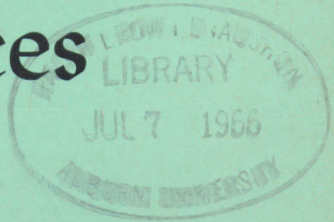
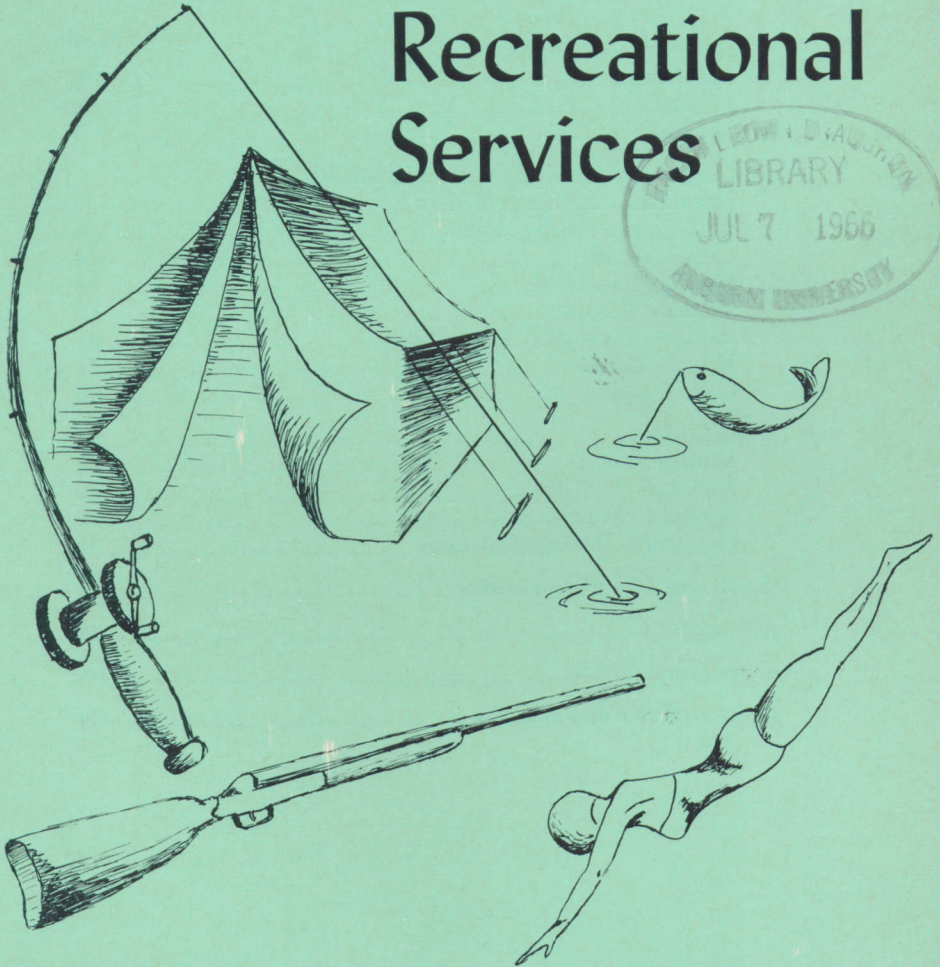


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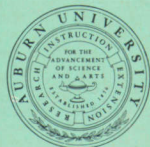
Marketing Outdoor Recreational Services



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Marketing Outdoor Recreational Services

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INTRODUCTION

RURAL OUTDOOR recreation is receiving more attention by national, state, and local organizations than ever before.

Public interest has been stimulated by a growing demand for such services. This has resulted from an expanding population, higher incomes, increased leisure time, and greater human mobility. Predictions indicate that the demand for recreation by the year 2,000 will triple (5).

National concern about availability of outdoor recreation was emphasized in 1958 when Congress established the Outdoor Recreational Review Commission. Since that time, other governmental agencies have focused their efforts in this area. A recent goal of the United States Department of Agriculture has been to help meet America's demand for outdoor recreation while increasing rural income (2).

Interest of farmers and other prospective operators of recreational enterprises has been keenly attuned to the great amount of publicity given recreation as a marketable service. In view of the national origin of much of this publicity, it was realized that more information was needed at the local level to determine the economic feasibility of starting or expanding recreational enterprises. Financial and technical assistance has been made available to those who wished to convert part or all of their farms into recreational enterprises. While some research has been completed in some parts of the country to provide guidelines for development, results have not been generally applicable to Alabama conditions.

Objectives

The overall objective of this study was to evaluate the economic aspects and opportunities for development of recreational enterprises on farms and in rural areas. Specific objectives were:

- (1) To determine economic and related characteristics of outdoor recreational services in rural Alabama, and
- (2) to develop guidelines for successful operation of rural outdoor recreational facilities.

Method

A sample was drawn from a listing of suppliers of outdoor recreational services in the State prepared by the Auburn University Cooperative Extension Service, Table 1. Only farm and rural type enterprises were considered.

In selecting the sample, counties were ranked according to the number of fishing lakes in each, and those with the largest number were arbitrarily selected. Fishing lakes located in other counties were also included in the sample where visitation was

TABLE 1. NUMBER OF RURAL RECREATIONAL ENTERPRISES INCLUDED IN RECREATION SUMMARY AND NUMBER SURVEYED, BY TYPE OF ENTERPRISE, ALABAMA, 1963

Type of enterprise	Enterprises in summary	Lakes five acres and above	Enterprises surveyed
	No.	No.	No.
Fishing lakes and ponds.....	302 ¹		43
Bass-bream lakes.....	(290) ²	211	(39)
Catfish ponds ³	(12)	5	(4)
Hunting preserves ⁴	3		3
Summer camps.....	5		3
Multiple recreation enterprises ⁵	28		4
Riding stables.....	1		1
Golf courses.....	1		1
TOTAL.....	340	216	55

Source: Alabama Outdoor Recreation Directory, Circular M-12, Cooperative Extension Service, Auburn University.

¹ Total number of fishing lakes and ponds listed.

² Numbers in parenthesis denote a part of the above total lakes and ponds.

³ Stocked primarily with channel catfish. Number in parenthesis denotes a part of the total lakes and ponds.

⁴ One hunting preserve was classified as a multiple recreation facility for the purpose of this study.

⁵ Only 28 facilities were considered multiple recreational enterprises in this study.

required for the less numerous types of enterprises. A total of 22 sample counties was selected throughout the State.

A total of 39 bass-bream and 4 catfish lake operators was randomly selected and interviewed. This included about 18 per cent of the bass-bream lakes 5 acres and larger in size. Except for multiple purpose enterprises, an attempt was made to interview operators of all the less numerous types of recreational enterprises. Fifty-five usable questionnaires obtained by personal interviews with operators or owners of facilities within six different categories provided the basis for study. Types of enterprises included fishing lakes and ponds, hunting preserves, summer camps, multiple recreational facilities, riding stables, and golf courses.

ECONOMIC AND RELATED CHARACTERISTICS OF RECREATIONAL ENTERPRISES

Approximately 21,000 privately owned lakes and ponds were reported in Alabama in 1963 (1). These have been generally used both for livestock watering and as a recreation facility for owners and their friends. Some, however, have been built to provide public fishing on a fee basis.

As noted earlier, the two types of fishing enterprises included in this study were bass-bream fishing lakes and catfish ponds.

Bass-Bream Fishing Lakes

Bass-bream lakes ranged in size from 5 to 145 acres with an average of 33 acres. Total land area owned or controlled where lakes were located averaged 248 acres per unit. The land was devoted to various farm and nonfarm uses.

Lakes were generally located on or near paved highways. Only 7 of the 39 were situated along unpaved country roads, two were on dirt roads. Twenty-two of the lakes could be seen from the highway. With the exception of 11, all lakes were located within 30 miles of population centers of 10,000 or more.

OPERATORS. Age of operators of bass-bream ponds averaged 56 years; 8 of the 39 operators were retired or semi-retired. Educational level of the group averaged between the 11th and 12th grade. Only three individuals reported having prior experience in selling fishing rights. Operators had been engaged in present operations for an average of 8.8 years.

The desire to supplement income was given by 64 per cent of the operators as a major reason for entering the recreational business. Other reasons included the possession of an ideal location, personal desire to own a lake, and public demand. Only one operator reported that his decision to establish a recreational enterprise was influenced by knowledge of similar successful enterprises.

Nine operators felt that they had not expanded their facilities to the point deemed satisfactory. Others were of the opinion that additional attractions, such as picnic areas, tables, and barbecue pits were needed to encourage patronage. About 85 per cent of the facilities visited had little or no facilities of these types.

OPERATIONS. Twenty-seven operators kept recreational facilities open all year. Others kept facilities open from April through October. Eight operators did not allow Sunday fishing. Ten operators reported that facilities were used to capacity during the peak period April through June for the year studied. Seasonality of demand was considered an important problem among lake operators.

Sixteen operators had adjusted facilities or operations since construction. Changes primarily included enlarging of lakes, deepening of lake edges, and complete restocking of ponds. Eighteen operators were of the opinion they would change construction plans if they were starting anew. The adjustment mentioned most often was deepening of lake edges to provide better shore fishing and to reduce weed problems.

Lakes were generally stocked initially with bass and bream supplied through the State Department of Conservation. Periodic checks and recommendations for maintaining fish balance were available to each operator. Thirty operators reported receiving technical help and advice initially from either the Soil Conservation Service or Cooperative Extension Service personnel.

Fertilization practices varied among lake operators. The desire to reduce costs by inadequate fertilization often encouraged undesirable plant growth and poor fishing. Ten operators did not fertilize lakes because of excessive water runoff or other reasons.

Only 10 operators had liability insurance coverage. Six of these paid above \$100 per year as premiums, and four paid \$35 to \$70 a year. Opinion differed among operators about need for

liability insurance. Ten operators claimed that premiums were too high, others felt there was no real need for it.

Twenty-seven of the 39 operators reported the possibility of drownings to be of major concern. Risks mentioned less often included broken dams, fish kill, and boating hazards. In spite of the hazards faced, 75 per cent of these operators made no attempt to insure against any of these secondary risks.

INVESTMENT, EXPENSES, and INCOME. Average capital investment for 39 fishing lakes amounted to \$11,359, Table 2. This

TABLE 2. AVERAGE INVESTMENT, EXPENSES, AND INCOME OF 39 BASS-BREAM FISHING LAKES AND PONDS OPERATED IN RURAL AREAS, ALABAMA, 1963

Item	Unit	Range ¹	Average
Capital investment			
Land.....	Dol.	660 to 15,100	3,423
Land improvement & permanent structures ²	Dol.	800 to 30,000	7,333
Buildings.....	Dol.	0 to 3,000	279
Operating equipment.....	Dol.	0 to 1,750	285
Merchandise inventory.....	Dol.	0 to 500	39
Total.....	Dol.	-----	11,359
Cash income			
Fishing fees.....	Dol.	100 to 4,350	1,379
Boat rentals.....	Dol.	0 to 2,000	336
Retail sales ³	Dol.	0 to 600	70
Total.....	Dol.	-----	1,785
Cash expenses			
Advertising.....	Dol.	0 to 250	11
Utilities.....	Dol.	0 to 248	29
Lake stocking.....	Dol.	0 to 1,500	42
Fertilization.....	Dol.	0 to 2,000	354
Property tax and license.....	Dol.	2 to 130	33
Insurance.....	Dol.	0 to 178	22
Hired labor.....	Dol.	0 to 1,800	220
Miscellaneous.....	Dol.	0 to 275	25
Total.....	Dol.	-----	736
Net cash income.....	Dol.	100 to 6,850	1,049
Depreciation on investment.....	Dol.	0 to 733	105
Net return to family labor, management and investment.....	Dol.	-150 to 3,381	944
Interest on investment @ 4½ %.....	Dol.	88 to 2,198	511
Net return to family labor and management.....	Dol.	-515 to 2,314	433
Net return to family labor and management per acre of lake.....	Dol.	-32 to 117	13
Average return to family labor, management and investment per dollar invested.....	Pct.		8.3
Hired and family labor ⁴	Day	8 to 420	201

¹ Reflects range reported for each item for 39 lakes.

² Includes investment in construction of dam and lake.

³ Represents net sales.

⁴ Days of labor were considered as the actual days of labor expended plus attendance requirements of being present for lake operation.

was low as compared with other recreational enterprises. About 30 per cent of the capital invested by operators represented land values, whereas 65 per cent was land improvements such as dam and lake construction. The remainder was investments in buildings and operating equipment.

Cash expenses incurred by operators of fishing lakes ranged from \$8 to \$4,100, with an average of \$736 per facility. Fertilization of lakes and hired labor comprised 48 per cent and 30 per cent of this total, respectively. Remaining cash expenses shown in Table 2 were well distributed among other operating expenditures.

Other costs included depreciation and interest on investment. Depreciation costs went as high as \$733 with an average of \$105 per facility. Interest on investment computed at 4.5 per cent ranged from \$88 to \$2,198 with an average of \$511.

Total returns were derived from fees for fishing, boat rentals, and concessions. Fees for fishing ranged from \$0.50 to \$2 per patron with a fee of \$1 being reported in approximately 80 per cent of the cases. Although boat rentals were usually \$1 per day, five operators offered this service free to patrons.

Gross cash income averaged \$1,785 per lake. Income from fishing permits comprised 77 per cent of the total, while the remainder was obtained from boat rentals and retail sales. Net cash income averaged \$1,049 per facility with only two operators experiencing negative returns. On the other hand, net returns to family labor and management averaged only \$433 per facility. Average investment income, and expenses by lake size are given in Appendix Table 1.

Returns per acre of lake to family labor and management averaged \$13; approximately 21 per cent received more than \$40 per acre return.

Sixty-four per cent of all operators reported that total income had increased as a result of engaging in recreational enterprises while 18 per cent claimed that income had gone down, and 18 per cent reported no change.

PROBLEMS. Lack of customers was a primary factor limiting profits to 25 of the 39 operators. However, only 12 operators advertised except orally. Seven used roadside signs and direction markers. Six other operators considered their facilities to be too small to be profitable.

Six operators reported the high cost of fertilization to be a major problem. Many operators in certain areas reported exces-

sive competition to be a major problem especially from county and State lakes.

Other problems reported that affected profits were trespassing, weather uncertainty, and poor fishing conditions. Twelve operators reported management problems related to lake operations. Moss and other undesirable plant growth in lakes caused the major complaint. Inadequate drain pipes and dam seepage were other problems.

DISCUSSION. Although cash returns to lake managers were relatively low, additional returns were noted but difficult to evaluate. For example, water for livestock, fish for home use, and value of free recreation to friends were considered of value to many operators. Further, many owners indicated that adjoining land values had increased from two to tenfold as a result of the construction of sizeable lakes.

Sixteen, or 41 per cent of all lakes, had zero or negative returns to family labor and management, Table 3. Another 20 per cent had less than \$200, while only 20 per cent had returns above \$1,000. Six of the eight most profitable operators offered complementary services such as boat rentals and concessions.

Average returns in Alabama to family labor and management for the 39 lakes studied were slightly above that reported from studies in other states. Compared to the \$433 average returns to labor and management found in this study, Jordan (4) in Arkansas, Holmes (3) in Oregon, and Owens (7) in Ohio reported similar average returns of \$321, \$397, and \$339, respectively. Differences may be explained, in part, by the relatively higher capital investment per lake in other areas and larger average lake size in the Alabama study.

TABLE 3. RETURNS TO FAMILY LABOR AND MANAGEMENT ON 39 BASS-BREAM FISHING PONDS AND LAKES IN RURAL AREAS, ALABAMA, 1963

Range in returns	Lakes or ponds	Percentage of total	Lakes with boats or concessions	Lakes without boats or concessions
<i>Dollars</i>	<i>No.</i>	<i>Pct.</i>	<i>No.</i>	<i>No.</i>
0 or less.....	16	41.0	6	10
1- 199.....	8	20.5	5	3
200- 499.....	3	7.7	3	0
500- 999.....	4	10.3	3	1
1,000-1,499.....	2	5.1	1	1
1,500-1,999.....	3	7.7	2	1
2,000-2,999.....	3	7.7	3	0
Total.....	39	100.0	23	16

Although lake size influenced cash income, other factors were also significant, Table 4. Five of the eight most profitable lakes in this study ranged from 15 to 30 acres, whereas average for all eight was 38 acres. Increased costs helped reduce profitability after a certain size was reached. The majority of the eight most profitable lakes had been in operation for only 3 to 5 years. This supports the claim by operators that fishing was best during the first few years of operation.

The most successful operations relied almost exclusively on family labor. Use of family labor was considered complementary with other operations required for the total unit.

Accessibility and location of facilities close to populated centers contributed to successful operations. However, other factors were also of importance. For instance, some of the more successful lakes were located farther from population centers than were many of the less successful ones. Also, important to success were such unmeasureable factors as operator personality and quality of fishing available. This study revealed that when good fishing was provided, return customers readily offset the large disadvantage of being farther removed from population centers.

Nearly 80 per cent of all operators indicated that future demand for fishing facilities would increase. However, only 46 per cent reported an increase in business; 26 per cent said that business was decreasing, while 28 per cent reported no change. Decrease in business in certain areas was attributed to construction of power dams, backwaters, and public lakes.

TABLE 4. AVERAGE GROSS CASH INCOME BY LAKE SIZE, 39 BASS-BREAM FISHING LAKES, ALABAMA, 1963

Range	Lakes	Average total cash income ¹
Acres	No.	Dollars
5-9	3	432
10-14	7	345
15-19	8	1,031
20-24	4	1,720
25-29	2	2,725
30-34	1	2,500
35-39	1	500
40-44	0	-----
45-49	0	-----
50-54	7	2,732
55-59	1	3,600
60 and above	5	3,920

¹ Reflects the average for those lakes in the corresponding size range.

Catfish Ponds

Four of five known commercial catfish ponds in the State above 5 acres in size were included in this study. The average size of such enterprise was almost 19 acres, much lower than that reported for bass-bream fishing lakes. Also, the average number of years of operation at 5.5 was considerably below that of bass-bream fishing lakes. Another difference was that operators of catfish ponds usually maintained two or more ponds simultaneously.

Location of only one of the ponds could be considered ideal relative to population centers. However, three operators reported that their facilities were used to capacity during the peak period of the year. All facilities were easily accessible, and three could be seen from the road.

OPERATORS. Operators of catfish ponds averaged 53 years of age, and had completed, as an average, about 11 grades of school. Only one operator was approaching retirement. Personal promotion of facilities was carried on by all four operators.

The principal reason given for entering the recreational business was the desire to supplement income. All operators borrowed money to get started, and all four would borrow money if available at 4 per cent to expand or improve present facilities. Anticipated increases in demand were evidenced by the desire of each operator to expand his enterprise.

OPERATIONS. Operational characteristics of the four catfish facilities were considerably different from those of the bass-bream lakes. Instead of depending upon natural reproduction of fish, catfish pond operators partially restocked yearly. Catfish fingerlings were normally stocked at the rate of 2,000 to 3,000 per acre. In one case, fish were grown to approximately 7 inches in holding ponds before being transferred to fishing ponds. However, the other operators stocked fingerlings in the same ponds for growing and fishing.

Daily feeding was practiced 6 days per week in most cases, and usually continued for approximately 9 months of the year. Feeding was not practiced during cooler seasons.

Improved management practices were followed in all four of the establishments. Complete records were maintained by three operators, while partial records were kept by the fourth. Catfish operations required more record keeping than bass-bream opera-

tions as a result of weighing and inventory of catfish caught. In addition, three operators maintained liability insurance coverage as a good management practice.

INVESTMENT, EXPENSES, and INCOME. Average investment for the catfish enterprises was \$11,476, Table 5. About 77 per cent of the total investment was in land improvements and permanent structures. Relatively higher investments in fixed facilities as compared with those at bass-bream fishing lakes stemmed from the practice of using multiple ponds in catfish production. Investment in land was second to permanent structures in importance, while buildings, operating equipment, and merchandise completed total investment.

Average cash expenses for catfish pond operations amounted to \$3,349. Feeding accounted for 44 per cent of the cost; catfish

TABLE 5. AVERAGE INVESTMENT, EXPENSES, AND INCOME OF FOUR CATFISH PONDS OPERATED IN RURAL AREAS, ALABAMA, 1963

Item	Unit	Range	Average
Capital investment			
Land	Dol.	720 to 2,000	1,520
Land improvement and permanent structures	Dol.	2,450 to 15,500	8,863
Buildings	Dol.	100 to 1,500	650
Operating equipment	Dol.	114 to 1,150	421
Merchandise inventory	Dol.	0 to 50	22
Total	Dol.	-----	11,476
Cash income			
Fishing fees	Dol.	1,212 to 11,000	6,278
Boat rentals	Dol.	0 to 375	94
Retail sales	Dol.	0 to 267	142
Total	Dol.	-----	6,514
Cash expenses			
Advertising	Dol.	0 to 10	3
Utilities	Dol.	0 to 160	92
Lake stocking	Dol.	300 to 1,800	1,106
Fertilization and feeding	Dol.	300 to 2,312	1,453
Property tax and license	Dol.	5 to 80	29
Insurance	Dol.	0 to 120	39
Hired labor	Dol.	0 to 1,560	440
Miscellaneous	Dol.	0 to 600	187
Total	Dol.	-----	3,349
Net cash income	Dol.	454 to 6,753	3,165
Depreciation on investment	Dol.	31 to 252	143
Net return to family labor, management and investment	Dol.	423 to 6,543	3,022
Interest on investment @ 4½ %	Dol.	155 to 873	516
Net return to family labor and management	Dol.	268 to 5,699	2,506
Net return to family labor and management per acre of lake	Dol.	30 to 285	134
Average return to family labor, management and investment per dollar invested	Pct.		26.3
Hired and family labor	Day	215 to 516	373

fingerlings for stocking, 33 per cent; hired labor, 13 per cent; and miscellaneous expenses, utilities, insurance, and taxes, 10 per cent.

The average price paid for fingerlings was 5 cents each. Only one operator was successful in reducing this cost by producing his own stock. According to this operator, conditions must be ideal to produce channel catfish fingerlings successfully. Under average operating conditions, therefore, the possibilities for reducing costs by this procedure may be limited.

Depreciation costs averaged \$143, and interest on investment averaged \$516 per enterprise. Major depreciable items included buildings, boats, and machinery. Interest on investment was computed at 4.5 per cent.

Fishing fees charged accounted for approximately 96 per cent of gross returns. Methods for charging fees to patrons differed somewhat from that for bass-bream lakes. Although two operators had a fee of \$1 per day with a limit of three to five fish, charging according to pounds of fish caught was preferred by patrons. Prices for fish ranged from 40 to 50 cents per pound.

Gross cash income to operators of catfish ponds averaged \$6,514, and returns to family labor and management averaged \$2,506. Higher returns to the most successful enterprises were related to exclusive use of family labor and utilization of lower priced feed. Average net return to family labor and management per acre of lake was \$134.

PROBLEMS. Profit limitations of two operators were attributed to high feed costs. Only one operator reported a lack of customers as the limiting factor, whereas another claimed his limitation to the small size of operation. All facilities had one common limiting factor in the relatively short fishing season for catfish. A period of approximately 5 to 6 months duration during the warmer part of the year was the usual season.

Lack of patronage resulted when limitations were placed on the number of fish caught. In this instance, there was a tendency for customers to throw back smaller fish in hopes of catching larger ones. A common belief by patrons that catfish can withstand rough treatment contributed to this problem.

Parasites and diseases of catfish were reported as other problems and sources of risk. Quick action on the part of one operator in detecting and correcting trouble in this respect helped to avert a major fish loss.

DISCUSSION. Reportedly higher returns to catfish pond operators were related to patronage resulting from previous successful fishing enjoyed by patrons. This was consistent with that found to be characteristic of bass-bream fishing lake operations. Returns per acre, in terms of alternative uses for the land involved, were high.

Indications of a stronger demand for this type of recreational service, as compared to that of bass-bream lakes, were reflected in the reported maximum use of three facilities during the peak period of operation.

Promotion by operators was partially responsible for success. To keep fishing at its best, one operator scheduled fishing so that a new pond could be opened for fishing as stock was reduced and the catch decreased in an old pond. Also, another operator attempted to maintain a good fishing reputation by delaying opening of his pond in the spring until the fish began to bite, and ceasing operations in the fall before the fish stopped biting. Consequently, he reported no patronage problems after opening for business in the spring.

Hunting Preserves

Each of the three privately owned hunting preserves studied was located in separate counties of the State. Location in relation to accessibility and highways appeared adequate, although all were situated more than 30 miles from population centers of 25,000 or more.

The hunting preserves had been in operation for an average of 3 years by 1963. Although these enterprises represent relatively new ventures in the State, operators believed they had gained sufficient experience to appraise problems associated with this type of commercial activity. One operator ceased operations in 1964.

OPERATORS. Average age of hunting preserve operators was 43 years. All were high school graduates and two had completed college.

Only one operator reported having previous experience, which may have contributed to his success.

All operators reported receiving help and advice in getting established. Two operators received advice from the Sports-

man's Service Bureau¹, while the other consulted with representatives of the Cooperative Extension Service.

The desire to supplement income was given as the major reason for establishing hunting preserves. Also, all operators had a strong interest in hunting which influenced their decisions. One was encouraged by his previous experience in raising quail commercially.

OPERATIONS. All operators furnished recreational facilities for hunting including overnight accommodations in cottages, cabins, clubhouses, and in one case a colonial home. Regular meals were served by two operators, while cooking facilities were provided by the third. Guides, well-trained dogs, horses, and jeeps were usually available for the convenience of hunters. Adequate facilities were considered available by all operators.

Bobwhite quail and chukar partridge were the principal types of birds available for hunting. Other types of game included deer, dove, and rabbit.

Preserves were usually open from November through March and approximately 70 per cent of the business volume was obtained on weekends.

Restrictions on operating hunting preserves are more stringent than those on other types of recreational enterprises in Alabama. The privilege license or permit fee is \$25 per year for the first 100 acres of hunting preserve area, plus \$5 per year for each additional 100 acres. Alabama hunting licenses are required of all persons hunting on licensed preserves. Also, a special nonresident license of \$10.25 is required of hunters from other states.

Alabama laws govern other aspects of operation. The type of artificially propagated birds that may be stocked and hunted are regulated by law. Bobwhite quail, coturnix quail, pheasants, and chukar partridge are the types usually authorized. A minimum of at least 1,000 bobwhite quail and 200 of the other species, if they are to be hunted, must be released for each 1,000 acres of preserve, per season. A restriction of 80 per cent is imposed on the number of birds that may be killed or taken of those released. The hunting season in Alabama is restricted by law to 6 months, and cannot begin before October 1 nor extend beyond March 31.

¹ The Sportsman's Service Bureau is dedicated to the development and promotion of all shooting sports. It is located at 420 Lexington Avenue, New York, N.Y. 10017.

INVESTMENT, EXPENSES, and INCOME. Extensive land requirements for hunting preserves necessitate high capital investments when the land is owned. However, two operators leased additional acreage. Thus, the average investment of \$50,917 for all operators would have been considerably higher had they owned all land and buildings necessary for operations, Table 6. For example, capital investment for the single owner-operator was more than twice the average for the three.

Overnight accommodations are almost mandatory in this type of business. Average investments in buildings and operating equipment of the three enterprises were \$2,208 and \$2,042, respectively. These averages were probably low because of the procedure used in computing average investment and the leasing of buildings and equipment by two operators.

TABLE 6. AVERAGE INVESTMENT, EXPENSES, AND INCOME OF THREE HUNTING PRESERVES OPERATED IN RURAL AREAS, ALABAMA, 1963

Item	Unit	Range	Average
Capital investment ¹			
Land.....	Dol.	0 to 140,000	46,667
Buildings.....	Dol.	0 to 5,000	2,042
Operating equipment (including dogs).....	Dol.	500 to 6,125	2,208
Total.....	Dol.	-----	50,917
Cash income			
Hunting fees.....	Dol.	1,140 to 20,000	8,797
Merchandise.....	Dol.	0 to 1,200	400
Total.....	Dol.	-----	9,197
Cash expenses			
Advertising.....	Dol.	20 to 400	207
Utilities.....	Dol.	228 to 250	243
Bird stocking.....	Dol.	700 to 5,000	2,400
Property tax and license.....	Dol.	90 to 570	258
Insurance.....	Dol.	70 to 170	120
Hired labor.....	Dol.	1,000 to 3,000	1,733
Dog and horse feed.....	Dol.	0 to 1,500	633
Vet. fees.....	Dol.	0 to 50	17
Land lease.....	Dol.	800 to 1,200	1,033
Total.....	Dol.	-----	6,644
Net cash income.....	Dol.	-998 to 8,240	2,553
Depreciation on investment.....	Dol.	80 to 485	238
Net return to family labor, management and investment.....	Dol.	-1,078 to 7,775	2,315
Interest on investment @ 4½%.....	Dol.	23 to 6,800	2,293
Net return to family labor and management.....	Dol.	-1,101 to 975	22
Average return to family labor, management and investment per dollar invested.....	Pct.		4.5
Hired and family labor.....	Day	390 to 620	472

¹ Average capital investment was low because of leasing of land by two operators and joint use of additional land by another enterprise.

Cash operating expenses ranged from \$3,338 to \$11,760 with an average of \$6,644 per facility. The major items of expense were birds for stocking, hired labor, and leasing charges. More than 36 per cent of cash expenses were for birds, 26 per cent for hired labor, and 16 per cent for leases. The remaining cash expenses included feed, property taxes and licenses, utilities, advertising, insurance, and veterinary fees. Liability insurance costs averaged \$120 per facility. In enterprises where birds were not raised, the purchase price was approximately \$800 per 1,000 quail.

Returns were derived principally from hunting fees. The fee for hunting quail or chukar partridge ranged from \$30 per day for a walking hunt to \$50 per day with dogs, guide, horses, meals, and lodging included. Usual fees were \$30 to \$35 per hunter per day. One operator offered seasonal permits for rabbit, squirrel, and deer for \$25 or a daily hunting charge of \$4 to \$5 depending on the game hunted.

Although cash income in 1963 ranged from \$2,340 to \$20,000 the average was \$9,197. Net returns to family labor and management ranged from a minus \$1,101 to \$975 with an average of \$22.

PROBLEMS. Among the major factors limiting income, cancelled reservations, weather uncertainty, and lack of patronage were listed in order of importance. An important management problem was that of obtaining and retaining adequate guides.

All operators advertised to increase patronage. Printed brochures and direct mail were used extensively by two operators, while newspapers and television were employed by the third. All respondents felt that advertising contributed a great deal to their patronage.

The possibility of shooting accidents was the major liability faced by managers. All operators carried substantial liability insurance coverage to offset this risk, and each felt that adequate coverage was maintained.

DISCUSSION. Late cancellation of reservations and weather uncertainty combined to present a major limitation on income that otherwise might have been realized. One operator's decision to cease operations in 1964 was based primarily upon these problems.

Operators were of the opinion that demand for services of hunting preserves will increase in the future. Nevertheless, there were

reservations as to how the demand would be met. One operator claimed that the answer to this question would be extremely important to him. Efficient management, including high ethical standards, was reported by the most successful operator to be the key to successful operations.

Summer Camps

The three summer camps studied were located primarily in regions of relatively high elevation in the State. Lower mean temperatures provided by higher elevations contributed to the desirability of these locations. Seasonality of operations increased the importance of the locational factor. Scenic beauty associated with each location also contributed to reputation and business during the summer months.

From 28 to 130 acres of land were available for all camp activities. Land used for camps was primarily hilly woodland.

OPERATORS. All three camp operators were college graduates with an average age of 31 years. Operation and management practices reflected a high degree of experience and skill. They seemed to be keenly interested in their work and all were promoting their recreational enterprises.

The main reasons given for starting summer camps were past experience in camping and desire of operators to do this type of work. One operator claimed to have special training in camp operation.

OPERATIONS. Organized summer camps normally operated for a short period during the year. Two sessions of four weeks each, starting in mid-June and ending in mid-August, comprised the major operating season. However, two of the camps catered to clubs and organizations before and after this period, whereas the third catered to organizations exclusively.

The average number of campers accommodated during each period of operation was 120. Facilities at camps visited were adequate for this number.

Various types of outdoor sports and other scheduled activities were used to keep campers busy and interested during their stay. The objectives of program development were to build strong bodies, alert minds, and strengthen character of those in attendance.

Either boys or girls between the ages of 8 and 14 were normally accepted for regular camping periods. Wider age ranges were

permissible when groups or organizations were accommodated.

Advertising was done principally by direct mail, word of mouth, hand outs, and personal contact by operators. Personal contact gave operators an opportunity to meet groups of interested parents and to show films of the activities and general surroundings pertaining to individual camps. Personalities and qualifications of operators to attract patrons were brought into play through personal contact. Operators reported the need for selectivity in picking clientele, and personal contact provided this opportunity.

INVESTMENT, EXPENSES, and INCOME. Average capital invested in the three summer camps was \$58,554, Table 7. Accommodation requirements for large groups of either boys or girls necessitated extensive facilities for well-rounded camp programs.

While land was a minor factor in total capital invested, buildings accounted for 58 per cent of the total. Second in importance

TABLE 7. AVERAGE INVESTMENT, EXPENSES, AND INCOME OF THREE SUMMER CAMPS OPERATED IN RURAL AREAS, ALABAMA, 1963

Item	Unit	Range	Average
Capital investment			
Land.....	Dol.	1,960 to 7,800	5,653
Land improvement and permanent structures.....	Dol.	5,100 to 11,729	8,943
Buildings.....	Dol.	12,000 to 53,500	34,083
Operating equipment and facilities.....	Dol.	2,500 to 15,250	9,875
Total.....	Dol.	-----	58,554
Cash income			
Campers fees.....	Dol.	7,200 to 60,000	39,733
Total.....	Dol.	-----	39,733
Cash expenses			
Advertising.....	Dol.	200 to 1,000	567
Utilities.....	Dol.	480 to 1,428	843
Real estate taxes and insurance.....	Dol.	156 to 2,933	1,146
Liability insurance.....	Dol.	700 to 1,228	1,041
Maintenance and repairs.....	Dol.	0 to 6,429	2,810
Hired labor.....	Dol.	1,000 to 10,000	6,155
Horse leases.....	Dol.	0 to 2,000	667
Food supplies and equipment.....	Dol.	2,000 to 12,905	8,375
Total.....	Dol.	-----	21,604
Net cash income.....	Dol.	2,664 to 32,610	18,130
Depreciation on investment.....	Dol.	1,465 to 5,205	3,887
Net return to family labor, management and investment.....	Dol.	1,199 to 27,620	14,243
Interest on investment @ 4½%.....	Dol.	1,206 to 3,557	2,594
Net return to family labor and management.....	Dol.	-7 to 24,061	11,649
Average return to family labor, management and investment per dollar invested.....	Pct.		24.0
Hired and family labor.....	Day	648 to 2,515	1,857

was operating equipment and facilities that accounted for 17 per cent of the total investment. The remainder was made up of land and permanent land improvements.

Cash expenses were extensive during the main operating period of 8 weeks. Average cash expenses of \$21,603 per facility were reported for 1963. Food, supplies, and equipment were the major items of expense and accounted for 38 per cent of the total. Other items of expense included labor, 28 per cent; maintenance and repairs, 13 per cent; real estate taxes and regular insurance, 5 per cent; and liability insurance and individual camper coverage, 5 per cent. The remainder was composed of utilities, horse leases, and advertising.

Gross cash income was derived from fees charged individual campers or groups. Fees for individual boys or girls for a 4-week period ranged from \$170 to \$250, while individuals in groups averaged paying approximately \$4.25 each per day. Total cash income averaged \$39,733 per facility with returns to family labor and management amounting to an average of \$11,649 per camp.

PROBLEMS. Securing adequate and experienced personnel for a well-rounded program during the relatively short season of operations was reported as a major problem. An average of 33 employees was reported as needed by camps that accommodated 120 youngsters. School teachers, college students, and high school students were utilized in filling part of this requirement.

Vandalism, lack of adequate fire protection, competition, and buildup and maintenance of acceptable clientele were also reported as major problems. Vandalism was especially serious during the off-season, while location contributed to the lack of adequate fire protection. According to operators, activities such as organized baseball, scouting, and other summer programs offered keen competition in maintaining a full complement of campers. Maintenance of discipline among campers was an important concern of operators. It was recognized that the presence of a few undisciplined individuals in a group could disrupt activities.

Major risks confronting operators included diseases, accidents, seasonal business, and fire hazards. Relatively high fire insurance rates were paid. In addition, considerable expense was incurred in maintaining liability insurance.

DISCUSSION. Return to family labor and management for the three camps averaged \$11,649. A negative return in one case was related to the short period of operation. Experienced and

competent management contributed highly to the degree of success realized by the other two. Ability to cope with service and repair problems contributed to the success of one camping operation.

Demand appeared strong as maximum use of facilities prevailed during the summer. However, careful preparation, planning and promotion during the off-season is necessary to ensure operating at capacity during the peak season.

Location in relation to population centers was not considered a critical factor affecting patronage. In fact, more rural and scenic settings were preferred over the more urban ones.

In comparison with camps in other areas of the country, fees for individual campers were much lower in Alabama. For instance, fees in New England states were reported to be up to \$100 per camper higher than for similar facilities and comparable programs in Alabama (5).

The need for experienced camp management and adequate capital for this type venture was evident. Entry into this type of business by farmers is severely limited.

Multiple Recreation Enterprises

In an attempt to meet diversified recreational desires of more people over a longer period of the year, some farmers and other rural residents have turned to multiple recreational enterprises. Some operators have virtually converted farms, or major parts of farms, into rural recreation centers. Recreational facilities of this type are increasing in number as evidenced by several installations that could not be included in the study because of their newness and inadequate data.

The four facilities included in this study were from widely separated counties of the State. Range of location was from a strictly rural setting to that of being close to a large metropolitan center. Nearness to population centers is more critical with this type of enterprise than with others.

Sizes ranged from 11 acres to above 1,000 acres. Recreational services were extensive on the larger facilities. Lake sizes ranged from 7 to above 300 acres. All facilities had lakes as a focal point of recreation.

OPERATORS. Average age of the four operators was approximately 55 years. Educational level ranged from the 10th grade to 4 years of college.

Operators were similar in their enthusiasm and interest in recreation. All agreed that a love of people and a genuine interest in pleasing the public were necessary for success.

All operators were optimistic relative to the demand outlook for recreational services. In fact, all managers reported business to be on the increase and family incomes of all had gone up since establishment of recreational facilities.

OPERATIONS. Recreational services offered included fishing, boating, swimming, hunting, picnicking, golfing, camping, and in one instance, dancing. In offering these many services, management necessarily had long working hours and a restrictive type of job. However, most operators felt that genuine interest in their work compensated for the restrictions.

Three facilities stayed open throughout the year. The other was open from May until September. Hours of operation ranged from daylight until 11 o'clock at night.

In the most rural areas, patronage was concentrated primarily on weekends. On the other hand, the two more urban facilities reported more evenly distributed patronage throughout the week.

INVESTMENT, EXPENSES, and INCOME. Average capital investment ranged from \$17,900 to \$185,575 with an average of \$69,766, Table 8. Value of land comprised 49 per cent of total capital invested while land improvements and permanent structures accounted for 33 per cent. Buildings accounted for 13 per cent of the total.

Cash expenses averaged \$5,701 per facility, labor accounting for 36 per cent of the total. Hired labor, in the case of the largest facility, was \$6,000 per year. Utilities, advertising, and lake expenses accounted for 17, 14, and 14 per cent of total cash expenses, respectively. The remainder was made up of property taxes, licenses, insurance, repairs, and miscellaneous.

Gross cash returns were derived from the sale of nine different recreational services. Fees ranged from 10 cents per person for all day picnicking to \$35 per day for hunting. The major sources of income were from fishing, boating, hunting, concessions, and swimming.

Two facilities were more successful than the others. This may be attributed to their more nearly ideal locations, better management, and better facilities. A factor aiding one of the more successful operators was an artesian well that supplied water in sufficient quantities for the swimming pool. The volume of water

TABLE 8. AVERAGE INVESTMENT, EXPENSES, AND INCOME OF FOUR MULTIPLE TYPE RECREATION ENTERPRISES OPERATED IN RURAL AREAS, ALABAMA, 1963

Item	Unit	Range	Average
Capital investment			
Land.....	Dol.	8,040 to 103,700	34,460
Land improvement and permanent structures.....	Dol.	500 to 50,000	23,125
Buildings.....	Dol.	2,500 to 22,500	9,125
Operating equipment.....	Dol.	0 to 8,950	2,788
Merchandise inventory.....	Dol.	50 to 425	269
Total.....	Dol.	-----	69,766
Cash income			
Fishing.....	Dol.	200 to 19,334	5,633
Motor and boat rentals.....	Dol.	0 to 10,166	2,791
Hunting.....	Dol.	0 to 5,000	1,250
Swimming.....	Dol.	0 to 4,000	1,187
Golfing.....	Dol.	0 to 300	75
Camping and picnicking.....	Dol.	0 to 1,500	895
Cottages.....	Dol.	0 to 1,500	375
Concessions.....	Dol.	300 to 3,600	1,383
Dancing.....	Dol.	0 to 2,500	625
Total.....	Dol.	-----	14,214
Cash expenses			
Advertising.....	Dol.	0 to 3,000	812
Utilities.....	Dol.	120 to 3,253	970
Lake expenses.....	Dol.	0 to 3,100	800
Property tax and license.....	Dol.	59 to 1,648	472
Insurance.....	Dol.	0 to 1,100	275
Hired labor.....	Dol.	600 to 6,000	2,060
Repairs and miscellaneous.....	Dol.	0 to 1,000	312
Total.....	Dol.	-----	5,701
Net cash income.....	Dol.	2,270 to 22,250	8,513
Depreciation on investment.....	Dol.	425 to 3,248	1,182
Net return to family labor, management and investment.....	Dol.	1,845 to 19,002	7,331
Interest on investment @ 4½ %.....	Dol.	806 to 8,351	3,139
Net return to family labor and management.....	Dol.	371 to 10,651	4,192
Average return to family labor, management and investment per dollar invested.....	Pct.		10.0
Hired and family labor.....	Day	677 to 2,525	1,175

supplied was sufficient to preclude the necessity of adding chlorine.

Income of one operator was low because of low rates charged. He claimed that low initial rates were set, and that he was reluctant to change them. The fourth operator indicated that increased real estate values, after lake installation, compensated somewhat for his low returns.

PROBLEMS. Two operators reported lack of patronage to be their major problem, whereas two others were more concerned with weather uncertainty and high labor costs. Operators of the two largest facilities reported difficulties in spreading labor costs

among different types of services offered, as well as the difficulty of matching the labor supply to the seasonality of demand.

Advertising was used extensively by the largest enterprise operator in an attempt to attract patrons. Advertising costs ranged from 0 to \$3,000 annually. The largest facility included hunting as one of its recreational services, which accounted for the relatively large advertising cost. Operators that advertised thought patronage was responsive to promotion. However, favorable comments made by satisfied patrons were considered by all to be the best form of advertising.

Accidents of all kinds were reported as a major source of risk. However, only one operator had liability insurance. Three operators indicated that premiums were too high, consequently liability coverage was not maintained.

DISCUSSION. Nearness to potential customers was an obvious asset. The two most successful facilities were located close to population centers, whereas the other two were more rurally located. Because of short visits by patrons, for such activities as swimming and picnicking, it was especially important for this type of facility to be located near the consuming public. In relation to size, the largest and smallest multiple recreation enterprises were more successful than intermediate ones. Possibilities for development of ideally located farms into this type of recreational enterprise are limited.

Riding Stables

One riding stable was included in this study. It had been in continuous operation since 1950 and was located on a paved country road near a large metropolitan center. The location included scenic mountainous areas and lakeside views.

The enterprise was developed from a former dairy farm. It utilized 125 acres of the farm, 25 acres being in lakes and the remainder in woodland and pasture, including riding trails.

OPERATOR. Although the operator was past retirement age, he enjoyed staying busy managing the enterprise. His love for horses furnished much of the incentive necessary for entering this business. He was interested in people, and his business afforded him an opportunity to meet the public daily.

OPERATIONS. Forty-five horses and ponies were maintained to furnish riding 7 days per week throughout the year. A dairy barn had been converted into a snack bar and concession-type build-

ing. This served as a focal point for all activities including occasional dances and parties. Lakes were maintained both for the purpose of providing better scenery for riders along the trails and fee fishing.

Word of mouth advertising was used exclusively. The absence of roadside signs to aid patrons in locating the facility was evident.

Although the operator was not anxious to increase the size of his operation, he stated that he would borrow money at a low rate of interest, if available, for further improvements.

INVESTMENT, EXPENSES, and INCOME. Land improvements and permanent structures accounted for 54 per cent, land 27 per cent, buildings 11 per cent, and operating equipment 6 per cent of the total investment. Riding trails and construction of lakes were the major land improvement items.

Hired labor was almost 62 per cent of cash costs, while utilities were second as a major expense item. Other expenses included horse feed, lake fertilizer, property taxes, and licenses.

About 58 per cent of all receipts were derived from riding fees, while 29 per cent came from sale of fishing privileges. Concession sales accounted for the remainder.

Fees charged for recreational services included \$2 per hour for riding and \$1 per day for fishing.

PROBLEMS. Management problems consisted primarily of obtaining competent help, high labor costs, and trespassing. Competent help was reportedly difficult to secure and retain. The high cost of labor was reported as the major limiting factor in realizing greater profit.

Although no liability insurance was maintained, major risks associated with riding and fishing were present. The high cost of adequate coverage was reported as the reason for not having this type of insurance.

Minor problems were reported in connection with patronage. More specifically, patrons had to wait in line for riding during periods of most active business. This occurred on weekends when 70 per cent of all patronage occurred. A more even demand throughout the week would have provided better use of resources.

DISCUSSION. Although the major portion of returns was derived from riding fees, returns to family labor and management would have been negative without income from fishing fees.

Analysis of facility location revealed the possibility of increased income through greater promotion. However, if adequate liability insurance had been maintained, net returns would have been reduced considerably.

Golf Courses

The only golf course operation as a rural facility in the State was included in this study. Farmers have refrained from converting their resources to this use for several reasons. First, lack of knowledge and second, costs of developing necessary installations are relatively high.

The nine-hole golf course studied was formerly an 82 acre farm with a strictly rural setting. It was located on an unpaved road 5 miles from the nearest town. However, population centers of 25,000 to more than 100,000 were within a radius of 25 miles.

OPERATOR. A good personality and a love of people were strong attributes of the operator. A high level of optimism was exhibited by his willingness to expand operations if money were available at a low rate of interest. In addition, the operator reported if the facility were to be rebuilt an additional nine holes would be added.

Factors influencing the operator to enter this business included a love of the game of golf, and the potential foreseen for the club-type course.

OPERATIONS. The facility remained open 7 days a week throughout the year. However, March through September was the season of most active business. During this period weekend operations often reached peak capacity. Thus, patronage was divided very unevenly during the week. Only 10 per cent of the business was reported during the week, whereas 90 per cent was reported for weekends.

Eight people were needed to operate the course from March through September, and only four were required for the other 5 months. Lower maintenance requirements were cited as the primary reason for the difference in personnel needed.

Golfing supplies including clubs, balls, golf carts, and other related equipment were available for rent. In addition, food and drinks, including full dinners, were available at the clubhouse.

Good management practices followed by the operator included the maintenance of complete records, liability insurance coverage, and personal promotion and advertising.

INVESTMENT, EXPENSES, and INCOME. Land improvements in the form of golf greens and other course improvements amounted to more than 60 per cent of total investment. In order of importance land, buildings, operating equipment, and merchandise inventory completed the investment.

Hired labor was the principal item of cash expense, amounting to 36 per cent of the total. Rebuilding of golf greens was second in importance, amounting to 29 per cent, and general repairs was third with 22 per cent of total expenses. Fertilizers and fungicides were also sizeable expense items.

Gross cash income was derived principally from golfing fees paid. Fees for playing included \$1.00 for nine holes, \$1.60 for 18 holes, and \$2.00 for playing all day. Equipment rentals included 35 cents for use of golf carts and 50 cents for use of golf clubs.

PROBLEMS. The major problem was the inability to secure and retain competent help. Trained green keepers were necessary, but were reportedly few and hard to find. The operator claimed that keeping greens in good condition was a prerequisite for any degree of success.

Repair of equipment was reported as another management problem. Equipment for grass maintenance had to be kept in top condition, requiring constant service and repair. Other problems of lesser importance included vandalism, trespassing, and weather uncertainty.

DISCUSSION. Operation of the golf course appeared to be a successful recreational enterprise. Although competition was present in the form of at least four golf courses within 25 miles, this rural course still attracted considerable patronage.

Among factors contributing to success was that the course was well drained. Several competing courses in the area reportedly experienced drainage problems following heavy rains. Other success factors included the personality attributes of the operator and the qualities of management that were evident.

The operator was optimistic concerning business outlook for the enterprise. He estimated a 25 per cent increase in business in 1963 over 1962 and expected this rate of increase to continue.

GUIDELINES

Generalizations and guidelines can be drawn from the experiences of operators included in this and related studies that should contribute toward future success of recreational enterprises.

Management

Personal qualifications of managers are extremely important to the success of all types of recreational enterprises. First, a person should consider his own likes and dislikes since enjoyment of work contributes toward success. Second, a person should test his attitude toward people and his knowledge regarding the enterprises concerned by asking himself the following questions: Am I friendly? Do I feel at ease in meeting people? Do I have a love for people? What do I know about the enterprise? Do I understand the liability risk involved? Am I willing to spend long hours at this type work?

Management practices followed are directly related to success. Also, the manager must be willing to expand or adjust his operations to meet future demand. It was evident that quality services must be offered. For instance, fishing lakes and ponds necessarily have to be well stocked and managed properly to provide fishing to attract fishermen. This calls for proper fertilization, along with feeding in the case of catfish, to maintain proper "balance," ensure adequate food for fish, and help control undesirable plant growth.

High ethical standards contribute to success. Anything less tends to be detrimental to both the enterprise and recreational industry. Recommendations by patrons should be considered in taking steps to improve patronage.

Management must be aware of the liability involved in operating a recreational enterprise. Adequate insurance coverage for people that pay a fee for recreational services is a management responsibility. Regular farm liability insurance in Alabama is not adequate. An operator should check with his property-insurance agent to determine amount of coverage needed. Because of the many combinations of activities involved, insurance rates are based on risks present (8). High insurance premiums may restrict the number of recreational services offered.

Experienced management is necessary for certain types of recreational enterprises. For instance, organized summer camps require relatively high levels of management training and experience. Also, experience in operating hunting preserves may require certain technical and management skills, especially if propagation of birds is involved. Before investing money in recrea-

tional enterprises, one should visit many facilities of the type under consideration.

Management must be familiar with state and Federal laws applicable to recreational enterprises. This pertains especially to operating hunting preserves. Likewise, in many areas, regulations pertaining to safe water supply and sanitation are in effect.

Management must recognize the importance of advertising and personal promotion. For all types of enterprises, however, the most effective advertising was reported to be satisfied customers who would return and who would encourage others to come.

Management must maintain adequate records to determine financial success, as well as for making intelligent management decisions and meeting legal requirements. In general, managers interviewed in this study were lacking in this regard.

Demand Analysis

In contemplating entry into a recreational business, potential demand for services must be evaluated. Multiple recreational facilities, golf courses, and riding stables tend to be even more sensitive to number and nearness of potential customers than are fishing lakes. This difference is related to length of time per visit for fishing as compared with other activities mentioned. Summer camps and hunting preserves may also be located relatively longer distances from population centers.

The overall demand for recreation in an area should be evaluated. Although various studies have shown that demand will continue to increase for outdoor recreational services nation-wide, local demand is more pertinent in making decisions regarding commitment of resources to recreational enterprises. Level of income, amount of leisure time, and major characteristics of potential customers will greatly influence financial success.

Consideration must be given to the number of competitive enterprises within the area. Saturation of the market will decrease the chances for success, although the enterprise being considered might complement existing enterprises which should be considered. Several operators in this study were concerned regarding the competitiveness of operations developed as a by-product of public utility dams, while not visualizing opportunities for complementary enterprises.

Resource Analysis

Resource analysis should precede development of recreational enterprises. This includes both internal and external resources available to the operator.

Farmers and other prospective operators should know their capital position. Although financial help may be available, type of credit offered may not be suitable. For multiple recreational facilities, hunting preserves, and summer camps, capital requirements were relatively high. Most operators recommended ownership of adequate capital before venturing into the business, although 14, or 25 per cent of the same operators first borrowed some capital.

Adequate land resources must be available for the enterprise in question. Minimum land requirements for hunting preserves, multiple recreational facilities, and other large scale recreational enterprises are extensive. Evaluation of the general land characteristics should indicate relatively low cost development of the facility. Topography of the land and general surroundings will add or detract from the proposed installation. Topography and type of subsoil are important in locating fishing lakes or ponds. Cost of construction may be greatly reduced if surface features are used to the best advantage. Therefore, Soil Conservation Service or Cooperative Extension Service specialists should be contacted for advice in selecting sites.

Water has been recognized as a focal point of most outdoor recreation. In considering the recreational enterprise that is completely water oriented, there must be an adequate water supply. Springs, streams, wells, and other sources of water must be considered as to adequacy for the proposed facility.

Accessibility is important since facilities should be reasonably easy to reach. The greater the difficulty encountered in reaching a facility, the less patronage that may be expected. Therefore, all-weather roads and direction signs are especially needed when the facility is located off the "beaten path."

Family labor available is an important factor in considering recreational enterprises. In the case of fishing lakes, the more successful operations utilized family labor almost exclusively. Use of labor in the enterprise should be complementary with other jobs to be done on the farm. One lake operator reported that competitive labor conditions caused him to cease his fishing

operations during farm harvest. Labor requirements for various farm enterprises may be high, and seasonal requirements should be evaluated.

Operator's Recommendations

In addition to the preceding general guidelines for consideration and operation of recreational facilities, specific factors recommended by operators are given in Table 9. The degree of importance of each recommendation is indicated by the use of asterisks.

SUMMARY AND CONCLUSIONS

Operators of 55 recreational enterprises from 22 selected Alabama counties were interviewed to obtain information on the economic and related characteristics of enterprises. Information obtained on the characteristics of the enterprises included nature of operations, problems, capital investment, expenses, returns, and other factors relating to success or failure.

Approximately 33 per cent of all operations were failing to realize a return to family labor and management. Of the 37 enterprises getting some net returns, about 41 per cent were making less than \$500 annually, while approximately 32 per cent were making from \$501 to \$2,000. Twenty-seven per cent of these operators were making above \$2,000, Appendix Table 2. The major limiting factor in realizing greater returns among all enterprises was lack of patronage.

Returns per acre of lake averaged \$13 for bass-bream fishing lakes and about \$134 for catfish lakes. Returns to family labor, management, and investment per dollar invested averaged 4.5 per cent for hunting preserves, as compared with 26.3 per cent for catfish lakes. This represented the high and low average for all enterprises.

Average investment among all enterprises ranged from \$11,359 for bass-bream fishing lakes to \$69,766 for multiple recreational enterprises, Appendix Table 3. With the exception of the smaller fishing lakes and enterprises employing land leases, capital outlay was relatively high.

About 62 per cent of all enterprises were operated in conjunction with farms. The majority of all fishing lakes and ponds were operated in this manner, whereas the more extensive operations were not, namely, summer camps, multiple recreational enter-

TABLE 9. FACTORS OF IMPORTANCE RECOMMENDED BY MANAGERS OF CERTAIN RECREATIONAL ENTERPRISES

Recommendations	Bass- bream fishing lakes	Catfish ponds	Hunting preserves	Summer camps	Multiple recrea- tion en- terprises	Riding stables	Golf courses
1. Operators should be hard workers, good managers, and enjoy working with people.....	o 1	o	o	o	o	o	o
2. Secure competent help and advice in planning, establishing, and maintaining of adequate size, quality facilities. (The Extension Service, Soil Conservation Service, and Sportsman's Service Bureau are sources of excellent advice and help.).....	o	o	o	o	o	o	o
3. Promote facility through personal contact, advertisement, and attractive roadside direction signs.....	o	o	o	o	o	o	o
4. Maintain adequate liability insurance protection. (This will vary according to the type of facility operated.).....	o	o	o	o	o	o	o
5. Follow current recommendations on stocking, fertilizing, and feeding of fish. (Information available through county extension personnel.).....	o o 2	o o			o		
6. Maintain boats, bait, drinks, picnic tables, barbecue pits, and other facilities to attract more patrons.....	o	o			o		
7. Locate facility relatively close to a population center.....	o	o			o o	o o	o o
8. Exhibit a pleasing personality that will help attract patronage and clientele.....	o	o	o	o o	o	o	o

TABLE 9. FACTORS OF IMPORTANCE RECOMMENDED BY MANAGERS OF CERTAIN RECREATIONAL ENTERPRISES (Continued)

Recommendations	Bass-bream fishing lakes	Catfish ponds	Hunting preserves	Summer camps	Multiple recreation enterprises	Riding stables	Golf courses
9. Construct several small ponds so that quality of fishing can be controlled by opening and closing of ponds.....		*					
10. Be ethical in dealing with patrons.....	*	*	**	*	*	*	*
11. Be able to get qualified help. (Counselors, green keepers, etc.)			*	**	*		**
12. Secure training and experience before attempting such an operation.....				*			
13. Possess an adequate water supply for water-oriented types of recreation.....	**	**			*		
14. Maintain adequate facilities for a well rounded program that will attract boys and girls from other interest.....				**			
15. Be able to cope with diseases and insects of grass.....							*
16. Be especially watchful for parasites and diseases of fish.		*					
17. Allow for at least three feet of water at lake edges to provide adequate bank fishing and help eliminate plant growth.....	*	*			*		
18. Have adequate dams and drainage facilities installed by experienced personnel.....	*	*			*		
19. Maintain golfing greens in top condition.....							**

¹ * Important
² ** Very Important

prises, and hunting preserves. Complementary aspects of the fishing lake enterprise and farming were more pronounced than for other enterprises.

Operators claimed the major factor that influenced their decision to initiate recreational activities as a business was a desire to supplement income. Prior experience in operating similar businesses was claimed by only 9 operators, three of whom were operators of summer camps.

For most enterprises about 34 per cent of the facilities were used to capacity during the peak quarter of the year, April through June. Seasonality of demand was one of the primary problems encountered by management. Weather uncertainty also was tied closely to this problem.

With the exception of summer camps and hunting preserves, the principal method of advertising by operators was word of mouth. In spite of a reported lack of customers, roadside signs and direction markers were scarcely used.

Location of enterprises was an important factor in determining patronage; however, such other factors as quality of facilities, personality of operators, and personal promotion were found to be extremely important. These helped increase the number of satisfied customers and return patronage. Nearness to population centers was more critical to the short-visit type of recreational enterprises such as multiple recreational facilities. Approximately three-fourths of all recreational enterprises were located within 1 mile of paved or hard surfaced roads.

Better management practices were apparent on the part of the more successful operators. Maintenance of facilities, records, liability insurance coverage, and personal promotion by operators were characteristic of the more successful enterprises. Only 38 per cent of the operators maintained liability insurance coverage on patrons, and many of these policies did not provide complete coverage.

Successful operation of recreational facilities is dependent upon use of guidelines in evaluating enterprise possibilities and subsequent use of such guidelines which include:

MANAGEMENT. (1) Evaluate all operator qualifications and attributes prior to entry into the business; (2) pattern management practices toward producing quality facilities; (3) be cognizant of laws, regulations, and risks pertaining to the enterprise; and, (4) gain experience in advance on certain enterprise operations.

DEMAND. (1) Evaluate potential customer situation, (2) patron participation possibilities for the particular recreational service, and (3) competition within the area.

RESOURCES. (1) Operators should be aware of their capital position; (2) adequate resources in land acreage should be available that indicate low cost development; (3) general site characteristics should be acceptable; (4) adequate water supply should be available; (5) facilities should be accessible; and, (6) adequate labor should be available.

OPERATIONAL. (1) All efforts should be directed toward providing the patron with the best recreational services at the lowest possible cost in return for the fees paid.

Marketing of rural outdoor recreational services in Alabama is no "get-rich-quick" scheme. Relatively high capital investment, high cost of operation, long hours of work, and a long waiting period for returns are factors normally associated with these types of enterprises. However, there are bright spots as shown by the number of successful operations in the State.

Modest incomes may be possible to a very limited number of prospective operators of certain recreational facilities. However, factors must be favorable before committing resources to such ventures. Also, operators must possess a desire to furnish the public quality services.

APPENDIX

APPENDIX TABLE 1. AVERAGE INVESTMENT, INCOME, AND EXPENSES ON 39 BASS-BREAM LAKES BY LAKE SIZE, ALABAMA, 1963

Item	Size of lake					
	15 Small ¹		10 Medium ²		14 Large ³	
	Range	Average	Range	Average	Range	Average
	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Average capital invested..	1,950 to 7,575	3,974	4,160 to 16,543	9,870	5,500 to 48,850	20,336
Cash income.....	100 to 2,600	571	400 to 2,850	1,823	300 to 6,850	3,058
Cash expenses.....	8 to 600	227	219 to 1,583	656	8 to 4,100	1,338
Net cash income.....	-130 to 2,028	344	176 to 2,275	1,167	230 to 3,533	1,720
Depreciation on investment.....	0 to 76	16	0 to 262	108	0 to 733	199
Net return to family labor, management and investment.....	-150 to 1,952	328	116 to 2,195	1,059	230 to 3,381	1,521
Interest on investment @ 4½ %.....	88 to 341	179	187 to 615	444	247 to 2,198	915
Net return to family labor and management	-474 to 1,753	149	-242 to 2,008	615	-515 to 2,314	606
Average returns per acre to family labor and management		13		28		10

¹ Range in size from 5 to 15 acres with an average of 11.5 acres.

² Range in size from 16 to 30 acres with an average of 22.3 acres.

³ Range in size from 31 to 145 acres with an average of 64.1 acres.

APPENDIX TABLE 2. RANGE OF NET RETURNS TO FAMILY LABOR AND MANAGEMENT FOR 55 RECREATIONAL ENTERPRISES BY KIND OF ENTERPRISE, ALABAMA, 1963

Kind of enterprise	Opera- tors inter- viewed	Loss	Ranges in net returns					
			\$0 to \$500	\$501 to \$1,000	\$1,001 to \$2,000	\$2,001 to \$4,000	\$4,001 to \$8,000	\$8,000 and above
	No.	No.	No.	No.	No.	No.	No.	
Regular fishing lake.....	39	16	11	4	5	3		
Catfish ponds.....	4		1	1		1		
Hunting preserves..	3	1	1	1				
Summer camps.....	3	1					2	
Multiple recreation.....	4		2			1	1	
Total.....	53	18	15	6	5	4	3	

APPENDIX TABLE 3. SUMMARY OF ECONOMIC DATA FOR TYPES OF RECREATIONAL ENTERPRISES SURVEYED, ALABAMA, 1963

Enterprise	No. of cases	Annual operator and family labor		Average capital investment		Total annual income		Annual cash expenses		Returns ¹	
		Average	Range	Average	Range	Average	Range	Average	Range	Average	Range
	<i>No.</i>	<i>Days</i>	<i>Days</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Bass-bream fishing lakes	39	201	8-420	11,359	1,950-48,850	1,785	100-6,850	736	8-4,100	433	-515-2,314
Catfish ponds	4	373	215-516	11,476	3,434-19,410	6,514	1,479-11,000	3,349	644-6,385	2,506	268-5,699
Hunting preserves	3	472	390-620	50,917	500-151,125	9,197	2,340-20,000	6,644	3,338-11,760	22	-1,101-975
Summer camps	3	1,857	648-2,515	58,554	26,800-79,064	39,733	7,200-60,000	21,603	4,536-32,883	11,649	-7-24,601
Multiple rec. ent.	4	1,175	677-2,525	69,766	17,900-185,575	14,214	4,631-41,350	5,701	910-19,100	4,192	371-10,651

¹ Returns to family labor and management.

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