Assessment of the Economic Importance of Mississippi Outfitters and Opportunities for Expansion[1]

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ABSTRACT

Wildlife outfitters play an important role in rural economies by attracting hunters and other wildlife recreationists into rural areas. Expenditures by outfitters and their clientele represent important monetary inputs for local economies. Understanding the nature and magnitude of these expenditures is essential to fostering rural economic development. In 2003, survey questionnaires were mailed to all known outfitters operating in Mississippi. The questionnaire was designed to elicit information about their property, business, and socioeconomic characteristics. In addition, questions about outfitter socio-economic characteristics, attitudes, and outreach-related needs were included. Outfitters engaged in fee hunting received $4.14 net revenue per acre per year, not accounting for the cost of capital invested. Although fee-hunting operations were their primary revenue source, outfitters also derived 34% of their gross revenue from other wildlife-related activities such as fishing and wildlife viewing.

KEYWORDS: wildlife outfitters, fee hunting, survey, business characteristics

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INTRODUCTION

Forest resources are a major contributor to Mississippi's economy. Many rural areas still rely on forestry and the forest product industry and have not shifted into other activities to diversify revenues (Wear and Greis 2002). Mississippi's rural economies are relatively depressed compared other areas in the state. Mississippi's forests, however, provide recreational wildlife opportunities in addition to raw materials for the forest product industry. Commercial outfitting, fee hunting, and other wildlife-related recreational enterprises can play an important economic role in Mississippi because they operate in rural areas where outfitter and client expenditures can stimulate local economies. Outfitters can serve as a middleman between recreationists and landowners. As a result, local economies can benefit from the establishment of a well-developed wildlife-based recreational industry.

In addition to the economic impacts generated by hunter expenditures, commercial outfitters also produce environmental benefits as well. Outfitters may be inclined to afforest marginal agricultural land, protect ecologically diverse forests and wetlands, and improve wildlife habitat quality without the intervention of environmental regulations. Producing high quality, natural settings for hunters is one way to increase returns by attracting additional hunters and other recreationists. Although many studies have evaluated economic impacts of outfitters on rural economies (Henderson et al. 2004, Davis et al. 2002, Jones et al. 2001, Burger et al. 1999, Grado et al. 1997), comprehensive information about outfitters' property, business, and socio-economic characteristics is not available. This research will provide useful base-line information about the industry to landowners who may be considering outfitting as a business venture, other outfitters as a means to identify their market niche and opportunities, and policy makers to identify the importance of this industry to Mississippi's rural economies. Industry information will identify relevant costs, revenues, and activities of outfitting operations, and further classify outfitter operations by size, land type, and economic scale.

METHODS

In 2003, survey questionnaires were mailed to 122 outfitters and guides known to be operating in Mississippi. Names were obtained from the Mississippi Outfitters and Guides Association and the Mississippi Outfitters Association, the two active professional organizations in the state, and a comprehensive internet search. Fifty-one responded, resulting in a 42% response rate.

The questionnaire was designed to elicit information about their property, business, and socioeconomic characteristics. Property characteristics included ownership size, composition by land use type (forest, agriculture, other), game species, and wildlife/habitat management practices. Business characteristics included types of wildlife-related activities offered, amenities provided, payment methods, revenues, and costs. Socioeconomic characteristics consisted of demographic characteristics, outfitter attitudes about fee hunting, and informational needs.

Data analysis for this report consisted of computing the means and relative frequency distributions for key survey questions to provide descriptive statistics of wildlife outfitters operating in Mississippi.

RESULTS

Property Characteristics

Land size and use: The average land base size dedicated to an outfitter operation was 2,794 acres. Sixty-one percent of respondent outfitters reported more than 1000 acres in their operation (Figure 1). Of this total, 52% was owned in fee by the outfitter and 48% was leased from other landowners. Forestry was the dominant land-use, and accounted for 59% of the land dedicated to outfitting operations. Bottomland hardwoods accounted for 44% of forestlands dedicated to outfitter operators. Planted pines accounted for 18%. Agriculture accounted for 34% of the total and other miscellaneous land-uses, the remaining 7% (Figure 2). Row crops accounted for nearly all agricultural land dedicated to outfitter operators.

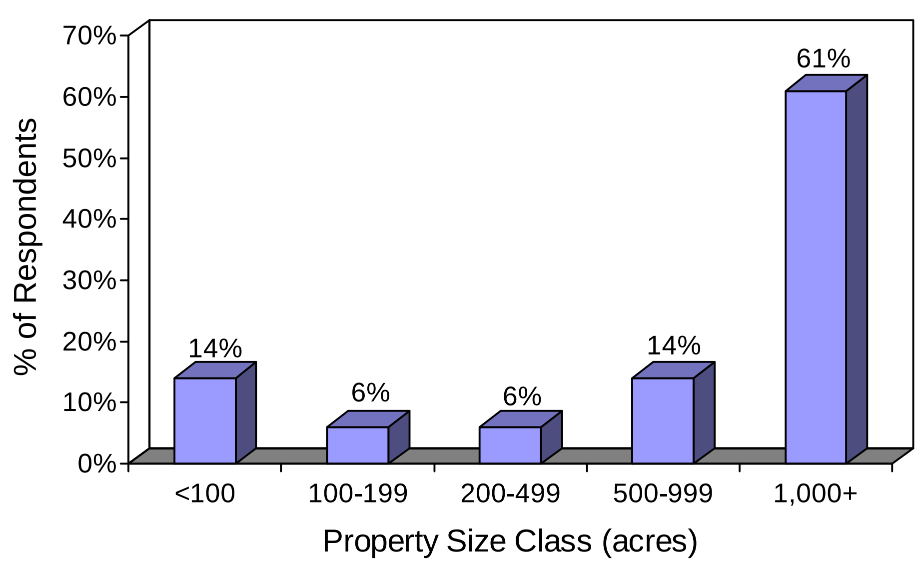

Figure 1. Size of land base operated by outfitters in Mississippi during 2003

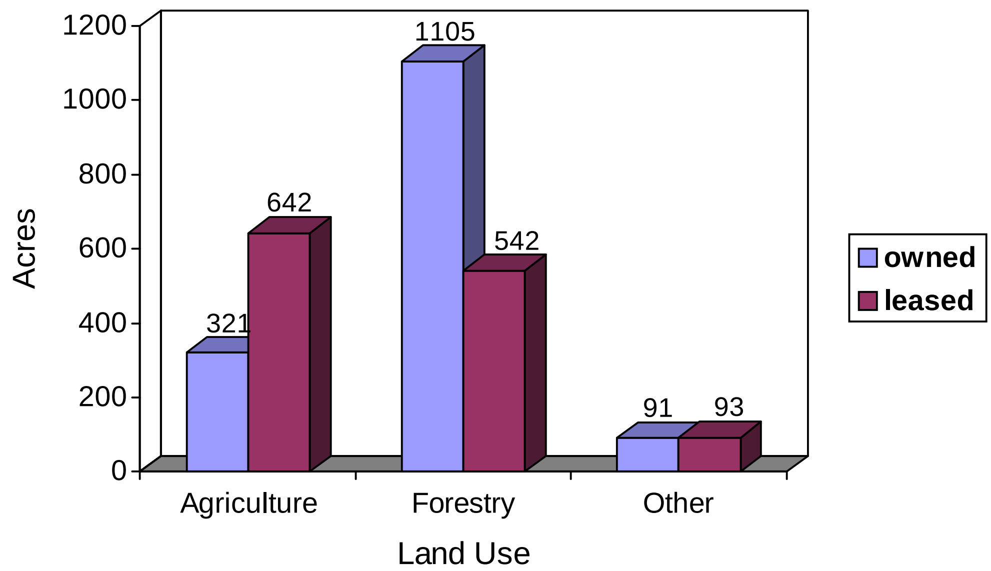

Figure 2. Average acreage dedicated to Mississippi outfitter operations by land use and sources in 2003

Legal arrangements between outfitters and landowners: Seventy-two percent of respondents had written lease agreements with landowners to secure hunting rights; however, 45% also relied on informal agreements (Figure 3). Outfitters often secured hunting privileges from several landowners.

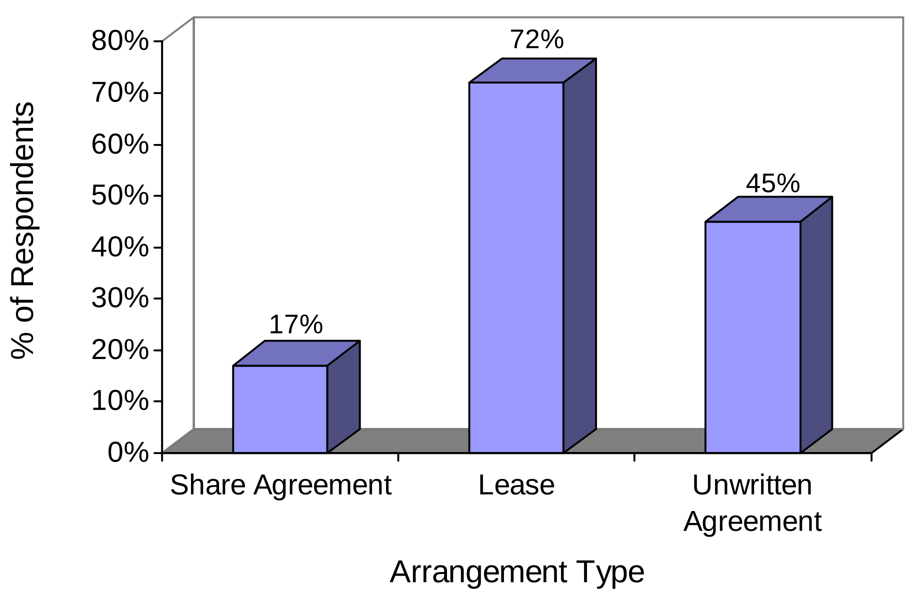

Figure 3. Lergal arrangements between Mississippi outfitters and landowners in 2003

Game species offered to clientele: Most outfitters provided hunting opportunities for multiple game species. Deer was the predominant species hunted, provided by 61% of outfitters. Waterfowl was the next largest category at 39%. Many species, such as squirrel, hog, and rabbit, were provided as incidental hunting opportunities in addition to the primary species, e.g., deer, turkey (Figure 4).

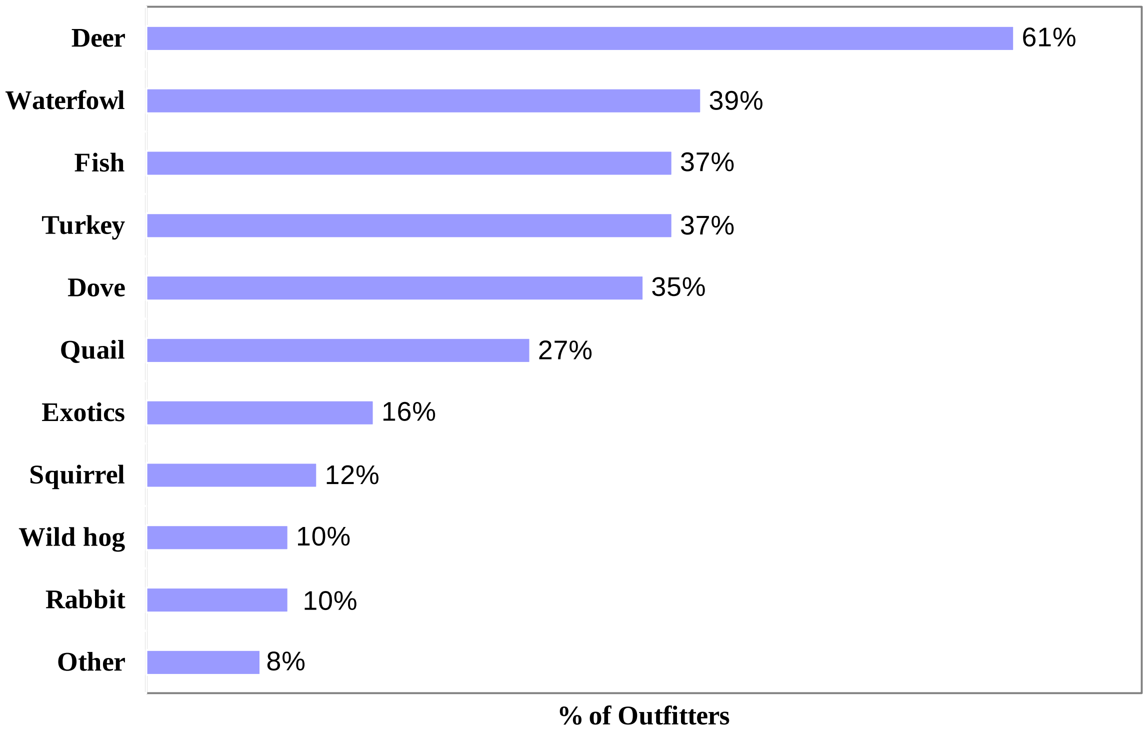

Figure 4. Game species provided by Mississippi outfitters in 2003

Business Characteristics

Amenities/services provided by outfitters: The majority of outfitters provided guides, lodging, food, transportation, and game processing (Table 1). Although the major source of revenue was hunting fees, providing miscellaneous services generated additional revenues. In general, commercial outfitters provided elaborate food and lodging services (Figure 5).

Wildlife management practices conducted by outfitters included establishing food plots, disking, leaving unharvested crops, providing salt/mineral licks, and managing predators, by 78%, 68%, 66%, 54%, and 50% of respondents, respectively.

Table 1. Services/amenities offered by Mississippi outfitters in 2003

Amenity/Service Provided	**% of Respondents**
Guides	94
Lodging	80
Food and Food Plots	76
Transportation	74
Blinds	72
Game Cleaning	60

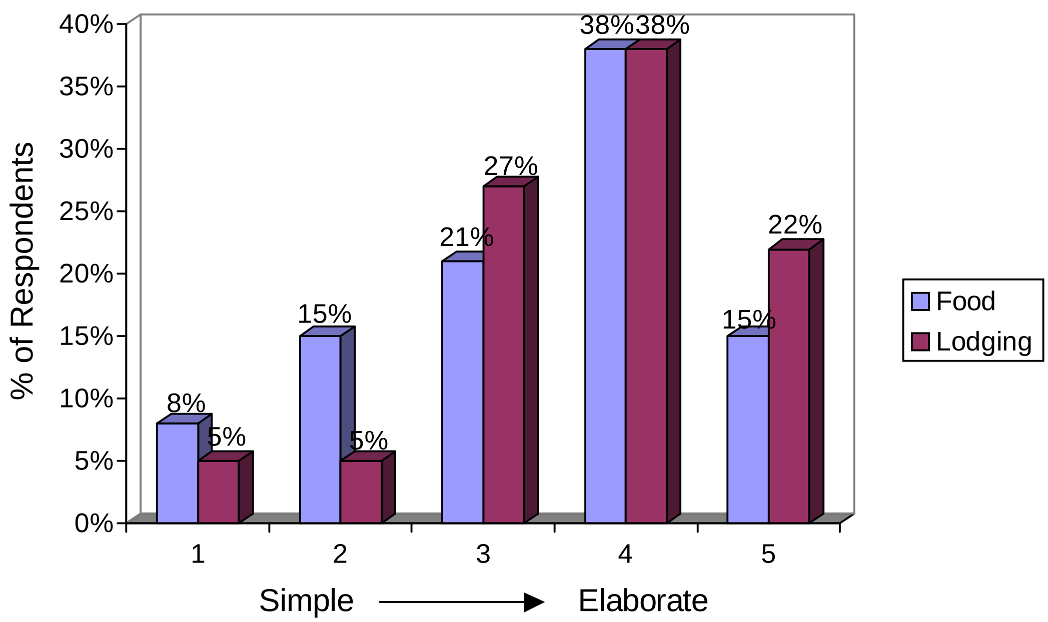

Figure 5. The quality of food and lodging services provided by Mississippi outfitters in 2003

Revenues, costs, and net revenues:

Outfitters derived revenues from fee-hunting activities and non-consumptive activities such as wildlife watching. Hunting and fishing revenues, however, clearly dominated. Eighty-four percent of respondents reported fee-hunting revenues and 29% reported fishing revenues while 10% reported horseback riding revenues and 8% reported wildlife watching. Gross revenues averaged $77,000 per year. Of the respondents reporting revenue data, 61% reported fee hunting as the sole source of wildlife-related revenue.

Twenty-six percent reported other wildlife-related income in addition to fee hunting. Thirteen percent reported other wildlife-related income but none from fee hunting. Fee hunting revenues varied considerably between respondents with most (55%) reporting less than $20,000; however, 13% earned more than $100,000 (Figure 6). In contrast, of the 39% of respondents who reported revenues from non fee-hunting activities, 25% earned less than $20,000 per year from these activities. Five percent, however, earned more than $100,000 per year (Figure 7). Capital investment in outfitting operations varied considerably (Figure 8). Over 37% of respondents had over $350,000 invested in their business. Almost 40% of respondents reported less than $100,000 invested. Annual operating expenditures averaged $67,000 across all respondents (Figure 9). Salaries, wages, and benefits represented almost $34,000 of this total. Payments to landowners were the next largest expense. Annual net revenues averaged $4.14/acre/year.

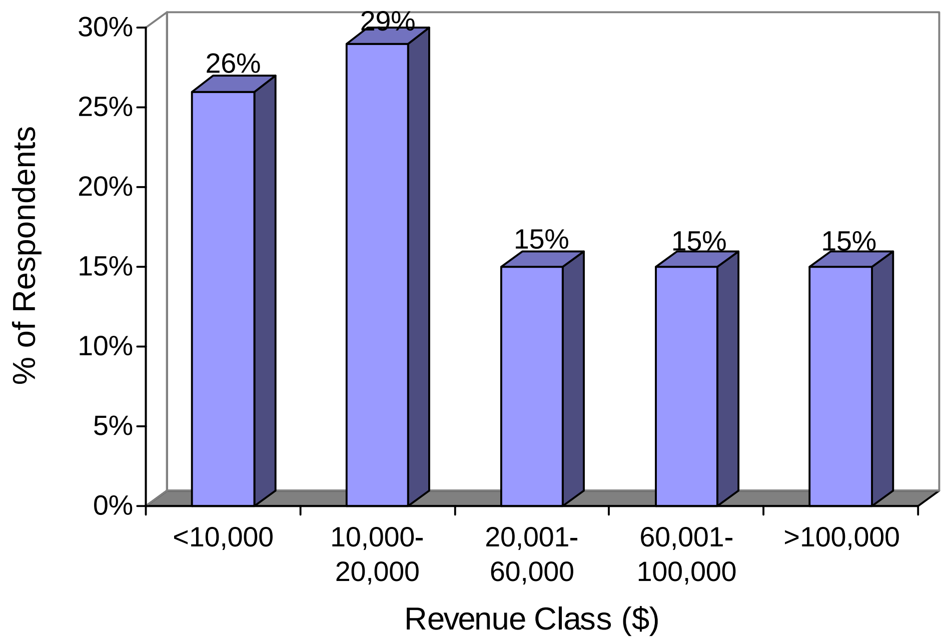

Figure 6. Revenue distribution from fee-hunting by Mississippi outfitters in 2003

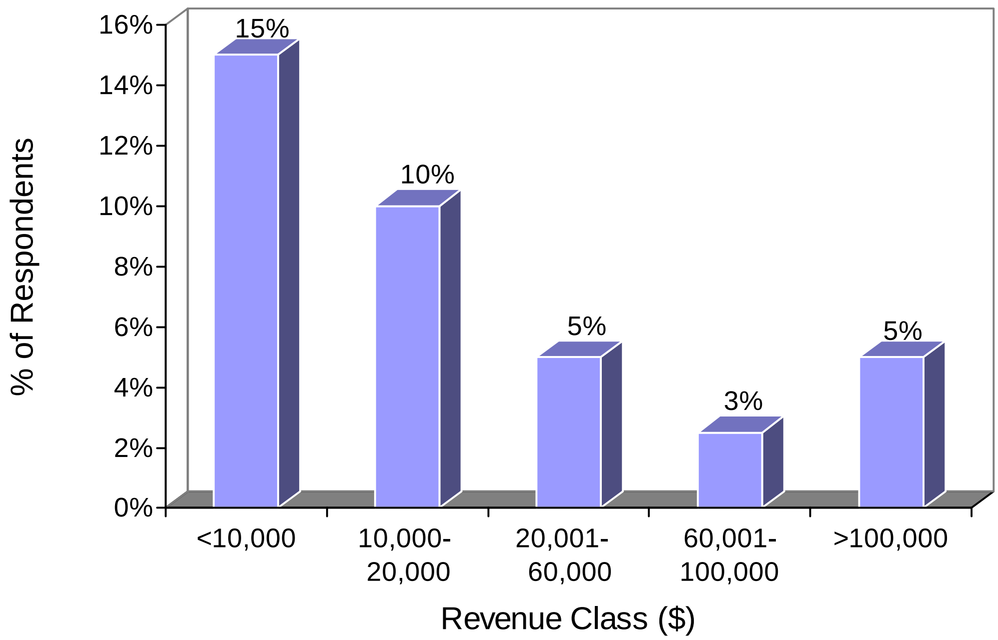

Figure 7. Revenue distribution from non fee-hunting wildlife recreation by Mississippi outfitters in 2003

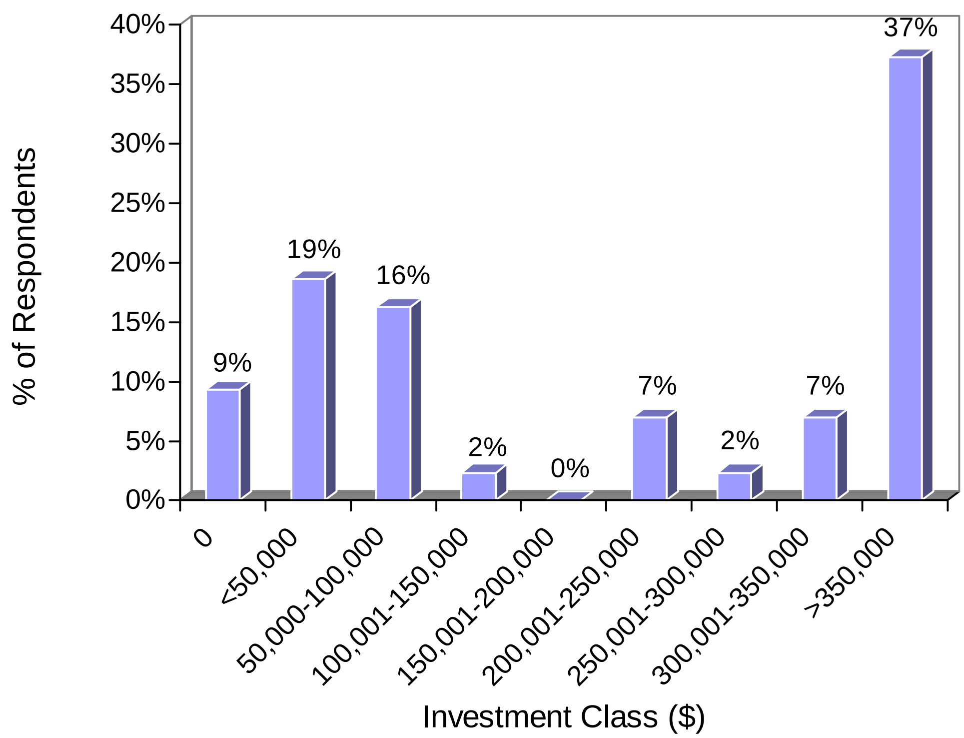

Figure 8. Investment in facilities and equipment by Mississippi outfitters in 2003

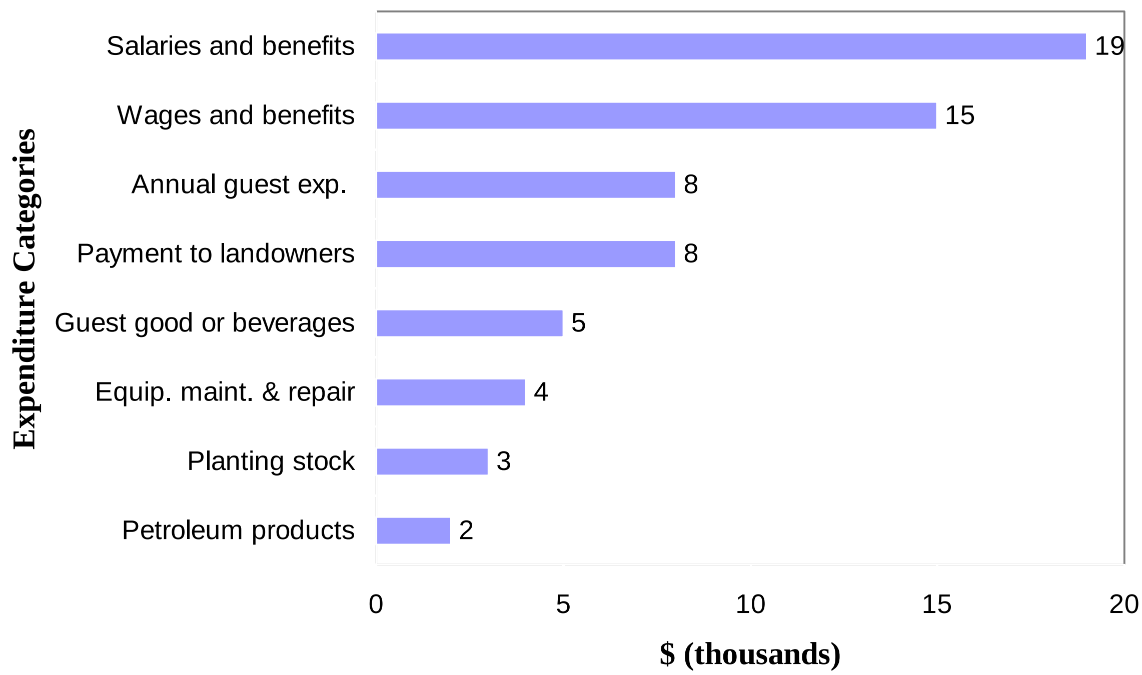

Figure 9. Average annual expenditures by category for Mississippi outfitters in 2003

Socio-economic characteristics of Mississippi Outfitters

Outfitters were typically well-educated, Caucasian males over 50 years old. Forty-four percent of the respondents had completed college and an additional 28% had completed junior college. In general, outfitters were very affluent. Forty-seven percent reported household incomes over $100,000 and 17% reported household incomes between $80,001 and $100,000 (Table 2).

Table 2. Socio-economic characteristics of Mississippi outfitters in 2003

Highest Educational Level Completed	% of Respondents
High School	28
Jr. College	28
College	44
Age	**% of Respondents**
> 50	53
40- 49	23
< 40	24
Annual Household Income ($)	**% of Respondents**
20,001-40,000	14
40,001-60,000	17
60,001-80,000	9
80,001-100,000	17
> 100,000	43

DISCUSSION

This study provided an overview of Mississippi outfitters, their land bases, and some fundamental financial information pertaining to the outfitter industry. Several key findings were worth noting. First, outfitters varied considerably with respect to the size of their land base and capital investment suggesting that these two factors were not necessarily barriers to entry. Landowners with limited resources can still establish viable outfitting operations. Second, most outfitters leased additional land from private landowners indicating that opportunities exist for landowners to participate in the outfitting business, at least indirectly, without outfitting expertise. Previous studies (e.g., Jones et al. 2001) indicated that landowners working with outfitters received substantially higher returns than those leasing directly to hunting clubs, suggesting that landowners amenable to fee-hunting may be inclined to work with outfitters. In combination, these points indicated that the expansion of the outfitting industry is possible in Mississippi. The third point is that economic contributions to rural economies from the outfitting industry are substantial, compared with other wildlife industries. With average expenditures of $67,000 per year, Mississippi's 122 outfitter and guide businesses contribute over $8,000,000 directly to rural economies. Clientele expenditures can boost this total. Where game populations will tolerate additional hunting pressure, promoting the outfitting business is a mutually beneficial to outfitters, landowners, and rural economies.

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