

*Natural Resource*

**ENTERPRISES**

## FOREWORD

This informational binder is designed to assist landowners in developing natural resource enterprises on their properties. Such enterprises include fee access hunting and angling, wildlife watching, horse trail riding, agritourism, and bed and breakfast businesses. These enterprises can be integrated successfully with agriculture and forestry. If you are interested in obtaining information on a subject that is not represented here, please contact us and we will be delighted to assist you. We hope you find this information useful and look forward to assisting you in starting your natural resource enterprise.



# ENTERTAINMENT FARMING AND AGRI-TOURISM

BUSINESS MANAGEMENT GUIDE

**Abstract:** *Agri-entertainment and -tourism – new, highly consumer-focused types of agriculture – may offer additional options for diversification and adding stability to farm incomes. Farmers have invented a wide variety of “entertainment farming” options.*

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El Rancho Nido de las Golondrinas, Lemitar, NM  
Living History Farm Herb Garden  
Photo by K. Adam

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*Diversification into ... such opportunities as agricultural or educational tours, u-pick operations, farm stores, pumpkin patches, agricultural festivals, and farm stands is not a substitute for a pro family farm agenda... [However,] one of my fears is that if farmers and ranchers are too tardy in their response to this emerging opportunity, theme park operators will develop simulated farms and operate them as agri-tourism attractions.*

– Desmond Jolly, Director  
Small Farm Program  
University of California – Davis

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# Introduction

Joel Salatin, innovator in small-scale agriculture and proprietor of Polyface Farm in Virginia, has published a handbook for beginning farmers. (1) In it he offers a perspective on an important dimension of the future of American farming – education and entertainment. At least one state – Vermont – has re-directed the bulk of its support for agriculture into rural tourism. Salatin and other agricultural writers believe that this is what the public wants and will pay for.

While the popularity of specific enterprises – such as pumpkin patches or U-Pick orchards – may ebb and flow, the public’s desire for a “farm experience” remains. Small diversified farms are ideally suited to agri-entertainment. Unlike the mega-hog facility or a corn/soybean operation producing bulk commodities, the small farm can recreate an earlier, simpler, human-scale vision of farming. The chief qualification for the rural landowner who expects to make a living from the land through agri-tourism is the desire and the ability to cater to tourists and meet their expectations of a farm visit.

Tourism is an important industry in many states. For example, it is the second largest industry in New York and the largest in Arkansas. Most writers agree on three main components of rural tourism: small businesses, agricultural events, and regional promotion. Some state agri-tourism promoters lump direct-marketing methods such as CSAs, as well as farm sales of such specialty crops as flowers, garlic, and Asian pears, within the general category of agri-tourism. State-led agri-tourism initiatives work to expand existing businesses, create new festivals and farm markets, and tie this all together regionally to attract visitors. Federal, state, and corporate grants funded the 500-mile Seaway Trail along Lake Ontario in New York, providing advertising and promotion of its agri-tourism enterprises along the way.

There are three agri-tourism basics: Have something for visitors to see, something for them to do, and something for them to buy. How well you relate the various components (through a theme or otherwise) will determine how successful your entertainment enterprise will be. Things to see and do are often offered free, but there is still a lot

of money to be made selling to visitors. Research shows that tourists buy mainly food, beverages, and souvenirs.(2)

## Advice for New Ag Entrepreneurs

Starting any new enterprise can be risky. Before investing money, time, and energy in an unconventional agricultural business, new entrepreneurs should complete personal, market, project feasibility, and financial evaluations. Workbooks are available to help work through the questions that arise in enterprise planning. Technical and managerial assistance in these evaluations is available from a wide variety of sources. These include county Extension educators, local and regional organizations committed to rural economic development, small business development centers, state departments of agriculture, economic development agencies, banks, tourism agencies, state universities, and local community colleges. For a brief agri-tourism development checklist, see Appendix A. A business plan can then be developed (basically a spreadsheet) to evaluate the enterprise financially. For guidelines, see the 2004 ATTRA publication *Agricultural Business Planning Templates and Resources*.

## Things to See

### ***Educational tours***

In 1993, 14 farmers in largely agricultural Dutchess County, New York, cooperated in creating an educational tour using “crop art” as the focal point. Their aim was to publicize the plight of the family farmer and create a positive image of agriculture for the next generation of urban voters and consumers. The art consisted of large sculptures made from hay bales and other farm crops. (Different types of crop art will be discussed in more detail below.) One of the tour’s sponsors, Farm Again, is an organization that matches beginning farmers with retiring farmers to ensure that land is kept in family-sized agricultural production. Others involved in sponsoring the

project included Cornell Cooperative Extension, the local Farm Bureau, and the Dutchess County tourism agency.

At the same time, Farm Again sponsored a farm tour project for school children as part of its aim to “re-invent agriculture” in a farming community on the edge of suburban sprawl.(3) This type of tour is part of an overall regional public education strategy, exemplifying comprehensive organization and far-reaching goals. At the other end of the scale, the Wachlin farm (“Grandma’s Place”), Sherwood, Oregon, provides a package deal for its specialty – school tours. They charge \$4 per child, and the children get any size pumpkin they can carry from the field, food for animals in the petting zoo, and a 20-minute talk on farming.(4)

While having several tour farms in close proximity is always desirable, most farmers interested in agri-tourism develop individualistic farm attractions. Many herb farms open to the public include a tour of the different herbs they are growing, and may include “nature walks” to show wild plants in their native habitat – riverbank vegetation, scarce examples of native prairie, rock outcroppings, or natural woods. (Former pasture land or plowed ground let go to weeds is not recommended for a nature walk.) For a profile of an herb farm that offers tours, see the ATTRA publication *Lavender Production, Products, Markets, and Entertainment Farms*.

Archeological sites are usually too fragile to become the focus of regular tours by the public. However, many farms have done well with recreations of former eras.

## **Historical re-creations**

Creating an agri-tourism attraction on your farm can be a lot of work and must be a labor of love. Some attractions grow out of the owners’ hobby collections – old farm machinery, log buildings, heirloom seeds, old bird houses, even a narrow-gauge railroad. Most, however, are created new from the owner’s concept – especially one that appeals to children.

## **A unique Iowa “little village”**

A unique form of agri-entertainment is the “little village” run by Farn and Varlen Carlson of Stanhope, Iowa. The tiny community includes a school, general store, church, livery stable, and blacksmithy. Appropriate artifacts fill the buildings, which are one-half to two-thirds scale. The Carlsons hope to add a barber shop, telephone office, bandstand, and fire station. There is an admission charge for viewing all the buildings, and the Carlsons cater to bus tour groups. Groups can also arrange to have barbecues at the village. Special events scheduled during the year include a threshing bee, an ice cream social on Father’s Day, Apple Cider Days in August, and a Christmas Stroll, when the Village is decorated for the season.(5)

## **Processing demonstrations**

Wineries and microbreweries have long appealed to the public’s fascination with how foods and beverages are made. Other possibilities are water-powered grist milling, sorghum milling, apple butter making, cider pressing, maple sugaring, sheep shearing, wool processing – all activities with an old-timey flavor.

### **A rural theme park**

Smiling Hills Farm, Westport, Maine, converted from a dairy farm into an agri-tourism business in the 1980s. The farm now draws 100,000 people a year and employs 100. Attractions include ice cream and sandwich sales, a petting zoo, a retreat center specializing in one-day mini-retreats, and activities for the 700 school children per day that may visit. Kids can climb in, on, and over a wooden train, a fire truck, and a small barn with a loft and places for cute photo opportunities. They can dig sand with kid-powered backhoes and steam shovels. Children mingle with animals in the petting barn area. Ducks and rabbits have the run of their own doll-house-like “Duck House” and “Rabbit House.” Group activities include tours, birthday parties, summer farm programs, wagon and sleigh rides, Halloween and maple season events, and cross-country skiing and skating in the winter.

## **Crop art**

Invite a crop artist to turn one of your cornfields into a work of art. It will be the talk of the countryside and may attract national media attention (especially if an actor dressed in a pale blue wetsuit with antennae on his head runs around and periodically pops up at unexpected times near the artwork). The crop art displayed by the fourteen Dutchess County, New York, farmers attracted thousands of visitors, including 1,000 school children, a month. Additional people came to their summer on-farm educational programs intended to strengthen urban ties to agriculture. Many farms that encourage school tours aim to build goodwill and long-term customers, rather than charging for the tours.(6)

Crop art runs the gamut from the fanciful sculptures of Dutchess County to floral designs, from designs mowed in a field to Halloween pumpkin displays like those seen on the Rohrbach Farm near St. Louis. Most crop art—at least in the Midwest—consists of designs cut into standing grain crops in a field, or alternatively, designs created by different colored plantings. Such crop art is best viewed from the air or from a raised structure. There have also been proposals for creating mound-like structures with Native American designs outlined in edible native plants, and there are agricultural mazes—which provide something to do as well as see. There are a number of full-time professional crop artists advertising on the Worldwide Web, as well as maze designers and franchisers. (Mazes are discussed more fully below.)

Madera County, California, farmer Darren Schmall originated the “Pizza Farm” concept, a subspecies of crop art. One field is devoted to a circular arrangement of crops and animals. Pie-shaped wedges of pepper plants, wheat, tomatoes, and so on represent pizza ingredients. Several sections house hogs and cattle (representing sausage and cheese). This is reportedly one of the fastest-growing types of crop art. Children use a coin-operated feed pellet machine to feed the animals.

Visitors expect to pay admission to farm attractions—even to view (and photograph) crop art. Maze operators generally charge admission. Joel Salatin advises farmers to build a haybale observation deck with a view of the maze, so that grandparents can take photos. Sales of food, beverages, and photographic supplies can take place here. Charge for some things, and give something away free. “While no one is certain that providing some activities free of charge improves the net return to the farm, they undoubtedly increase the farmer’s gross receipts through increased customer traffic.”(7)

## **Natural features**

An outstanding natural feature on a farm may become a tourist attraction—a bluff or rock outcropping, a waterfall, a grove of persimmon trees, a stream, or a spectacular view. Water is a popular natural attraction; sometimes natural features of interest to a visitor may have been overlooked by the farmer.



## **Festivals/ pageants/ special events**

Special events can mean either private parties or public events. They range from offering food, drink, and overnight accommodations to sportsmen to birthday parties, weddings, company picnics, and Halloween festivals. To put on an annual festival or pageant open to the public may be beyond the scope of all but the largest farm entertainment businesses. Individual farms often participate in a countywide or regional festival, with significant government and organizational sponsorship. A few farms are now hosting 700 to 1,000 visitors per day for their unique offerings. Farms along the road to well-known annual festivals can find many ways to participate in opportunities created by the increased tourist traffic.

### **Children's Activities for a Harvest Festival**

- Vegetable Contest (from children's gardens)
- Vegetable Bingo (cards with names and/or pictures; veggie seed prize)
- Flower Smashing (using rubber mallets to flatten flowers between thick sheets of paper, making nice, flower-patterned cards)
- Vegetable Shape Mobiles (sticks and cutouts from old office paper)
- Ecopots (newspapers made into little pots for planting seeds)
- Chia Pets (paint faces on old footie stockings filled with soil and grass seed)
- Potato Prints (tried and true)
- Making Recycled Paper (need blender, water, flat strainers)
- Hair Wreaths (raffia, flowers, ribbon)
- Bookmarks (tried and true – wax paper, flowers, and an iron.)
- Root/Stem/Bud/Seed (kids have cards with words and must match to appropriate produce after brief lesson)
- Seed Sprouts in Baggies (soaked bean seeds, paper towels, baggies)
- Leaf Prints (leaves, crayons, paper)

*(from Karen Guz, Horticulture Associate, Bexar County, Arizona, listserve: communitygardening@ag.arizona.edu, 6/25/98)*

living for the developmentally disabled. Many small herb or vegetable farms offer classes in cooking, arranging flowers, or making herbal medicines. They depend on these activities to help build a clientele for their main products.

Farms have traditionally offered field days, sometimes sponsored by a farm organization. Many tours are also considered educational.

Some of the best examples of farm diversification involve education. Two of the most notable are The Land Institute (which has just received a grant to launch a 50-year research project on perennial grains) and Heritage Farm, home of the Seed Savers Exchange and Seed Saver publications.

Launching such an enterprise takes considerable connections, savvy, outside-the-box thinking, and dedication. It is a life's work dedicated to something beyond just farming, and is certainly not for everyone.

## **Things to Do**

### **Farm schools/workshops/ educational activities**

The educational activities offered on farms range from day classes or short-term workshops to full-scale, accredited courses of study. Farm schools accommodate interns or apprentices, and some charge tuition for the learning opportunity. There are also farm schools geared toward residential

Many of the farms listed in the on-line database of Sustainable Farming Internships and Apprenticeships, maintained by the National Center for Appropriate Technology ([www.attra.ncat.org](http://www.attra.ncat.org)), have elements of an educational or entertainment farm. Several plantations on the Potomac River, including Mt. Vernon, have been turned into educational farms. The workers on Mt. Vernon grow 18th-Century crops and gardens, use 18th-Century tools, and dress in period costumes.

## **Accommodations for outdoor sports enthusiasts**

Some farms adjacent to recreational areas build a business catering to the needs of visitors to those areas. A farmer in Missouri opened a lunch counter for the convenience of parents bringing children to a nearby summer camp. Farmers in the Adirondacks regularly accommodate skiers and hikers with shade, food, and drink, sometimes extending to overnight accommodations. A 1500-acre wheat farm on the Great Plains became a pheasant hunting ranch in the off-season, with a lodge and a gift shop (more about fee hunting below).

## **Petting zoos/children's amusements/playgrounds/horseback riding/hayrides**

Old McDonald's Children's Village, Sacket's Harbor, is the largest petting farm in New York. Near Watertown, on the Seaway Trail, the Children's Village was started as a way to increase cash flow to expand a market hog and feeder pig business. Ponies, rabbits, ducks, lambs, baby goats, calves, and piglets are sure-fire attractions for city children (and their parents). Pony and wagon rides are part of the mix. Playgrounds and hayrides also provide something for children to do at Pick-Your-Own farms.

Balky Farms in Northfield, Massachusetts, invites school classes to visit during lambing season in March and April. Baby crias, pygmy goats, and bunnies are also winners. Cheviot, Dorset, and Navajo Churro sheep, geese, peacocks, emus, oxen, Black Angus cattle, relief heifers, miniature horses, and donkeys succeed with the more venturesome. Tendercrop Farm in Newbury offers "buffalo viewing," while Valley View in Charlemont hosts llama-picnic treks. More information on animal entertainment can be found in the 2004 NRCS publication *Success Stories – Agritourism, Direct Marketing, Education, Conservation, Agritainment*. (Call 1-888-LANDSCAPE or see [www.nhq.nrcs.usda.gov/RESS/econ/ressd.htm](http://www.nhq.nrcs.usda.gov/RESS/econ/ressd.htm).)

## **Pick-Your-Own (U-Pick)**

In the 1970s U-pick farms were at their height of popularity. Families with three or four hungry teenagers and full-time homemakers were still common. Canning a couple of bushels of green beans or putting a flat of strawberries in the freezer helped out the family budget significantly. Raw materials were harder to come by than labor, compared with today. Canning has been all but eliminated today as a home activity because it represents a lost opportunity for the housewife to be gainfully employed, instead of receiving nothing for her hard work (i.e., the opportunity cost of labor) putting up the winter food supply. Small batches of gourmet recipes may be stored in the family freezer, but more than 50% of U.S. meals are now commercially prepared and eaten away from home. While U-pick operations can still be found, successful ones are most likely to be part of the whole entertainment-farm enterprise mix.

U-pick offers several advantages to farmers. They are relieved of the burden of finding and paying temporary seasonal labor at harvest time. This type of labor is becoming harder and harder to find. The hours are long and hot; the work, back-breaking. If people can be persuaded to pick as entertainment and get a few cents off per unit, the farmer is way ahead. However, sustainable farmer Kelly Klover has observed, "The whole premise of 'here we are/come out and get dirty picking our crops/then pay us handsomely for the privilege' is a hard sell" (8) in today's world and may depend on how attractively the experience can be packaged and how aggressively it is marketed. Above all, the average farmer's natural distaste for selling must be overcome and he must learn to think like a customer. This means, at a minimum, creating adequate parking, having restrooms, having a safe entertainment area for small children, and working with an insurer on liability issues. Small children are best kept away from the picking area, as they contribute disproportionately to damaged crops and "inventory shrinkage." Attention to these basics will help build repeat sales, a primary goal of all direct marketing.



### Related ATTRA Publications

- *Direct Marketing*
- *Lavender Production, Products, Markets, and Entertainment Farms*
- *Reap New Profits: Marketing Strategies for Farmers and Ranchers (with SAN)*
- *Agricultural Business Planning Templates and Resources*

U-pick operations do best when they are located within an hour's drive of a population center of at least 50,000 people. This stipulation leaves out much of the Midwest, mountain states, eastern Kentucky, and parts of the Deep South. U-pick is about selling to families who do not have the space to grow their own seasonal vegetables in quantities sufficient for canning and freezing. The mix of vegetables and fruits will depend on customers' tastes (constantly becoming more sophisticated), rather than on what can most easily be grown. Like other forms of entertainment farming, U-Pick will be adversely affected by any dramatic rise in the price of gasoline.

### **Themes for entertainment farming**

Most entertainment farming depends in large part on attracting visitors from urban centers. Your neighbors in all likelihood won't be your customers. Something about your farm must be so distinctive that it draws people from long distances—even Canada or Europe. Perhaps you could invite a Native American group to hold regular pow-wows on your land; you operate the food concession and give tours of your farm dressed in a pioneer costume. Hold a summer festival. Add a historical garden to increase the draw. Add a gift shop, an antique shop, a lunch counter, crafts, botanical products. Add a herd of buffalo. People will come from Europe to see a herd of buffalo or prehistoric White Park cattle when they won't cross the road to see your prized Black Angus. Have a widely publicized farm festival—harvest festivals with music and plenty of good food and drink, and maybe face painting and personalized cupcakes. In the fall, public schools emphasize the American fall holidays,

in which the pumpkin plays a significant role. Pumpkins are easy to grow, readily available, large, and colorful. Invite busloads of school children to visit your farm.

Following the disastrous Missouri/Mississippi River flood in 1993, the Rohrbach Farm, 50 miles from St. Louis, turned a significant portion of corn/soybean acreage into an entertainment farm featuring pumpkins. One field became a parking lot, with ample room for tour buses. When visitors come (by busloads) to view the large, attractive, free crop-art displays constructed by the Rohrbach clan, few leave without buying a pumpkin or something from the farm store.

The pumpkins are, of course, not pumpkins of eating quality. Those pumpkins remaining after the season is over are taken out into the woods to compost. One lesson the modern farmer learns, according to Joel Salatin, is that you have to accept a certain amount of waste and have to give something away free at times. (For a more complete account of activities at the Rohrbach Farm, see the ATTRA publication *Direct Marketing* and the Winter 1999 issue of USDA's *Small Farm News*).

### **Mazes**

Mazes are another option. In 1993 Don Frantz (a former Disney producer) created a 3.3-acre dinosaur maze in a Pennsylvania cornfield, and later created the American Maze Company, now producing increasingly elaborate mazes around the country and advertising on the Internet. The success of this farm entertainment venture has inspired a number of competitors throughout the American Cornbelt. Frantz says, "We try to keep them entertained for about two hours (about the length of a movie), and charge them about what they'd pay for a movie." He recommends good crowd control, ample restroom facilities, refreshments, and other farm products to sell. Most important is an integrated marketing plan, which the top maze designers now all sell as part of their design packages.

The Jamberry Farm, Madill, Oklahoma, features a 3-acre maze, funded in part by a grant from the Kerr Center in Poteau, Oklahoma. Visitors pay \$5 to walk through the maze and the farm's 5-acre

Another source of information on hunting leases is *Managing Your Farm for Lease Hunting and a Guide to Developing Hunting Leases*.(12)

## **e-Commerce**

With a click of the mouse a worldwide audience can gain access to your information. More and more sites featuring particular farms and selling farm products directly to consumers are joining the organization-sponsored producer directories now on-line. Some farm Web sites are listed in ATTRA's *Direct Marketing* publication.

## **Liability**

Liability issues for farms that host the public are generally resolved with appropriate insurance. Insurance needs will vary by operation. Neil Hamilton's book *The Legal Guide for Direct Farm Marketing* provides guidance on choosing and consulting with an independent insurance agent (see **Resources**, below). Insurance representatives can provide guidance on specific steps for reducing risks of your operation. A new database on farm injuries can be found at [www.nsc.org/necas/](http://www.nsc.org/necas/).

Specific examples of how individual farms have handled insurance needs may be found in the NRCS publication *Success Stories – Agritourism, Direct Marketing, Education, Conservation, Agritainment*. (Call 1-888-LANDSCAPE or see [www.nhq.nrcs.usda.gov/RESS/econ/ressd.htm](http://www.nhq.nrcs.usda.gov/RESS/econ/ressd.htm).)

## **Complying with the Americans With Disabilities Act (ADA)**

Modifications to allow the differently abled access to your farm attraction include the following.

- space reserved for handicapped parking
- a farmstand with a hard packed or paved surface
- one bathroom accessible to the handicapped (can be rented)

- a ramp to a platform that's slightly higher than the hay wagon (for handicapped access to hayrides)
- a "long reacher" for apple picking
- raised beds for strawberry picking
- for seasonal events, a sign saying, "If you need assistance...."
- large-print signs, brochures, or audiotapes of brochures.
- door openings at least 32 inches wide (to accommodate wheelchairs) and doors able to be opened with a closed fist (knobs are out).
- rugs taped to the floor with velcro.

### **Guarding against risks to children on the farm**

#### Age 0-5

Careful supervision by adults. Physical barriers such as locks and fences. Safe distractions. No riding on farm machinery.

#### Age 5-10

Consistent rules; discussing safe behavior; careful supervision of activities.

#### Age 10-16

Consistent rules, with consequences for infractions and rewards for safe behavior.

#### Age 16-18

Prohibition of drugs and alcohol. Emphasis on acceptance of adult responsibilities. Opportunity to be role models for younger children.

An Americans with Disabilities Act (ADA) representative will usually be glad to come out and advise you on specifics.

Risks incurred when the public is invited to a farm may include soil compaction, damage to orchards and crops, litter, and of course increased liability. Such costs have been estimated at \$1 to \$2 per visitor, which should be factored into fees and prices.



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### Maze puts Colorado farmer in the black

A cornfield “Bronco” maze has put the Glen Fritzler 350-acre vegetable farm in the black for the first time in 10 years. Busloads of school-children and tourists pay \$6 each to walk through the maze, created by Utah designer Brett Herbst’s patented process. By the fall of 2000 Herbst had done 61 mazes. The Bronco is, of course, the mascot of Denver’s professional football team.

Herbst gets a fee for the design and a percentage of the gate. The Fritzler family mans the ticket booth and sells t-shirts, often until 10 p.m. on weekends. Fritzler is thankful to have found a good way out of the agriculture boom-bust cycle by offering to entertain the public and create a new stream of steady income. For more information on Fritzler’s maze, call 970-737-2129.

*From the listserve Market Farming, Sept. 12, 2000. Market-farming@franklin.oit.unc.edu.*

pumpkin patch (or ride a hay wagon). The farm also features a picnic area, a playground, and pumpkin sales. Personnel from the nearby Noble Foundation assisted in setting up the maze.

#### Joel Salatin’s List of Farm Activities

- |                     |                             |
|---------------------|-----------------------------|
| ✎ Petting zoo       | ✎ Straw bale maze           |
| ✎ Baked treats      | ✎ Arts and crafts           |
| ✎ Hay rides         | ✎ Haunted house             |
| ✎ Homemade toys     | ✎ Miniature golf            |
| ✎ Full food service | ✎ Observation deck          |
| ✎ Company parties   | ✎ Catering                  |
| ✎ Pumpkin patch     | ✎ Face painting             |
| ✎ Concessions       | ✎ Bonfire with marshmallows |

See **Appendix B** for more ideas about entertainment farming enterprises.

## Things To Buy

The bottom line for most entertainment farms is how much you can sell – either now or later – to the people attracted to your farm. Surprisingly, many farmers feel that even farmers’ markets are primarily useful in building a steady customer base, not in daily sales. These potential customers will get to know you and later seek you out to meet their unique needs. This is the principle of “relationship marketing.” Sell to people who come to know you and count you as a friend. Your farm store or gift shop should display your farm’s finest products to maximum advantage to build repeat sales.

### Food and drink

Outdoor activities on a warm day will make anyone thirsty. Ready-to-eat food and a selection of beverages are part of the experience of your entertainment farm. They can also be a profit center. Be as creative as you can, and try to have refreshments that fit your farm’s theme.

If you operate a winery, you will naturally have your products displayed. Think of opportunities for selling cold beverages to the grandparents photographing the maze, the u-pickers, the children who have just done 100 turns on the slide out on the miniature hay-mow. On a recent visit to an herb farm, I was offered the opportunity to buy a commercially bottled nutraceutical drink – containing St.

Johnswort, valerian, and guarana. Apple cider is a good drink for the Midwest, and people may want to buy a gallon to take home.

Homemade ice cream, sandwiches, fresh fruit, barbecue, and roasting ears are all possibilities for ready-to-eat food sales.

## **Gifts and souvenirs**

There is a huge industry overseas manufacturing regional souvenirs for the U.S. If at all possible, have your gift items represent your farm, something that is actually produced locally. Stick to a theme, something that truly represents the uniqueness of your farm and your region. Items for sale on an herb entertainment farm can include everything from potted rosemary plants to a complete set of essential oils for aromatherapy. Wood carvings (traditionally done in the slow winter months), dolls, quilts, basketry, wheat weavings, pottery, packets of heirloom seeds, and decorative items such as fresh and dried flowers, pumpkins, corn shocks, and handloomed wool – as well as foods, such as meats, cheeses, other milk products, and winter squash – are all possibilities. One farmer realized that decorative shocks were worth more than his corn. Another sold echinacea flowers when the bottom dropped out of the market for echinacea root. Research by the North Central Region Extension Service revealed that wood is the medium preferred by tourists for crafts. This research also determined that women probably don't charge enough for the craft items they market, since men typically charge two to four times as much.

You will need an approved commercial kitchen for any value-added food products produced on the farm. This type of facility can cost \$100,000

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**Farmers who have become successful in value-added enterprises typically find retail profits so attractive that they begin to purchase, rather than grow, much of their raw material. The farm then takes on the character of a land-based business enterprise, not just a producer of commodities.**

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or more – if, typically, you must build a separate building from the ground up. You will need access to an approved slaughterhouse for any meat products. (For more information, see Joel Salatin's book.) Alternatives include a cooperative community kitchen or renting a commercial kitchen. Cornell University is even developing a mobile commercial kitchen. Be familiar with

your state's processing regulations if you are planning to sell on-farm processed food to the public. State health departments or departments of agriculture, universities, and business incubators can assist.

## **Shopping at the farm store**

Maureen Rogers of The Herbal Connection provides this advice (originally from *Bottom Line/Business*, 1/97).

The key to successful retailing for [the next few years] will be to make shopping not merely pleasant but entertaining as well. Despite the growth of catalog shopping, consumers will continue to go to stores. But the stores they visit will be the ones where they not only find what they like at the right price, but where they can have a good time. Bookstores with coffee bars are a good example.

A 1992 study of tourists' shopping habits, conducted by the North Central Regional Extension Services, determined that "after meals and lodging, [tourists] spend most of their tourist dollars on clothing, crafts, and local food products. Almost 70 percent buy gifts for future events and for mementos" (*Small Farm News*, September-October, 1993, p. 3). Consider installing a convenient automatic teller machine (ATM).<sup>(9)</sup>

Farmers must be prepared to sell themselves as well as their businesses, so image is all-important. People want to see an attractive facility and personnel – neat and clean. Location and appearance are the most important aspects of a farm business that caters to the public – not necessarily price.

## Conclusion: The New Outlook

Professor Duncan Hilchey of the Cornell Sustainable Agriculture program advises American farmers:

Growers have to adopt a new outlook and switch their thinking away from production toward giving today's consumers what they want. That might include farm tours, value-added products, or even adding a petting zoo. People come out to the farm these days not so much to buy large quantities of produce, but for the immersion experience for themselves and their children. They are looking for a farm-fresh feeling—not just food.(6)

The University of California's Small Farm Center has developed an on-line agricultural tourism directory ([www.calagtour.org](http://www.calagtour.org)) to provide tourists with an easy way to "search for a farm experience." Farm proprietors interested in a listing are encouraged to contact the Center.(13) A national agri-tourism database ([www.farmstop.com](http://www.farmstop.com)) complements those developed by Illinois, Texas, and other states.

The number-one requirement for a successful agri-entertainment venture is an abundance of energy and enthusiasm. A willingness to think unconventionally may be equally important. Whatever you do, do it with a flair for showmanship. Let your creative side come out. With enough thought, ingenuity, determination, and capital, almost any farm anywhere could be adapted to agri-entertainment. Stiff-necked individualism and suspicion of change work against success in entertainment farming. A willingness to provide what the public truly wants and is willing to pay for is the way to success. Just as the railroad barons of the 19th century needed to start thinking of themselves as being in the transportation business (instead of the railroad business) in order to compete successfully in the 20th; so the farmers of the 21st century must begin thinking of themselves as being in the land management business, rather than the farming business, in order to reach their farm family goals and dreams.

### Databases

- **National:** [www.farmstop.com](http://www.farmstop.com)
- **California:** [www.calagtour.org](http://www.calagtour.org)
- **Texas Nature Tourism Database and Workbook:** <http://survey.tamu.edu/ntactivities>
- **Illinois:** [www.leisurestudies.uiuc.edu/agritourism](http://www.leisurestudies.uiuc.edu/agritourism)

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- 1) Salatin, Joel. 1998. You Can Farm: The Entrepreneur's Guide to Start and Succeed in a Farming Enterprise. Polyface Inc., Swope, VA. 480 p.
- 2) Klonsky, Karen et al. 1993. Marketing crafts and tourist products. Small Farm News. September-October. p. 3. [article based on a survey of 1,400 farm crafts marketers by North Central Regional Extension Service, University of Nebraska]
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- 4) Hancock, Gael. 2000. Pick-your-own methods for marketing your pick-your-own farm. AgVentures. August-September. p. 10.
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- 6) Hilchey, Duncan. 1993. Agritourism: Opportunities and Challenges. Farming Alternatives. Summer. p. 1.
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- 8) Klober, Kelly. 2000. U-Pick Marketing. Small Farm Today. May. p. 41-42.

Remember that return customers are the key to success. Eighty percent of your business comes from 20% of your customers, and it takes five times as much money/time/effort to get a new customer as it does to keep an old one.

## **A Maine farm store**

In the mid-1980s Gregg and Gloria Varney bought his parents' Maine farm after they sold their dairy herd. The farm included excellent crop land. The Varneys' first farm business was Gloria's yarn shop, which started people coming to their farm. This became the impetus for the Varneys to expand their offerings at the farm store to include their own meats (beef, veal, lamb, pork, chicken, and turkey), raw milk, and baked goods. In 1994, with the help of apprentices, Gloria and Gregg implemented a five-year plan to "learn how to make cheese and raise small scale animals with minimal grain purchases." After initially hitting a wall when they realized they needed a state-inspected cheese facility and pasteurizer that could cost \$10,000, they arranged to borrow the money from future customers, paying off the loans with food from the store. For example, a \$100 loan could be redeemed at a later time for \$110 worth of farm-raised food.

The goat-cheese operation has been a huge success, and it allows an April to November schedule that fits in well with their farmers' market schedule and the Thanksgiving season, giving them a break from the end of November for the next six months. In 1995 the Varneys became 100% organic with the conversion of the dairy cow operation. They now have more than 100 organic cows.

Their product line in the farm store has expanded, as well. Surplus vegetables go into value-added products such as pickles, relishes, and stewed tomatoes. Other excess is used to feed the pigs and chickens. This integrated operation is a big hit with customers, who now have no question about where their food originates. People now come to the farm not just to buy their food but to spend time there and let their children see the animals.(10)

The Varney Farm is not the only farm in Maine oriented toward tourism, and there are regularly

scheduled regional farm tours. Tickets to farm daytrip tours in Maine, generally including two or three farms in a single county, cost \$12 to \$15 per person, with children under 12 free. Lunch is extra.

### **Highlight a garden path**

Appleton Creamery is a small-scale goat farm and dairy where Brad and Caitlin Hunter also grow flowers and organic vegetables, including many heirloom varieties. Brad, a home brewer and wine maker, has included in the garden two essential ingredients for beer and wine – hops and grapes. A collection of bird houses surrounds the traditional cottage garden, where the Hunters grow edible flowers and herbs to use in the farm's goat cheeses, and a path through the garden leads to the barn, where visitors can see the goats.

The grounds also house "garden sculpture" created out of found objects – old farm equipment, flea market furniture, cast-off children's toys.

## **Nature-based tourism**

A further option for recreational farming is leasing wooded land or marginal cropland for hunting, fishing, or hiking. Hunting leases are the most common form of recreation leases and can range from one-day trespass fees to guided trips and lodging. Of course liability, licenses, and regulations are important considerations in planning for a recreational lease.(11) Such use can sometimes be combined with overnight lodging, campgrounds, and a farm store. Texas A&M University, <http://survey.tamu.edu/ntactivities>, has a program at its La Copita Ranch to train land managers in hosting this type of tourism.

For information and technical advice on licenses and regulations, contact local offices of the following agencies.

- Fish and Wildlife Service
- USDA Natural Resources Conservation Service
- State Department of Natural Resources

- 9) Kuerstenberg, Kelly. 2003. ATMs on the farm and at the market. *The Seasonal Marketer*. January. p. 1.
- 10) Adapted from Maine Organic Farmer & Gardener (MOFGA) News. June-August 2000. p. 27.
- 11) Elias, Debra. 1996. Recreational Leases. Minnesota CRP Information Series. December. 2 p.
- 12) Delaware Cooperative Extension Service. 1988. Managing Your Farm for Lease Hunting and a Guide to Developing Hunting Leases. No. 147. DCES, Georgetown, DE.
- 13) Small Farm Center  
University of California  
One Shields Ave.  
Davis, CA 95616-8699  
530-752-8136  
530-752-7716 FAX  
sfcenter@ucdavis.edu

## Resources

### Comprehensive

USDA/NRCS. 2004. Alternative Enterprises and Agritourism, Farming for Profit and Sustainability – Tool Kit. 2300 p. Available at [www.nrcs.usda.gov/technical/RESS/altenterprise/resmanual.html](http://www.nrcs.usda.gov/technical/RESS/altenterprise/resmanual.html).

### Agricultural tourism business development

Agri-Business Council of Oregon. 2003. Agri-Tourism Workbook. 110 p. [www.aglink.org](http://www.aglink.org).

Cornell University Materials

- Agritourism (Resource Packet)
- Agritourism in New York: Opportunities and Challenges in Farm-Based Recreation and Hospitality (Publication)

- Considerations for Agritourism Development (Publication)
- Farming Alternatives: A Guide to Evaluating the Feasibility of New Farm-Based Enterprises (Publication)

*May be ordered from:*

*Educational Resources Program:  
607-255-9252*

*Media Services: 607-255-2080*

*Community Food and Agriculture Program: 607-255-9832 or 255-4413*

Farm and Ranch Recreation Handbook.  
[uwadmnweb.uwyo.edu/RanchRecr](http://uwadmnweb.uwyo.edu/RanchRecr)

Hamilton, Neil. 1999. *The Legal Guide for Direct Farm Marketing*. Drake University Press, Cedar Rapids, IA. 235 p.

New Mexico Department of Tourism. 2000. "Ag" Tourism.  
[www.nmsu.edu/~redtt/Resources/html/AgTours.html](http://www.nmsu.edu/~redtt/Resources/html/AgTours.html)

University of Minnesota. 2003. *Building a Sustainable Business: A Guide to Developing a Business Plan for Farms and Rural Businesses*. Minnesota Institute for Sustainable Agriculture, St. Paul, MN.

*\$14.00 plus 3.95 s/h; 411 Borlaug Hall, St. Paul, MN 55108; 1-800-909-MISA. Misamail@umn.edu Make checks payable to University of Minnesota.*

USDA/AMS. 2000. *Direct Marketing Today: Challenges and Opportunities*. 58 p. [www.ams.usda.gov/directmarketing/DirectMar2.pdf](http://www.ams.usda.gov/directmarketing/DirectMar2.pdf).

*Order publication from: [velma.lakins@usda.gov](mailto:velma.lakins@usda.gov).*

### Articles of general interest

Adam, Katherine. 2002. Agritourism: Profit from your lifestyle. *Mother Earth News*. June-July. p. 18.

Jolly, Desmond. 1999. Agricultural tourism: Emerging opportunity. *Small Farm News*. Summer. p. 1, 4-5.

Jolly, Desmond, and Jeanne McCormack. 1999. Agri-tourism: A desperate last straw? *Small Farm News*. Fall. p. 2.

Lyson, Thomas. 2000. Some thoughts on civic agriculture. *Farming Alternatives* [Cornell]. p. 1, 4.

*A substantial number of smaller-scale, locally oriented, flexibly organized farms and food producers are taking root [to] fill the geographic and economic spaces passed over or ignored by large ... producers. These farms will articulate with consumer demand for locally produced and processed food. Civic agriculture is not only a source of family income for the farmer, but contributes to the social, economic, political and cultural health and vitality of the communities in which they exist.*

McCue, Susan. 1999. Successful agricultural tourism ventures. *Small Farm News*. Summer. p. 1, 6-7.

SAN. 2000. Marketing Strategies: Farmers and Ranchers Reap New Profits. *Small Farm Today*. May. p. 35-38.

### **Entertainment Farming and Agri-Tourism**

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<http://www.attra.ncat.org/attra-pub/PDF/entertn.pdf>



## Appendix A

### Checklist of Agri-tourism Development Considerations\*

#### Agri-tourism businesses

- Personal evaluation
- Market evaluation
- Project feasibility evaluation
- Financial evaluation
- Business plan development
- Marketing plan development
- Insurance needs
- Regulations and permits

#### Farm festivals

- Planning committee
- Festival mission
- Location of festival
- Licenses and permits
- Attractions, entertainment, food
- Budget strategy
- Promotional campaign
- Insurance needs
- Management considerations
- Public safety plan
- Evaluation

#### Farmers' markets

- Market coordinator
- Planning meetings
- Advisory committee
- Organizational structure
- Visitor market groups
- Location of market
- Vendor fees
- Promotional campaign
- Insurance needs
- Appearance of market
- Customer amenities
- Vendor support and policies
- Coupon programs
- Evaluation

#### Regional agri-tourism planning

- Region identification
- Community involvement
- Concerns about development
- Visitor market groups
- Planning sessions
- Goals and objectives
- Resource and attraction inventory
- Theme
- Action plan
- Promotional plan
- Evaluation

\* from: Kuehn, Diane et al. 1998. *Considerations for Agri-tourism Development*. p. 1.

**Appendix B: Some Successful Entertainment Farming Enterprises and Techniques (farm recreation and hospitality businesses)**

Wineries with Friday happy hours	Educational tours	Historical re-creations
Arts & crafts demonstrations	Farm schools	Living history farms
Farm stores	K-12 schools	Heirloom plants and animals
Roadside stands	Outdoor Schools	Civil War plantations
Processing demonstrations	Challenge Schools	Log buildings
Cider pressing	Movement-based retreat centers	Maple sugaring
Antique villages	Native American villages	Sheep shearing
Herb walks	Frontier villages	Wool processing
Workshops	Collections of old farm machinery	Sorghum milling
Festivals	Miniature villages	Apple butter making
Cooking demos	Farm theme playgrounds for children	Fee fishing/hunting
Pick-your-own	Fantasylands	Farm vacations
Pumpkin patches	Gift shops	Bed and breakfasts
Rent-an-apple tree	Antiques	Farm tours
Moonlight activities	Crafts	Horseback riding
Pageants	Crafts demonstrations	Crosscountry skiing
Speakers	Food sales	Camping
Regional themes	Lunch counters	Hayrides
Mazes	Cold drinks	Sleigh rides
Crop art	Restaurants	Rest areas for snowmobilers or cross-country skiers
Pancake breakfasts during sugaring season	Pizza farms	Themes (apple town, etc.)
Bad weather accommodations	Native prairies preservation	Picnic grounds
Tastings	August "Dog Days" – 50% off dogwoods if customer brings picture of family dog, etc.	Shady spots for travelers to rest
Buffalo	Campgrounds	Hieroglyphics, rock art
Dude ranches	Indian mounds, earthworks art	Hunting lodges

# Agritourism and Rural Economic Development

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Indiana's Office of Tourism Development reports that the state's "tourism industry brings in approximately \$6.7 billion in spending from 58 million leisure visitors."<sup>1</sup> According to *Destination Indiana: Indiana Office of Tourism Development 2006 Strategic Plan*, tourism is essential to Indiana's economy and is growing almost 5 percent annually, which is above the national average. Although tourism has the potential to impact rural economies, many do not have the local capacity or institutions to develop a sustainable tourism system. The basic acknowledgement of tourism's importance along with other quality of life factors is often not present, thus their importance is minimized in the rural mindset. However, rural communities should develop active municipal and county park boards that are willing to collaborate with other tourism development agencies to enhance the local/state economy through sustainable tourism that achieves economic benefits. Agritourism enterprises offer a wide range of benefits to tourists, such as convenient, secure, educational, and amusing family experiences for visitors who are international, national, and Midwestern residents.<sup>2</sup>

Public parks and recreation (PPR) plays a vital role in achieving individual, community, environmental, and economic benefits. Some underestimate the importance of PPR and its benefits because its impact is difficult to measure. However, rural municipal and county park boards can facilitate tourism (e.g., festivals and events, nature-based tourism, historical and cultural interpretation, and sports), which can have a significant impact

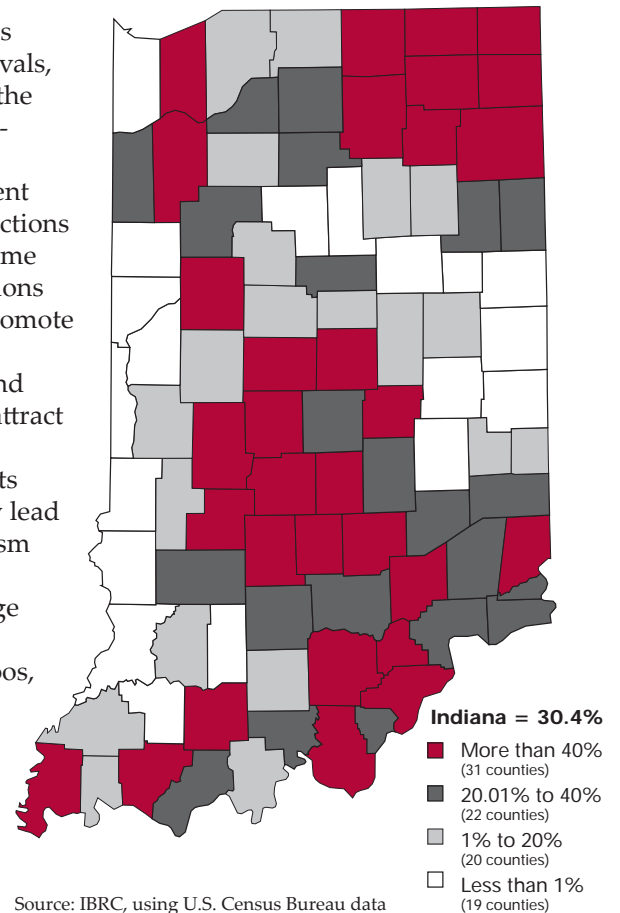
on the state's economy. "In most cases, sports tournaments will generate a greater economic impact for local communities than special events and festivals, because most attendance at the latter (unless they are 'mega-events') is likely to be from locals."<sup>3</sup> Tourism development can be cultivated using attractions located in parks, whereas some parks are considered attractions by themselves.<sup>4</sup> "PPR can promote tourism by:

1. Hosting special events and festivals at park sites to attract tourists.
2. Using park sites for sports tournaments, which may lead to major sources of tourism and economic benefits.
3. Attracting tourists to large urban parks that have memorials, museums, zoos, cultural and heritage artifacts, and historical sites.
4. Attracting tourists to parks with landscape planting and design that are recognized as living works of art."<sup>5</sup>

## Rural Community Trends

Lt. Governor Becky Skillman stated that "with 75 percent of Indiana counties designated as 'rural,' we must cater to the needs of these communities and offer any assistance possible to successful and sustainable rural Indiana communities."<sup>6</sup> As of 2000, 29.2 percent of Indiana's population lived in rural areas, which is a 5.9 percent decrease since 1990. The population shifts result from a lack of in-migration and the increase of out-migration, often due to the loss of local jobs.

Figure 1  
Population Growth, 1960 to 2000



Source: IBRC, using U.S. Census Bureau data

Continued suburbanization, urban sprawl, and agriculture productivity advancements have made employment smaller in rural areas.<sup>7</sup>

Figure 1 illustrates the growth rate of Indiana's 92 counties from the 1960s to the end of the 1990s. It is obvious that Indiana's metropolitan areas have increased in population, while Indiana's rural areas have not kept pace.

To combat rural population decreases, local leaders should consider the potential economic impact and job creation of agritourism.

Many state departments of health regulate B and Bs through an annual inspection and licensing process. Regulations are designed to insure safe food handling practices and customer safety. There may be requirements on using household equipment versus a commercial kitchen, depending on the number of guests served.

You also need to find out whether you can serve homegrown fruits, vegetables, jams and jellies, baked goods, eggs and home-slaughtered meats. A limited food license may be available if you only want to serve beverages and prepackaged items. The quality of the water or shallow wells can be a problem on some farms. Lodging rules also deal with the number of bathrooms required, and room and window sizes.

Fire codes refer to smoke detection and fire alarm systems, exits and fire extinguishers. If you expand or renovate your home, building codes come into effect. Apply for a sales tax permit if rates charged for guest accommodations and meals are subject to a state sales tax. Once these business details are handled, you have to establish a business plan.

### ***Preparing a Business Plan***

To estimate your income, you need to determine your prices. The first step in setting rental rates is to estimate your costs carefully to insure the price you charge covers your occupancy costs. Initial investment varies widely, depending on the condition of the home, how elaborate the facilities are, the site of your B and B operation and the type of guests you expect to entertain. Most operators suggest step-by-step improvements rather than going into debt.

Having adequate insurance coverage is also important. The cost of \$500,000 of general insurance coverage could be significant. As the B and B industry establishes a track record, it's becoming possible for farmers to purchase a business



*Paul and Bev Meyer, dairy farmers from Lake City, Minn., receive some of their bookings from Vern Michel's Farm Vacation network, which advertises nationwide and then places families on farms for a percentage of the bed and breakfast fee.*

rider to current liability coverage for several hundred dollars. Rates increase when there's more contact with farm activities and as on-site recreational activities are added.

In rural communities, your homeowner's policy will not cover the risks associated with paying guests. Work with an insurance company that has experience with this special type of hospitality business to create an insurance package.

After you use start-up, operating and variable costs to price your product, then compare your expected rates with other lodging establishments. In Minnesota, 1987 rates for farm or rural B and Bs ranged from \$25 to \$80 for double occupancy.

It may take three years to establish clientele. Friday, Saturday and Sunday nights are easier to fill than weekday nights, and your overall occupancy in early years may be only 30%. For this reason, B and Bs are generally a supplemental income source for rural families, bringing in \$1,000 to \$4,000 per year. Most B and B hosts have another source of income. B and Bs are more often a lifestyle or hobby than a business.



***“For those counties that have no convention and visitors’ bureaus, local leaders should look to municipal and county park boards to develop local tourism.”***

- Enhance community satisfaction and quality of life.
- Increase participation in community life.
- Develop leadership potential among residents.
- Satisfy the immediate unmet need for recreation programs in rural towns.

Brian Blackford, Director of the Indiana Office of Tourism Development (IOTD), stated that “agritourism can be successful in rural areas when they are highlighted and embraced.” Blackford continued by saying, “a good agritourism product already exists in Indiana and the Indiana Office of Tourism Development is continuing to better promote, showcase, and enhance what the state has to offer.”

#### *Who Can Collaborate?*

Local communities, the InRRDP, the IOTD, and other agritourism agencies can partner to use agritourism to stimulate economic development by working together to establish local and statewide partners, such as the Indiana Park and Recreation Association, the Lt. Governor’s Office of Community and Rural Affairs, the Indiana Department of Natural Resources, and the Indiana Association of Cities and Towns, to more effectively funnel state resources to rural municipal and county park boards to develop programs and services that have a significant economic impact in rural communities. Getting local municipal and county park boards involved is a useful strategy to develop agritourism because every locality

has the potential to offer different activities. Depending on the activities available in each community, the level of participation by park boards will be different.

#### **Conclusion**

If rural communities have the goal of enhancing their economy through tourism, local leaders should identify which agency or institution would be best suited to be responsible for agritourism planning and development. In some communities, existing agencies, such as convention and visitors’ bureaus (CVBs), economic development corporations, and local chambers of commerce develop, or could develop, agritourism.

However, only 51 CVBs exist within Indiana’s 92 counties (see **Figure 3**).<sup>11</sup> Therefore, 41 rural counties potentially have no central agritourism development agency. In these cases, local leaders should look to municipal and county park boards to develop local tourism by initiating partnerships with other local, regional, and state agencies. Local park boards can gain assistance with agritourism development from the InRRDP, and local leaders can look to Purdue University Extension, government and nonprofit agencies, and agritourism producers. As agritourism is developed, all local, regional, and statewide partners need to evaluate their roles and capabilities.

Local park boards should begin to develop local capacity by having park board members gain training in park and recreation management

and tourism development. (In keeping with this idea, the InRRDP is hosting a free seminar on November 30th at Indiana State University. More information on this seminar is available by contacting Dr. Nathan Schaumleff at 812-237-2189 or nschaumleff@indstate.edu).

Park boards should then embark on community master planning for parks, recreation, and tourism and participate in regional planning. Throughout this process, rural park boards should look to the InRRDP to direct resources and training opportunities from a variety of other government and nonprofit organizations, such as the Indiana Office of Tourism Development and other agritourism partners.

#### *Current Initiatives*

The Indiana Office of Tourism Development and the InRRDP are partnering to help rural communities that do not have a local CVB (or any other agency promoting local tourism) achieve economic goals through tourism development. “Planning and developing the rural product should enhance a community’s image, build up pride, and improve the quality of life

***“It is plausible that if more jobs are created in rural communities then more families will remain in rural Indiana.”***

## **BED AND BREAKFAST: HOSTING TRAVELERS FOR EXTRA INCOME**

*By Barbara Koth<sup>1</sup>*

**A**lthough the concept is not new, many rural families are discovering it's possible to earn extra income by opening bed and breakfast businesses and selling the farm experience and rural lifestyle to guests.

Many rural families are considering B and Bs as a supplemental income source

because urban families are looking for new and exciting weekend "getaways."

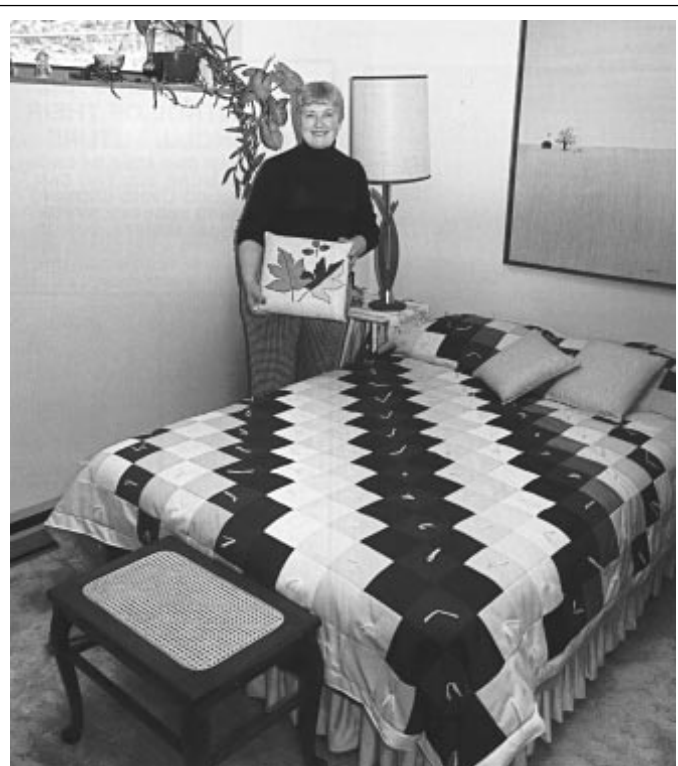
Bed and breakfast guests are also interested in local culture, history, scenery and other recreational activities. Travelers are looking for the bed and breakfasts that give them the true flavor of the region, and B and Bs are an economical alternative to commercial lodging.

The added appeal of farm B and Bs is the unique opportunity for urban guests to experience farm life firsthand. Other rural residents see an opportunity to share their lifestyle, too. In Minnesota, the most common bed and breakfast operators are retired couples and farm families with large homes. Another common feature of bed and breakfasts is that they are located in very scenic regions or in regions with a rich, historical background.

### ***How to be Successful***

The first thing that people must realize before starting a bed and breakfast is that guests require a lot of personal service and attention. If you are not an active person who truly enjoys meeting and waiting on people, chances are you are not suited to operate a B and B. Hospitality is the major key to success.

"I treat all guests the same way I treat family members who visit for the weekend," says Lois Barrott, who, with her husband, Budd, started one of Minnesota's first farm bed and breakfasts in Shafer. "When guests stop at our Country Bed and Breakfast, I greet them at the door, call them by their first names and let them set the pace for their visit. I've met many good friends, and I often keep in touch with them."



*Last fall, Lois Rissman and her husband, Bill, opened their new, earth-sheltered home to visitors. The Rissmans are beef producers based near Preston, Minn.*

for area residents.”<sup>12</sup> Furthermore, facilitating agritourism development throughout Indiana could potentially create jobs. It is plausible that if more jobs are created in rural communities then more families will remain in rural Indiana.

Job creation, economic development, and increasing the quality of rural life are just a few strategies that may prove effective when working to counter negative social, economic, and demographic trends.

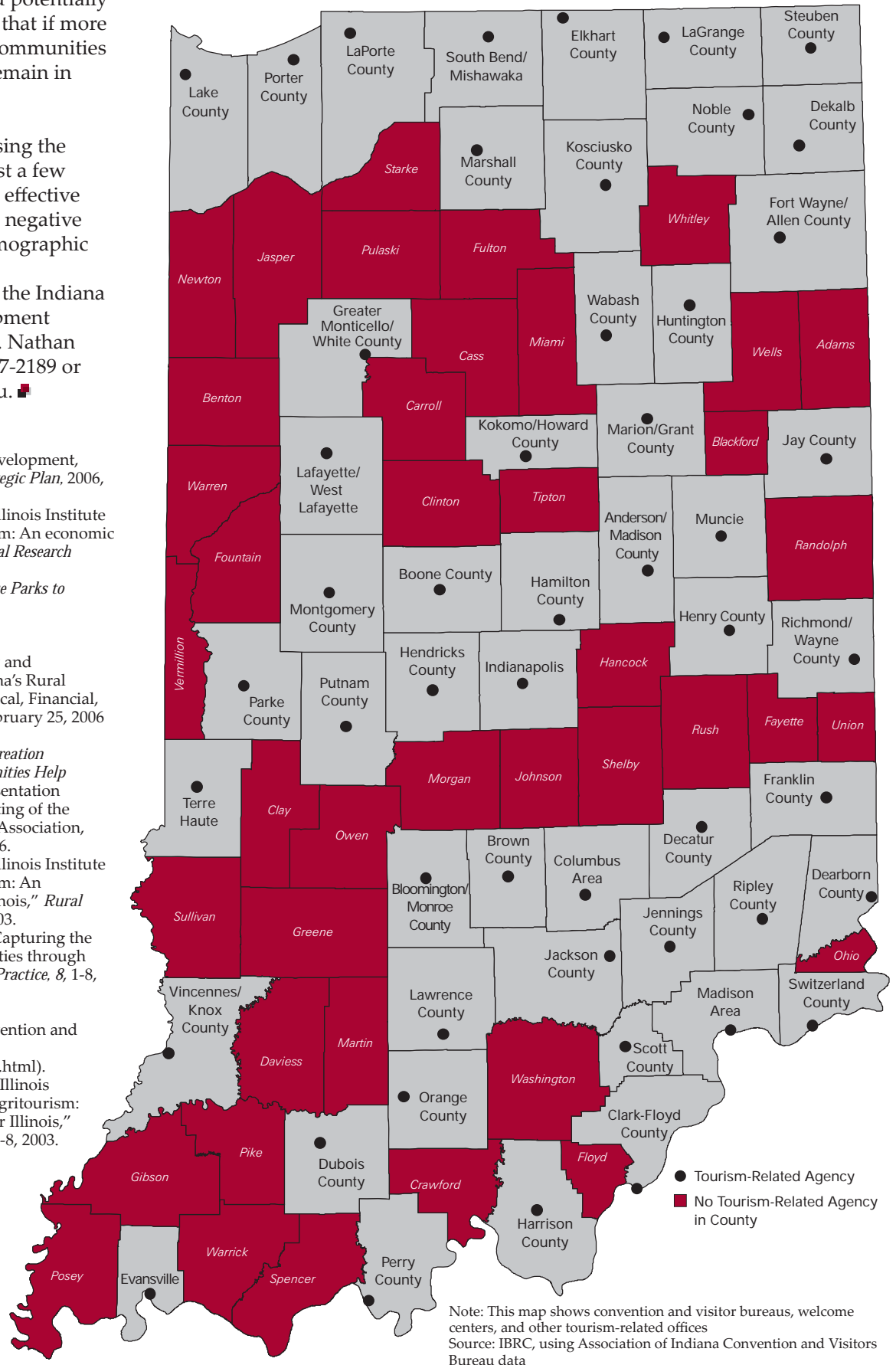
To possibly work with the Indiana Rural Recreation Development Project, please contact Dr. Nathan A. Schaumleffel at 812-237-2189 or nschaumleff@indstate.edu. ■

**Notes**

1. Indiana Office of Tourism Development, *Destination Indiana: 2006 Strategic Plan*, 2006, 1.
2. B. E. Wicks & C. D. Merrett, Illinois Institute for Rural Affairs, "Agritourism: An economic opportunity for Illinois," *Rural Research Report*, 14 (9), 1-8, 2003.
3. J. L. Crompton, *How Cities Use Parks to Promote Tourism*, 2005.
4. *Ibid.*
5. *Ibid.*
6. Indiana Office of Community and Rural Affairs, "Serving Indiana's Rural Communities through Technical, Financial, and Personal Assistance," February 25, 2006 ([www.in.gov/ocra/](http://www.in.gov/ocra/)).
7. N. A. Schaumleffel, *Rural Recreation Development: Helping Communities Help Themselves across Indiana*, presentation conducted at the annual meeting of the Indiana Park and Recreation Association, Indianapolis, IN, January 2006.
8. B. E. Wicks & C. D. Merrett, Illinois Institute for Rural Affairs, "Agritourism: An economic opportunity for Illinois," *Rural Research Report*, 14 (9), 1-8, 2003.
9. C. C. Loden & A. Svenson, "Capturing the Character of Rural Communities through Tourism Development," *CD Practice*, 8, 1-8, 2001.
10. *Ibid.*
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—Dr. Nathan A. Schaumleffel, CPRP, on behalf of the Indiana Rural Recreation Development Project, would like to thank the Indiana State University Office of the Provost and Vice President for Academic Affairs for financially supporting a portion of this project.

**Figure 3**  
Convention and Visitors' Bureaus in Indiana, 2006





If you have the personality suited for the bed and breakfast business, think about the benefits and trade-offs and then ask yourself why you want to go into the business. Bev and Paul Meyer own Evergreen Knoll Acres near Lake City, Minnesota. Because they are dairy farmers, it's almost impossible for the Meyers to get away for an extended vacation. Bev says one benefit of their bed and breakfast is that they get to make a lot of new friends.

But guests can be demanding. They expect well-kept farmsteads that are visually appealing. They also want comfort. Regardless of bedroom decor, there should be top-quality mattresses for guests. You may need additional items such as a comfortable bedroom chair, reading lamp and new linens and towels. You may also want to spruce up common areas such as entrance ways, the dining room, living room and bathroom.

The host's individual style and creativity come into play at breakfast. A hearty, home-cooked meal will be expected in the heart of farm country. Eating breakfast is often the last thing guests do before they leave, so many hosts try to make it a memorable experience. Use your imagination and serve your specialties. Options range from breakfast delivered in a basket to the door and a breakfast nook in the room to sit-down meals in the dining room.

When you share your home with guests, you have the right to establish rules. To avoid misunderstandings, state your policies ahead of time regarding smoking, alcohol, children, pets, reservation policies, deposits, and meal times. After considering the personal attributes of operating a B and B and what guests expect from you, there are other business details that need attention.



*After Lois and Bill Rissman built a new earth-home on their farm in southeast Minnesota, they also kept their original home open to visitors and travelers. Many vacationers spend weekends on their farm to take advantage of local outdoor activities.*

### ***The Licensing Process***

Many states regulate B and Bs as formal lodging establishments through zoning, food and lodging licensing, fire safety requirements and building codes. The cost of compliance, rather than licensing fees, is important in determining the economic feasibility of your business.

First, you need to determine if B and Bs are acceptable according to existing zoning ordinances. Zoning should not be a problem on farms, although if you are the first operator to seek such approval, you may have to work with the county or township zoning commission to change the ordinances. In small communities, approval may be granted as a "matter of right" if the B and B complies with specific standards for residential neighborhoods. Alternatively, a conditional-use permit involves an administrative process that may include public hearings. Some issues that frequently surface regarding B and B zoning include provisions for guest parking, signs, lighting, length of stay, exterior appearance and number of meals served.

## ***Marketing Strategy***

You do not have to be in a traditional tourist area to attract bed and breakfast trade. The B and B itself can be an attraction that draws visitors. For example, there are successful B and Bs in historic, older homes furnished with antiques. You must assess local resources that will attract tourists. People travel for a variety of reasons, including the availability of outdoor recreation, historic sites and scenic views, shopping, to visit family and friends, and for business purposes. This situation analysis is part of the overall marketing plan. In analyzing market feasibility, you also need to look at your competition and determine your strengths and weaknesses.

Use this information to position your product. Decide what features and benefits your B and B will emphasize. Create an image that distinguishes you from other operations.

Mavis Christensen's brochure for her B and B in Good Thunder, Minnesota, includes the following statement: "Cedar Knoll Farm is the embodiment of many dreams—the hopes and wishes of generations of prairie folk—an entity incorporating the efficacy and challenges of the family farm as a way of life. Ours is a peaceable kingdom. We invite you to share its potential for tranquility." This statement has an emotional appeal, and suggests the quiet, relaxing experience available at her B and B.

Next, you must select a target market. It is more cost-effective to appeal to a very specific market segment that can be reached through specialized publications and organizations than to appeal to a wide audience. For example, a Vermont company organizes bike tours that stay overnight at bed and breakfasts. Just-N-Trails Bed and Breakfast, which is operated by Don and Donna Justin, dairy farmers from Sparta, Wisconsin, offers the outdoor enthusiast 20 kilometers of trails for cross-country skiing, hiking and

mountain biking. Karen Berget operates American House in Morris, Minnesota, and she takes many bookings from a local college.

## ***Advertising Plan***

In other family-owned lodging businesses, it is common to spend a minimum of 4 to 6% of gross sales for advertising. You will need a well-designed brochure that you can mail to potential guests and distribute at visitor information centers. An inexpensive, one-color brochure with line drawings, and a rate card can be effective.

Bed and breakfast operators often advertise cooperatively under a banner headline in newspapers and magazines to create awareness of B and Bs as a lodging option. A bookstore or library can help you find the numerous guidebooks that list B and Bs on a nationwide or regional basis. Your state office of tourism may publish a directory, and there are many community tourism guides where you can place a listing for a minimal fee.

There are also ways to get your business noticed without spending money on advertising. You can cultivate local referrals in your community by holding an open house, joining the Chamber of Commerce, hosting local groups, and speaking to community organizations.

You can't buy the kind of publicity you get from a newspaper or magazine feature story. Invite travel writers or editors to your B and B and develop ongoing contacts that will encourage them to visit. You could also organize a "farm tour" with the local Chambers of Commerce to familiarize travel professionals with area attractions and hospitality services. Incentives such as a week-day discount, lower rates for extended stays, coupons, gift certificates and promotional drawings help introduce guests to your B and B.

If you don't want to do the advertising yourself, there are reservation service organizations that maintain and publicize listings and take bookings. Typically, there is an annual fee and a 15 to 25% surcharge on each reservation.

**Editor's note:** For more information, contact: Minnesota Historic Bed and Breakfast Association, 649 W. Third

Street, Hastings, MN 55033, (612) 437-3297; American Bed and Breakfast Association, PO. Box 23294, Washington, DC 20026, (703) 237-9777; The National Bed and Breakfast Association, Phyllis Featherstone, President, 148 East Rocks Road, PO. Box 332, Norwalk, CT 06852, (203) 847-6196; The Bed and Breakfast Society, Kenn Knopp, Coordinator, 330 West Main Street, Fredericksburg, TX 78624, (512) 997-4712.

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**FROM:**

Direct Farm Marketing and Tourism Handbook. Article and photos were excerpted with permission from the Summer 1987 issue of the *Rural Enterprise* magazine. The magazine temporarily suspended publication with the Summer 1992 issue.

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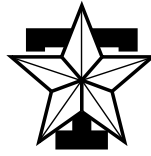
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For more information on developing a bed & breakfast business, go to [http://web.aces.uiuc.edu/vista/pdf\\_pubs/b&b.pdf](http://web.aces.uiuc.edu/vista/pdf_pubs/b&b.pdf) to view and download the manuscript entitled, Developing a Bed & Breakfast Business Plan.



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Texas Agricultural Extension Service  
THE TEXAS A&M UNIVERSITY SYSTEM

# Establishing a Birding-Related Business

## A Resource Guide





David Scott and Ashley Callahan

Assistant Professor and Extension Recreation, Park and Tourism Specialist,  
The Texas A&M University System; and Expo Coordinator,  
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*This report was funded in part by grants from the Renewable Resources Extension Act and the Trull Foundation. We would like to express our gratitude to the many individuals who were interviewed for this report. Their insights will help others who are considering developing birding-related businesses.*

*Many of the photos in this publication were taken by Bert Frenz. The authors are grateful for his permission to use them.*

Birdwatching is the fastest growing outdoor recreation activity in the United States (Outdoor Recreation Coalition of America, 1996). Many communities are enjoying substantial economic benefits from visiting birders. This has led many landowners and communities to consider establishing birding and wildlife watching enterprises and events as a means of generating income. Attracting birders and nature tourists is one way to diversify a landowner's income and a community's economic base.

Birding and nature tourism are also compatible with environmental preservation. They take advantage of natural scenic areas and habitats that attract specific bird species.

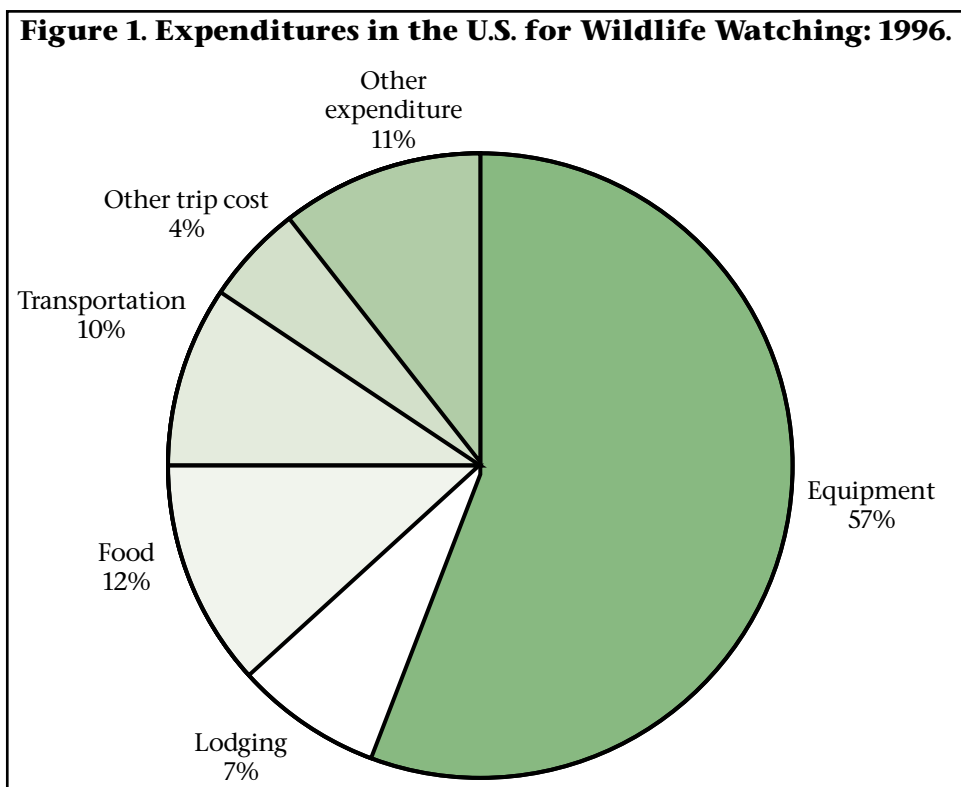
As with any business, success depends on understanding the industry and the customers one is trying to reach. The purpose of this guide is to present current information about the birding industry and birders themselves, and to help those who may want to establish birding-related enterprises.

Information in this publication came from several studies, including the *1996 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation* (referred to as the National Survey), and the *1993-1994 National Survey of Recreation and the Environment* (referred to as NSRE).

## Understanding the Birding Market

### Economics

The *National Survey* reported that, in 1996, Americans spent approximately \$29 billion on observing, feeding and photographing wildlife. Trip-related expenditures accounted for more than \$9 billion (32 percent) of that total. Figure 1 shows a detailed breakdown of how wildlife watchers spent their money. "Other trip costs" includes such things as guide fees and public land use fees. "Other expenditures" includes magazines and books, membership dues, contributions, land leasing and ownership, and plantings.



Source: 1996 National Survey of Fishing, Hunting and Wildlife-Associated Recreation





Wildlife watchers spent an average of \$554 per person for these activities in 1996, far less than the average amounts spent by hunters (\$1,497) or anglers (\$1,112). Still, wildlife watchers, particularly birders, generate substantial income for some communities and landowners.

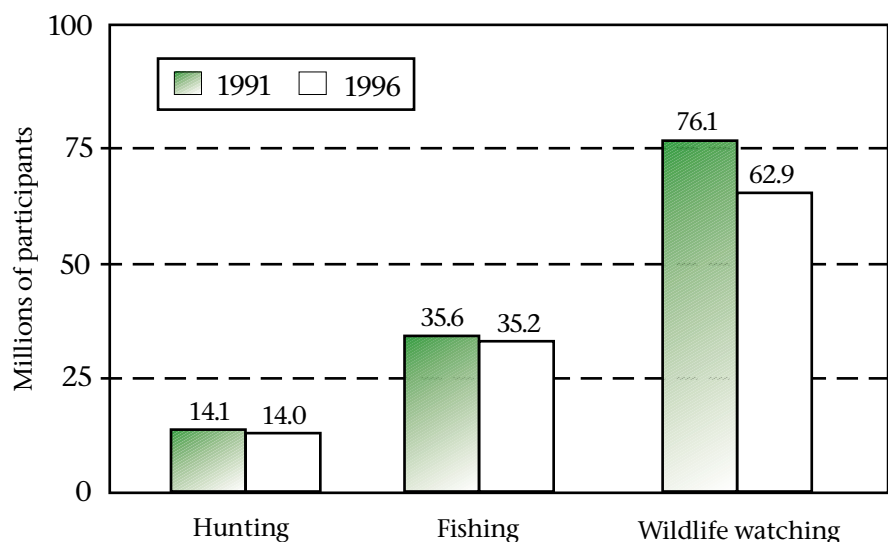
For example:

- The annual Hummer/Bird Celebration in Rockport/Fulton, Texas, attracted 4,500 visitors in 1995. They spent more than \$1.1 million during the 4-day event (an average of \$345 each). Of this amount, \$316,000 was spent on lodging, \$237,000 on meals in restaurants, and \$278,000 on shopping.
- An estimated 20,000 birders spent \$3.8 million at Point Pelee National Park in Ontario during May 1987.
- Approximately 38,000 people visited two birding “hot spots” in southeast Arizona (Ramsey Canyon and San Pedro Riparian National Conservation Area) from July 1991 to June 1992 and spent about \$1.6 million.
- Roughly 100,000 birders visited Cape May, New Jersey in 1993 and spent \$10 million.
- About 6,000 birders traveled to the High Island area of Texas during April and May of 1992 and spent more than \$2.5 million for lodging and other activities.
- The Santa Ana National Wildlife Refuge near McAllen, Texas attracted some 100,000 birders from November 1993 to October 1994. These visitors spent \$14 million in the area.
- About \$5.6 million was spent by the 48,000 people who visited Laguna Atascosa National Wildlife Refuge in south Texas from November 1993 to October 1994.

## Participation Trends

The National Survey reported that 63 million Americans over the age of 16 participated in wildlife watching in 1996. Although this is 17 percent fewer people than was reported in 1991, the number of Americans who said they watched wildlife far outnumbered those who said they hunted or fished (Fig. 2).

**Figure 2. Changes in Outdoor Recreation Participation: 1991-1996.**



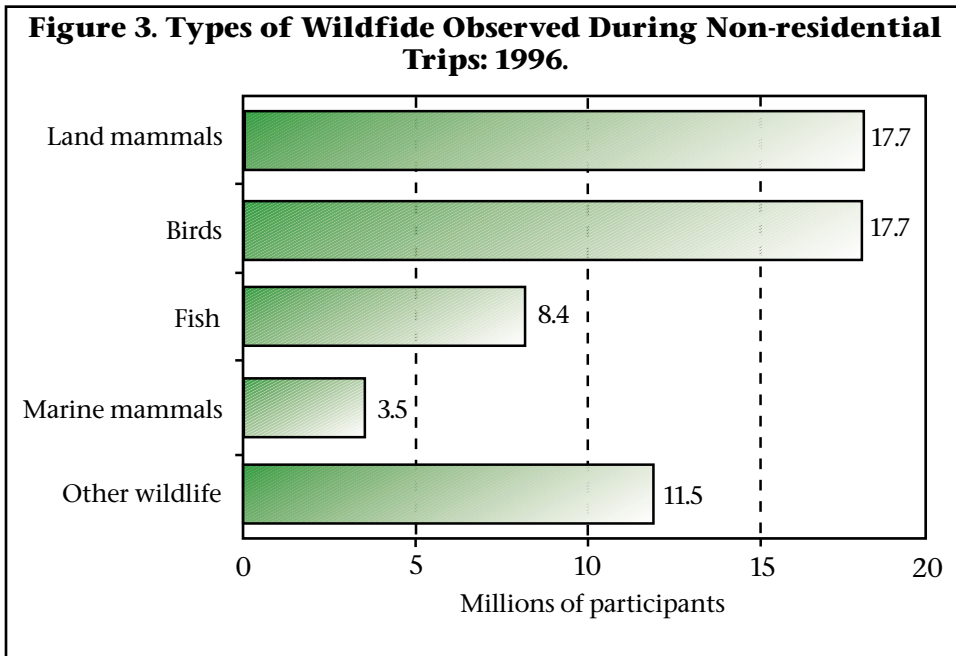
Source: 1996 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation



Of these 63 million Americans, 23.7 million said they traveled more than 1 mile from home to observe, photograph or feed wildlife. These are considered non-residential wildlife watchers. Residential wildlife watchers (some 61 million) are those who enjoyed wildlife watching within a mile of their homes.

The residential wildlife watchers said they fed birds or other wildlife (54 million), observed wildlife (44 million), photographed wildlife (16 million), maintained special plantings or natural areas for wildlife (13 million), and visited public parks (11 million). Almost all the residential wildlife watchers (96 percent) said they observed birds; many (87 percent) also like to observe mammals.

The non-residential wildlife watchers reported feeding birds (10 million), observing birds (18 million), and photographing wildlife (12 million). During their trips to observe wildlife, an equal number were interested in birds and land mammals (Fig. 3).



Source: 1996 National Survey of Fishing, Hunting and Wildlife-Associated Recreation

Only 25 percent of Texans said they engaged in wildlife watching in 1996, and the number of Texans who were non-residential wildlife watchers had decreased from 1.5 million to 1.3 million since 1991. However, Texas is a prime **destination** for wildlife watchers from across the country and around the world. About 1.4 million Americans said they traveled to Texas to observe wildlife (primarily birds). Only California, Pennsylvania and Florida attract more wildlife watchers. These visitors spent about \$1.2 billion on wildlife watching in Texas.

Table 1 shows the rates of participation in wildlife watching among the U.S. population in 1996 (National Survey).

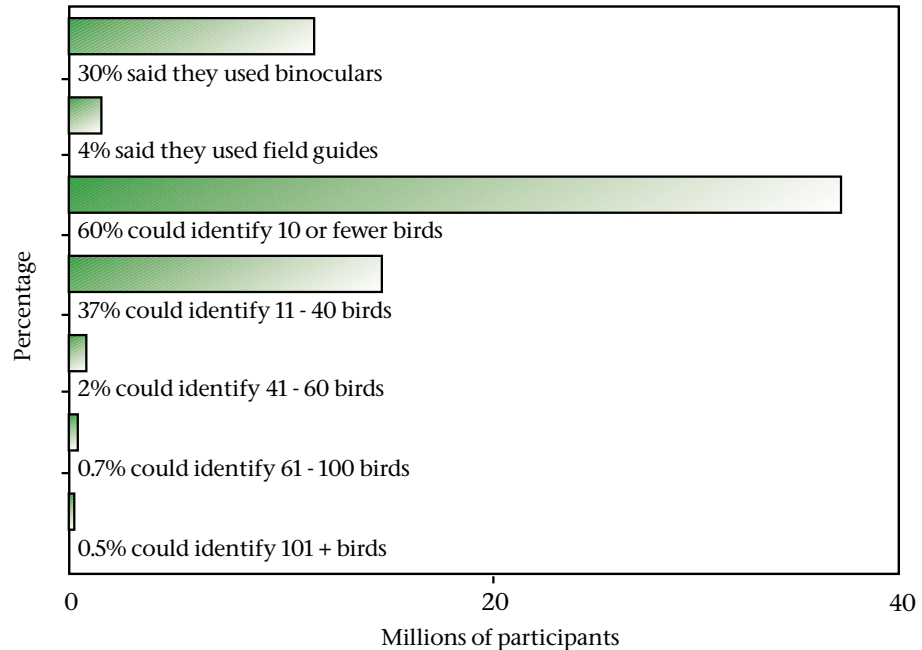
### Birdwatching Trends

The number of Americans 16 years of age and older who watch birds grew from 21 million in 1982 to more than 54 million in 1994—a 155 percent increase (Fig. 4). However, it is important to keep these figures in perspective.



**Figure 6. Characteristics of Birders.**

"Of the 43 million Americans who said they birdwatched during the last two years . . ."



Source: Kellert, 1985

From this table we can see that those who travel away from home to watch wildlife tend to be Anglo-American, 25 to 54 years old, have at least a high school education, and have incomes of about \$40,000 or more

Among the ABA members, 66 percent are male, 25 percent are 65 or older, most have a college degree or graduate degree, and 27 percent have annual household incomes of \$100,000 or more.

## Kinds of Birdwatchers

Birdwatchers are not all alike. Knowing the different segments of the birdwatching population can help landowners and communities create and promote attractions for particular segments of the market. The two studies discussed below shed light on the various kinds of birdwatchers.

### **1994 Study of Birders in Alberta, Canada (McFarlane, 1994)**

Birders were asked about their birding habits, perceived skill levels, number of species on their life lists, number of birding magazines to which they subscribed, and the total value of their birdwatching equipment. From this data, the researcher identified four distinct groups of birders: casual birders; novice birders; intermediate birders; and advanced birders (Table 3).

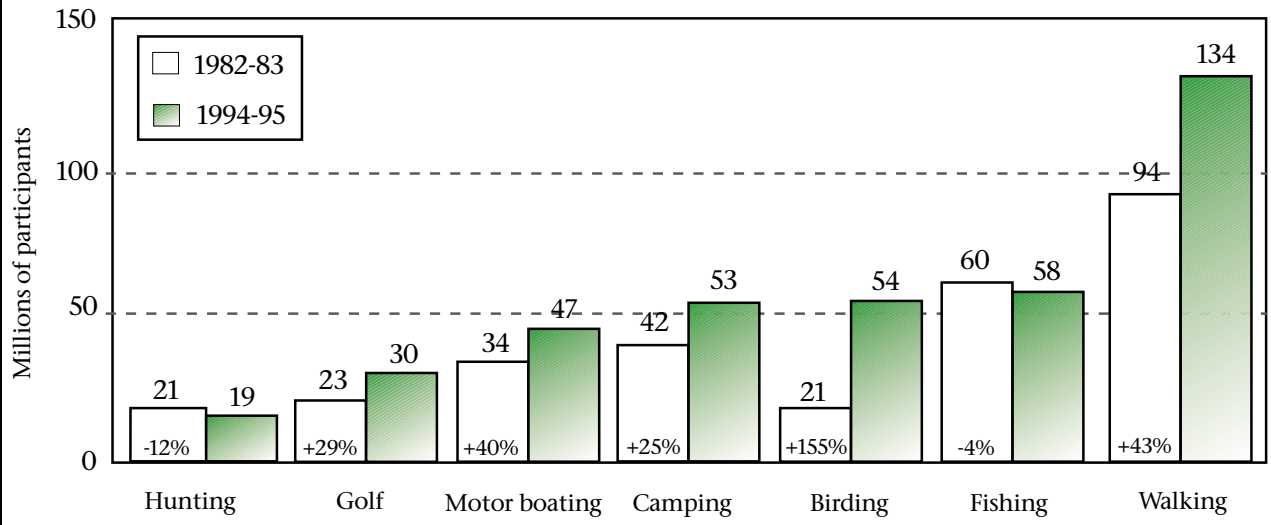


**Casual birders** comprised 43 percent of the respondents. They had the lowest level of skill and experience, and had invested the least in equipment. They were motivated by an appreciation for birds and nature (43 percent), their desire to learn about and conserve the environment (39 percent), and their desire to improve their birdwatching skills (17 percent). Only 33 percent of them main-

**Table 1. Rates of Participation in Wildlife Watching.**

Characteristics	% Engaging in residential wildlife watching	% Engaging in non-residential wildlife watching
<b>Total U.S. population</b>	<b>30.1</b>	<b>11.7</b>
Gender		
Male	29.0	12.1
Female	31.2	11.4
Race/Ethnicity		
Anglo-American	33.8	13.2
African-American	10.3	2.5
All others	14.7	7.3
Age		
16 to 17 years	17.6	8.6
18 to 24 years	14.6	8.5
25 to 34 years	26.4	13.0
35 to 44 years	34.4	15.5
45 to 54 years	34.4	14.8
55 to 64 years	35.5	10.6
65 years and older	32.2	6.0
Level of education		
11 years or less	20.6	5.4
12 years	27.2	8.9
1 to 3 years college	32.3	13.2
4 years college	35.1	15.6
5 years or more college	43.2	22.0
Annual household income		
Less than \$10,000	22.1	5.8
\$10,000 to \$19,000	25.7	9.7
\$20,000 to \$29,999	29.6	11.7
\$30,000 to \$39,999	32.3	13.1
\$40,000 to 49,999	36.1	14.4
\$50,000 to \$99,999	36.0	16.2
\$100,000 or more	37.4	17.0

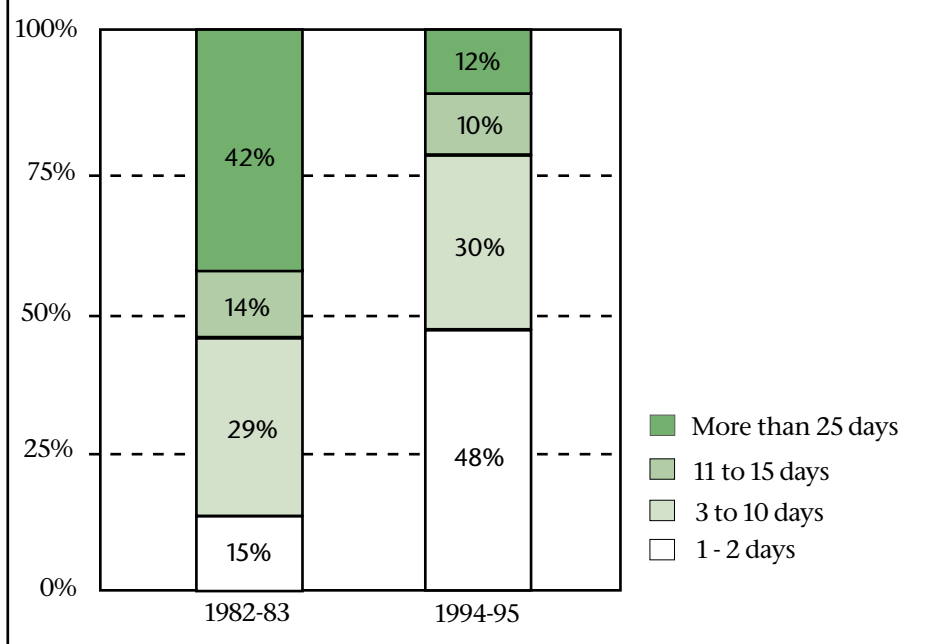
**Figure 4. Changes in Participation in Selected Outdoor Recreation Activities: 1982-1994.**



Source: 1994-95 National Survey of Recreation and the Environment

While the overall number of birders has increased, the average number of days per year they spend birdwatching may have decreased (Fig. 5). According to the *NSRE*, 42 percent of those who said they birdwatched in 1982 reported doing so on 25 or more days that year. Only 15 percent said they observed birds on just one or two occasions. In 1993 the percentages were very different—only 12 percent of birders reported spending 25 or more days on the activity and nearly 50 percent said they went bird watching on only one or two days.

**Figure 5. Comparison of Days Spent Birdwatching: 1982-94.**



Also, these data from the *NSRE* don't reveal whether people were residential or non-residential bird watchers. There are far more bird watchers who do so close to home than who travel to watch birds (*NSRE*).

Finally, there is wide variation in the skills and commitments of birders. A national study of birders reported that 60 percent of those who had gone birding in the last 2 years said they could identify ten or fewer species of birds (Fig. 6). Only 3.2 percent could identify more than 40 birds; only 30 percent said they used binoculars; and only 4 percent said they used a field guide.

So it is important for landowners and communities to be realistic about the birdwatching market. Despite the fact that a large number of Americans say they birdwatch, only a small percentage of them is committed to the activity in a serious way.

## Characteristics of Wildlife Watchers and Birders

In Table 2, the demographic characteristics of residential and non-residential wildlife watchers are shown (*National Survey*). This a breakdown of the data in Table 1 for the 41.8 percent of the U.S. population who said they participated in either residential or non-residential wildlife watching. Characteristics of these groups are compared to characteristics of members of the American Birding Association. ABA members are generally serious birders, almost all of whom could be expected to travel away from home to watch birds.



**Table 2. Demographic Characteristics of Wildlife Watchers and ABA Members.**

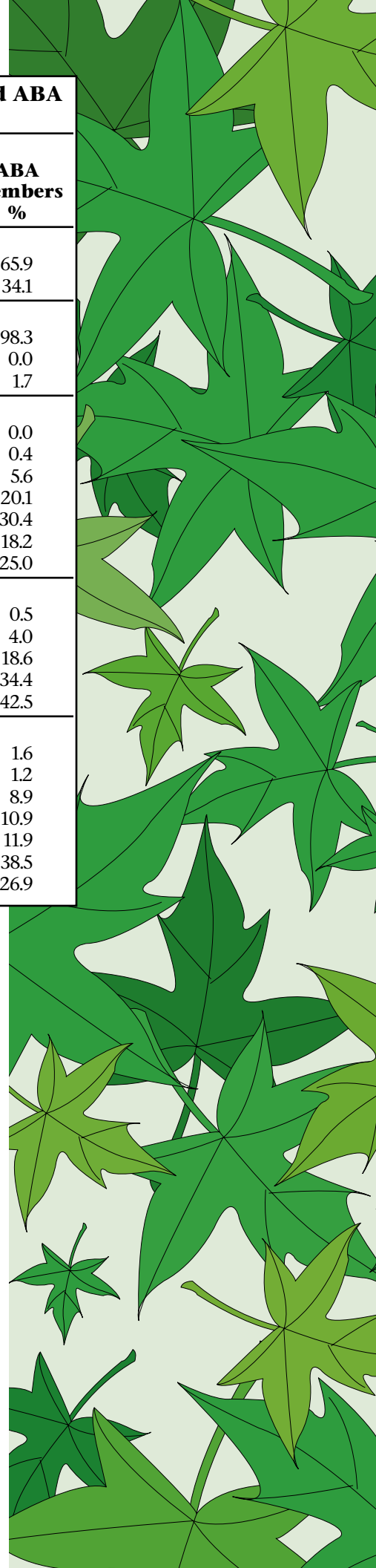
Characteristics	Unites States population %	Residential participants %	Non-residential participants %	ABA members %
Gender				
Male	48.0	46.2	50.0	65.9
Female	52.0	53.8	50.0	34.1
Race/Ethnicity				
Anglo-American	83.1	93.1	93.3	98.3
African-American	9.3	3.2	1.9	0.0
All others	7.6	3.7	4.7	1.7
Age				
16 to 17 years	3.5	2.1	2.6	0.0
18 to 24 years	10.1	4.9	7.3	0.4
25 to 34 years	17.4	15.2	19.3	5.6
35 to 44 years	22.0	25.2	29.1	20.1
45 to 54 years	17.8	20.3	29.1	30.4
55 to 64 years	11.6	11.5	7.7	18.2
65 years and older	17.6	18.8	8.9	25.0
Level of education				
11 years or less	16.8	11.5	7.7	0.5
12 years	35.3	31.8	26.9	4.0
1 to 3 years college	22.3	24.2	25.5	18.6
4 years college	13.9	16.2	18.4	34.4
5 years or more college	11.4	16.4	21.5	42.5
Annual household income				
Less than \$10,000	9.2	6.4	4.1	1.6
\$10,000 to \$19,000	12.1	9.7	8.9	1.2
\$20,000 to \$29,999	15.6	14.4	13.9	8.9
\$30,000 to \$39,999	14.3	14.4	14.2	10.9
\$40,000 to 49,999	11.2	12.6	12.3	11.9
\$50,000 to \$99,999	29.1	32.7	35.7	38.5
\$100,000 or more	8.5	9.9	10.9	26.9

tained lists of birds they had identified. However, 41 percent had participated in organized bird censuses.

Thirty-eight percent of respondents were **novice birders**. They had greater skill and commitment than the casual birders. Their motivations were: learning about and conserving the environment (46 percent); appreciation for birds and nature (28 percent); and improving their birdwatching skills (25 percent). Fifty-six percent kept lists of birds and had participated in bird censuses.

**Intermediate birders** made up 12 percent of the people in the study. They were more skilled and committed than both casual and novice birders. Like novice birders, they were motivated primarily by conservation (40 percent). However, many also wanted to improve their birding skills and see new or rare species (37 percent). About 23 percent were motivated by an appreciation of birds and nature. Three out of four said they listed birds, and seven out of ten had participated in bird censuses.

**Advanced birders** comprised only 7 percent of respondents. They had the highest skill and experience levels. More than half were motivated by a desire to improve their skills and see new or rare species (55 percent). One-third wanted to learn about and conserve the environment. A large percentage of them (91 percent) kept lists of birds they had seen. Nearly eight out of ten had participated in bird censuses; in addition, many of them had led bird walks and made presentations.



**Table 3. Characteristics of Birder Groups Identified by McFarland.**

Characteristic	Casual birders	Novice birders	Intermediate birders	Advanced birders
Days on birding trips in 1991 ( <i>M</i> )	0.98	8.60	48.03	96.47
Perceived skill level (4-point scale from casual to advanced) ( <i>M</i> )	1.90	2.72	3.17	3.38
Number of species on life list ( <i>M</i> )	3.29	33.95	65.46	362.82
Number of birding magazine subscriptions ( <i>M</i> )	0.04	0.16	0.39	2.32
Replacement value of equipment (9 categories from \$0 to >\$5000) ( <i>M</i> )	1.32	3.05	3.03	5.07
Farthest distance traveled to go birding in 1991 (6 categories from 0 to >500 km) ( <i>M</i> )	0.55	2.16	3.87	3.95

*Adapted from McFarland, 1996*

 **1996 Study of Visitors to the Annual Hummer/Bird Celebration in Rockport/Fulton, Texas (Scott, et al., 1996)**

Based on answers to a survey, visitors to this event were categorized into four groups (Table 4).

Twenty-one percent of survey respondents were **generalists and water seekers**. They are not highly skilled birders, take relatively few birding trips, and do not spend a great deal of money on birding. They are attracted to places where they can enjoy water activities such as fishing and marine life tours, as well as nice lodging and restaurants. They like to combine birding with shopping, visiting small towns and historic sites, and other outdoor recreation. They especially like coastal areas.

**Heritage recreationists and comfort seekers** also are not highly skilled or committed birders. They made up about 40 percent of those surveyed. This group is attracted to communities that can provide heritage tours or historical sites, as well as birding opportunities, along with a restful environment and comfortable amenities. They are not interested in other outdoor activities. These individuals spend more money on trips than other groups.

**Outdoor recreationists** are relatively skilled birders. Twenty-five percent of the visitors in the survey were in this group. They are more likely than other birders to make trip decisions on the basis of other outdoor recreation available nearby. That is, outdoor recreationists are likely to birdwatch while involved in other activities such as skiing, hiking, camping and biking. These individuals have little interest in shopping, visiting historic sites or seeking comfortable amenities.

The fourth group was the **serious birders**, who made up 14 percent of the festival visitors. They are the most skilled and the most involved in birdwatching, and travel approximately 1,975 miles per year to pursue their hobby. Their interests are highly specialized. In short, they want to



**Table 4. Characteristics of Birder Groups Surveyed at Hummer/Bird Celebration.**

Characteristics	Generalists and water seekers	Heritage recreationists and comfort seekers	Outdoor recreationists	Serious birders
Number of birding trips taken last year ( <i>M</i> )	6	9	14	28
Miles traveled last year to go birding ( <i>M</i> )	667	1,415	1,930	1,976
Money spent last year on birding ( <i>M</i> )	\$335	\$778	\$1,134	\$1,727
Number of field guides owned ( <i>M</i> )	2.2	3.8	3.8	7.9
Number of organizational memberships ( <i>M</i> )	0.6	1.4	1.4	1.8
Percent who keep a life list	15%	31%	37%	50%
Species able to identify by sight ( <i>M</i> )	37	60	119	150
Total expenses at H/B Celebration ( <i>M</i> )	\$254	\$353	\$242	\$289

*M* = Mean

Source: Scott et al., 1996

observe either new, rare, or a variety of birds, and are not overly concerned with lodging and food accommodations, shopping, or non-birding activities. While serious birders spend the most money overall for birding equipment and travel, it is interesting to note that the heritage recreationists and comfort seekers spent the most at the Hummer/Bird Celebration.

The popular media may portray all birdwatchers as being alike, but as these two studies show, there are many differences among them. Understanding the diversity among birdwatchers is helpful when developing a birding-related enterprise.

## Beginning the Business

To establish any successful business you must first think about your personal motivations for starting the business. Then you should study the industry, determine the market segment you want to reach, and strategies for doing so. Deciding how to package, price and promote your product are other important decisions. The insights and experiences of people who operate birding-related businesses can be very helpful. Ideas in the following section were generated during interviews with seventeen such individuals. Five of them are birding tour guides, five own/operate birding locations and/or lodging, three are birding festival coordinators, and four own businesses that sell birding products (field guides, binoculars, birdhouses, artwork, etc.).

## Recognize Your Motivations

Among the people interviewed, the most common reason for starting a birding-related business was a personal interest in nature, particularly birding. They wanted to transform a





hobby into a money-making business. A second reason, mentioned primarily by landowners, was the need to diversify economically.

While a personal interest in nature and birding is important, it is not sufficient to ensure business success. Those who cater to the public, in any business, must have a strong customer orientation. That means enjoying dealing with all kinds of people, being enthusiastic about entertaining and serving guests, having public relations skills, and having the stamina to work long hours. It is also important to be familiar with finance, accounting, business operations and marketing. Expertise

at birdwatching may also be very important, depending on the product or service you offer.

It is important to realize that a birding-related business is not likely to generate a huge profit. Business owners interviewed said they typically did not turn a profit for 3 years, and often their businesses are not fully self-supporting. One owner said his business simply allows him to pursue his birding hobby: "I'm thrilled if I make enough money at these festivals to cover my expenses. Having a booth at birding festivals allows me to travel to some of the best birding spots in the state and helps pay for my associated costs." Some owners said they probably would not attempt to make their birding businesses their main sources of income, especially if their businesses were rather small-scale.

## Research the Industry and Determine Marketing Strategies

An owner of a birding enterprise made the following observation: "One thing I wish I had done to prepare myself for opening this type of business was to read up on it more. I could have saved myself a lot of time, money and energy if I hadn't learned about this market the hard way."

One way to learn about the market is to study the kinds of information presented earlier in this publication. Knowing the preferences, characteristics, and demographics of the individuals who might be attracted to your product or service will help you make crucial business decisions.

Subscribe to birding magazines and analyze articles about birdwatching. Ads in magazines can provide information about products and services with which you will be in competition. Also attend birding festivals to find out about the competition and meet others who are in the birding business.

Academic or professional journals such as the *Journal of Wildlife Management* and *Human Dimensions in Wildlife* can be helpful. These journals usually can be found in libraries at large universities.

A few national and state birding organizations provide information about their members and about birders in general. The American Birding Association and the National Audubon Society publish magazines and newsletters and have Web sites with information about the latest trends in birding.

State tourism, wildlife, and economic development agencies are another good source of information. In addition to distributing publications, they may also organize educational seminars or conferences or have experts who will consult with you. Local and regional information can be obtained through chambers of commerce and convention and visitors' bureaus.



Once you understand the birding market you can decide which segment of that market you will try to reach with your product or service. The birding market may be segmented by geographic area, demographics, skill level and commitment, or interest in particular products. Or, you may choose to market to more than one segment by developing two or more products, each with its own marketing strategy.

For example, a ranch might be habitat for a number of rare species, and have easy access to an international airport. The ranch owner might decide to pursue serious European birders as his desired market. His marketing strategy might be to advertise in European birding magazines aimed at serious birders.

Or, like the King Ranch in Texas, you might want to attract more than one market segment by offering different services for each. The ranch offers several different birding tours, from a 1-day tour for novice and intermediate birders in which the object is to see many different species, to a specialized tour for serious birders who want to see only rare species.

## Develop the Product “Package”

Many birding enterprises rely on partnerships between two or more individuals or businesses. Small businesses that pool their resources often can create a more attractive product together than they could individually. Tour packages are a good example. A tour package groups several products and services to attract customers. The package might include lodging at a good birding location, meals, guided tours, etc. Some tour packages allow birders to visit areas, both public and private lands, to which they would not otherwise have access. Tour packages are attractive to customers because they include all necessary arrangements and services.

Birding festivals and events are also examples of partnerships in packaging products and services. Communities team up with members of the birding industry. The community provides the location, facilities, advertising, planning and event coordination. Members of the birding industry provide guide services, expert speakers for workshops, and products to purchase. Restaurants, hotels and non-birding businesses also can be part of these cooperative events.

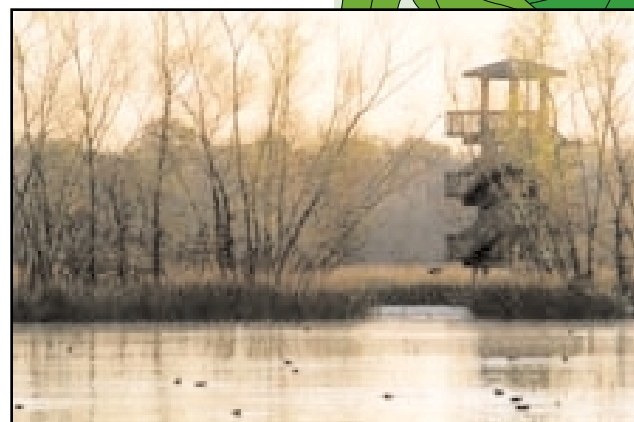
The product “package” also can be quite simple; for example, a landowner might offer access to good birding habitat on a day-fee basis.

## Determine the Price

Whatever the product, its price is important to potential customers. It can be complicated to set a price that strikes a balance between what the customer is willing to pay and what the business needs to charge in order to be profitable. One business owner gives this advice: “People won’t always like, value or appreciate the same things you do. Just because you would be willing to pay a certain price for something doesn’t mean your customers will. Check out what the competition is offering its customers and what they are charging. How does your product compare? Then price accordingly. If your price seems particularly high, make sure to point out the differences between your product and everyone else’s.”

## Promote Your Business

Promotion helps you gain the attention of potential customers. In the birding industry, a good promotional mix includes advertising, publicity and marketing to industry insiders.



**Advertising** is any paid communication about a product or service through the mass media. It can be a good way to reach a wide audience. Ads should be timely, and they should be placed in media that reach the business's intended audience. The King Ranch advertises its tours in birding magazines and newsletters, and reports good response.

Karankawa Plains Outfitting Company, Prude Ranch, B-Bar-B Ranch and other businesses have developed Web pages to reach birders who are scouring the Internet for information on new birding locations. To increase their site hits, these businesses have made an effort to link their sites to different search engines that provide information on birding. Such directories are often regional in nature, and are sponsored both by individuals and by organizations such as the Texas Parks and Wildlife Department.

Birding festival organizers and large-scale tour operators often use direct mail to advertise. Costs of direct mail include purchasing mailing lists, postage and printing, but this can be an effective way to reach people in a given market segment.

Favorable **publicity** can be a powerful promotional tool for any business. An example is an article about a product or service, such as the opening of a new birding/wildlife watching business, in the state's fish and wildlife magazine or in a newspaper. News publicity has two advantages over other forms of promotion—it may influence people who are skeptical about advertisements, and it has the credibility of an unbiased news source.

Satisfying customers and gaining the acceptance of other birding business owners can be the most important way to promote your business. These **industry insiders** have information, contacts and influence that can help you succeed. An excellent way to meet and establish business relationships with others in the industry is to attend birding festivals and other events. You can also invite industry representatives to tour your location, or send them product samples, to gain their opinions and familiarize them with what you have to offer. They may then help spread the word to others.

Networking with nature tourism/birding associations, chambers of commerce, and visitors' bureaus will establish relationships that can help your business.

Birders are being bombarded with information from the many new businesses established in recent years. With so many choices, they are influenced by what they hear from other birders. Positive word-of-mouth promotion may be the most effective kind of all.

One owner of a birding location/accommodation explained how customer references and her association both with industry insiders and local organizations helped her business succeed: "An individual from Texas and Parks and Wildlife explained to us that the diversity of birds and wildlife on our ranch would be attractive to birders from around the country. From there, word got around that we had sort of a birding spectacle, which resulted in visitors coming to our ranch. Because of all the interest, we looked into building an observation room and a bed and breakfast. Now we place ads in various birding magazines, which brings us a lot of customers; but many of our guests are not heavy bird-



ers. The local visitors' bureau directs many tour groups to us for general interest tours. By far, I believe that guests who told others about their positive experiences are our greatest source of advertisement."

## Developing Your Unique Product

Deciding what your product will be, and then developing it, requires some research and forethought. The steps in this process are:

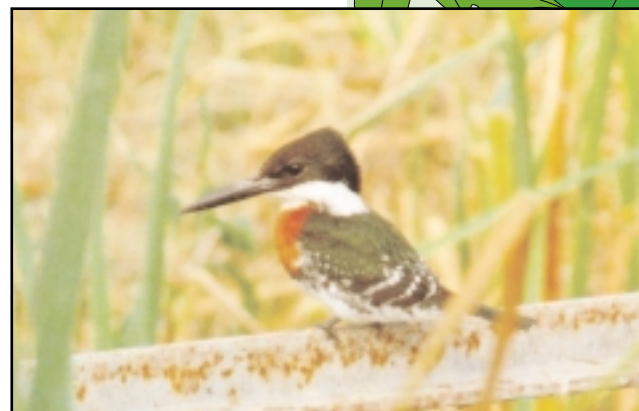
- Identifying your resources.
- Understanding what the true product is.
- Molding resources and experiences to meet customers' demands.

Identifying your resources means determining what it is you have to work with. To do this, list all possible resources, such as: indigenous birds on your land; facilities; business knowledge; familiarity with the outdoors; birding expertise; high quality optics; and business contacts. If you need help identifying resources, you might want to hire a wildlife biologist, wildlife consultant or expert birder to help you analyze your habitat, list the species, and evaluate your land for "birder appeal." A business consultant can help determine other resources.

Although they might not recognize it, customers of birdwatching and other nature-based recreational activities are looking for a mix of things that offers a total experience. For birders, this experience might include seeing a life bird, relaxing, enjoying beautiful surroundings, seeing new places, socializing with travel companions, and making new acquaintances. For some market segments, these and other benefits have a greater effect on customer satisfaction than the number or species of birds seen. For this reason, prospective business owners should be careful to adopt a benefits rather than a product perspective. In other words, what you have to offer is more than a product; it is an experience.

Some aspects of a birding business may be beyond human control. Weather isn't always predictable; rare and indigenous bird species may be present but not always seen; migration timing can vary. It's important to remember that while you may offer an exceptional product or service, these other factors may sometimes cause customers to have unsatisfactory experiences.

The ultimate success of a business often depends on identifying what it has to offer that meets customer demands. This seems to be especially true for the birding industry. To attract birders and their dollars, you need a rare species (or an abundance of species), a desirable atmosphere, or a special method of viewing. Your goal is to mold the resources you have with the experiences you can provide to deliver what customers want. Because not all birders are alike, your product or service may not be appealing to all birders. For examples of this, we can look again at the King Ranch and the B-Bar-B Ranch near Kingsville, Texas. The King Ranch offers a special guided tour for serious birders who want to see two rare Texas specialties—the Ferruginous pygmy owl and the Tropical parula. The tour guide concentrates on helping birders see just these two species in a minimum amount of time.





There are no rare birds to attract serious birders to the B-Bar-B, but the owners capitalize on their location along the route to South Texas and offer upscale accommodations for less devoted birders who may want a different kind of experience. Birders make up just one segment of the business's clientele. The owners recognize that their product consists of an opportunity to relax and socialize in comfortable surroundings, in addition to the birds that may be seen. Both the King Ranch and the B-Bar-B illustrate the way products should be molded from the resources and benefits you have to offer in light of the experiences customers seek.

## Summary

Texas' diverse landscape and large number of bird species draw tourists and birders from all over the world. Many individuals and communities are looking for ways to profit from these visitors. Developing a birding-related business requires research, planning, business sense, personal commitment, customer relations skills, and patience. Those who succeed will recognize that this is a customer service industry; the goal is to provide an enjoyable experience for one's guests.

## Sources of Information

For information on bird censuses and natural resource evaluation:

### **Texas Parks and Wildlife Department**

Wildlife Diversity Branch

4200 Smith School Rd.

Austin, TX 78744

(512) 389-4800

<http://www.tpwd.state.tx.us>

### **Gulf Coast Birding Observatory**

9800 Richmond Ave., Suite 150

Houston, TX 77042

(713) 789-GCBO

<http://www.nol.net/~criley>

### **The Nature Conservancy of Texas**

P.O. Box 1440

San Antonio, TX 78295-1440

(210) 224-8774

<http://www.tnc.org>

For information on birding clubs:

### **Texas Audubon Society**

2525 Wallingwood Dr., Suite 301

Austin, TX 78746-6922

(512) 306-0225

<http://www.audubon.org>

### **American Birding Association**

P.O. Box 6599

Colorado Springs, CO 80934

(719) 578-1614

<http://www.americanbirding.org>

For information about how to develop lodging for guests:

### **Historic & Hospitality Accommodations of Texas**

P.O. Box 1399

Fredericksburg, TX 78624

(800) 428-0368

<http://www.hat.org>

**Texas Hotel & Motel Association**

900 Congress, #201

Austin, TX 78701

1-800-856-4328

<http://texaslodging.com./index.phtml>

For information on the nature tourism industry:

**Texas Department of Economic Development**

Tourism Division

P.O. Box 12728

Austin, TX 78711-2728

(512) 462-9191

<http://research.travel.state.tx.us>

**Texas Nature Tourism Association**

812 San Antonio, Suite 401

Austin, TX 78701

(512) 476-4483

<http://www.tourtexas.com/tnta>

**Texas Agricultural Extension Service**

Recreation, Park and Tourism Sciences

Texas A&M University

2261 TAMU

College Station, TX 77843-2261

(979) 845-5419

<http://agextension.tamu.edu>

Other helpful organizations:

**National Fish & Wildlife Foundation**

1120 Connecticut Ave. NW, Suite 900

Washington, D.C. 20036

(202) 857-0166

<http://www.nfwf.org>

**National Wildlife Federation**

8925 Leesburg Pike

Vienna, VA 22184

(703) 790-4000

<http://nwf.org>

**United States Small Business Administration**

Office of Marketing and Customer Service

409 Third Street SW, Suite 7600

Washington, D.C. 20416

(202) 205-6744

<http://www.sbaonline.sba.gov>

**U. S. Fish & Wildlife Service**

Ecological Services Field Office

Hartland Bank Building

10711 Burnet Rd., Suite 200

Austin, TX 78758

(512) 490-0057

<http://ifw2es.fws.gov/AustinTexas>



# Birding in the United States: A Demographic and Economic Analysis

*Addendum to the 2001 National  
Survey of Fishing, Hunting and  
Wildlife-Associated Recreation*

Report 2001-1





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# Birding in the United States: A Demographic and Economic Analysis

*Addendum to the 2001 National  
Survey of Fishing, Hunting and  
Wildlife-Associated Recreation*

**Report 2001-1**



Genevieve Pullis La Rouche  
Division of Federal Aid  
U.S. Fish and Wildlife Service  
Washington, D.C.

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*This report is intended to complement the National and State Reports for the 2001 National Survey of Fishing, Hunting and Wildlife-Associated Recreation. The report's opinions are the author's and do not represent official positions of the U.S. Fish and Wildlife Service.*

The author thanks Sylvia Cabrera, Richard Aiken, Grant La Rouche, John Charbonneau and Jim Caudill for reviewing earlier drafts of this report.

# Introduction

In January 2002 an unprecedented major media event unfolded in a Louisiana swamp. A team of top ornithologists set out to find the ivory-billed woodpecker, a bird last seen in the United States in 1943 and, until a recent credible citing by a turkey hunter, considered extinct in the U.S. The expedition, funded by a corporate sponsor, received worldwide media attention including coverage by the New York Times, USA Today, and National Public Radio.

This high-profile search for the ivory-billed woodpecker is just one indicator of the growing popularization of birds and birding. Other evidence abounds. A field guide, *Sibley's Guide to Birds*, became a New York Times bestseller. And a quick search of the Internet yields numerous birding sites, some of which list hundreds of birding festivals held around the country each year.

**“For me, the thrill of bird-watching is catching the glimpse of alien consciousness — the uninflected, murderous eye, the aura of reptilian toughness under the beautiful soft feathers, the knowledge that if I were the size of a sparrow, and a sparrow were as big as I am, it might rip my head off without a second’s hesitation.”**

Jonathan Rosen. *The Ghost Bird*.  
*The New Yorker*. 5/14/01.

This growing awareness of birding comes at an odd time; birds are in jeopardy. According to 35-year trend data (1966-2001) from the U. S. Geological Service, almost one-in-four bird species in the United States show “significant negative

trend estimates” (Sauer et al. 2003). This decline is attributed primarily to the degradation and destruction of habitat resulting from human population growth and short-sighted environmental practices such as the razing of wetlands



American Kestrel (*Falco sparverius*) by Dave Menke, USFWS

needed by migratory birds. Although there is a certain irony in people becoming enthusiastic about birds as they disappear, it also presents an opportunity: birders may be the economic and political force that can help save the birds.

The following report provides up-to-date information so birders and policy makers can make informed decisions regarding the protection of birds and their habitats. This report identifies who birders are, where they live, how avid they are, where they bird and what kinds of birds they watch. In addition to demographic information, this report also provides two kinds of economic measures. The first is an estimate of how much birders spend on their hobby and the economic impact of these expenditures. The second is the net economic value of birding, that is, the value of birding to society.

By understanding who birders are, they can be more easily educated about pressures facing birds and bird habitats. Conversely, by knowing who is likely *not* a birder, or who is potentially a birder, information can be more effectively tailored. The economic values presented here can be used by resource managers and policy makers to demonstrate the economic might of birders, the value of birding — and by extension, the value of birds. In fact, research shows that these kinds of values help wildlife managers make better decisions and illustrate the value of wildlife to American society (Loomis 2000).

All data presented here is from the wildlife-watching section of the 2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation (FHWAR). It is the most comprehensive survey of wildlife recreation in the U.S. Overall, 15,300 detailed wildlife-watching interviews were completed with a response rate of 90 percent. The Survey focused on 2001 participation and expenditures by U.S. residents 16 years of age and older.



Jim Hudgins, USFWS

### Birding Trends

Is birding increasing? Despite recent popularization (high visibility within the media and popular culture and increased recognition of the sport within American homes) of birding, past FHWAR Survey results point to a more complicated story. A comparison of results from the 1991, 1996, and 2001 estimates show that bird-watching around the home has decreased rather than increased over that 10-year period (USFWS). In 1991, 51.3 million people reported observing birds around their homes. In 1996 that number dropped to

42.2 million and in 2001 to 40.3 million. Because the 2001 Survey is the first time people were asked if they specifically watched birds on trips away from home, it cannot be said conclusively if this activity increased or decreased. However, in all three Surveys, people were asked if they observed, fed, or photographed birds away from home. These numbers indicate a net decrease in away-from-home birding from 24.7 million in 1991 to 18.5 million in 2001 but a slight uptick from 1996 (17.7 million) to 2001.

# Birders

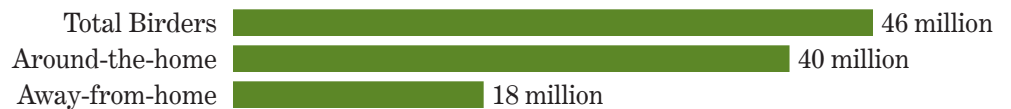
In 2001 there were 46 million bird-watchers or birders, 16 years of age and older, in the United States — a little over one in five people. What is a birder? The National Survey uses a conservative definition. To be counted as a birder, an individual must have either taken a trip a mile or more from home for the primary purpose of observing birds and/or closely observed or tried to identify birds around the home. So people who happened to notice birds while they were mowing the lawn or picnicking at the beach were not counted as birders. Trips to zoos and observing captive birds also did not count.

Backyard birding or watching birds around the home is the most common form of bird-watching. Eighty-eight percent (40 million) of birders are backyard birders. The more active form of birding, taking trips away from home, is less common with 40 percent (18 million) of birders partaking.



Red-winged Blackbirds (*Agelaius phoeniceus*) by John and Karen Hollingsworth, USFWS

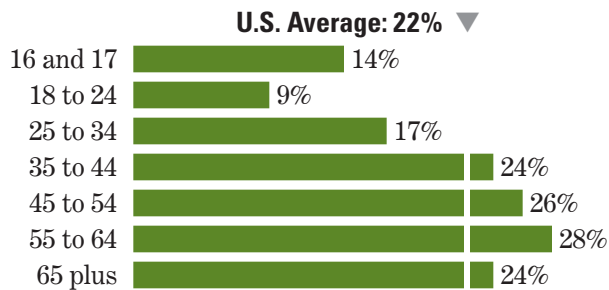
**Chart 1. Birders in the United States: 2001**  
(16 years of age and older.)



**Table 1. Age Distribution of the U.S. Population and Birders: 2001**  
(Population 16 years of age and older. Numbers in thousands.)

Age	U.S. Population	Number of Birders	Participation Rate
16 and 17	7,709	1,043	14%
18 to 24	22,234	1,894	9%
25 to 34	35,333	5,990	17%
35 to 44	44,057	10,414	24%
45 to 54	40,541	10,541	26%
55 to 64	25,601	7,177	28%
65 plus	36,823	8,893	24%

**Chart 2. Birders' Participation Rate by Age**



The average birder is 49 years old and more than likely has a better than average income and education. She is slightly more likely to be female, and highly likely to be white and married. There is also a good chance that this birder lives in the northern half of the country in a small city or town. Does this paint an accurate picture of a birder? Like all generalizations the description of an “average” birder does not reflect the variety of people who bird, with millions falling outside this box. The tables and charts show in numbers and participation rates (the percentage of people who participate) birders by various demographic breakdowns.

The tendency of birders to be middle-age or older is reflected in both the number of birders and participation rates. Looking at the different age breakdowns in Table 1, the greatest number of birders were in the 35 to 44 and 45 to 54 age groups. People age 55 to 64 had the highest participation rates while the participation rate was particularly low for people ages 18 to 24. Birders who take trips away from home to pursue their hobby were on average slightly younger at 45 years old compared to backyard birders who were on average 50 years old.



Tina Watson, USFWS

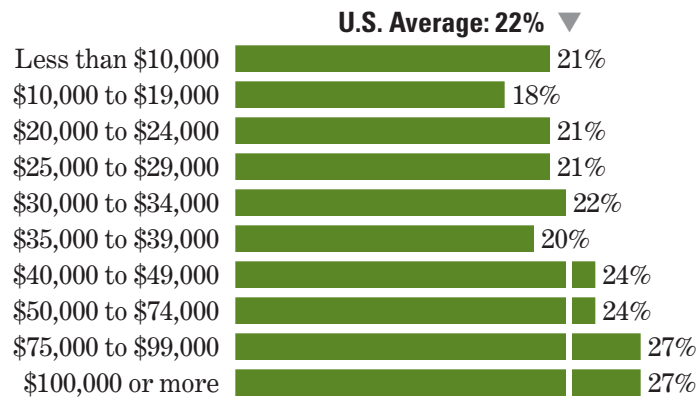
The higher the income and education level the more likely a person is to be a birder. Twenty-seven percent of people who live in households that earn \$75,000 or more were bird-watchers — 5 percent above the national average of 22 percent. Education, which is often highly correlated with income, shows the same trend. People with less than high school education participated at 14 percent — far below the national average — while people with five or more years of college had the highest participation rate at 33 percent. See Tables 2 and 3 for more information.

**Table 2. Income Distribution of the U.S. Population and Birders: 2001**  
(Population 16 years of age and older. Numbers in thousands.)

<i>Income</i>	<i>U.S. Population</i>	<i>Number of Birders</i>	<i>Participation Rate</i>
Less than \$10,000	10,594	2,212	21%
\$10,000 to \$19,000	15,272	2,754	18%
\$20,000 to \$24,000	10,902	2,335	21%
\$25,000 to \$29,000	11,217	2,392	21%
\$30,000 to \$34,000	11,648	2,618	22%
\$35,000 to \$39,000	9,816	2,005	20%
\$40,000 to \$49,000	16,896	4,116	24%
\$50,000 to \$74,000	31,383	7,476	24%
\$75,000 to \$99,000	17,762	4,771	27%
\$100,000 or more	19,202	5,224	27%

Detail does not add to total due to non-response.

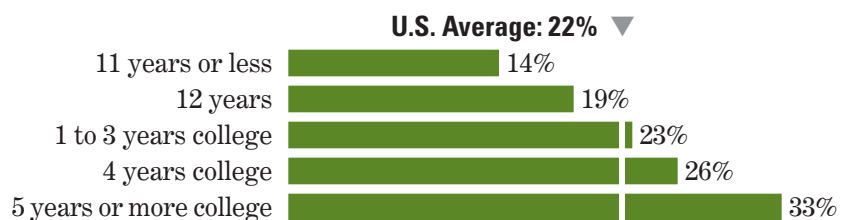
**Chart 3. Birders' Participation Rate by Income**



**Table 3. Educational Distribution of the U.S. Population and Birders: 2001**  
(Population 16 years of age and older. Numbers in thousands.)

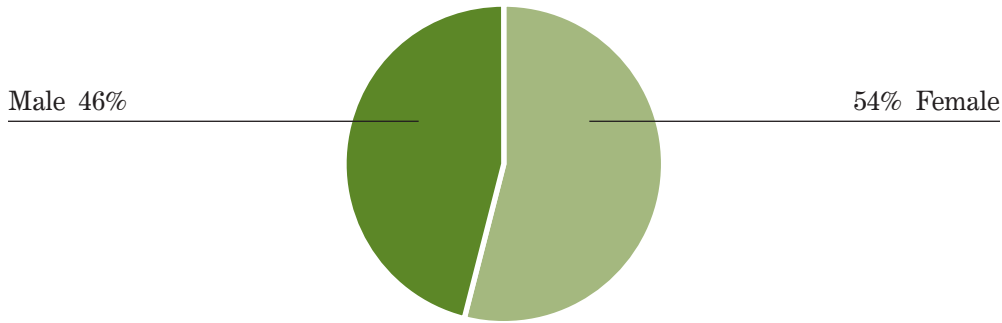
	<i>U.S. Population</i>	<i>Number of Birders</i>	<i>Participation Rate</i>
11 years or less	32,820	4,627	14%
12 years	73,719	13,933	19%
1 to 3 years college	49,491	11,363	23%
4 years college	34,803	8,922	26%
5 years or more college	21,646	7,107	33%

**Chart 4. Birders' Participation Rate by Education**



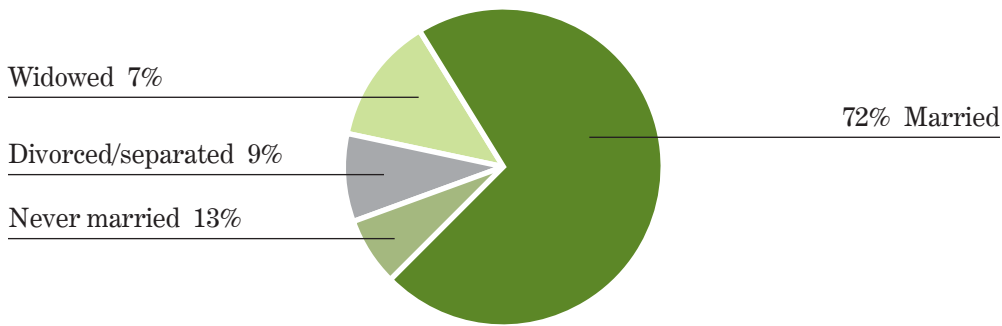
**Chart 5. Percent of Birders — by Gender**

(Population 16 years of age and older. Numbers in thousands.)



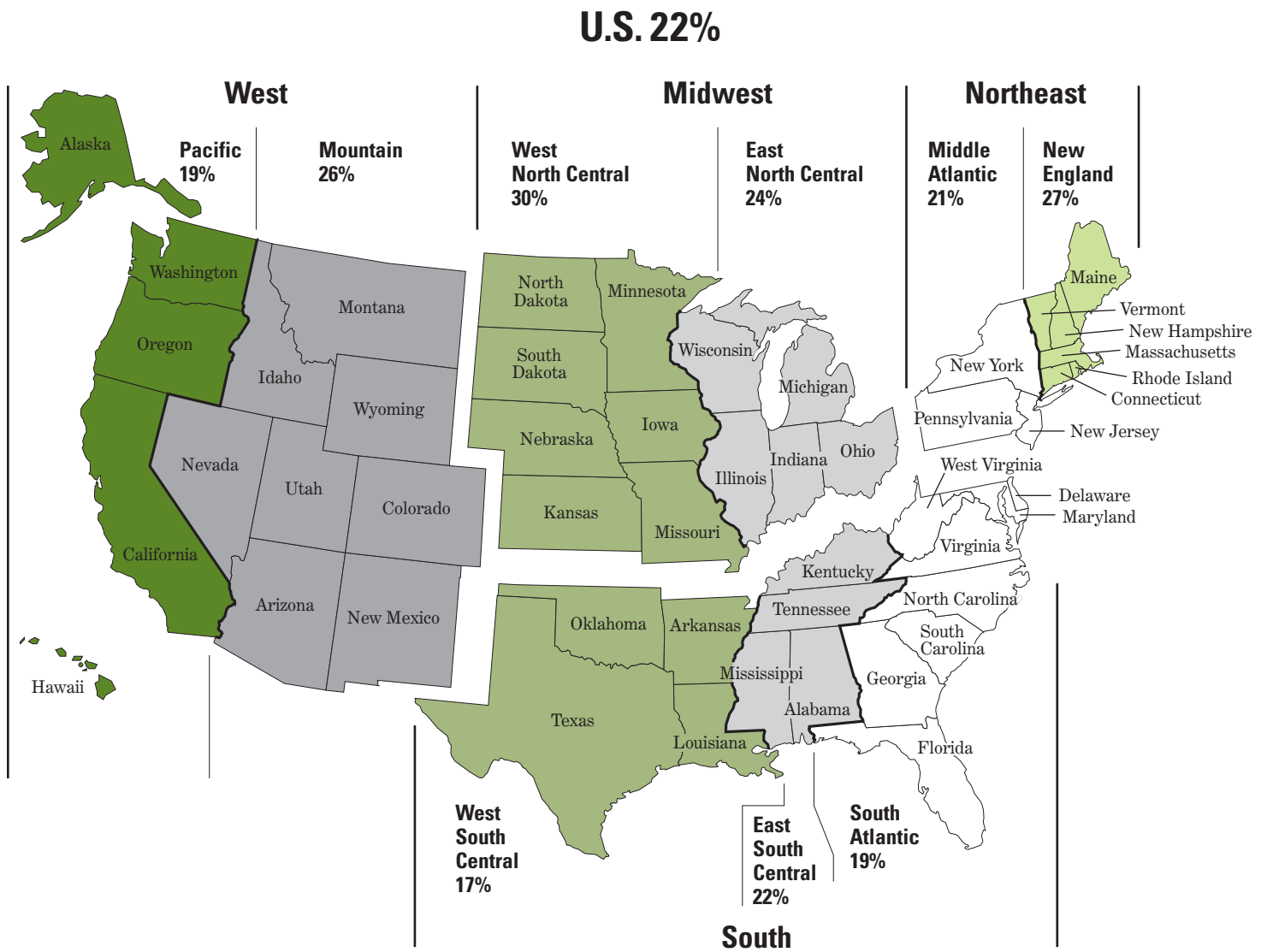
Unlike hunting and fishing where men were overwhelmingly in the majority, a slightly larger percent of birders were women — 54 percent in 2001. And most birders, 72 percent, were married.

**Chart 6. Percent of Birders — by Marital Status**



Tami Heilmann, DOI

**Figure 1. Birders' Participation Rates by Region of Residence: 2001**  
 (Population 16 years of age and older. Numbers in thousands.)



The participation rate was highest (30%) in the West North Central region of the United States (see Figure 1). The New England states had the second highest participation rate at 27 percent with a close third going to the Rocky Mountain states (26 percent). The West South Central states had the lowest rate of 17 percent while the Pacific and South Atlantic states yielded slightly higher rates, both 19 percent. However, in terms of sheer numbers, the Pacific and South Atlantic states had the most resident birders — 7 million and 8 million respectively, while New England had the least, 3 million.



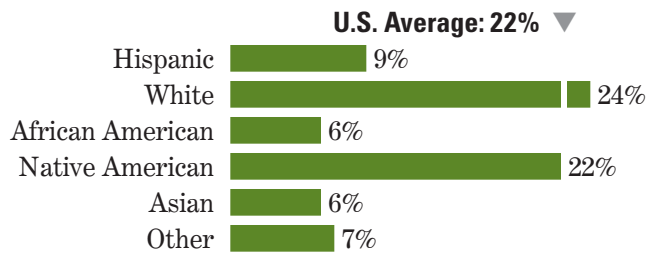
Excepting Native American participation, birders are not a racially or ethnically diverse group. Ninety-four percent of birders identified themselves as white. The scarcity of minority birders is not just a reflection of their relatively low numbers in the population at large, it's also a function of low participation rates. The participation rates of African-Americans, Asians, and Hispanics were all 9 percent or lower while the rate for whites, 24 percent, was slightly above the 22 percent national average. Native Americans on the other hand had a participation rate (22 percent) on par with the national average.

The sparser populated an area, the more likely its residents were to watch birds. The participation rate for people living in small cities and rural areas was 28 percent — 6 percent above the national average. Whereas large metropolitan areas (1 million residents or more) had the greatest number of birders, their residents had the lowest participation rate, 18 percent. See Table 5.

**Table 4. Racial and Ethnic Distribution of the U.S. Population and Birders: 2001**  
(Population 16 years of age and older. Numbers in thousands.)

	U.S. Population	Number of Birders	Participation Rate
Hispanic	21,910	1,880	9%
White	181,129	43,026	24%
African American	21,708	1,243	6%
Native American	1,486	321	22%
Asian	7,141	436	6%
Other	833	55	7%

**Chart 7. Birders' Participation Rate by Race and Ethnicity**



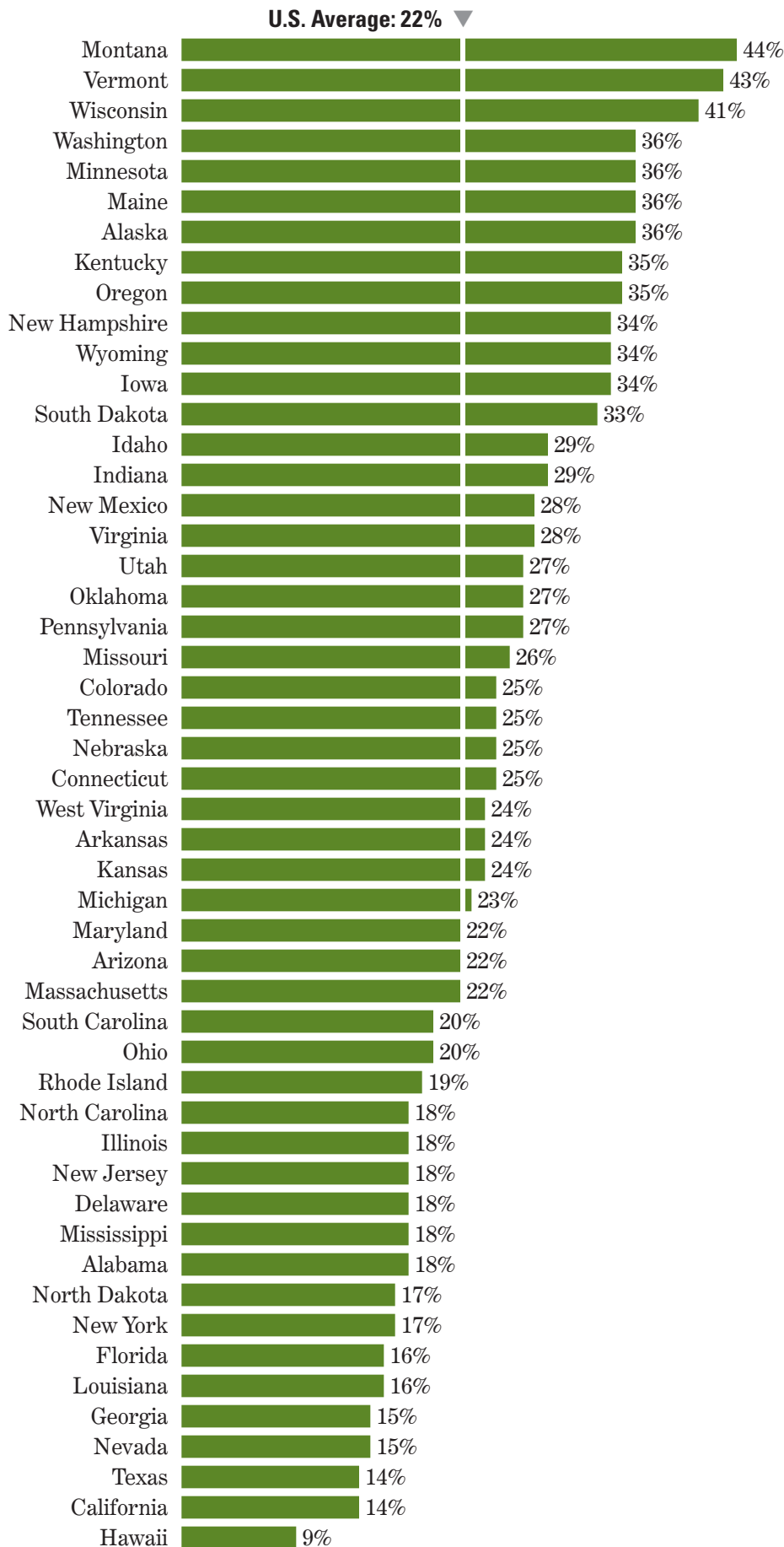
**Table 5. Percent of U.S. Population Who Birded by Residence: 2001**  
(Population 16 years of age and older. Numbers in thousands.)

Metropolitan Statistical Area (MSA)	U.S. Population	Number of Birders	Participation Rate
1,000,000 or more	112,984	20,868	18%
250,000 to 999,999	41,469	8,991	22%
50,000 to 249,000	16,693	4,622	28%
Outside MSA	41,151	11,470	28%



Prothonotary Warbler (*Protonotaria citrea*) by John and Karen Hollingsworth, USFWS

**Chart 8. Birding Participation Rates by State Residents: 2001**  
(Population 16 years of age and older)



When measured in terms of the percent of state residents participating, states in the northern half of the United States generally had higher levels of participation than did states in the southern half. While 44 percent of Montanans and 43 percent of Vermonters watched birds, only 14 percent of Californians and Texans did. See Chart 8.



Jim Hudgins, USFWS

**Table 6. Birding by State Residents and Nonresidents: 2001**  
(Population 16 years of age and older. Numbers in thousands.)

<i>State</i>	<i>Total Birders</i>	<i>Percent State Residents</i>	<i>Percent Nonresidents</i>
Alabama	703	90	10
Alaska	321	51	49
Arizona	1,168	70	30
Arkansas	548	88	12
California	3,987	91	9
Colorado	1,077	74	26
Connecticut	732	88	12
Delaware	172	63	37
Florida	2,363	80	20
Georgia	1,063	84	16
Hawaii	164	48	52
Idaho	478	60	40
Illinois	1,815	90	10
Indiana	1,423	94	6
Iowa	813	93	7
Kansas	569	87	13
Kentucky	803	91	9
Louisiana	608	86	14
Maine	595	61	39
Maryland	1,068	82	18
Massachusetts	1,263	86	14
Michigan	1,961	88	12
Minnesota	1,471	90	10
Mississippi	437	88	12
Missouri	1,299	85	15
Montana	558	55	45
Nebraska	386	83	17
Nevada	343	63	37
New Hampshire	569	57	43
New Jersey	1,335	85	15
New Mexico	531	70	30
New York	2,802	88	12
North Carolina	1,296	80	20
North Dakota	134	60	40
Ohio	1,899	93	7
Oklahoma	760	91	9
Oregon	1,187	77	23
Pennsylvania	2,721	91	10
Rhode Island	193	76	25
South Carolina	742	84	16
South Dakota	271	68	32
Tennessee	1,420	76	24
Texas	2,268	94	6
Utah	616	67	33
Vermont	383	53	47
Virginia	1,818	86	14
Washington	1,877	86	14
West Virginia	428	80	20
Wisconsin	1,944	86	14
Wyoming	388	33	67

Bird watching by state residents tells only part of the story. Many people travel out-of-state to watch birds and some states are natural birding destinations. Wyoming reaped the benefits of this tourism with a whopping 67 percent of their total birders coming from other states. The scenic northern states of New Hampshire, Vermont, Montana, and Alaska also attracted many birders — all had more than 40 percent of their total birders coming from other states.

### Where and What Are They Watching?

Backyard birding is the most prevalent form of birding with 88 percent of participants watching birds from the comfort of their homes. Forty percent of birders travel more than a mile from home to bird, visiting a variety of habitats on both private and public lands.

Of the 18 million Americans who ventured away from home to watch birds, public land rather than private land was visited more frequently, although many visited both. Eighty-three percent of birders used public land such as parks and wildlife refuges, 42 percent used private land, and 31 percent visited both. See Chart 9.

The most popular setting to observe birds was in the woods (73%), followed by lakes and streamside areas (69%) and brush-covered areas and fields (62% and 61%). Less popular sites were the ocean (27%) and manmade areas (31%) such as golf courses and cemeteries. See Table 7.

What kinds of birds are they looking at? Seventy-eight percent reported observing waterfowl, making them the most spied on type of bird. Songbirds were also popular with 70 percent of birders watching them, followed in popularity by birds of prey (68%) and other water birds such as herons and shorebirds (56%). See Chart 10.

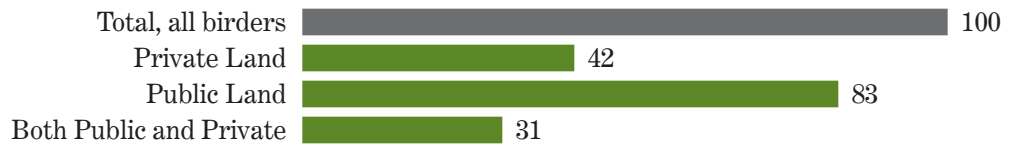
**Table 7. Sites Visited by Away-From-Home Birders: 2001**

(Population 16 years of age and older. Numbers in thousands.)

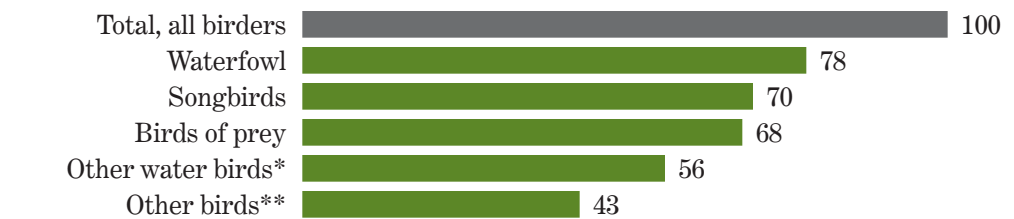
	<i>Number of Birders</i>	<i>Percent</i>
Total, all birders	18,342	100
Woodland	13,405	73
Lake and Streamside	12,615	69
Brush-covered areas	11,324	62
Open field	11,184	61
Marsh, wetland, swamp	8,632	47
Man-made area	5,770	31
Oceanside	4,921	27
Other	2,418	13

\* Detail does not add to total because of multiple responses.

**Chart 9. Percent of Away-From-Home Birders — by Public and Private Land Visited**



**Chart 10. Percent of Away-From-Home Birders — by Type of Birds Observed**



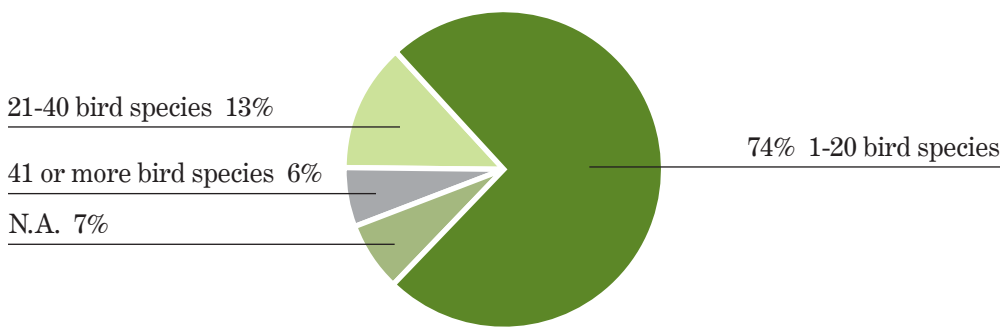
\*shorebirds, herons, etc.

\*\*pheasants, turkeys, etc.

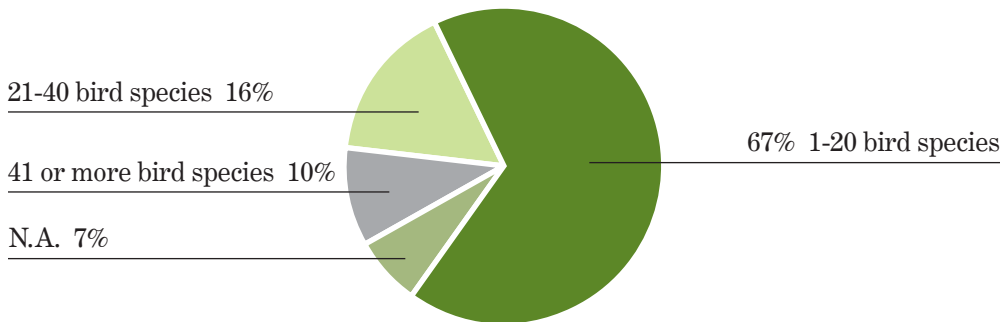


Kathryn Truett, USDA FS

**Chart 11. Percent of Around-the-Home Birders Who Can Identify Birds by Sight or Sound**



**Chart 12. Percent of Away-From-Home Birders Who Can Identify Birds by Sight or Sound**



### Avidity

All people identified as birders in this report said that they took an active interest in birds — defined as trying to closely observe or identify different species. But what is the extent of their interest? In order to determine their “avidity” the following factors were considered: the number of days spent birdwatching; the number of species they could identify; and if they kept a bird life list.

Presumably because of the relative ease of backyard birding, birders around the home spent nine times as many days watching birds as did people who traveled more than a mile from home to bird watch. In 2001, the median number of days for backyard birders was 90 and for away-from-home birders it was 10.

Although birders are investing a fair amount of time pursuing their hobby, most do not appear to have advanced identification skills. Seventy-four percent of all birders could identify only between 1 to 20 different types of bird species, 13 percent could identify 21 to 40 birds and only 8 percent could identify more than 41 species. Skill levels are higher for birders who travel from home to bird watch compared to backyard birders — 10 percent of away-from-home birders could identify 41 or more birds as opposed to 6 percent of backyard birders.

Tallies of birds seen during a birder’s life, sometimes called birding life lists, were kept by only 5 percent of birders. This was roughly the same for backyard birders and away-from-home birders alike.

### Avidity Trends

If we can’t say there are more birders can we say that birders are more knowledgeable about their hobby than in the past? In order to gauge birders’ avidity and level of expertise, the 2001 Survey asked birders how many birds they can identify — a question last asked in the 1980 Survey\* (USFWS). A comparison of responses show that skill levels did not change much in that 20 year time period. For both years, the same percent, 74, was in the

beginner category (1 to 20 species of birds) and roughly the same percent, 13 and 14, respectively, fell into the intermediate (21 to 40 birds) level. A slightly higher percentage of expert birders, however, (41 or more species) was found in the 2001 Survey, 8 percent versus 5 percent in the 1980 Survey. Yet in another sign that the more things change the more they stay the same, almost the same portion, 4 and 5 percent, kept birding life lists.

**Table 8. Percent of Birders\* Who Can Identify Birds by Sight or Sound and Who Kept Birding Life Lists: 1980 and 2001 Comparison**

	1980	2001
1-20 bird species	74%	74%
21-40 bird species	14%	13%
41 or more bird species	5%	8%
Kept bird life list	4%	5%

\* In 1980 the question was asked of all wildlife-watchers (formerly called non-consumptive) and in 2001 the question was asked of only birders.

# The Economics of Bird Watching

## Measures of Economic Value

Putting a dollar figure on birding can appear a tricky business. How can dollars be used to value something as intangible as the enjoyment of birds and birding? Looked at from a practical perspective we live in a world of competing resources and dollars. Activities such as golfing and industries such as computer software are regularly described in terms of jobs generated and benefits to consumers. The same economic principles that guide the measure of golf and software apply also to birding.

Expenditures by recreationists and net economic values are two widely used but distinctly different measures of the economic value of wildlife-related recreation. Money spent for binoculars in a store or a sandwich in a deli on a trip has a ripple effect on the economy. It supplies money for salaries and jobs which in turn generates more sales and more jobs and tax revenue. This is economic output or impact, the direct and indirect impact of birders' expenditures and an example of one of two economic values presented in this paper. Economic impact numbers are useful indicators of the importance of birding to the local, regional, and national economies but do not measure the economic benefit to an individual or society because, theoretically, money not spent on birding (or golf, or software) would be spent on other activities, be it fishing or scuba diving. Money is just transferred from one group to another. However, from the perspective of a given community or region, out-of-region residents spending money for birding represents real economic wealth.

Another economic concept is birding's economic benefit to individuals and society: the amount that people are willing to pay over and above what they actually spend to watch birds. This is known as net economic value, or consumer surplus, and is the appropriate economic measure of the benefit to individuals from participation in wildlife-related recreation (Bishop, 1984; Freeman, 1993; Loomis et al., 1984;

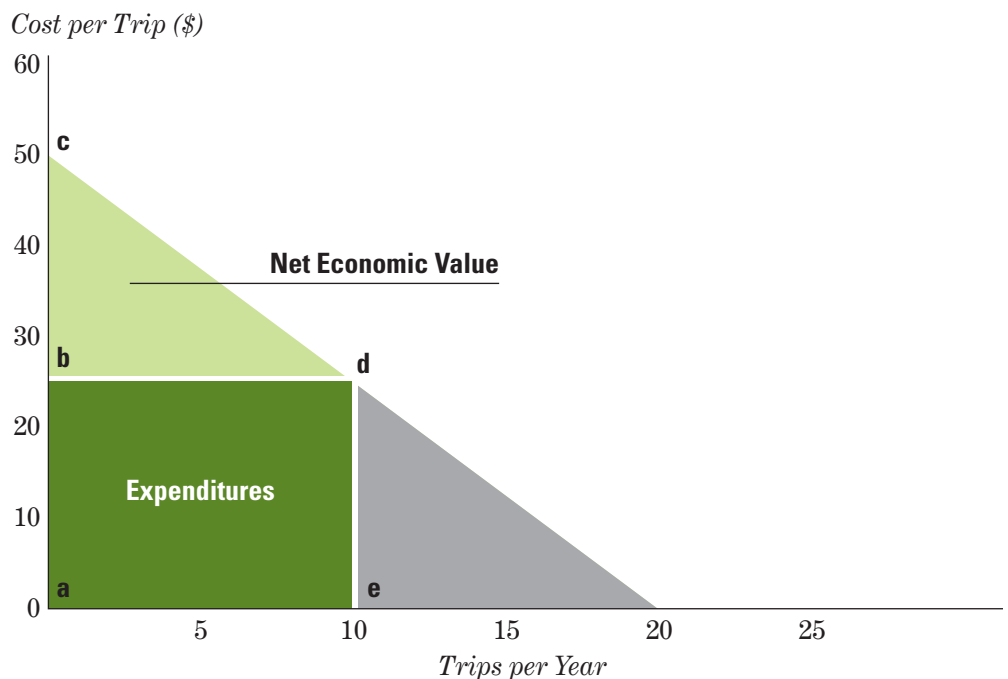
McCullum et al. 1992). The benefit to society is the summation of willingness to pay across all individuals.

Net economic value is measured as participants' "willingness to pay" above what they actually spend to participate. The benefit to society is the summation of willingness to pay across all individuals. There is a direct relationship between expenditures and net economic value, as shown in Figure 2. A demand curve for a representative birder is shown in the figure. The downward sloping demand curve represents marginal willingness to pay per trip and indicates that each additional trip is valued less by the birder than the preceding trip. All other factors being equal, the lower the cost per trip (vertical axis) the more trips the birder will take (horizontal axis). The cost of a birding trip serves as an implicit price for birding since a market price generally does not exist for this activity. At \$60 per trip, the birder would choose not to watch birds, but if birding were free, the birder would take 20 birding trips.

At a cost per trip of \$25 the birder takes 10 trips, with a total willingness to pay of \$375 (area acde in Figure 2). Total willingness to pay is the total value the birder places on participation. The birder will not take more than 10 trips because the cost per trip (\$25) exceeds what he would pay for an additional trip. For each trip between zero and 10, however, the birder would actually have been willing to pay more than \$25 (the demand curve, showing marginal willingness to pay, lies above \$25).

The difference between what the birder is willing to pay and what is actually paid is net economic value. In this simple example, therefore, net economic value is \$125 ( $(\$50 - \$25) 10 \div 2$ ) (triangle bcd in Figure 2) and birder expenditures are \$250 ( $\$25 \times 10$ ) (rectangle abde in Figure 2). Thus, the birder's total willingness to pay is composed of net economic value and total expenditures. Net economic value is simply total willingness to pay minus expenditures. The relationship between net economic value and

**Figure 2. Individual Birder's Demand Curve for Birding Trips**



**Table 9. Birders' Expenditures for Wildlife Watching: 2001**  
(Population 16 years of age and older. Thousands of dollars.)

<i>Expenditure item</i>	<i>Expenditures (\$)</i>
<b>Total, all items</b>	<b>31,686,673</b>
<b>Trip-Related Expenditures</b>	
Total, trip-related	7,409,679
Food	2,646,224
Lodging	1,851,206
Public transportation	682,202
Private transportation	1,790,951
Guide fees, pack trip or package fees	110,374
Private land use fees	48,999
Public land use fees	108,414
Boating costs	135,381
Heating and cooking fuel	35,928
<b>Equipment and Other Expenses</b>	
Total, equipment and other expenses	24,276,994
Wildlife-watching equipment, total	6,010,141
Binoculars, spotting scopes	471,264
Cameras, video cameras, special lenses, and other photographic equipment	1,431,807
Film and developing	837,868
Bird food	2,239,259
Nest boxes, bird houses, feeders, baths	628,060
Daypacks, carrying cases and special clothing	288,648
Other wildlife-watching equipment (such as field guides, and maps)	113,235
Auxiliary equipment, total	523,700
Tents, tarps	163,999
Frame packs and backpacking equipment	121,217
Other camping equipment	238,835
Other auxiliary equipment (such as blinds)	117,267
Special equipment, total	11,158,302
Off-the-road vehicle	5,512,624
Travel or tent trailer, pickup, camper, van, motor home	4,657,752
Boats, boat accessories	946,688
Other	41,238
Magazine	297,780
Land leasing and ownership	4,197,666
Membership dues and contributions	808,101
Plantings	639,986

## Facts-at-a-Glance

*46 Million Birders*

*\$32 Billion in Retail Sales*

*\$85 Billion in Overall Economic Output*

*\$13 Billion in State and Federal Income Taxes*

*863,406 Jobs Created*

expenditures is the basis for asserting that net economic value is an appropriate measure of the benefit an individual derives from participation in an activity and that expenditures are not the appropriate benefit measure.

Expenditures are out-of-pocket expenses on items a birder purchases in order to watch birds. The remaining value, net willingness to pay (net economic value), is the economic measure of an individual's satisfaction after all costs of participation have been paid.

Summing the net economic values of all individuals who participate in an activity derives the value to society. For our example let us assume that there are 100 birders who bird watch at a particular wildlife refuge and all have demand curves identical to that of our typical birder presented in Figure 2. The total value of this wildlife refuge to society is \$12,500 ( $\$125 \times 100$ ).

### Birders' Expenditures and Economic Impact

Birders spent an estimated \$32 billion (see Table 9) on wildlife-watching in 2001. This estimate includes money spent for binoculars, field guides, bird food, bird houses, camping gear, and big-ticket items such as boats. It also includes travel-related costs such as food and transportation costs, guide fees, etc.

*When using the numbers in Tables 9 and 10 it is important to know that these dollar figures represent the money birders spent for all wildlife-watching recreation — not just birding. The 2001 Survey collected expenditure data for people who fed, photographed, or observed wildlife. Expenditure data was not collected solely for birding. It is possible that people who watched birds in 2001 may have spent money on other*

**Table 10. Economic Impact of Birders: 2001\***  
(Population 16 years of age and older.)

Retail Sales (expenditures)	\$31,686,673,000
Economic Output	\$84,931,020,000
Salaries and Wages	\$24,882,676,000
Jobs	863,406
State Income taxes	\$4,889,380,000
Federal Income taxes	\$7,703,308,000

\* Amount that birders spent on all wildlife watching.

types of wildlife-related recreation such as binoculars for whale-watching or gas for a moose-watching trip rather than only bird-watching. Therefore, these estimates for birding expenditures may be overestimates.

This \$32 billion that birders spent generated \$85 billion in economic benefits for the nation in 2001. This ripple effect on the economy also produced \$13 billion in tax revenues and 863,406 jobs. For details on economic impact estimation methods see Appendix A.

The sheer magnitude of these numbers proves that birding is a major economic force, driving billions in spending around the county. On a local level, these economic impacts can be the life-blood of an economy. Towns such as Cape May, New Jersey, and Platte River, Nebraska, attract thousands of birding visitors a year generating millions of dollars — money that would likely otherwise be spent elsewhere.

#### Estimated Net Economic Values

As stated earlier, the willingness to pay above what is actually spent for an activity is known as net economic value. This number is derived here by using a

survey technique called contingent valuation (Mitchell and Carson, 1989). Respondents to the 2001 Survey were asked a series of contingent valuation (CV) questions to determine their net willingness to pay for a wildlife watching trip. *Please note that the data presented here are net economic values for wildlife watching trips — not for bird watching trips solely.* However, since the vast majority of away-from-home wildlife watchers are birders (84 percent), the values presented here are acceptable for use in valuing birding trips. For details on net economic value estimation methods please see Appendix A.

As seen in Table 11, the net economic value per year for a wildlife watcher in their resident state is \$257 per year or \$35 per day. Wildlife watchers who travel outside their state have a different demand curve (they generally take fewer trips and spend more money) and therefore have their own net economic values of \$488 per year and \$134 per day.

When and how can these values be used? These numbers are appropriate for any project evaluation that seeks to quantify benefits and costs. They can be used to evaluate management decisions (actions)

that increase or decrease participation rates. In a simple example, if a wildlife refuge changed its policies and allowed 100 more birders to visit per year, the total value to society due to this policy change would be \$25,700 ( $\$257 \times 100$ ) per year (assuming all visitors are state residents). This value, however, assumes that these 100 birders could and would watch birds only at this refuge and that they would take a certain number of trips to this refuge. In a more realistic example, if the refuge changed its policy and stayed open two more weeks a year and knew that 100 people visited each day during this period then the benefit to society could be estimated by multiplying the number of people by days ( $100 \times 14$ ) by the average value per day (\$35) for a total of \$49,000. If the refuge had data on the number of in-state and out-of-state visitors then the numbers could be adjusted to reflect their appropriate value.

Net economic values also can be used to evaluate management actions that have a negative affect on wildlife watching. For example, if a wildlife sanctuary was slated for development and birders were no longer able to use the site, and if the sanctuary manger knew the number of days of birding over the whole year (e.g, 2,000 days) it is possible to develop a rough estimate of the loss from this closure. This estimate is accomplished by multiplying net economic value per day (\$35) by the days of participation (2,000) for a value of \$70,000 per year.

Two caveats exist to the examples above: (1) if bird watchers can shift their birding to another location then the values are an over-estimate; and (2) if a loss of wildlife habitat causes an overall degradation in the number of birds and in the quality of birding then the values are an under-estimate.

**Table 11. Net Economic Values for Wildlife Watching: 2001**  
(Population 16 years of age and older.)

	Net economic value per year	Standard error of the mean	95 percent confidence interval	Net economic value per day of birdwatching	Standard error of the mean	95 percent confidence interval
State Residents	\$257	12	\$233 – 282	\$35	2	\$32 – 39
Nonresidents	\$488	37	\$415 – 561	\$134	12	\$110 – 158



# Conclusion

Back in Louisiana, the search for the ivory-billed woodpecker ended in disappointment. After an exhaustive two week search, none were found. Optimism, however, continues to prevail. In a group statement the expedition team said they think the bird may exist based on the availability of good quality habitat and other evidence.

This optimism of always looking hopefully into the next tree is the esprit-de-corps of birders. As this report shows, birders come from many walks of life and watch a variety of birds in different settings. Their enthusiasm for birding also translates into spending, thereby

contributing significantly to national and local economies. The high values birders place on their birding trips is a solid indicator of birding's benefit to society.

While the numbers of birders may not have grown statistically, the power of a mobilized birding community and the willingness of mass media sources and the general public to give play to birding issues has an impact felt deeply in the economy and promotes the sustainability of bird habitats. Hopefully, the information in this report will allow resource managers and policy makers to make informed management decisions when birds and birding are involved.



Grant La Rouchie

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Cape May Warbler (*Dendroica tigrina*)  
by Steve Maslowski, USFWS

# Appendix A. Methods

## Economic Impact Methods

The 2001 National Survey contains estimates of annual travel and equipment expenditures by wildlife-watching participants. Travel expenditures were obtained only for away-from-home participants while equipment expenditures were obtained for both around-the-home and away-from-home wildlife watchers. To obtain the economic impact figures, these expenditures were used in conjunction with an economic modeling method known as input-output analysis. The estimates of economic activity, jobs, and employment income were derived using IMPLAN, a regional input-output model and software system. State and federal tax impacts are based on industry-wide averages for each industrial sector.

## Contingent Valuation Methods

Using expenditure and trip data collected from respondents earlier in the survey, respondents were presented with their average number of wildlife-watching trips in 2001 and average cost per trip. If the respondents did not think this information was accurate they were allowed to change it to what they thought was the accurate number of trips and/or an accurate cost per-trip. The respondent was then asked how much money would have been too much to pay per trip. This question was reiterated in another form in case there was misunderstanding (the full series of questions is in Appendix B). Assuming a linear demand curve, annual net economic value was then calculated using the difference between current cost and the maximum cost at the intercept and the number of trips taken in 2001.

The valuation sequence was posed in terms of numbers of trips and cost per trip because respondents were thought more likely to think in terms of trips. The economic values here are reported in days to facilitate their use in analysis.

Outliers were deleted if respondents answered in a way that resulted in zero or negative willingness to pay. Observations were also dropped from the sample if the CV responses resulted in an annual net economic value for an activity that exceeded 5 percent of an individual's household income.



Grant La Rouché

# Appendix B. Contingent Valuation Section from the 2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation

## RESIDENT STATE

Note: These series of questions were asked about ALL trips taken for the PRIMARY PURPOSE of observing, photographing, or feeding wildlife during the ENTIRE calendar year of 2001 in the respondent's state of residence.

You reported taking [X] trips for the PRIMARY PURPOSE of observing, photographing, or feeding wildlife in [RESIDENT STATE]. Is that correct?

- 1—Yes
- 2—No

[IF NO] How many trips did you take for the PRIMARY PURPOSE of observing, feeding or photographing wildlife in [RESIDENT STATE] (from Wave 1) during 2001?

*Zero was allowed as a valid response.*

In your current and/or previous interview(s), you reported that you spent on average \$[X] per trip during 2001 where your PRIMARY PURPOSE was to observe, photograph, or feed

wildlife in [RESIDENT STATE]. Would you say that cost is about right?

- 1—Yes
- 2—No

[IF NO] How much would you say is the average cost of your current and/or previous trip(s) during 2001 where your PRIMARY PURPOSE was to observe, photograph, or feed wildlife in [resident state]? If you went with family or friends, include ONLY YOUR SHARE of the cost.

*Zero was allowed as a valid response.*

What is the most your trip(s) to observe, photograph, or feed wildlife in [RESIDENT STATE] could have cost you per trip last year before you would NOT have gone at all in 2001, not even one trip, because it would have been too expensive? Keep in mind that the cost per trip of other kinds of recreation would not have changed.

*Zero was allowed as a valid response.*

So, in other words, [X] would have been too much to pay to take even one trip to observe, photograph, or feed wildlife in 2001 in [RESIDENT STATE] ?

- 1—Yes
- 2—No

[IF NO] How much would have been too much to pay to take even 1 trip to feed, photograph, or observe wildlife in 2001 in [RESIDENT STATE] ?

*Zero was allowed as a valid response.*

## RANDOM STATE NOT EQUAL TO RESIDENT STATE

Note: These series of questions were asked about ALL trips taken for the PRIMARY PURPOSE of observing, photographing, or feeding wildlife during the ENTIRE calendar year of 2001 in a state other than the respondent's state of residence. If the respondent took a trip in more than one state as a nonresident, one state was randomly chosen.

You reported taking [X] trip(s) for the PRIMARY PURPOSE of observing, photographing, or feeding wildlife in [STATE]. Is that correct?

- 1—Yes
- 2—No

[IF NO] How many trips did you take for the PRIMARY PURPOSE of observing, feeding and photographing wildlife in [STATE] during 2001?

*Zero was allowed as a valid response.*

In your current and/or previous interview(s), you reported that you spent on average \$ [X] per trip during 2001 where your PRIMARY PURPOSE was to observe, photograph, and feed wildlife in [STATE]. Would you say that cost is about right?

- 1—Yes
- 2—No

How much would you say was the average cost of your current and/or previous trip(s) during 2001 where your PRIMARY PURPOSE was to observe, photograph, and feed wildlife in [STATE]? If you went with family or friends, include ONLY YOUR SHARE of the cost.

*Zero was allowed as a valid response.*

What is the most your trip(s) to observe, photograph, or feed wildlife in [STATE] could have cost you per trip last year before you would NOT have gone at all in 2001, not even one trip, because it would have been too expensive? Keep in mind that the cost per trip of other kinds of recreation would not have changed.

*Zero was allowed as a valid response.*

So, in other words, [X] is too much to pay to take even one trip to observe, photograph, or feed wildlife in 2001 in [STATE]?

- 1—Yes
- 2—No

[IF NO] How much would be too much to pay to take even 1 trip to feed, photograph, or observe wildlife in 2001 in [STATE]?

*Zero was allowed as a valid response.*

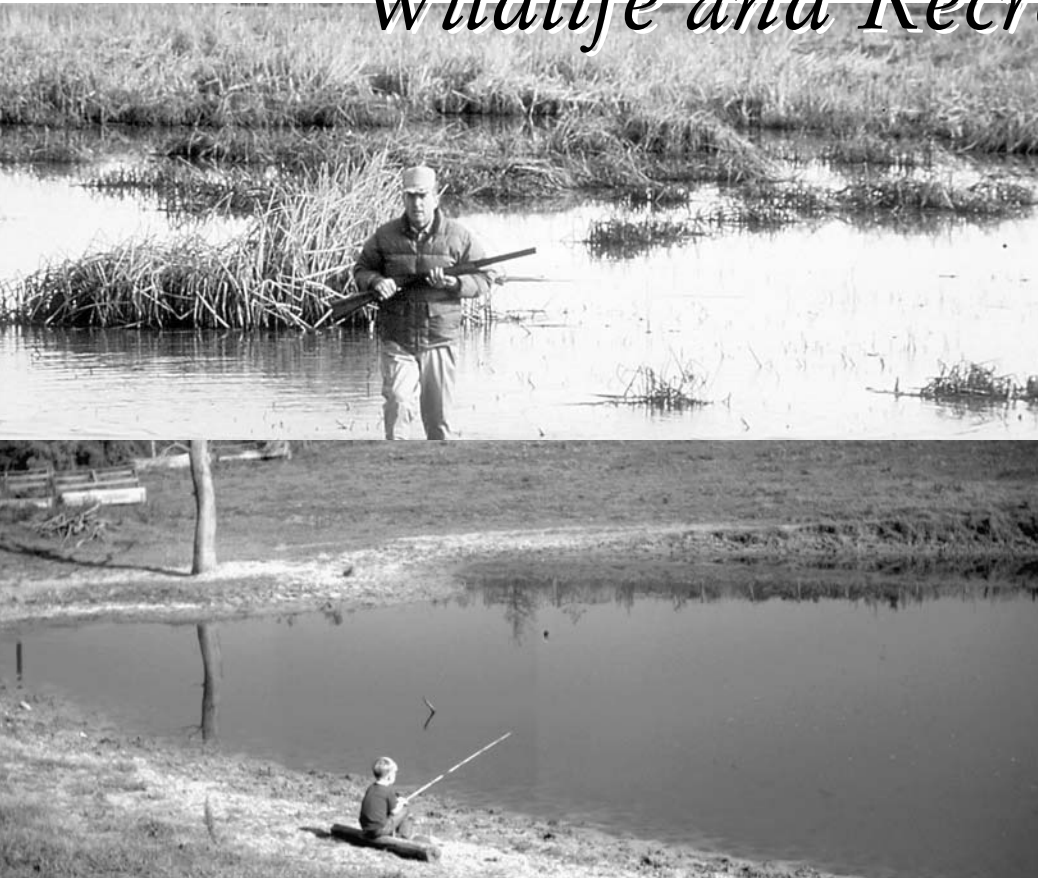
U.S. Fish & Wildlife Service  
Division of Federal Aid  
Washington, DC 20240  
<http://federalaid.fws.gov>

August 2003



# NATURAL RESOURCE ENTERPRISES

## *Wildlife and Recreation*



## BUSINESS CONSIDERATIONS FOR PRIVATE LANDOWNERS

**M**ore than two-thirds of the land within the United States is owned and managed by private landowners. Managing private lands is essential for sustaining and enhancing the natural resource base and for meeting the public's increasing outdoor recreational demands.

Farms, ranches, and private forest lands are economic entities and, for most owners, must be managed as a business to become profitable. Altering food and fiber production, or otherwise changing land use, to sustain and enhance the natural resources on private lands can be challenging. A natural resource base must be available that provides sufficient quality and

quantity to develop, manage, and enhance. With a sufficient natural resource base to build upon, alternative natural resource enterprises can provide another source of dependable annual income. Using the right management techniques, stewardship skills, and comprehensive business plan are all necessary parts of success.

There are a variety of types of natural resource-based enterprises that may let you, as a private landowner, diversify your operation. These include such products as pine straw collection for mulch; wild fruits; mushrooms; services for tours; guides for hunting, fishing,

or wildlife watching, hiking, and riding; trails, recreational access for hunting, fishing, horseback riding, and other similar activities.

Obviously the kind of enterprise to be developed depends on the resources available, client demand, the landowner's interest and objectives, and clients' willingness to pay. This publication will help you identify key business considerations to diversify your existing land management operation by incorporating a sustainable natural resource-based enterprise.

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## DEVELOP A BUSINESS PLAN

The first step in developing a natural resource enterprise/business should be developing a business plan. The business plan is a guide to help determine if the enterprise will be feasible. It outlines the mission and goals of the proposed enterprise and provides a guide to keep the enterprise focused. It also educates interested investors or lending institutions about the enterprise and its economic feasibility. Most lending agencies require a written business plan before making loans for start-up or expansion.

What should a business plan include? A good outline is provided in "The Entrepreneur's Tool Kit," published by the Mississippi Development Authority. You can access this document on the Internet at [www.mississippi.org](http://www.mississippi.org). The Kit contains a section titled "A Guide for a Preparing Business Plan."

A logical outline for preparing the business plan should include the following:

- Resources Inventory*
- Business Plan Introduction*
- Marketing Plan*
- Operating Plan*
- Organization Plan*
- Financial Plan*

## RESOURCES INVENTORY

The starting point for developing a business plan is an inventory of existing and available resources. You must determine what resources are available. A resource inventory helps determine whether you can make the property an economically feasible business and what type of business enterprise to pursue. Once you select an enterprise, you evaluate resources you have to determine if anything is lacking that would prevent development of the planned business. The resource inventory not only identifies what is lacking but also which resources are underused. Underused resources can be separated into three types: physical, labor, and financial. Once completed, the resource inventory should become part of the overall business plan.

### ■ *Physical Resources Inventory*

The physical resources inventory is a list of assets such as land, soil types and vegetation (habitat), buildings, equipment, machinery, and animal populations (domestic and wild). Following are items to consider:

- ✓ The number of acres you own or lease, the stability of the ownership or leased property, and a description of the land. Is the land uplands or low lying areas? Are some areas subject to flooding or

holding water during rainy seasons, and could such flooding be an advantage or disadvantage?

- ✓ Water sources on the property. List any lakes, ponds, rivers, springs, and intermittent streams on the property or that may cross or border the property.
- ✓ Type of vegetation on the property. Note how many acres are in forest, crops, pasture, and/or fallow.
- ✓ Existing land use or management improvements. Is there fencing around the property? Are the boundaries clearly marked? Is there all-weather road access to the property, and do roads exist throughout the property? Do structures such as out-buildings, houses, barns, and equipment sheds exist? If so, evaluate the condition and size of any such structures on the property. Are electricity and running water available? If running water is available, is it safe for cooking and drinking? Is garbage disposal available on/off site?
- ✓ Adjacent land use. Are lands/land ownerships that border the property managed to be compatible with developing a natural resource enterprise?
- ✓ Supplies, vehicles, equipment, and machinery you own. Include the size, working condition, age, and purchase price, if possible, of all vehicles, equipment, and machinery.
- ✓ Identify potential risks to users, such as an uncovered well opening, dead trees near roads or property boundaries, old mine sites, or any unsafe structures.
- ✓ Wildlife populations. If the enterprise depends on wildlife or fisheries resources, you should determine the quantity and quality of the animal populations, both resident and migratory, if appropriate. For resident native species such as white-tailed deer or wild turkey, and for fisheries resources in ponds or lakes, you may have to get a biologist to estimate the initial population status as well as provide information on harvest and potential for hunter success. Migratory populations,

such as waterfowl, may vary greatly from season to season because of suitable habitat availability, migration patterns, and other conditions you can not control. For species such as white-tailed deer, age structure and sex ratio estimations may be important, particularly if you want to manage for trophy quality deer.

After completing the physical inventory, you can evaluate what type of business enterprise might be best suited to your available resource base and will be compatible with other ongoing operations, such as agriculture or forest management operations. There are likely to be some tradeoffs you must consider. You can share the information in the physical inventory with an Extension specialist or other professionals who can help identify advantages or disadvantages when selecting an enterprise. *It is critical to the success of any venture that the available resources can support the proposed enterprises before you try to determine the potential for return.*

## ■ Labor Resources Inventory

An inventory of labor resources will include both management and general labor needs.

- ✓ How many employees will the enterprise require to operate effectively and efficiently?
- ✓ What types of employees are needed?
- ✓ What current labor laws apply to your operation?
- ✓ Will the enterprise require manual labor, such as for landscape maintenance?
- ✓ Will it require customized personal service, such as guided hunts or tours?
- ✓ What about other operational needs like managerial, clerical, and bookkeeping skills?
- ✓ What is the labor supply in the area where the business will operate?
- ✓ What is the competitive rate of pay, including benefits, in the area?
- ✓ What other businesses in the area may compete for the labor supply or your client base?
- ✓ Don't forget to consider and include the value of your time and labor, as well as that of other



family members, if appropriate, who will be involved in operating and managing the enterprise.

### ■ *Financial Resources Inventory*

The financial resources inventory should consider the available capital as well as all outstanding loans for assets identified in the physical resources inventory. You must consider opportunity costs. These costs are identified as revenue you might have received if crops, timber or livestock had been managed for maximum production instead of the new enterprise. You may also have input costs, which might not be the same for the alternative enterprise. You must also assess risks costs. For some alternative enterprises involving access for recreational use, you must think about the additional costs of appropriate liability insurance coverage. The exercise of developing this and other listed resource inventories should create a base of information that will help develop the overall business plan.

## BUSINESS PLAN

An introductory section should explain and describe the type of enterprise you are proposing.

- ✓ Include a summary of why you are considering the enterprise and the history behind the creation of it
- ✓ Develop a mission statement for the enterprise and include it in this section.
- ✓ List clear and concise objectives that can be measured to evaluate the progress and success of the plan.
- ✓ Develop a timetable for accomplishing specific objectives identified.
- ✓ Include general information about the demand for the products, services, or access associated with the enterprise.
- ✓ Include information known about the growth of this type of enterprise statewide and nationally.

## MARKETING PLAN

No one should try to develop a natural resource-based enterprise without first identifying a market. The first part of the marketing plan is the market research.

- ✓ Identify several different possibilities for marketing the enterprise.
- ✓ Visit similar existing enterprises and talk with people in the business. You may even want to visit as a paying guest one of these similar enterprises to get a feel for both sides of the equation, both as an owner and as a guest.
- ✓ Read trade journals associated with the industry.
- ✓ Seek information from university Extension specialists and other agencies that work with the industry you are planning to enter.

Once you have the industry information, you should develop a plan of action to attract customers. Develop a plan to advertise and promote the enterprise. If you want to target people in your local area as clients, your advertising budget may be relatively inexpensive using local newspapers and magazines. However, if you want to attract regional or national clientele, the costs of advertisement will, of course, be higher. Advertising will be most effective once you determine the type of enterprise and have thought about how to describe and illustrate what you are offering potential clientele. What is unique about your enterprise, and what other attractions or amenities are in the area where your enterprise is located that would be of interest to people who would travel to visit your enterprise? Web sites are now a great way to advertise but will require consideration of what you can illustrate and communicate to potential clientele, what you have to offer, and how that information can be shared through a web site. Consider the following:

- ✓ What type of customer will the enterprise target?

- ✓ Will individuals or family units be targeted as primary customers?
- ✓ Is there a certain clientele characteristic unique to this business enterprise?
- ✓ What will the enterprise offer that makes it attractive to clients?
- ✓ Consider the population demographics of the potential clientele in the area.
- ✓ Is the local population base large enough to support the enterprise, and is it likely to be viewed positively or negatively by the local population, including neighbors?
- ✓ Does the enterprise need to focus on a regional or national basis?
- ✓ What other products, services, or activities can be offered clients?
- ✓ The enterprise may need to create package plans with other area businesses that benefit all involved. It may benefit the enterprise to team up with a regional transportation company, local motel, local processing facility, restaurant, or other appropriate businesses in the community.
- ✓ Use state tourism and economic development agencies to help promote the business.
- ✓ Many state agencies (some are listed at the back of this publication) provide assistance that may be of help to your enterprise at low cost or no direct cost.
- ✓ A number of private consultants are available in Mississippi and neighboring states who provide their services for a fee.

Pricing a service or experience offered to the public is critical in the marketing plan. Pricing will be unique to each enterprise. The first step in determining a profitable retail price is determining the total cost to the enterprise. It begins with understanding cost concepts. Total cost can be divided into two parts: variable and fixed costs. Fixed costs include items such as insurance, interest on invest-

ment, property taxes, depreciation of assets, and rent. These costs are referred to as “fixed” because they are set and do not change over a given time period. Variable costs are those direct operating costs that change with the quality of the operation and the quantity of production or services rendered. Variable costs include things like labor, supplies, utilities, marketing, and the range of amenities you provide to your clientele.

The second step is determining the actual price of what to charge for the product, service, or access to the enterprises that will be provided. The cost analysis you conduct will be useful in setting prices. Prices may be determined on “break-even” plus 10 or 20 percent, what similar enterprise competitors prices are, what the market can bear, or other objectives.

## OPERATING PLAN

This section of the business plan details what the enterprise provides.

- ✓ Describe a normal working day for the enterprise.
- ✓ Provide a physical address for the enterprise.
- ✓ Tell where the enterprise is located and the most direct way to get to it.
- ✓ Give a mailing address if different from the physical address.
- ✓ Include telephone and fax numbers.
- ✓ Identify by name, who the contact person(s) will be.
- ✓ Provide by e-mail or web site, if available.

Remember that for most natural resource-based enterprises, and especially those that involve people’s spending extended time at your facilities or on your land, service to the customer is the key to repeat business. Developing your enterprise to provide a quality experience for customers will also be a significant benefit to your marketing success. A good quality experience will create a positive

impression on customers that will encourage repeat business and their personal recommendations to other potential customers. Word-of-mouth advertisement is the best return you can expect on your investment.

## ORGANIZATIONAL PLAN

Based on the inventory list you developed and the previous information on labor availability, develop an organization chart showing the chain of command for operating the enterprise. Describe the duties and responsibilities of each employee. Include resumes for the management team and owners. Be sure to include any special training, experience, or education employees need to have that make them specifically beneficial to the enterprise. Also be sure to consider what employee benefits will be provided.

## FINANCIAL PLAN

The financial plan must consider budgeting of the enterprise. Budgeting is the tool the business manager uses to identify costs. A budget is a plan that helps the manager identify all costs associated with the enterprise, even costs you might otherwise overlook. A budget lets you compare forecasted and actual results of putting the plan to work. A realistic budget that includes the total costs of operating the enterprise will help determine a feasible pricing schedule for the products, services, or access that are to be provided, and it will help determine an appropriate marketing strategy.

The financial plan has four parts: a statement of sources and uses, a profit and loss statement, a cash flow statement, and a balance sheet.

- ✓ The sources and uses statement lists available funds and where they will come from, whether they are owner's funds, investors funds, or if they come from lending agencies. It also lists all the uses for the funds, such as for land, equipment, machinery, blinds, stands, and renovations or inventory. In other words, it includes anything you will purchase for the

enterprise from start-up funds.

- ✓ The profit and loss statement is the estimated income from the enterprise operations and all the related expenses involved in doing business. It must be directly coordinated with the proposed budget. It shows total income less total expenses, of the enterprise, and the bottom line, which is either an income or a loss for a fixed period of time (usually one year).
- ✓ The statement of cash flow is generally developed on a monthly basis, usually for a year, and shows only cash receipts and cash outflows for each month. The statement of cash flow is a tool that helps management and lenders understand how and when cash flows into and out of the enterprise. It can help management identify when funds are needed and how to schedule debt repayment. It is an extremely useful management tool for highly seasonal enterprises.
- ✓ The balance sheet lists enterprise assets, liabilities, and owner equity. It is a snapshot of the health of the enterprise on a given day. It indicates what the enterprise owns and the debt structure of the business.
- ✓ Consult your tax and/or financial planning advisor about your enterprise development plan.
- ✓ Consult with your attorney to be sure he or she understands what your operation is going to do and if there are any legal ramifications you have not considered.

The financial plan helps identify the economic feasibility of the proposed business enterprise and provides the financial tools to better manage the operation.

The following checklist is a good place to start if you are considering starting a business/enterprise in Mississippi:

- ✓ Request a Mississippi Entrepreneur's Tool Kit from the Mississippi Development Authority [www.mississippi.org](http://www.mississippi.org) (601/359-3593), or access it electronically through the Mississippi State University Extension Service web site at [www.msucare.com](http://www.msucare.com).
- ✓ Request a copy of Mississippi Reporting

Requirements for Small Businesses from the Mississippi Development Authority [www.mississippi.org](http://www.mississippi.org) (601/359-3593), or access it electronically through the Mississippi State University Extension Service web site at [www.msucare.com](http://www.msucare.com).

- ✓ Choose a name and logo, if you want one, for the enterprise. To protect the name and logo, complete an Application To Register a Trademark. You can get one of these from the Mississippi Secretary of State (601/359-1633) or online at [www.sos.state.ms.us](http://www.sos.state.ms.us).
- ✓ Decide on the form of business ownership (sole proprietorship, partnership, or corporation). In order to be incorporated, you must file an articles of incorporation with the Mississippi Secretary of State (601/359-1633). Register with the Mississippi Secretary of State if the enterprise is a limited liability company (LLC).
- ✓ Obtain a local business permit or privilege license from city/county officials.
- ✓ Obtain any special licenses and permits some enterprises may require. You may need to meet additional regulations, as well (example: ventures that handle or process food). Contact the Mississippi Secretary of State for information (601/359-1633).
- ✓ Contact the IRS online at [www.irs.ustreas.gov](http://www.irs.ustreas.gov) to obtain a federal employer identification number or EIN (call 800/829-3676 and request FORM SS-4). An EIN is required for all partnerships, corporations, and sole proprietorships with one employee or more.
- ✓ Complete a Mississippi Business Registration Application (FORM 70-001-00-1). You can get one of these from the Mississippi State Tax Commission (601/923-7000) or online at [www.mstc.state.ms.us](http://www.mstc.state.ms.us).
- ✓ Purchase workers' compensation insurance. This is required if you will have five or more employees. [www.mwcc.state.ms.us](http://www.mwcc.state.ms.us)
- ✓ Open a DBA (doing business as) bank account for the enterprise.
- ✓ Check on needed insurance and/or bonding coverage for the enterprise.

- ✓ Write and use a business plan for the enterprise.
- ✓ Secure financing, if needed.
- ✓ Establish prices, fees, and enterprise operation policies.
- ✓ Obtain copies of IRS publication 334 (Tax Guide for Small Business) and IRS publication 533 (Self-Employment Tax). Contact the IRS at 800/829-3676 or electronically at [www.irs.ustreas.gov](http://www.irs.ustreas.gov)
- ✓ Determine record keeping requirements and set up a bookkeeping system.
- ✓ Obtain an answering machine and/or a phone/fax line for business.
- ✓ Obtain business cards, stationery, forms, and such.
- ✓ Do advertising and publicity.
- ✓ Start the enterprise!

You may get additional information for Mississippi business/enterprises through the Mississippi State University Extension Service Food and Fiber Center or Business Briefs web site at [www.msucare.com](http://www.msucare.com)



**msu**cares.com

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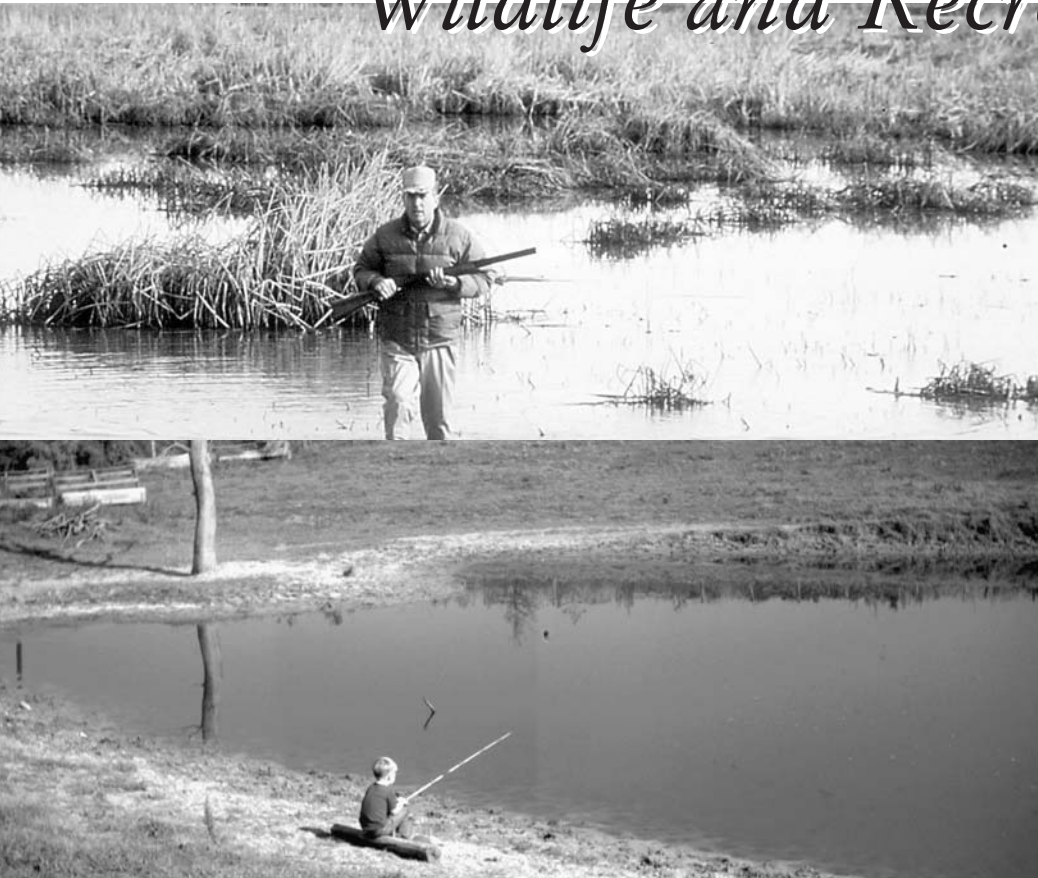
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# NATURAL RESOURCE ENTERPRISES

## *Wildlife and Recreation*



## A CHECKLIST OF CONSIDERATIONS FOR LANDOWNERS

Many private landowners are interested in how to begin a natural resource-based enterprise on their lands. This interest is in response to the general public's increased desire for natural resource-based products from private lands and/or access and use of private lands for recreational use.

According to national surveys, the public is not only interested in obtaining access for products and recreational pursuits, they are willing to pay for this access. As a result, many private landowners are evaluating their potential for providing such products or for offering such activities on their lands. However,

landowners are struggling with some serious land-use management decisions.

This checklist and accompanying explanations should be helpful to landowners in making decisions before they initiate and make investments in such an enterprise. This checklist is not all-inclusive; however, it does discuss some serious issues that should be evaluated before starting any type of natural resource-based enterprise. A sample worksheet is also provided for landowners to use in evaluating individual and family goals and objectives for considering a new natural resource-based enterprise.

## CONSIDERATION CHECKLIST

The first consideration in planning for a natural resource-based enterprise is the development of a NATURAL RESOURCE INVENTORY, *including facilities that are pertinent to the enterprise*. This information is essential in determining the best use of existing resources and facilities. It will be useful in determining the type of enterprise(s) your lands and waters are best suited for, and the various options that can be provided or offered.

### ■ *Natural Resource Inventory*

- ✓ What type of land do you have? Is it predominantly flat, hilly, open, forested, pastureland, currently in agricultural production, etc.?
- ✓ How much of the land acreage is in different types? For example, if your enterprise is hunting leases, how much land is in woodlands that provide quality habitat for deer and turkey, or how much is in wetlands that provide quality habitat for waterfowl?
- ✓ Is this land already owned, or is some of it rented or leased?
- ✓ Do you have an aerial photo or map of the land showing roads, access points, and portions that are fenced? Are property boundaries clearly defined?
- ✓ Is it gated or on a private road?
- ✓ What type of land use is on adjacent/surrounding property owned by neighbors or other ownership, such as corporate, state, or federal owners?
- ✓ Are there ponds, lakes, or streams on your property, and if so, how many, and of what amount? Example: ( 2 lakes, 3 ponds, totaling 50 acres, and  $\frac{3}{4}$  mile of permanent or intermittent streams.)
- ✓ What kind of buildings are on the property? What size are they, and what kind of condition are they in? Can you provide lodging, dining space, cooking and restroom facilities with the existing structures? Are they restorable for use by guests?

- ✓ Do you have some idea of the populations of major wildlife species residing on your lands, and are your ponds and lakes stocked and managed for fishing?
- ✓ Do your long-term objectives for your property and its management include adding and sustaining this natural resource-based enterprise as an integral part of the operation?

### ■ *Compatibility*

- ✓ Does your current use of your land's natural resources for farming, forest management, or livestock grazing lend itself to being used for other purposes?
- ✓ If so, are such other uses compatible with recreational use by paying-clients without conflicts or compromises to the integrity of your major income-producing operation? For example, if your major use of the property is an agricultural operation, can you tolerate a hunting operation during your planting or harvest season without having a conflict in time and resource management?
- ✓ Is your labor force (family or existing employees) sufficient to handle additional work, and will the new enterprise conflict with or complement normal down times in the work load? For example, will someone be available to guide or direct clients to hunting places or provide lodging and food for them, if needed, during the hunting season, or is that a busy time or vacation time for you, your family, and employees?

### ■ *Liability Insurance*

Insurance is a contract where an insurer (insurance company) undertakes to indemnify the insured (person or family owning the insurance) against loss, damage, or liability arising from an unknown or contingent event. The insured pays the insurer a premium for this coverage.

Liability insurance covers loss caused by negligence but not loss caused by a willful act of the insured. Negligence is one of the conditions that can be greatly reduced on most private lands

through risk planning. Anyone who allows public use of their lands for recreational use, whether or not a fee is charged for access and/or use of the property, should consider acquiring sufficient liability insurance coverage. Liability insurance companies generally limit the total liability of the insurance company to a specific sum per occurrence, which may be much less than the liability incurred by the insured, but it does reduce the risk of loss.

If you already have insurance on your property, you can work with your present insurer to see if a rider can be added as a supplement to your existing policy to obtain adequate liability coverage. Others who plan to lease their land to an individual or group may require the lessee(s) to obtain liability insurance as a part of their written lease agreement. There are a number of insurance companies who offer a rider for coverage of public recreational use, or for hunting clubs. If you have questions about the need for liability insurance for the type of natural-resource enterprise you are considering, you may want to consult your attorney.

### ■ *Resource Sustainability*

- ✓ Can you sustain your existing operation and still add some type of recreational access opportunity such as deer hunting?
- ✓ Can you sustain and/or enhance a productive deer population over time that clients are willing to pay for, or will such exploitation on the existing land base be unsustainable given the limited amount of deer habitat?
- ✓ Can you allow a certain number of fishing days on your ponds or lakes and still be able to provide quality fishing in the years to come by limiting use and ensuring maintenance of good harvest records, or will you have to drain and restock periodically?

### ■ *Personal and Family Inventory/Assessment*

After the NATURAL RESOURCE INVENTORY, this assessment may be the most important consideration that should be evaluated:

- ✓ Will you and/or members of your family or employees enjoy dealing with people who will

be using your land and having access to your natural resources?

- ✓ Do your and your family's long-term objectives for ownership require adding an alternative enterprise to your existing operation for increased or more dependable annual income?
- ✓ Do you and/or members of your family or existing employees have some practical experience or knowledge about the type of enterprise you are considering?
- ✓ Are you and your family or employees willing to keep records and manage the business aspects of the new enterprise?
- ✓ Are you and your family willing to take the risks associated with investing in the management and operation of a new enterprise?

### ■ *Other Options for Consideration*

- ✓ Will the enterprise be seasonal or operated year-round?
- ✓ Can the existing natural resources be enhanced to meet the needs and demands of the client base for the enterprise, and can they be sustained for future needs?
- ✓ Will the enterprise offer consumptive use of the resources, such as hunting and fishing, or so-called nonconsumptive uses, such as horse riding, bird watching, or both?
- ✓ Will the enterprise offer primarily land-based activities, water-based, or both?
- ✓ Will the enterprise be compatible with the other existing operation(s)?
- ✓ Can the enterprise be operated with existing resources, or will investments, loans, and additional labor be necessary?

## MARKETING

The considerations listed above should be evaluated and answered before moving forward. To this point, no major investments or risks have been incurred. However, before a decision is made to initiate one or more alternative natural resource-based



enterprises, you must consider the market and client base. Marketing the product, service, or access for recreational use is essential to consider if the enterprise is to be successful.

One way to get some idea of the market for the enterprise is to visit an operation that offers similar kinds of products, services, or recreational access, and talk to the people who manage and operate this business. If you know of trade associations who work with such enterprises, talk to their representatives and review materials they have available that relate to the enterprise you are considering. Attend available educational programs that relate to the type of operation you are considering. Learn as much as possible about such enterprises and their operation and management as you consider whether, in fact, this is an appropriate business for you and your family.

### ■ *Marketing Your Natural Resource-Based Enterprise*

- ✓ Develop a customer/client profile.
- ✓ Do you want to market to corporations or groups?
  - ✓ To individuals or families?
  - ✓ To certain income levels?
  - ✓ To certain age groups?
  - ✓ To the diverse public at large?
  - ✓ To urban clientele or to local people in nearby communities?

### ■ *Location*

- ✓ Is your land near major metropolitan areas or population centers?
- ✓ Are there similar operations nearby that you will be competing with, or are there other types of operations nearby that are complementary and may provide clients for your business?
- ✓ Does your enterprise or some other attraction nearby offer something unique that may be a draw for regional or national clientele?

### ■ *Accessibility*

- ✓ Is your location accessible to clients? For example, is your enterprise on or near a major highway system?
- ✓ Do you have a good road system to access your property and enterprise by automobile, or is it accessible only by 4-wheel truck or all terrain vehicle?
- ✓ Is your enterprise within 60-80 miles of a major airport or even a private airport?
- ✓ Can you provide transportation to your enterprise from the nearest airport for clients who would fly in to visit your operation?

### ■ *Potential Partners and Cooperators*

- ✓ State, regional, and local tourism agencies
- ✓ Trade or industry associations or groups
- ✓ Local and State Chambers of Commerce
- ✓ State and local economic development agencies or groups
- ✓ Nearby tourism businesses/operations
- ✓ Corporate trade or industry publications
- ✓ Youth associations and organizations, such as Boy Scouts, 4-H, or Campfire Girls
- ✓ Senior citizen organizations, such as AARP
- ✓ Community groups, school groups, and others

## PLANNING

Following this thought process of things to consider and do, if the potential looks promising for developing your enterprise, now is the time to develop a written business plan and begin to realistically weigh the pros and cons of the investments (labor and capital) that will be necessary to operate the enterprise. This necessary step will help in weighing the costs of doing business against the potential market demand, and help in determining the feasibility of the enterprise, the time

required to get the business up and running, and the amount of time it will take to make the operation profitable and to become an integral part of your total operation.

### ■ *Business Plan Outline*

- ✓ Introduction and 3- to 5-year plan for the enterprise
- ✓ Organizational plan
- ✓ Marketing plan
- ✓ Operating plan
- ✓ Financial plan, including feasibility perspective
- ✓ Evaluation and monitoring plan

### SUMMARY

Although this checklist of considerations appears to require extensive study before making final decisions about start-up of a new alternative enterprise, it will be in your best interest, as well as your fami-

ly's best interest, to do so. There is no "silver bullet" or "one plan fits all" for initiating a natural resource-based enterprise. Each individual site/location has different capabilities biologically, socially, and economically, just as each landowner is different and has different interests, capabilities, and objectives for developing a natural resource-based enterprise.

Therefore, this checklist should be useful for any individual, family, or group who is thinking about diversifying and initiating a new alternative natural resource-based enterprise, or expanding their existing operation to include such an enterprise.

Once the type of enterprise is determined and a business plan is being developed, another suggestion is to make two lists. First, list the realistic short-term objectives, (1-3 years). Second, list the projected long-term objectives for this enterprise (3-7 years) and be as specific as possible. These lists can be modified as the enterprise moves forward, but should serve as good benchmarks for enterprise evaluation.



Photograph by *Glen "Tink" Smith*

## WORKSHEET: GOALS AND OBJECTIVES FOR SUSTAINABLE NATURAL RESOURCE-BASED ENTERPRISES

1. List the family members and/or employees who are likely to be actively involved in this enterprise, and briefly describe their anticipated roles.
  
  
  
  
  
  
  
  
  
  
2. List the types of sustainable natural resource-based products, activities, services, or access you are considering as an alternative enterprise in order of preference. (hunting or fishing lease, permit hunting or fee fishing, horse trail riding or other equestrian activities, guide services, bird or wildlife watching tours, group canoe trips, off-road vehicle trails, specialty crops, such as pine straw, mushroom, or ginseng production)
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
  
3. If you already have an agricultural or forestry operation as your primary business, what are your short- and long-term goals for the existing operation of the next 1-3 and 3-7 years? Check one or more of the following goals as appropriate:
  - Maintain at about the same level as in the past.
  - Expand. Describe how \_\_\_\_\_  
\_\_\_\_\_
  - Cut back on specific parts. Explain \_\_\_\_\_
  - Quit altogether
  - Other \_\_\_\_\_

4. How compatible do you think a new sustainable natural resource-based enterprise will be with whatever goals you listed above for your existing operation?

Very compatible - explain \_\_\_\_\_

Likely to require tradeoffs, identify \_\_\_\_\_

Not compatible, explain \_\_\_\_\_

5. What role will this new enterprise play in the next 1 to 3 years in terms of annual income and employment? Check one or more of the following:

Provide supplementary income to existing operation, or off-farm income

Replace part of your existing operation

Completely replace existing operation and off-farm income

Other roles/tradeoffs

6. After the new enterprise is established, what amount of family living income would you like the following sources to contribute annually? (present dollars)

Current farm or forestry operation \_\_\_\_\_

New enterprise \_\_\_\_\_

Off-farm employment \_\_\_\_\_

Other \_\_\_\_\_

Total \_\_\_\_\_

7. What special features do you and your family desire and/or expect the new enterprise to provide? (Level of risk, labor requirements, seasonality, use of special skills or resources, total management and use, sustainability of the integrated operation, etc.)



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