

# Fact Sheet

## Farm Stay Start-Up and Best Practices



### FARM STAYS

Farm stays will look different depending on what type of farm you operate. You may have a farm with livestock, flowers, vegetables, winery, brewery, and/or more. A farm stay may be a farm or ranch.

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### REGULATIONS, PERMITS, AND LICENSES

- Town Planning Department: Start by check to see if, and, how you can offer farm stays on your farm.
- Neighbors: Talk with your neighbors about your plan to start a farm stay. Listen to their concerns and find ways to accommodate the concerns.
- Register Business with State
- Health Department: Check with the local health department for any requirements.



### LEGAL AND INSURANCE

It is important to have the following set up for your farm stay to protect your operation from potential legal issues.

- Business Entity
- Terms and Conditions Release from Liability Waivers
- Insurance to cover staying on the farm and any activities the guest are engaged in during their stay.

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### NY SAFETY IN AGRITOURISM ACT

- Enacted in 2018, this legislation established enhanced protection for farm owners from liabilities associated with inviting the public onto their farms for agricultural tourism events and activities.
- It also provided guidance on signage, hold harmless language and other support.



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### FEDERAL TAX AND LODGING TAX

A schedule E will need to be reported for income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in real estate mortgage investment.

Lodging Tax: It is the farm stay responsibility to collect and report lodging tax.

## LODGING EXAMPLES

There are many different types of lodging options. It's important to create lodging options that work with your property.

- Rooms in Farmhouse
- Rustic Cabin
- Guest House/Cottage
- Platform Tent
- Yurts
- RVs
- Campground
- Tree House
- Tiny House

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## INFRASTRUCTURE AND AMENITIES

Think about what you currently have for infrastructure and amenities you'll be able to provide. Will that current infrastructure hold up to people staying on the property.

- Water and Sewer
- RV Hookups
- Cooking Facilities

What amenities will guests be expecting? If your farm does not have Wi-Fi, TV's, etc. let the guest know ahead.



## FARM ACTIVITIES

In order for a farm stay to be agritourism, guests must be engaged in the farm. This may be in the form of:

- Helping with chores
- Tours
- Classes

Having other activities for the guests to engage in is also important. This might be hiking, fishing hunting, bird watching, etc.

## MARKETING/PROMOTION

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Direct and online marketing are a must for a farm stay operation. This includes website, social media, google business listing, etc. Also make sure you state and local tourism agency knows about your farm stay. Online marketing/reservation websites are important these include Farmstay, Hipcamp, Air BnB, etc.



## ECONOMIC OPPORTUNITY

When starting a farm stay there will be some start-up cost including potential renovations. Once the farm stay is in operation most farm stays get a 20-30% profit per stay after operating expenses. Consider potential extra revenue for each person that stays. This may include farm tour, workshops, farm products to purchase and more. Consider hiring a local cleaner to do cleaning of the property. Cleaning is the biggest burnout factor for most farm stay operations.

## Additional Resources:

- Cornell Cooperative Extension Agritourism: <https://cals.cornell.edu/cornell-cooperative-extension/work-teams/agritourism>
- Farm Stay USA Tool Kit: <https://farmstayus.com/wp-content/uploads/2019/03/farmstay101basics.pdf>
- NY Safety in Agricultural Tourism Act: <https://agriculture.ny.gov/news/state-agriculture-commissioner-releases-guidance-safety-agricultural-tourism-act>
- NYS Health Department Campgrounds: <https://regs.health.ny.gov/content/subpart-7-3-campgrounds>
- NYS Department of State (Business Formation): <https://dos.ny.gov/form-corporation-or-business>