

THE BUSINESS OF AGRITOURISM/RECREATION IN MONTANA

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Research Report 50

July 1997

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Missoula, MT

EXECUTIVE SUMMARY

The population surveyed was compiled from three sources: rosters from Travel Montana/MSU Extension farm/ranch recreation business workshops, farmers/ranchers listed in Travel Montana's Vacation Planner who did not attend the workshops, and members of the Montana Ranch Vacation Association. A total of 707 surveys were mailed, and 292 were returned for a 41.3% response rate.

The following profile of farm/ranch recreation businesses was conceptualized:

- Most farmers/ranchers involved in a recreation business had been in agriculture for over 30 years.
- Many respondents owned and operated in excess of 3000 acres, and many leased over 3000 acres. In general, the respondents had large agriculture operations.
- On average, 41% of respondents' income was from livestock production.
- Recreation accounted for approximately 16% of total income on average.
- A working farm/ranch and guiding/outfitting were the two most frequent recreation businesses currently operated while guest house/cabin rental and working farm/ranch were the recreation businesses most likely to be started or expanded in the next 5 years.
- The ten most popular activities among guests/users included horseback riding, guided hunting, family-style meals, unguided hunting, cattle drives/riding herd, watching wildlife, unguided fishing, hiking/nature walks, cook-outs, and guided fishing.
- New activities planned to be offered within 5 years included watching wildlife, horseback riding, family-style meals, hiking/nature walks, wagon/sleigh rides, unguided fishing, cook-outs, history programs/tours, ranch chores, and cattle drives/riding herd.
- "Additional income" was the most important reason for operating a recreation business.
- "Regulations and rules/legal constraints" was the obstacle rated as most restrictive.
- Most employment opportunities were seasonal in nature.
- On average, the majority of visitors came from the eastern 1/3 of the US.
- Word of mouth seemed to be the most effective way in which first-time guests initially learn about these vacation opportunities.
- Workshop topics desired by respondents included industry update/what others are doing, legal considerations, pricing, and advertising.

ACKNOWLEDGMENTS

The authors would like to thank Ramona Holt, Smoke Elser, Kelly Flynn, Clint Blackwood, Dave Sharpe and Alan Baquet for their invaluable input in preparing the questionnaire.

Also thanks to ITRR staff for their editorial assistance and expertise in preparing this manuscript.

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INTRODUCTION

A relatively recent trend in the tourism industry is the partnership with recreation and agriculture. Also termed “country hospitality” or “agritourism”, vacationers can become active participants in the day-to-day happenings of farm/ranch life. For example, a guest can milk a cow, drive cattle across the prairie, or simply hunt and fish in the woods. Such experiences offer rest and relaxation, enjoyment of wide open spaces, and an opportunity for people outside agriculture to learn about a different way of life.

A means of economic diversification for agriculture producers, agritourism offers benefits such as additional income and employment for family members. (There are social benefits as well, including meeting people from different cultures and walks of life.) However, agritourism is not a “quick fix” or a “get rich quick” scheme. Resources must be allocated if the recreation business is to be successful.

In response to the increased interest in country hospitality in Montana, Travel Montana (the state’s travel promotion entity) and Montana State University Extension began conducting farm/ranch recreation business workshops in 1993. The workshops, held at various locations throughout Montana, were designed to introduce farmers and ranchers to agritourism and recreation businesses.

There are approximately 22,000 farms and ranches in Montana. In an effort to find out more about farm/ranch recreation businesses, the Institute for Tourism and Recreation Research commissioned Montana Agricultural Statistics (MAS) to add six recreation business questions to their annual agricultural survey. From October 1, 1996 to January 15, 1997, data was collected through telephone interviews and mailed questionnaires. Approximately 16,000 farmers/ranchers were randomly selected to participate in the MAS study. Half of the participants were contacted by telephone and half by mail. A response rate of 47% was obtained. The following data were obtained:

- Approximate number of farms/ranches in Montana 22,000
- Familiarity with farm & ranch workshops or Governor's Conference on Tourism 5,940 (27%)
- Farmers/ranchers who have attended workshops or Governor's Conference on Tourism 2,200 (10%)
- Farms/ranches operating any form of recreation business 1,100 (5%)
- Farms/ranches anticipating operating some form of recreation business in the next 5 years 1,540 (7% more)
- Anticipated number of farms/ranches operating some form of recreation business by the year 2001 2,640 (12% of total MT farms/ranches)

The Montana Agriculture Statistics study also asked what types of farm/ranch recreation businesses are currently operated and which are anticipated to open in the next 5 years. (See Table 1.) According to these findings, most farmers/ranchers in Montana currently operate fee hunting and fishing opportunities.

Table 1

Farm/Ranch Recreation Business Types (Montana Agricultural Statistics Survey)

	# Operating in Montana, 1996		# to Be Added in 5 Years		Total # Anticipated by 2001	
Fee for hunting/fishing	418	38%	585	38%	1003	40%
Guiding/outfitting	231	21%	200	13%	431	17%
Other (e.g., horseback riding, rodeos, block management, rental housing)	209	19%	200	13%	409	16%
Dude/guest ranch	77	7%	123	8%	200	8%
Working ranch/farm	55	5%	139	9%	194	8%
Cattle/wagon drives	44	4%	31	2%	75	3%
Bed & Breakfast	44	4%	123	8%	167	7%
Tours	11	1%	13	3%	24	1%
Don't know	3	1%	29	6%	32	1%
Totals	1,092	100%	1,443	100%	2,535	100%*

* 105 participants did not complete this part of the survey.

The diversity of recreation businesses is great, ranging from fees for hunting and fishing to Bed and Breakfast inns to full-service guest ranches. To further understand the farm/ranch recreation businesses, the Institute for Tourism and Recreation Research conducted a survey of Montana farms and ranches. The purpose of this investigation was to gain a better understanding of this rapidly growing segment of Montana's tourism industry.



METHODOLOGY

A mail-back survey was the methodology for this investigation. Three rounds of mailings were sent. The first round was surveys. The second round was a reminder postcard mailed to every respondent one week following the first round mailing. The third round was surveys sent only to non-respondents. The third round was mailed two weeks after the postcards were sent. This method (i.e., mailing three rounds) is a proven method for conducting survey research and is very much a standard type of methodology.

A non-response bias check was not conducted.

Sample

The population surveyed was compiled from three sources: rosters from Travel Montana/MSU Extension farm/ranch recreation business workshops, farmers/ranchers listed in Travel Montana's Vacation Planner who did not attend the workshops, and members of the Montana Ranch Vacation Association. A total of 707 surveys were mailed.

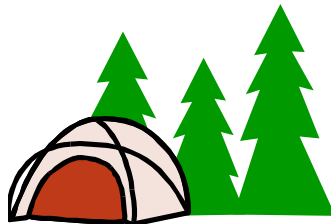
Due to the nature of these sources, two things can be conclusively said about this population: either the prospective respondent is currently involved in a recreation business or has considered the option for his/her farm/ranch operation.

(Please note: This population is different than the population for the Montana Agriculture Statistics study. Montana Agriculture Statistics surveyed a random sample of all farmers/ranchers in Montana. The population for this study only includes farmers/ranchers from the aforementioned groups.)

Problem Statements

The purpose of this study was to gain a better understanding of the diversity of farm and ranch recreation businesses in Montana. Several problem statements guided the scope of this investigation:

- What recreation businesses are currently operated, and what recreation businesses are being planned in the next five years?
- What activities do these farms/ranches currently offer and which are planned?
- Why do farmers/ranchers operate recreation businesses?
- What obstacles do farmers/ranchers see in terms of operating a recreation business?
- What workshops would be most helpful to farmers/ranchers in starting and/or operating their recreation businesses?



RESULTS

Two hundred ninety-two (292) useable surveys were returned from the 707 mailed (41.3% response rate).

Farm/Ranch Agricultural Demographic Information

Each operation was classified as a farm, ranch, both, or neither. A majority of operations were classified as ranches (51.1%). The least frequent classification was farms (6.1%). (See Figure 1.)

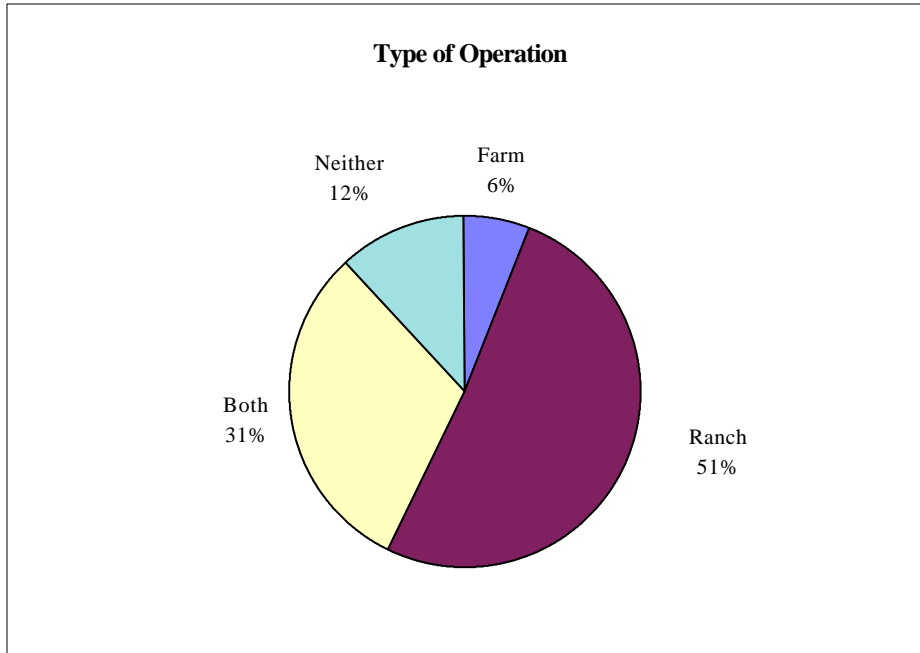
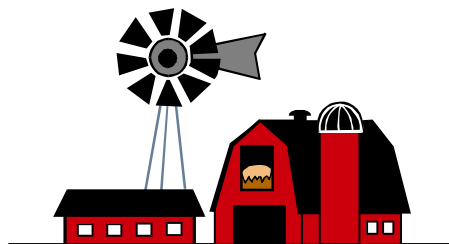


Figure 1. Type of Operation

The average number of years that respondents were in the agriculture business was 31.5 years. This average does not include indefinite responses. For example, ten respondents had been in agriculture “all my life” or “lifetime”, four respondents stated “four generations”, one stated “seven generations”, and another stated “several generations”. In an effort to include such responses, categories were developed. (The aforementioned indefinite responses were included in the "over 30 years" category.)

Categorically speaking, a majority of respondents were in agriculture over 30 years. In all cases, as the number of years in agriculture increased, the frequency of respondents increased. (See Figure 2.)



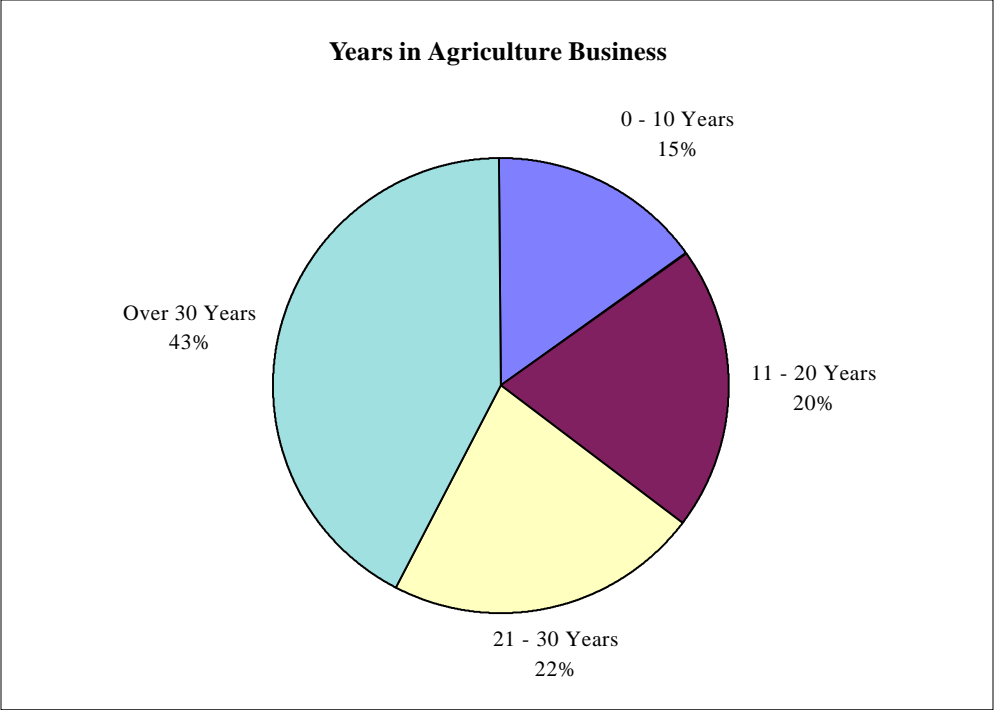
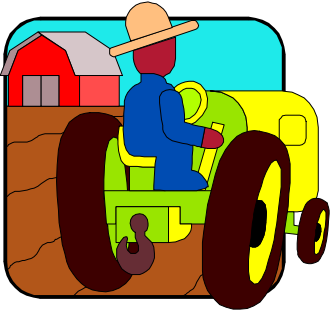


Figure 2. Number of Years In Agriculture

Two types of data regarding the size of the farm/ranch operation were collected: number of acres owned and operated and the number of acres leased from public/private entities. The majority of respondents owned and operated over 3000 acres. Regarding leased property, the majority leased no land, but this was closely followed by those leasing over 3000 acres. Overall, respondents seemed to have very large operations. (See Figure 3.)



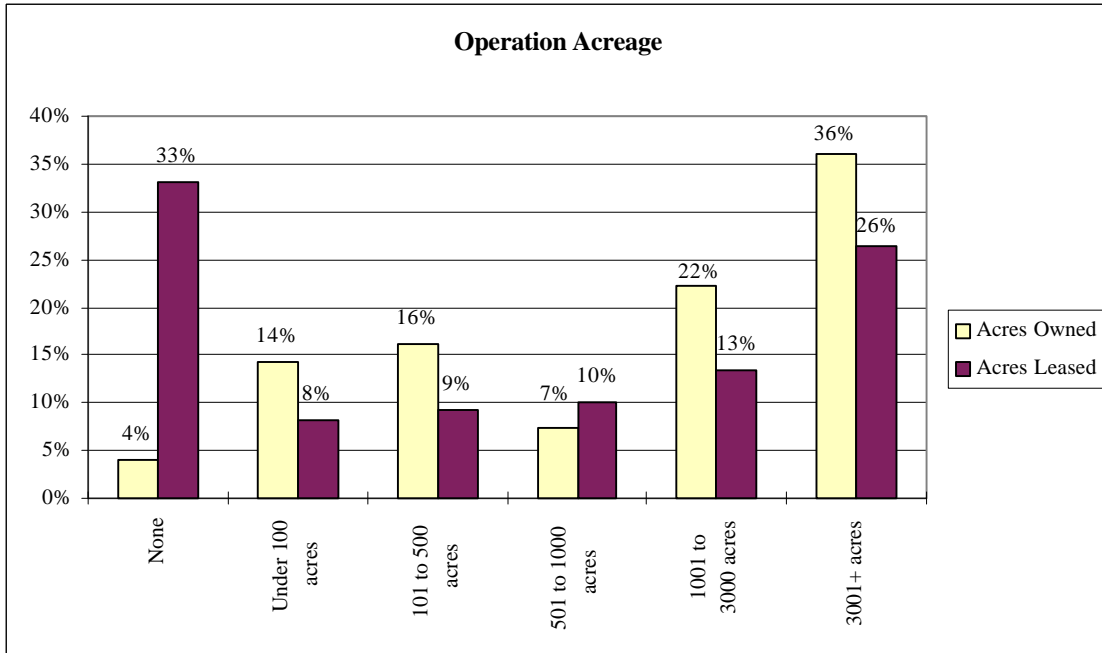


Figure 3. Operation Acreage

Percentages of gross annual household income were allocated to different agricultural enterprises. Table 2 indicates average income allocations. Livestock production constituted the majority of income for these respondents. However, off-farm/ranch income comprised a high amount of income. (See Table 2.)

Table 2

Income Percentage Allocations by Enterprise

Enterprise	Average
Livestock production	41%
Off-farm/ranch income	20%
Recreation	16%
Crop production	15%
Other *	4%
Animal boarding/grazing leases	2%
Extractive activities	2%
Land/house leasing	1%
Water rights	0%

* See Appendix A for a list of “other” income sources.

Table 3 shows the distribution of income allocations by enterprise. Each enterprise should be examined separately by column. For example, the first column of the table shows the distribution of income from livestock production for all respondents. To interpret the table, 25% of all respondents indicated no income from livestock production, 19% made 1-25% of their income from livestock production, 15% made 76-99% of their income from livestock production, and 7% made all of their income from livestock production.

Table 3

Distribution of Percentage Allocations of Income

% Income	Livestock Production	Off-farm/ ranch Income	Recreation	Crop Production	Other	Animal boarding/ grazing	Extractive activities	Land/ house leasing
0%	25%	57%	54%	58%	90%	87%	91%	88%
1-25%	19%	18%	26%	19%	5%	12%	8%	11%
26-50%	19%	9%	8%	16%	1%	1%	<1%	1%
51-75%	14%	4%	4%	3%	2%	0%	<1%	0%
76-99%	15%	10%	4%	3%	1%	0%	0%	0%
100%	7%	3%	5%	1%	1%	<1%	<1%	0%
Totals	100%	100%	100%	100%	100%	100%	100%	100%

Farm/Ranch Recreation Business Data

Almost two-thirds of respondents currently operate some form of recreation business. (See Table 4.)

Table 4

Operate a Recreation Business

Current Status	Frequency	%
Currently operate a recreation business	185	63%
Don't currently operate but plan to	52	18%
Don't currently operate and don't plan to	46	16%
Unknown/can't be determined	9	3%
Totals	292	100%

Among the farmers/ranchers who currently operate a recreation business, the average number of years that the farm/ranch has been in recreation business(es) was 14.5. (The range was from 0 to 85 years.)

Respondents identified all recreation businesses currently operated and all recreation businesses planned to start or expand in the next 5 years. Respondents could check all that applied. (Therefore, the sum of percentages exceeds 100%.) Currently, working farm/ranch vacations are offered most by respondents followed by guiding/outfitting. However, guest house/cabin rental is the recreation business more farms/ranches will be expanding or starting in the next 5 years, followed by a working ranch/farm and fee hunting/fishing. (See Table 5.)

(Please note: Working farm/ranch may be high due to a lack of definition provided on the survey. Although the question asked which *recreation businesses* are currently operated, the researchers feel that respondents may have interpreted “working farm/ranch” on the questionnaire to be a “true working farm/ranch” and not a “recreation working farm/ranch”.)

Table 5

Type of Recreation Business Operated/Planned *

Type of Business	Currently Operate		Expand/Start in Next 5 Years	
	Frequency	%	Frequency	%
None	105	37%	133	49%
Working ranch/farm	99	34%	35	13%
Guiding/outfitting	71	25%	18	7%
Fee hunting/fishing	65	23%	32	12%
Dude/guest ranch	59	21%	27	10%
Guest house/cabin rental	54	19%	55	20%
Other equine activities	36	13%	21	8%
Bed & Breakfast	30	10%	30	11%
FWP Block Management	28	10%	18	7%
Other **	25	9%	26	10%
Cattle/wagon drives	21	7%	18	7%
Campground	12	4%	14	5%
Rodeo	4	1%	5	2%

* Respondents could check all that applied.

** See Appendix A for a list of “other” recreation businesses.

Farmers/ranchers identified the one recreation business considered their primary recreation business. (This was answered only by those farmers/ranchers who currently operate a recreation business.) Guiding/outfitting led the list, followed closely by dude/guest ranches. No respondent identified rodeo as the primary recreation business. (See Table 6.)

Table 6

Primary Recreation Business

Primary Recreation Business	Frequency	%
Guiding/outfitting	35	22%
Dude/guest ranch	28	18%
Fee hunting/fishing	22	14%
Working ranch/farm	16	10%
Guest house/cabin rental	14	9%
FWP Block Management	9	6%
Bed & Breakfast	9	6%
Other	9	6%
Other equine activities	6	4%
Multiple responses	5	3%
Cattle/wagon drives	3	2%
Campground	1	<1%
Totals	157	100%



Another question asked the respondent to describe how popular their activities are with guests/users. A Likert-type scale was used with 1 = not popular and 5 = very popular.

“Other” activities topped the list of popular activities. (See Table 7.) This could mean that respondents offering “other” activities have found such activities to be a niche. Examples of “other” activities included border collie training, farm petting animals, quilting/gardening/canning, and varmint hunting. (A complete list of “other” activities can be found in Appendix A.)

Table 7**Popularity of Activities Offered**

Activity	# of Respondents Offering This Activity	Average Popularity Rating*	Most Frequent Rating
Other activities **	20	4.80	5
Horseback riding	93	4.66	5
Guided hunting	81	4.46	5
Family-style meals	98	4.24	5
Unguided hunting	75	4.24	5
Cattle drives/riding herd	54	4.07	5
Watching wildlife	134	4.02	5
Unguided fishing	89	3.96	5
Hiking/nature walks	110	3.85	4
Cook-outs	80	3.83	5
Guided fishing	65	3.75	5
River float trips	34	3.71	3
Horseback riding lessons	69	3.68	3, 5
Pack-trips	52	3.63	5
Rafting/canoeing	31	3.52	5
History programs/tours	76	3.47	3
Wagon/sleigh rides	41	3.41	5
Camping	64	3.38	5
Children's programs	47	3.34	3
Skeet shooting	14	3.21	3
Photo safari	66	3.20	3
Ranch chores	76	3.11	3
Rodeo activities	24	3.08	3
Cross-country skiing	31	3.06	3
Mountain biking	36	2.83	3
Swimming	47	2.66	3
Tennis	5	2.40	1, 3
Gold panning	21	2.33	2

* Ratings: 1 = not popular to 5 = very popular

** See Appendix A for a list of "other" activities.

Some respondents indicated new activities planned for the future. Of the 285 respondents, 101 planned to offer at least one new activity. Since respondents could indicate more than one new activity planned, the sum of the percentages exceeded 100%. (See Table 8.)

Table 8

New Activities Planned

Activity	Frequency	% *
Watching wildlife	31	31%
Horseback riding	31	31%
Family-style meals	30	30%
Hiking/nature walks	29	29%
Wagon/sleigh rides	29	29%
Unguided fishing	27	27%
Cook-outs	26	26%
History programs/tours	24	24%
Ranch chores	23	23%
Cattle drives/riding herd	22	22%
Photo safari	19	19%
Camping	18	18%
Unguided hunting	16	16%
Children's programs	15	15%
Horseback riding lessons	14	14%
Cross-country skiing	11	11%
Pack-trips	10	10%
Rodeo activities	9	9%
Mountain biking	9	9%
Guided hunting	9	9%
Skeet shooting	8	8%
Rafting/canoeing	7	7%
Swimming	7	7%
Guided fishing	7	7%
Gold panning	5	5%
River float trips	6	6%
Other activities**	5	5%
Tennis	2	2%

* Based on 101 respondents answering this question.

** See Appendix A for a list of "other" activities.

Various reasons for operating a recreation business were rated according to level of importance. A Likert-type scale was used with 1 = not at all important and 5 = most important. “Additional income” topped the list of reasons for operating a recreation business. The next three highest-ranked reasons were to fully utilize resources, fluctuations in agriculture income, and employment for family members. (See Table 9.)

Table 9

Reasons for Operating Recreation Businesses

Reason	Average Importance Rating*	Most Frequent Rating
Additional income	4.41	5
To fully utilize our resources	3.87	5
Fluctuations in agriculture income	3.65	5
Employment for family members	3.00	**
It’s an interest/hobby of ours	2.97	3
Companionship with guests/users	2.95	3
To educate the consumer	2.90	3
To meet a need in the recreation/vacation market	2.78	3
Other farm/ranch rec business successes	2.45	1
Tax incentives	1.82	1
Losing government agriculture programs	1.68	1

* Ratings: 1 = not at all important to 5 = most important

** Ratings were evenly distributed across all 5 importance levels.

Besides reasons for operating a recreation business, respondents rated how restrictive certain obstacles were in terms of operating a recreation business. A Likert-type scale was used with 1 = not restrictive to 5 = very restrictive.

Regulations and rules/legal constraints led the list as being most restrictive. Lack of financial assistance/resources was also rated as very restrictive. (See Table 10.)

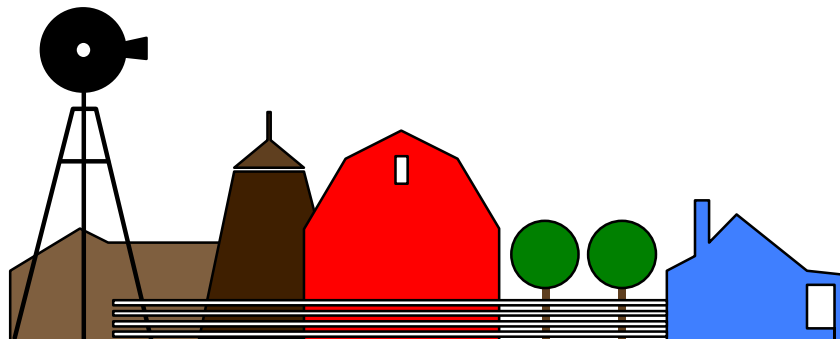


Table 10**Obstacles to Recreation Business Operation**

Obstacle	Average Restrictive Rating*	Most Frequent Rating
Regulations & rules/legal constraints	3.85	5
Lack of financial assistance/resources	3.44	5
Lack of time	3.29	3
Lack of personnel	2.81	3
Excessive taxation	2.80	**
Lack of recreation business knowledge	2.78	3
Lack of information (i.e., forecasts, etc.)	2.41	1
Lack of family and/or public support	2.29	1
High rate of inflation	2.28	1
Lack of social networks	2.26	1

* Ratings: 1 = not restrictive to 5 = very restrictive

** Ratings were evenly distributed across all 5 restrictive levels.

Most farmers/ranchers did not employ large numbers of workers for recreation businesses. Most employment opportunities were seasonal in nature. The highest number of employees were hired full-time seasonally. (See Table 11.)

Table 11**Average Number of Employees for Farm/Ranch Recreation Businesses**

Type of Employee	Average
Full-time, year-round	1.5
Part-time, year-round	0.5
Full-time, seasonal	4.2
Part-time, seasonal	2.4

Table 12 details the distribution of employees in farm/ranch recreation businesses. It is least likely that farmers/ranchers will hire part-time year-round employees for their recreation businesses (75% do not hire any). On the other hand, 58% of the farmers/ranchers will hire one or more part-time seasonal worker (13% + 19% + 7% + 4% + 8% + 7% = 58%).

Table 12

Distribution of Employees for Farm/Ranch Recreation Businesses

# of Employees	Full-time, Year-round	Part-time, year-round	Full-time, seasonal	Part-time, seasonal
0	48%	75%	46%	42%
1	16%	14%	8%	13%
2	16%	8%	12%	19%
3	8%	1%	10%	7%
4	5%	0%	2%	4%
5	2%	1%	3%	8%
6 or more	5%	1%	19%	7%
Total	100%	100%	100%	100%



Farm/Ranch Recreation Business Marketing Information

The average percent of guests/users who are repeat customers in a typical year was 45.3%. (The range was from 0% to 100%.)

The largest percent of guests/users were from the eastern 1/3 of the United States. Just 5% of visitors originated in Europe. (See Figure 4.)

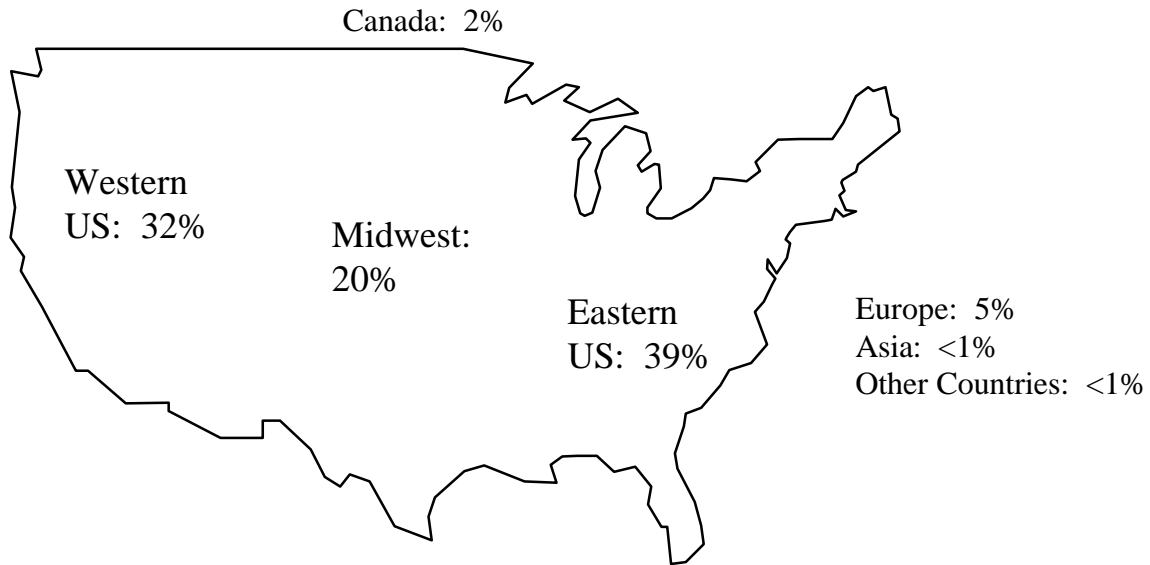


Figure 4. Origin of Farm/Ranch Vacation Guests

Farmers/ranchers identified how first-time guests initially learned about their recreation business(es). Respondents could check all that applied. Family/friends/acquaintances of past guests led the list followed closely by family/friends/acquaintances of the farmers/ranchers. This would indicate that word of mouth is still very important in attracting visitors. (See Table 13.)

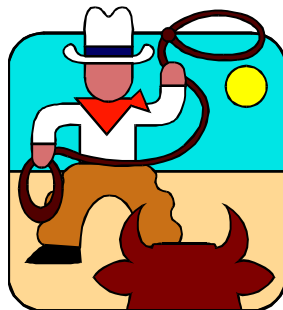


Table 13**Method of Learning***

Method	Frequency	%
Family/friends/acquaintances of past guests	121	78%
Family/friends/acquaintances of farmer/rancher	86	56%
Montana Travel Planner	73	48%
Magazine or newspaper article	59	38%
Chambers of Commerce	51	33%
Books (travel/guide books)	48	31%
Internet	48	31%
Other **	48	31%
Travel agent	32	21%

* Respondents could check all that applied.

** See Appendix A for other methods of learning.

When asked which *one* method appeared to be most effective, respondents indicated past guests' family, friends and acquaintances. With respect to the table item "multiple responses", 20 respondents chose more than one most effective method. Those 20 responses were not allocated to any other method. (See Table 14.)

Table 14**Most Effective Method of Learning**

Method	Frequency	%
Family/friends/acquaintances of past guests	47	40%
Multiple responses	20	17%
Montana Travel Planner	15	13%
Your family/friends/acquaintances	9	8%
Magazine or newspaper article	9	8%
Chambers of Commerce	6	5%
Books (travel/guide books)	5	4%
Travel agent	3	3%
Internet	3	3%

Two hundred twenty-six respondents (81.6%) had attended at least one Travel Montana/MSU Extension farm/ranch recreation business workshop. Respondents indicated which, if any, topics would be most valuable for possible future workshops. (Respondents could indicate all topics of interest. Therefore, the sum of the percentages exceeds 100%.)

“Industry update/what others are doing” was the top workshop topic selected by respondents. “Legal considerations” was a close second. (See Table 15.)

Table 15

Workshop Topic Areas*

Topic	Frequency	%
Industry update/what others are doing	142	53%
Legal considerations	139	52%
Pricing	134	50%
Advertising	130	49%
Insurance	111	42%
Marketing/market studies	110	41%
Tax considerations	90	34%
Filling off-season times	88	33%
Financing	81	31%
Facility appearance/design	71	27%
Writing a business plan	61	23%
Food preparation	61	23%
Setting up a business	61	23%
Communication skills	58	22%
Personnel management	53	20%
Accounting/bookkeeping	48	18%
Conflict management	41	15%
None/not interested	30	11%
Other **	21	8%

* Respondents could check all that applied.

** See Appendix A for a list of the “other” workshop topics.

DISCUSSION

Many connections can be made amongst the data.

Reasons for Operating Recreation Businesses

The most important reasons for operating a recreation business were (1) additional income, (2) fully utilize our resources, (3) fluctuations in agriculture income, and (4) employment for family members.

- The highest-rated reason for operating recreation business(es) was additional income. Most respondents (75%) relied, in some way, on livestock production for income. Beef prices have been very low in recent years; therefore, recreation may offer an avenue to boost income.
- Most respondents had large operations. Many owned and operated in excess of 3000 acres, and many leased over 3000 acres. The second-highest-rated reason for operating a recreation business was to fully utilize resources. The connection seems to be that large operations are trying to fully utilize that which is already available.
- Again, three-fourths of respondents relied, in some way, on livestock production for income. On average, 41% of respondents' income was generated through livestock production. Livestock prices are very susceptible to market fluctuations. (For example, the beef industry, in particular, has suffered recently from health concerns about red meat.) The third-highest-rated reason for operating a recreation business was fluctuations in agriculture income. Diversifying into recreation may help offset fluctuations in agriculture product markets.
- The largest percent of respondents had been in agriculture over 30 years (43%). According to Alan Baquet of Montana State University Extension, many farms/ranches in Montana are family operations, often passed down through several generations. This could explain why employment for family members rated reasonably high as a reason for operating recreation business(es). Operating a recreation business may provide extra income and employment for family members that will allow families to retain the farm/ranch.
- The loss of government agriculture programs seemed to be the least important reason for operating a recreation business. According to Alan Baquet, Montana State University Extension, most government agriculture programs are directed toward crop producers. On average, only 15% of respondents' income was generated from crop production. (This population is composed primarily of livestock producers.) This could explain why the loss of government agriculture programs ranked so low.

Obstacles to Recreation Business Operation

Obstacles to operating a recreation business provide insight into farmers'/ranchers' concerns. The obstacles rated as most restrictive included (1) regulations and rules/legal constraints, (2) lack of financial assistance/resources, (3) lack of time, and (4) lack of personnel. Some of these concerns can be addressed by policymakers.

- The highest-rated obstacle was regulations and rules/legal constraints. The second-highest-rated workshop topic was legal considerations. Farmers/ranchers *perceive* that rules and regulations are very restrictive, and respondents want more information on this topic. Lawmakers could modify regulations and rules to make operating a recreation business easier and more efficient.
- The second-highest-rated obstacle was lack of financial assistance/resources. In order to increase development of these tourism businesses, more financing opportunities should be available. These opportunities could be through financial institutions or through government programs (possibly United States Department of Agriculture, Small Business Administration, or Farmers Home Administration).
- Policymakers have no control over lack of time (the third-highest-rated obstacle).
- Lack of personnel (fourth-highest-rated obstacle) can be addressed. Most farm/ranch employment opportunities were seasonal in nature. College students (especially those coming back to the area for the summer and having a background in agriculture) could fill the void. Farmers/ranchers could make contacts with placement offices or faculty members at Montana educational institutions (universities, technical colleges, community colleges). Students are usually looking for summer employment (especially full-time), and the seasonal nature of these jobs makes them especially attractive to students.

Popularity of Activities and New Activities Planned

Many new activities planned for addition were rated as very popular by respondents currently offering these activities. For example, of the top 10 new activities planned (watching wildlife, horseback riding, family- style meals, hiking/nature walks, wagon/sleigh rides, unguided fishing, cook-outs, history programs/tours, ranch chores, and cattle drives/riding herd), eight of them were rated in the top 10 as most popular activities.

This could be interpreted in two ways. On one hand, respondents are prudently adding activities that are popular with guests. On the other hand, eventually the market could become saturated if too many similar opportunities exist. However, the latter interpretation could be further argued. Farm/ranch vacations are very unique experiences. Guests' experiences vary based on location differences and farm/ranch personnel. For example, experiences of farm/ranch guests would seem more dependent on the personalities of the farmers/ranchers than would the experiences of guests in other vacation markets (e.g., attractions, hotels, etc.). The relationship established between the farmer/rancher and his/her guest would seemingly be more intense and intimate since it is more one-on-one. Establishing a good rapport early in the vacation/experience would be very important.

Visitor Origin

- Most visitors (39%) originated in the eastern 1/3 of the US. This would seem sensible. As large metropolitan areas grow at increasing rates, eastern residents may yearn for wide-open spaces and a relaxed pace (two qualities of Montana farm/ranch vacations).

- The same explanation may also apply to the 32% of visitors from the western 1/3 of the US. Metropolitan areas in the Pacific coast region and the Southwest also continue to grow at increasing rates.
- Wide open space may not be the only reason that 20% of the visitors come from the Midwest, but “The Wild West” may be the draw. Even though the Midwest thrives on agriculture, Midwest farmers rely more on crop production more than cattle production. Therefore, Montana, with its mountainous terrain, open rangeland, and cattle production, still has a lure for Midwesterners.
- Just 5% of visitors originated in Europe. A possible explanation is that Europeans have been involved in agritourism for many years. The farms/ranches in Europe may capture their own market. However, “The Wild West” quality could be a good marketing tool.

Guests’ Method of Learning

The data suggest that, even in our world of high technology, word of mouth was the most effective way of attracting new guests: guests’ family/friends/acquaintances and family/friends/acquaintances of the farmer/rancher were mentioned most often. However, other avenues tended to be effective.

- The Montana Travel Planner seemed to be effective. Several comments from respondents (See Appendix B) indicated satisfaction regarding this publication.
- Interestingly, 31% of respondents indicated that the Internet had been a method of guests’ learning about the farm/ranch vacation. In general, Internet users are from a higher socioeconomic status since access depends on computers. Farm/ranch vacations are “high-end” resorts attracting “high-end” clientele. With the exponential growth in the Internet and Internet usage, this marketing opportunity may become even more important in years to come.

SUMMARY

The farm and ranch recreation business in Montana is a growing industry. While the majority of farmers/ranchers are interested in fees for hunting and fishing as well as guiding and outfitting, there is an increasing number of ranchers interested in expanding into the dude ranch and working cattle ranch business.

Diversifying into the farm/ranch recreation business provides the agricultural industry with additional income when prices for cattle and crops are in flux and allows owners of large acreage to fully utilize what is already at their fingertips. It is probably one of the best marriages in terms of market demand. With growing populations in Urban America, there is a need for open space, a relaxed atmosphere, and a different way of life (even if it is just a one-week vacation). The farmer/rancher can provide these opportunities simply because the resources are there.

Montana, with a promise of "Big Sky" and open space, is an ideal setting for farm/ranch recreation. Whether providing vacation goers with a ranch life-style or a resident with a place to hunt, the farm/ranch recreation business helps maintain the Montana quality of life by keeping the land as is and not succumbing to housing developments.

Appendix A “Other” Responses

“Other” Recreation Businesses Currently Operated

Boat and Canoe Trips on Wild and Scenic Missouri River

Buffalo/Elk

Carriage Service

Cave Tours

Children’s Summer Day Camp

Day Rides

Entertainment On Local Ranches Bed And Breakfasts

Game Farming

Golf Course

Gopher Hunting

Horse Rides/Overnight Campout

Lease Hunting

Leasing Private Ranches

Marketing And Advertising

Pet Vacation Service

RV Park

Ski Area

Small Corporation Retreats

Transportation

Tree Farm

Wagon and Carriage rides

Wedding Chapel

Winter Activities

“Other” Recreation Businesses to Start or Expand in Next 5 Years

Boarding Animals

Carriage Service

College Classes at Site

Conservation Easement

Cross-country Ski Facility, Weddings, Family Reunions

Eating/Dining

Entertainment Centers (Outside Montana)

Float Trips (Barbecue)

Game Farming

Groups

Hayrides (Cookouts)

Historical Tours of Sweetgrass Hills Area

Hunting Lease

Ministry Related Experiences

Overnight Camping

Possible Facilities for Retreat - Spiritual Programs

Possible Snowmobile Trials

Recreation Lease

Rent Ride Places to Other Dude Ranches

River Float Trips

Start Horse Trolley and Historic Tours in 1997 at Deer Lodge

Stock Dog Demonstrations, Spinning, Weaving

Weddings at “Other” Locations

“Other” Activities Offered

Bed and Breakfast

Border Collie Training

Children’s Day Camp Instruction, Equine Training, Boarding, Lessons

Downhill Skiing

Downhill Skiing, ATV, Snowmobiling

Driving Horses

Farm Petting Animals

Golf

Hunting, Fishing, FWP Block Management

Lodging at Ranches

Park Tours

Pet/Livestock Vacation Service

Picking Out Christmas Trees

Pleasure Trail Riding

Privacy/Meeting Space

Quilting, Gardening, Canning

Relaxing

Retreat Center

Saphire Mining

Snowmobiling

Snowmobiling

Square Dancing

Trail Riding

Varmint Hunting

Varmint Hunting

“Other” Workshop Topic Areas

Government

- * County and state requirements for food preparation
- * From what i can tell, guiding is a “restrictive club”, difficult to join, which encourages illegality and discourages honest, law abiding “would be’s”.
- * Government day use
- * Health regulations for recreation sites
- * Legislation to limit regulations and multiple licensing procedures
- * Rules, regulations, bureaucratic paperwork and fees
- * Setting up corporation
- * State and federal over-regulation

Customer Service

- * Customer contact
- * How to attract customers
- * Keeping it going, what brings them back, look at repeat customers

Miscellaneous

- * Education
- * Forecasting anticipated level of business
- * How to talk to adults (know suburban attitudes is a different style). How to set up displays in field and in dining area of farm cycle. Kids camp to teach dirt farm concepts. Hands on tractor driving. Farming is so neat and people don’t know it!
- * Hunting, guiding, hunters, hunting dogs (rental)
- * Interested in game farming to bring in income to cull none breed stock
- * Livestock
- * Should be separate facility criteria sessions for each of the categories - outfitters, bed and breakfasts, guest house, etc.

“Other” Enterprises for Income Allocations

Retirement/Investments

- * Federal Retirement
- * Investments
- * Investments
- * Investments
- * Retirement
- * Retirement
- * Retirement
- * Retirement, Disability Benefits, Social Security
- * Retirement. Investments, Social Security
- * S/E: Retirement, Author, Educator
- * Stocks, Investments

Miscellaneous

- * CRP and Construction
- * CRP, Etc.
- * Custom Spraying
- * History Tour at Garnet
- * Horse Sales
- * Managers
- * Miscellaneous
- * Ranch Hand
- * Real Estate
- * Real Estate Contract
- * We have Jobs on Folks’ Ranch

“Other” Origin of Guests

Africa

Australia

Australia

Australia, Africa, India

New Zealand

South America, Caribbean

APPENDIX B
COMMENTS
MONTANA FARM & RANCH RECREATION BUSINESS ASSESSMENT

20547 We didn't get into this type of business.

20529 We have an equestrian training center and a summer day camp.

20501 Taking guests is a difficult business because it is a 24-hour job. You have them in and around your home full time and you need patience and understanding. Too many ranches trying this will ruin it for the rest. Many people want in and don't know what they're doing.

20491 We have our place on the market to sell and have closed the main lodge so only rent 2 units now. We use other outfitters now for pack trips and horseback riding except for those who can go on their own. We still lease horses and equipment and no longer do sleigh rides ourselves.

20479 I'm not sure if [our ranch] applies at all to any of your questions. We are not and never have been a working ranch. We are only a guest resort with horses, we do our own haying for our horses, but not on a financial level to subsidize our guest ranch. I hope any information given here helps—but we do not do any guiding or outfitting—we use outside services.

20468 I own and operate a cow-calf ranch. To expand to include a recreation business I would need to network with other ranchers before deciding if it is worth the effort. It is one thing to manage cattle and machinery but managing people is a different story. In speaking for most ranchers, it is necessary to have a quality field trip to visually see a recreation enterprise in action before adding that enterprise.

20427 Sorry I took so long—a busy time!

20403: To whom it may concern: I attended a workshop at Fairmont Hot Springs last year with my brother who currently farms our family farm. There are four of us siblings who will inherit the land someday and all agree we would like to see that land remain as agricultural land if at all financially possible. We are exploring the possibility of a recreational facility just to add additional income in order that we may keep up on tax increases in the Gallatin Valley and hopefully gain extra income as well. These are all certainly long-term speculations but we appreciate all the info we can gather for future reference.

20391 We are just on the threshold of expanding into an RV park, convenience store, outdoor and indoor arena with ranch available for horseback riding, moving cattle, etc. Please keep us on your mailing list.

20371 We have been permitting public hunting since 1940. Payment has been volunteer work on ranch; business discounts; host/hostess gifts; Christmas gifts, etc. We are building a small herd of

gentle horses for trail riding but haven't gotten that to any point where we could charge a fee. We are remodeling a cabin for a rental and plan to finish an RV site for 9 months a year.

20353 I hope, in the near future (2 years or so), to open a mountain corporate retreat that will offer peace, quiet, solitude for executive types. Collateral activities will include, but not be limited to, fishing, horseback tours, photography, nature walks. Thank you for your inquiry. I hope to interact more with you, when I'm more sure of my business plan.

20344 Referring to Q8 (1) [Regulations & rules/legal constraints] & Q10 (18) [Workshops/Other: From what I can gather, guiding is a “restrictive club”, difficult to join, which encourages illegality and discourages honest, law-abiding “would-bes”].: I think this is the single factor that keeps me from going into the business. I would appreciate info/help in this area.

20337 The property tax on horses is excessive. We have out of control taxation! Ranchers won't be able to keep up.

20320 I'm just really getting started! I have a couple different bunches this summer. It takes a lot of time, patience, and fixing up around the place. But we are very proud of what we have and feel we are ready for anything. I enjoy people and sharing our lifestyle with others.

20293 I attended a workshop in G.F. several years ago. I wanted to take people on a tour through [area], tell about the history and the area as it is now. I wrote a brochure but evidently I don't know where to market the idea because I have no takers. I have had people in my floral gift shop who have taken the auto tour self-guided and have just stopped to ask more questions.

20278 I'm sure you have realized this already—don't sent out surveys in the spring. The unavailability of outfitters licenses is very limiting to people who are interested in starting up recreation businesses.

20233 I attended one of your first “Farm & Ranch” sessions. I was interested in learning what was out there! We have since purchased an old house, remodeled and have opened a bed and breakfast!

20172 This is our second year to open our home as guest lodging but the first year was managed by a managerial firm. This is our first year at booking, cleaning, advertising, and managing it ourselves. We are definitely in a learning situation.

20147 We do not have a recreation business on our ranch. We only let people hunt for “free”—sometimes for a quart of Jack Daniels! It's an opportunity that we could capitalize on—Fort Peck Lake is another one.

20100 So far we have some Dr. & lawyer types from Idaho that like to bring their horses and dogs for a week or so a year for upland game bird hunting. We really haven't charged them—they have been quite generous though.

20088 Just getting started with guests after 2 years of getting ready. So, could not answer all questions in a meaningful way.

20073 This was a very difficult questionnaire to answer for us because we run an ‘in-between’ facility. This is the first season open. We have a guest/rental cabin with the option to have breakfast provided in the main house. So we are also considered a B&B. As well we work in conjunction with an 11,000-acre working ranch. We will provide a third option in which accommodation and breakfast are provided with us and then the rest of the day including meals

are provided at the working ranch facility. Because we advertise independently of each other we are having a hard time know the best way to promote this third option.

20066 We have been trying to build a guest ranch for (5) years, but have not obtained the financing. This year will be do or die.

20044 Except for leasing hunting and lodging for hunters, we are not in recreation. Plan to rent cabins with fishing and hiking—no “dude” business.

10762 We are thinking about using our log house for short-term (1-2 weeks) rentals for recreation—i.e., during ski season, for hunters, vacationers, etc. Would like more info on viability/feasibility of this as well as others’ experiences with occupancy rates.

10752 I have had hunters here for many years but last was the first block management and I plan to guide some through an outfitter to gain some income. I also plan a cabin on the river for family vacationers to stay and just provide the phone numbers of guides for river floats, fishing, biking, horseback riding, and not do the guiding myself. I plan a low-key recreation rental cabin.

10746: Good idea, this survey.

10740: We plan to have our rental/cabin available July 1, so will be better able to answer your questions this time next year.

10739: Good program on Sunday, May 4, “Meet the State”. These facts presented are what we see. Very important to us that Montana keeps No Sales Tax. Idaho traffic near border is very heavy with travelers, shopping Missoula, etc. A big draw to areas near all border of MT.

10729: Still just experimenting. Too early to say much.

10722: This is a vacation house or retreat house rented to various groups of 1-30 persons. It is licensed as a bed and breakfast.

10692: 1) Please assist present and future dude ranches in marketing Montana to other countries. 2) Recognize the Montana Dude Ranchers’ Association as an industry voice and resource. 3) Provide foreign language/culture integration to our rural tourist businesses.

10663: The recreation business takes a quality commitment—the industry is harmed by new operators looking for a quick profit and unable or unwilling to offer a quality and reliable product to their guests. Most farms or ranches that begin a program are not in that business after 10 years.

10642: I am retired and do the carriage service only to keep busy and occupied.

10640: I was a general outfitter 1974-82. Primarily do hayrides and chuckwagon suppers—am in the process of switching from cattle to a guest ranch operation.

10629: We are currently looking for a ranch to buy, lease, or caretake. We were on a ranch and started the driving school. Our needs were different from the owners so we are wanting our own place. We would like to expand the school and offer learning vacations to horse-interested people. We have many ideas but they will depend on our living situation. Any ideas?

10625: I am familiar with your name from the Governor's Conference on Tourism. I was wondering if you have any information on help with design on a new structure, like through the University architect department possibly. We have a unique location here south of Dillon, with so much potential, we really want to do it right the first time. I'd appreciate any help, and would like to invite you down for a tour of a ranch at your convenience.

10604: We will know more later of the trolley service to begin this summer in Deer Lodge.

10585: Our ranch has a hot springs resort that has not been operated commercially since the early 60s and I would greatly like to get it in operation. We have 17 cabins, a large pool, and lots of opportunity but financing, legal issues of liability and making a living while building the business back up seem overwhelming and have stopped any progress. If you can offer any assistance, please write.

10563: The largest problem we have is the uncertainty of licenses for hunting. Right now we have limited number of guaranteed licenses, but this is not going to always be. Every time the State gets a system for licensing, as soon as we all figure out how it works, it is changed—mostly because of pressure from residents who don't have any idea how it affects us.

10544: I took the workshop in Dillon a couple of years ago but have decided not to get into recreation. Please drop me from the mailing list.

10527: As long as I can make a living with cattle I don't care to deal with people.

10506: Thank you for sending this assessment. I would appreciate a copy of your final report, based on the information obtained from the assessment survey.

10475: This ranch raising livestock was going into the hole. Recreation is what saved it. Much more fun to work with people than cows. We need more help to bring tourists to Montana—the State of Montana needs to help do this.

10450: It's a great way to improve your income if you can get along with people and can put up with all the rules and regulations.

10447: We began outfitting as ranch management—no control of too many hunters—but needed to control harvest of the deer. That expanded into bird hunting, archery and about 5 years ago into summer guests and varmint hunters. Our hunters (varmint—rifle or bow are mostly repeat or reference). The summer guests are through MT Travel/Russell Country and Pat Dickerman's Ranch Vacations book.

10438: 2.5 years ago my wife died after an 18-year battle against cancer. If either of you are a rich young widow that likes to cook, please come check out my operation. P.S. Anyone under 75 years is young to me!

10436: My small ranch has much potential in the ranch recreation area. But I am afraid to offer anything to the public as a business because of the ordeal the State of MT put me through—including a lawsuit wrongfully filed in Oct 1995 against me. Because there was no case, the charges were finally dropped—a year later. It was a real financial setback for me. A farmer/rancher who is going to or is willing to open up his home and livelihood to the tourism industry—which the State of MT is capitalizing on, needs an advocate. The State should not switch inspectors mid-stream, or tell you to do this and this and then judge you by a whole new set of rules, etc. The State created a real nightmare for me—ask my lawyer.

10392: At this point I'm interested in being kept updated on any and all aspects of the industry. I feel block mgt. hunting with rental of the bunkhouse to guests probably the route I'll try first. Thank you.

10373: The outfitting/guiding business that our family has run for over 30 years is running into a number of problems: 1) restriction on out-of-state hunting licenses; 2) attitudes of Montanans toward out-of-state hunters; 3) shortened elk season 2 years ago from 6 to 2 weeks—cut our income by 75%

10369: 1) Return guests can be a problem. They tend to expect more and more and pay less and less attention to basic rules. 2) Booking agents can oversell opportunities and disregard agreed-upon protocols. 3) Fishing has become more sought after than hunting. 4) We have avoided traditional dude activities but guests do ask about horse riding—a scary prospect. 5) Finding the right people to interact with guests is critical.

10320: Slow coming. Maybe someday.

10287: Not enough time in our lives to start or plan this.

10232: Travel Montana has been the biggest promoter of our business. The advertising has brought us more business than we can handle and that is great. Keep up the good work.

10211: I enjoy this line of work very much, but it is not my life. It can easily overwhelm us. Thank you for all your hard work. The Travel Planner is an exceptional publication. The cover photos are always beautiful. We get lots of response from it and lots of positive feedback.

10209: You must be honest, hard-working, and fair with your clients at all times.

10208: I have enjoyed every aspect of the business. The hunters have become civilized and the guests at the B&B are intelligent, interesting people.

10188: You might like to send members of our MRVA association your questionnaire. Brochure enclosed. At our May 3 meeting, we gained 4 more members.

10185: We will have our bed & breakfast open this summer and need to know best ways and means to advertise. Thank you.

10147: There seems to be no room for expansion into horse-related business—pack trips or day rides due to the non-availability of day use by USDA.

10126: We have not started this business yet. But still considering the option.

10120: Attended the first year of the farm-ranch seminar as a member of Yellowstone Country board. Having acreage enabled the chapel to have a 'special' attraction (i.e., wildlife, wild flowers). As a unique business, most survey questions do not apply—however, I believe there must be other business—on the side line—but certainly helping with the overall 'economy' of the state's tourism business.

10104: Montana has to understand tourism is to be the destination, not the excursion. Montana has to understand tourism is not a set of statistics/numbers: number of "tourists" over the last year, the amount of \$ each spent, etc., etc. If Montana was aware of their occupancy in high-end resorts, which a working ranch-farm can be, they'd have a better idea as to the economic quality than the economic uncommon-ness of the economic reports issued. There is more but I don't have time...