of time. If you serve food or offer lodging, be sure to check with your Department of Health about regulations that apply.

Regulations

In addition to Department of Health regulations, your farm stay business may need to comply with regulations from various state governmental departments. These departments are intended to protect public health, safety, and welfare.

- Wastewater system and potable water supply permit
- Lodging establishment license
- Land use permits

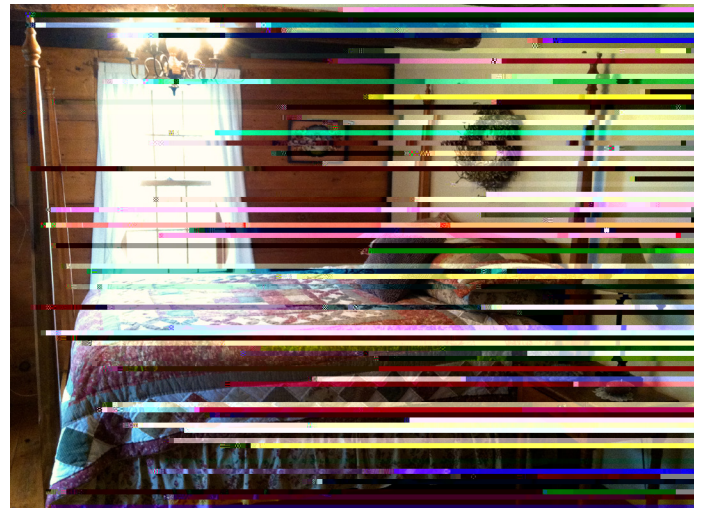
Your farm stay may also be inspected by the Department of Public Safety, Fire Safety Division, for the purposes of reviewing accessibility, building codes, fire and boiler safety, and electrical and plumbing installations.

Finally, contact your local municipal offices regarding zoning permits, the Vermont Department of Taxes regarding your meals and rooms tax liability, and the secretary of state to register your business.

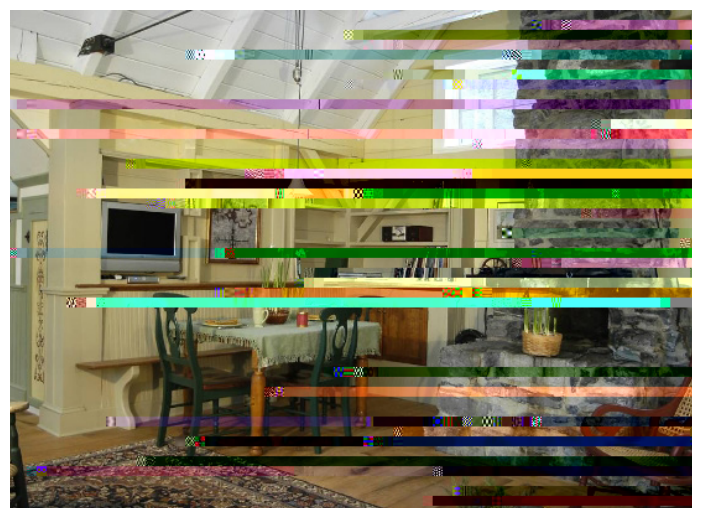
While all businesses serving the general public are legally required to comply with the Americans with Disabilities Act (ADA), there are a few exemptions written into ADA rules for very small lodging businesses that will likely apply to farm stays.

Designing Your Space

It is important to plan the look of your farm stay lodgings and to be thoughtful about its furnishings. Consider how the interior and exterior of your accommodations can honor the traditions of your landscape. Will you tout the "well-appointed guest house with fully equipped kitchen, high-speed Internet access, cellphone reception, satellite TV," like the Sweet Retreat Guesthouse and Sugarworks in Northfeld, VT? Or the "garden views, cottage-style furnishings, queen bed, and hand-stenciled walls," like Crescent Bay Bed and Breakfast in South Hero, VT?



Bedroom at Vermont Grand View Farm, Washington, VT. Grand View offers overnight stays and retreats on a historic hillside sheep farm. (Vera Simon-Nobes)



Dining area at Breidablick Cottage, a former blacksmith shop on Windekind Farm in Huntington, VT. (John Hadden)

Designing spaces can be overwhelming, so work with a budget when planning for yours. The Minnesota Institute for Sustainable Agriculture's [Farm Stay Manual](#) has further suggestions on decorating.

Business Structure

As a working farm, you have the advantage of already running an established business. You can embed the farm stay enterprise into your existing business or create a completely separate one. Regardless of your decision, you may wish to reevaluate your business structure options, especially if you want to address liability risks that may be associated with your farm stay. Working with a CPA or business attorney with a solid understanding of farms and lodging may also prevent you from facing unforeseen and costly headaches down the road.

Developing a business plan will help start your farm stay on solid footing. Business planning for an agricultural enterprise involves identifying your values; taking stock of what you have; developing a vision, mission, and goals; strategic planning; and evaluation. A great resource to use to help write your plan is [Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses](#).

Financial Goals

You may be satisfied with adding a few hundred dollars a year to your net income, or you may want to net ten or twenty thousand. It is important to be realistic and run your numbers using conservative estimates.

A business is summarized by an income statement reflecting revenues and expenses, also called a profit and loss statement (P&L) (*see sample below*), as well as by



PRICING YOUR ACCOMMODATIONS

Setting a price for your accommodations can be a balancing act. Start by determining your “cost of production.” How much will you spend on ingredients for breakfast? How long will it take you to change the linens between guests? How much will your insurance increase? To establish fair prices, you’ll need to ask yourself two essential questions: 1) Can I make money with the price I have set? 2) Is this price acceptable to the customers I need to attract? You may consider setting multiple prices for rooms with different features or one rate for the nightly room plus additional fees for added amenities such as an in-room breakfast or a one-hour tour of the farm. Other pricing structures you can consider include seasonal pricing, weekday and weekend pricing, multiple-night pricing, and package pricing. Customers may appreciate various options aimed at different budgets.

Especially for a beginning innkeeper, it is wise to compare the rates you establish with those of other guest accommodations or similar businesses nearby and adjust

if necessary. Your prices don't need to be identical to

Marketing and Customer Service

Marketing is crucial to the success of your operation. No single portfolio of marketing outlets is right for every situation, but there are general trends that have been proved successful for farm stays. These include word of mouth, a website, paid advertising, and public relations such as building relationships with reporters to whom you can send press releases.

Remember, happy guests will naturally and eagerly help you grow your business. Word-of-mouth referrals and

Back in 1972, Bob and Lee Light and their young children left a suburban lifestyle with a strong desire to live a simpler life and grow their own food. First settling on a small farm in Plainfield, VT, they learned to grow

The Ripple Effect of Farm Stays

As a farm stay host, chances are that you will give personal recommendations of places to explore, dine, and shop in surrounding communities. A farm stay can serve as the hub of an economic wheel, with the spokes leading to other attractions and, hopefully, local businesses.

When a farm stay serves meals, grocery stores and neighboring producers benefit. As Beth Kennett, owner of Liberty Hill Farm and Inn says, she spends around \$40,000 annually at the local grocery store, and when she sees a new employee there, she knows that employers can hire their neighbors because of customers like her. This is a ripple effect, in which economic benefits spread from one local business to the next.



— Lori Webster, Emergo Farms B&B, Danville, VT

Any farm stay operator will tell you that it's not an easy business. But the rewards can be immense, from generating revenue to bringing interesting travelers to your home to building a customer base that becomes loyal to Vermont farm products. When developing your farm stay, be intentional and don't be afraid to ask for help! Your farm, family, and market are always changing, so make a plan for evaluating your farm stay regularly and adjust as needed. This is critical for helping your farm reach its overall goals.

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

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