

## Notes from the North Coast Agritourism Gathering July 7, 2011 at Six Sigma Ranch in Lower Lake

Notes compiled Penny Leff

About 18 people gathered at picnic tables under shade umbrellas on the deck of Six Sigma Ranch winery office and tasting room to talk about agritourism in the Lake County region and to hear from guest speakers John Valentine and Kathy Lindquist of Nationwide Agribusiness about risk management for agritourism operations.

### Perini Ranch Farm Stay program tour

Before the meeting, many participants visited nearby Perini Ranch ([www.periniranch.net](http://www.periniranch.net)) and learned from ranch owner Dan Desmond about the sustainability practices of the ranch and about the business of the farm stay (the ranch house) operation.

### Group discussion

The group decided to stay together for general discussion, rather than breaking into smaller groups, since such a small group was present anyway. The people present introduced themselves and talked about their agritourism activities, plans and challenges. These are the notes from that discussion:

- Joanne Van Eck, owner of **Cole Creek Equestrian Center, AKA Narley Dude Ranch**, took 2.5 years to get a minor use permit from Lake County to be able to board and train horses on the 105 acre ranch. They have 88 riding acres, a covered arena, a riding academy, cattle and hay production. She would like to do a farm stay program, is putting in a big garden, and developing a BBQ area for a "Garden of Eating". The use permit took so long due to concerns by neighbors about the potential smell of the horses, even though there have been no violations and the operation is clean. Joanne met & talked with the neighbors, who mostly have 1-2 acre lots, but this resulted in them joining forces to oppose the permit, she reports. Joanne's daughter started to use Facebook for the business after Christian Ahlmann's presentation in Ukiah in February.
- Mary Jane Fagalde, owner of **Acorn Development Services**, works as a private consultant helping vineyards and other agricultural operators with the county permitting process. She also works with the Lake County Horse Council and the County of Lake to change the suburban agricultural zoning ordinances to allow more farm animals on small acreage lots. She reports that recent changes in zoning ordinances benefited wine grape growers but not horse stable operators. Mary Jane had an agricultural education program with 150 goats. She sold that and now raises rabbits for meat and show. She is planning a craft business, making and selling goat milk soap.
- Rebecca Manard owns **Mt. Hannah Gardens**, a 5 acre property that was a resort named Mt. Hannah Lodge in the 1940s and 50s. She has an herb garden, and would like to set up a demonstration farm, operate a small children's camp and offer workshops teaching herbal and farm skills. She is planting berries and fruit trees. The property is right off the highway.
- Anna Maria has managed the gardens for Harbin Hot Springs. She reports that Harbin has recently purchased a neighboring ranch and is looking into agricultural uses for the land. Anna Maria has 12.5 acres, **would like to teach herbology**, and attended this meeting to connect with others and to understand the legal issues of her potential business.
- Jill Smith and Kathleen, **licensed insurance agents with Lincoln-Leavitt Insurance Agency**, attended to learn more about Nationwide Agribusiness agritourism products. Jill also has a small vineyard in Kelseyville. Neighbors and the Sierra Club opposed her vineyard expansion. Mary Jane Fagalde helped with that permitting process.

- Dan Desmond, owner of **Perini Ranch**, grows walnuts and raises grass-fed beef. Agritourism is his main economic engine, a lot due to the recent growth in the Lake County wine industry. He hosts families at his ranch house, and suggests that many families would appreciate more activities in the region for children, such as classes and day camps. Insurance is his biggest expense.
- Christian Ahlmann, of **Six Sigma Ranch**, has also worked with Mary Jane on permitting issues. Six Sigma winery is only about 10 years old. It produces about 5000 cases of wine a year from about 40 acres of grapes. Most of the wine is shipped direct to customers or sold through distributors, but about 50 to 60 people visit the tasting room each week. Most of the ranch is range land. Six Sigma Ranch produces grass-fed lamb and beef, all sold locally in Lake County with a prioritized waiting list of customers for the beef. Six Sigma does not have a farm stay program, but is planning a hospitality center that will include a tasting room as well as a B & B. Six Sigma organizes 4 visitor events each year, including:
  - Cowboy Cook-off, with a new outdoor pizza oven this year next to the patio
  - Pruning event on a Saturday in the spring, starting with breakfast, continuing with a lesson in grape pruning, and includes both an amateur and a professional pruning contest.

Six Sigma is committed to education, and also runs 5 youth camps, where the young people build their own structures and make campfires. Some of the youth are local school kids, and some are inner city Sacramento kids who have never walked on dirt before.

- Michael Fox is an event and destination marketing professional, part time in Kentucky and part time in Mendocino, where he manages the **Mendocino Film Festival**. The film festival includes many ag support films, featuring biodiversity and sustainability and he is looking for more films.
- Gary Sack, Field Representative for the **California Farm Bureau Federation**, covers a region in Northern California that includes 15 counties. He told us the CFBF had 76,500 members, of whom 40,000 are farmers or ranchers. The Farm Bureau has helped the organic industry get bills passed to simplify their reporting requirements and has also worked to ease the regulations for roadside stands and farmers' markets. CFBF also started the Ag in the Classroom program. Insurance is an important part of CFBF's history, and the Farm Bureau now partners with Nationwide Agribusiness/Allied Insurance.
- Maria Giovani is a food scientist who, with her husband, operates the Lake Added Value Agricultural Center (**LAVA Center**). They use growers' excess produce to make processed products, which they sell at farmers' markets and through Lake County Grown, an internet farmers' market. Maria is also involved in trying to get regulations changed to allow wineries to sell more food products and to get more food sold at wineries.

## Presentation

John Valentine, Sponsor Relations Account Executive for **Nationwide Agribusiness**, gave a short introduction to the company. Nationwide is 80 years old, was founded by farmers as Farm Bureau Mutual Insurance, and is the leading writer of farm insurance in the country. About ten years ago, Nationwide became aware of exposures in agritourism and started to insure agritourism activities.

We then heard from Kathy Lindquist, **Nationwide Agribusiness Farm Underwriting Manager** for Northern California, Oregon and Washington. She gave a well-rounded presentation about **agritourism risk management**, which involves much more than purchasing insurance. Here are some of the major points from her presentation:

- Everything on a farm creates liability. Liability involves the need to manage risk. Risk can be managed in 4 basic ways –
  - Avoid risk
  - Retain risk
  - Minimize risk
  - Transfer risk
- In general, an agritourism operator needs to do everything he or she can do to minimize risk, and then an insurance company will help to transfer risk.
- Minimizing risk involves every aspect of the operation, including
  - Create a safe workplace for employees
  - Create a safe environment for visitors
  - Control visitors' access to water, animals and other potential hazards
  - Put away ladders, tools, equipment and other attractive nuisances
  - Keep personal property out of the way of the public
  - Post signs to advise about unavoidable hazards and safety rules
  - Be very careful about fire prevention including lots of fire extinguishers, no smoking signs, and no dry grass on the parking area (Catalytic Converters can set grass on fire)
  - Have visitors sign waivers, listing the unavoidable hazards that they have been made aware of
  - Post emergency plan with emergency phone number and instructions in public places
  - Do orientation and safety talk with guests when they arrive
  - Provide adequate washing facilities, particularly with a petting zoo
  - Choose animals for a petting zoo carefully
    - Miniature horses can be nasty and bite and kick
    - Sheep and goats may be better because they have no bottom teeth
    - Ducks and geese can be mean and messy
  - For special events, provide adequate parking, but not valet parking due to liability issues
- You are legally liable for your employees' actions. Run a background check on a potential employee who will be working with children. Ask the local law enforcement to do a free check.
- Contact your attorney or insurance agent to help you set up a liability waiver.
  - Get the waivers signed and keep them on file.
- Documentation is very important
  - Keep records of safety inspections, safety talks, etc.
  - Written plans and records make you more attractive to an insurance company
  - Keep an incident log book, including pictures of any incidents
- If anyone gets injured or their property is damaged, show the person that you care and document that you care
- Consult with an attorney and insurance agent; decide on a legal structure to minimize risk
- Be open with your insurance agent about your assets
- Comply with Americans with Disability Act rules
- Be aware of animal rights activists
- Nationwide will not insure:
  - Bounce houses
  - Slides more than 10 feet long
  - Trains or climbing structures
  - Amusement rides
  - Raw milk

Nationwide Agribusiness will only insure a “preferred farm”. It will not insure an operation that is primarily entertainment without being a commercial farm or ranch, but as long as there is a working farm or ranch, they will work with you as your agritourism operation grows, and will put all the different types of liability coverage together into one package policy. Only a “farm certified” insurance agent can sell Nationwide Agribusiness policies. Farm Bureau members get a 5% discount from Nationwide.

For more information, or to find an agent, go to the Nationwide agribusiness website:  
<http://www.farmagentfinder.com/>

After a sampling of a few of Six Sigma’s delicious wines, the group dispersed, driving out through Six Sigma’s beautiful vineyards and range lands.